

MINUTES OF REGULAR MEETING OF  
BOARD OF DIRECTORS  
OF THE  
**SLEEPY HOLLOW FIRE PROTECTION DISTRICT**

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August 15, 2013

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A Regular Meeting of the Board of Directors of the Sleepy Hollow Fire Protection District was convened at 2:10 p.m. on August 15, 2013 at 1317 Butterfield Road, San Anselmo, California. A quorum was achieved by the presence of each of the three Directors of the District, namely, Frank Berto, Thomas Finn and Richard Shortall. Director Berto presided as Chairman and called the meeting to order. Thomas Finn, as Secretary, recorded the proceedings.

Open Time for Public Input

The Board welcomed District resident Joseph Descala to the Meeting.

Director Finn stated that on June 13, 2013, Mr. Descala submitted to the District a request to agendaize at the Board's next meeting a discussion regarding a proposed District newsletter (the Newsletter Proposal). Director Finn stated that he recently notified Mr. Descala that a discussion of the preparation of the District's "annual report" was already agendaized as Item 9(v) on the Notice of Regular Meeting furnished to Mr. Descala, and that Director Finn believed that the "annual report" agenda item would differ from a discussion of the Newsletter Proposal.

Director Finn stated that he had apologized via e-mail to Mr. Descala for neglecting to separately agendaize the Newsletter Proposal but offered to explore agendaizing the Proposal for purposes of a future Special Meeting. Director Finn stated that, as an alternative to a future Special Meeting and in the interest of time, he had invited Mr. Descala to present the Proposal during Open Time at today's Regular Meeting. Mr. Descala accepted and thanked the Board for the opportunity to do so.

Mr. Descala proposed that the District create and publish a newsletter that "broadly covers" issues pertaining to the interests of the District and its residents. Mr. Descala stated that such a newsletter could be informational in nature, as opposed to a "political communication" such as the "News and Notes from Supervisor Katie Rice" column that has appeared in recent editions of the *Sleepy Hollow Bulletin*.

Mr. Descala stated that because “additional taxes will be paid by residents”, such a newsletter coming from a tax-funded Fire Protection District would be appropriate. Mr. Descala stated that he was referring to the Marin Emergency Radio Authority’s (MERA) pending proposal to collect a parcel tax or utilize a general obligation bond to finance the modernization of MERA’s aging emergency communications system.

Chairman Berto stated if the Proposal’s main purpose was to provide an alternative to Supervisor Rice’s column, then he believed that such a newsletter “doesn’t really have to do with the District”.

Director Shortall thanked Mr. Descala for the Proposal and his input. Director Shortall noted that he serves as the Ross Valley Fire Department’s (RVFD) representative on the MERA Governing Board and is familiar with MERA’s current 911 system (the System) and its limitations. He said that, having been launched in 1998, the System had reached the end of its “useful life”, that its capacity is not capable of being expanded, and that it is not possible to “Band-Aid” the System “for the next 25 years.”

Mr. Descala said that he had reviewed MERA’s earlier “missteps” in connection with the System, including spare parts and obsolescence issues.

Director Shortall stated that MERA’s plan is to replace the equipment on the System’s base station radio and receiver tower sites in addition to the System’s mobile units.

Mr. Descala said that “the old system was junk from the outset” and that “better qualified people are needed now” to properly operate the System.

Director Shortall invited Mr. Descala to attend MERA’s governance meetings, which Director Shortall noted are open to the public.

Mr. Descala said that “the Board of Supervisors made the same argument about the County’s SAP system”, that “MERA should try not to repeat throwing money away,” and that “parts management is crucial.”

Director Shortall stated that he is “confident in the people who are working on it [the System] now” and that he is “paying close attention personally” to the modernization process.

Mr. Descala stated that “the contract is key” to avoiding costly mistakes.

Chairman Berto thanked Mr. Descala but stated that the Proposal, as an Open Time item, could not be acted upon by the District at this time. He invited Mr. Descala to

further develop the Proposal and to present it to the Board as an agenda item at a future meeting if he so desired. Mr. Descala said that he would be pleased to do so.

### Agenda Sequence Change

Chairman Berto noted that other matters which Mr. Descala said he had come to the Meeting to discuss -- including the Clubhouse Project and District financial and operations reports-- were not scheduled to be considered until later in the Meeting's Agenda. As there were no other members of the public present at the Meeting, Chairman Berto requested that, for the convenience of Mr. Descala, the Clubhouse Project and other agenda items be taken up out of the sequence so that Mr. Descala would not be required to sit through the remainder of the Agenda before those matters could be considered. Directors Finn and Shortall concurred, and Mr. Descala thanked the Board for accommodating him.

### Approval of Prior Meeting Minutes

The Minutes of the Board's June 13, 2013 Regular Meeting were unanimously approved subject to re-printing the final page which page was inadvertently omitted from some copies presented to the Board and Mr. Descala. The Board directed Secretary Finn to timely file and maintain the complete copy of the approved Minutes in accordance with prior practice.

### Approval and Execution of Fire Break Project Funding Agreement

Director Finn presented to the Board for review and approval a Fire Break Project Funding Agreement (the Agreement) between the District and Youth2Work (Y2W), a local nonprofit public benefit corporation. He noted that, by motion passed at the Board's June 13, 2013 Regular Meeting, Director Finn had been directed to instruct the District's counsel to proceed with the preparation of the Agreement and authorized the Board to enter into the Agreement provided that it meets with the parties' and their respective counsel's approval. Director Finn stated that the Agreement does so.

Director Finn then reviewed for the Board the Agreement's main terms and conditions, including allocation of the start-up grant to equipment purchases (\$9,725.75) and training program costs (\$4,840.00), as well as the customary terms and conditions to which the funding is subject, such as insurance, indemnification, reporting requirements, audits, legal compliance, dispute resolution, etc.

Following extensive discussion of the Agreement among Board members, the Board unanimously found the Agreement to be in the best interests of the District and authorized and directed Chairman Berto and/or Secretary Finn to execute and deliver

the Agreement and the District's check disbursing the grant funds to Y2W, and to file and maintain a copy of the Agreement in accordance with prior practice.

Mr. Descala requested that he be provided with a copy of the Agreement once executed, and Secretary Finn stated that he would do so.

### Re-Election of Director Shortall

Secretary Finn reported that Director Shortall has been re-elected to the Board in the November 5, 2013 Uniform District Election. Other than Director Shortall, no registered voter in the District filed papers seeking the seat and therefore Director Shortall is declared the winner without the need for an election. Director Shortall was then sworn in to his new term, which expires in November 2017. President Berto administered the oath of office to Director Shortall and offered to him the Board's congratulations.

### Fire Pumps Program Update

Director Finn reported that efforts were underway to arrange to deploy the District's five remaining fire pumps. He stated that all proposed deployments would be considered using the same factors to prioritize participants, namely, residents whose homes are located adjacent to the Wildland-Urban Interface (WUI), have swimming pools, and are willing both to participate in a training exercise and to execute the District's standard release agreement. Director Finn reported that four more residents have expressed their strong interest in participating and one resident is currently considering participating, and that would complete deployment of the District's pumps.

Director Finn stated that ongoing pump maintenance was currently being performed by RVFD Engineer-Paramedic Aaron Read and that Mr. Read was coordinating efforts to select a training date acceptable to the RVFD and the prospective participants. Director Finn agreed to report back to the Board as circumstances warrant.

Mr. Descala expressed his interest in participating in the pumps program, if appropriate.

### Financial and Operations Reports

Treasurer Shortall presented to the Board (i) District Balance Sheets as of both FYE2012-13 and August 15, 2013, together with a Year-to-Date summary of budget progress and a proposed budget revision; (ii) a District Profit and Loss detail for the period from July 1 through August 15, 2013, together with data for July 2012 through

June 2013 for comparison purposes, and (iii) various warrants for the payment of normal District expenses.

Treasurer Shortall explained that the revised budget proposes to make provisions to accommodate certain prospective District expenditures, including the Y2W Agreement grant funds, RVFD training grants, and possible participation in the Clubhouse Project. Treasurer Shortall stated that, among other changes, this would entail revising the allocations of certain of the District's financial reserves by re-designating the \$2 million Fire House Reserve as a Public Safety Building reserve, re-balancing the reserve amounts, and modifying their designations accordingly.

The Board reviewed and unanimously approved the financial reports, warrants, and budget update presented. Upon motion made by Director Finn and seconded by Chairman Berto, the Board unanimously approved and authorized the implementation of the proposed revisions to the budget and adjustment of the reserves.

#### Possible Clubhouse Rebuild/Co-Location Opportunity

Directors Finn and Shortall reported on their subcommittee activities in connection with exploring the District's possible participation in the Clubhouse Project. The Directors reported that their research was ongoing and that they had divided the research topics among themselves, worked independently, and established as their the objective combining their preliminary findings and recommendations in a joint report to the Board and District residents sometime in the coming months.

Director Finn stated that both he and Director Shortall have continued to emphasize to the SHHA, the Sleepy Hollow Charitable Foundation (SHCF), and District residents that the District's participation in the Project, if any, would be subject to legal clearance from the District's counsel, substantial public input from District residents, and the execution of appropriate definitive agreements.

Director Shortall stated that the feasibility of a rebuilt Clubhouse for use as a public shelter and related public functions would be vital to maintaining disaster preparedness, disaster recovery, and fire safety capabilities within the District. He stated that the District could use the Clubhouse as a headquarters and as an emergency equipment storage facility, disaster shelter, disaster recovery center, and fire safety facility in the event of a public emergency.

Director Shortall said that meetings were presently being held among the SHHA, SHCF, and stakeholder groups to review preliminary plans provided by the Project architect. He stated that the time was right for the District to explore how the Clubhouse might be redesigned and reconstructed in a way so as to facilitate its joint use by the District. Chairman Berto and Director Finn each concurred.

Director Shortall proposed that the Board authorize the District to work directly with the SHHA and/or the SHCF to determine whether and how the Clubhouse might be redesigned to facilitate such joint use. He stated that continuing site planning and design services are, and would be, required to ensure that the District's objectives are accommodated. He added that that the cost to the District of engaging professionals to provide such services would likely be substantial.

Director Finn proposed that, in lieu of engaging professional advisors, the District should seek to contract with the SHHA to ensure that the District "has a seat at the table". He said that the SHHA could serve as the District's "conduit to the Project architect" regarding feasibility and design and construction matters.

Director Finn asked Chairman Berto and Director Shortall to estimate the cost of engaging such professionals. Director Shortall replied that the amount could "run in the tens of thousands" given that the SHHA has estimated the Project's total fees for planning and design would be "in the low six-figures". Director Shortall proposed that the District allocate up to \$75,000 to procure such services, whether provided by separate professionals and/or by the SHHA. Chairman Berto concurred.

The Board reviewed and discussed the alternatives and unanimously agreed that the District should seek to engage the SHHA to provide such feasibility and related services rather than having the District hire its own outside professionals. The Board further agreed that it would be prudent to limit the District's commitment for feasibility and related services to \$25,000 pending further Project developments.

Upon motion made and seconded, the Board unanimously agreed and did, subject to approval by the District's counsel, (i) authorize the District to procure, if possible, the services of the SHHA and/or SHCF as described above, (ii) direct Director Finn to instruct counsel to proceed with preparation of such an agreement to include certain terms and conditions with respect to the SHHA and/or SHCF's eligibility to receive funding, the return of any funds upon the agreement's termination, and customary provisions regarding insurance, indemnification, reporting requirements, audits, legal compliance, dispute resolution, etc., and (iii) authorize the Board to enter into such an agreement with the SHHA and/or SHCF, as appropriate, provided that it meets with the parties' and their respective counsel's approval.

### RVFD Matters

Director Shortall reported on various RVFD matters, including the upcoming retirement of Chief Roger Meagor and the District's participation in the selection process for the his successor. Director Finn agreed to serve as Director Shortall's alternate on the selection committee.

### Strategic Plan

Director Shortall requested that the Board consider updating the District's current (2010-2015) Strategic Plan from time to time as needed. He stated that he would be willing to facilitate doing so and would perform a review before year end.

### Annual Report

The Board deferred the publication of an annual report pending receipt of Mr. Descala's Newsletter Proposal at a future meeting. Mr. Descala stated that if the Board should choose to issue an annual report in the interim, then a notice should be placed in the *Sleepy Hollow Bulletin* referring readers to the District's annual report, including any proposed terms and conditions to which the District's possible participation in the Project would be subject.

### Next Meeting

It was tentatively agreed that the next Regular Meeting of the Board shall be held on November 28, 2013.

Since there was no further business to come before the Meeting, upon motion made and seconded, the Meeting was adjourned at 3:15 p.m. in memory of Frances Berto.

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Thomas J. Finn, Secretary

## **FIRE BREAK PROJECT FUNDING AGREEMENT**

This **FIRE BREAK PROJECT FUNDING AGREEMENT** (this “Agreement”) dated as of August \_\_, 2013 (the “Effective Date”) is entered into by and between the **SLEEPY HOLLOW FIRE PROTECTION DISTRICT**, an autonomous special district of the State of California (the “District”), and **YOUTH2WORK**, a California nonprofit public benefit corporation (“Y2W”). The District and Y2W are each referred to individually as a “Party” and together as the “Parties” to this Agreement.

### **RECITALS**

**A. WHEREAS**, the District has the authority under California law to provide fire protection, emergency medical, and related services within its jurisdiction.

**B. WHEREAS**, the District has determined that it is in the best interest of the District and its residents to fund certain qualified projects deemed by the District’s Board of Directors (the “District Board”) to provide a public benefit for the District and its residents in the promotion of the District’s statutory purposes.

**C. WHEREAS**, vegetation management and access for emergency vehicles are key components of maintaining fire safety within the District’s boundaries.

**D. WHEREAS**, Y2W is California nonprofit public benefit corporation, formed for purposes that include performing brush removal and vegetation management in connection with the creation and maintenance of strips of cleared or plowed land intended and used to stop the spread of a fire (collectively, “Fire Breaks”).

**E. WHEREAS**, the District wishes to fund, in the amount of set forth in Section 5 of this Agreement (the “Fire Break Funding”), the creation and maintenance of Fire Breaks on public property within the District’s jurisdiction as described in Exhibit A attached hereto (the “Project”).



**F. WHEREAS,** Y2W wishes to perform the Project work as the recipient of the Fire Break Funding, in accordance with the terms and conditions of this Agreement.

**G. WHEREAS,** on June 13, 2013, the District Board, by motion seconded and approved by all Board members present, authorized the District to enter into an agreement to provide Fire Break Funding to support performance of the Project work by Y2W.

**NOW, THEREFORE,** in consideration of the mutual covenants and consideration contained herein, the sufficiency and adequacy of which are hereby acknowledged, the District and Y2W hereby agree as follows:

## **AGREEMENT**

### **1. Y2W's ELIGIBILITY**

The District's award of the Fire Break Funding is expressly conditioned upon Y2W's status as an eligible grantee of the District in accordance with this Section 1 and is a condition precedent to the right of Y2W to receive any payments described in Section 5, below. In connection with this condition, Y2W hereby warrants and represents that:

**1.1** Y2W is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a private foundation as defined in Section 509(a) of the Code.

**1.2** Y2W has provided the District with a copy of all Internal Revenue Service ("IRS") determination letter(s) evidencing Y2W's status as an eligible grantee, and Y2W warrants and represents that such determination letter(s) are currently in full force and effect.

**1.3** Y2W will notify the District immediately of any actual or proposed change in Y2W's tax status, including any substantial or material change in sources of its support for any taxable year affected by the Fire Break Funding, or when Y2W is unable to expend the Fire Break Funding for the approved purposes set forth in the Project Scope attached hereto as Exhibit A.

**1.4** Y2W's acceptance of the Fire Break Funding shall not change Y2W's tax-exempt status under the Code.

### **2. PURPOSE OF THE FUNDS; SCOPE OF THE PROJECT**

**2.1** The District agrees to make the Fire Break Funding available to Y2W, as set forth in this Agreement, only for the purposes of performing the Project, which includes the training, equipping, and supervising of individuals in connection with the creation and maintenance of Fire Breaks within the District's jurisdiction, as more specifically detailed in Exhibit A attached hereto. Y2W agrees that, without the District's prior written consent, no portion of the Fire Break Funding shall be used in any way other than as specifically set forth in this Agreement.

**2.2** Y2W agrees that it will directly perform the Project work and administer all aspects of this Agreement. The Fire Break Funding shall not be administered by any other organization or entity, whether or not formed by Y2W.

### **3. RESTRICTIONS ON USE OF THE FUNDS**

**3.1** No part of the Fire Break Funding shall be used:

(a) to support a political campaign or to support or attempt to influence the outcome of any specific public election;

(b) to carry on propaganda or otherwise attempt to influence legislation, except making available the results of non-partisan analyses, study, or research;

(c) without prior written approval of the District, to provide a grant to an individual for travel, study, or similar purpose; or

(d) to grant an award to another party or organization.

**3.2** For avoidance of doubt, payments of salaries or expense reimbursement to Y2W employees within the scope of their employment are not subject to the restrictions contained in Section 3.1 above.

**3.3** No part of the Fire Break Funding shall be paid to any director, officer, or employee (or their family members) of the District for any purpose.

### **4. TERMINATION; RETURN OF THE FUNDS**

**4.1** Y2W shall use the Fire Break Funding to support the specific goals, objectives, activities, and outcomes of the Project, consistent with Section 2 of this Agreement.

**4.2** The District reserves the right to terminate this Agreement; to discontinue, modify, or withhold all or any portion of the Fire Break Funding, which are to be made available to Y2W in the manner and pursuant to the schedule set forth in Section 5, below, or to require Y2W to return all or any portion of the Fire Break Funding, if:

(a) the District, in its sole discretion, determines that Y2W has not performed in accordance with this Agreement or has failed to comply with any material term or condition of this Agreement;

(b) Y2W loses its status as an eligible grantee as more fully described in Section 1, above;

(c) Y2W is not, based on a change in circumstances, unable or unwilling to perform, or complete performance of, the Project;

(d) Y2W ceases to be an appropriate recipient for accomplishing the purposes of this Agreement;

(e) all or any portion of the Fire Break Funding is expended for purposes inconsistent with Section 2 of this Agreement; or

(f) such action is required in order to comply with the requirements of any law or regulation applicable to Y2W or to the District or to this Agreement.

**4.3** In the event the District notifies Y2W of one or more of the conditions set forth in Section 4.2 above, but determines, in its sole discretion, not to terminate the Agreement, Y2W shall promptly repay to the District any portion of the Fire Break Funding specified in such notice.

**4.4** In the event the District terminates this Agreement prior to the end of the Term pursuant to this Section 4, Y2W shall take all reasonable measures to prevent further costs to the District hereunder, and the District shall be responsible only for any reasonable and non-cancelable obligations incurred by Y2W under this Agreement prior to the date of the notice of termination, but only up to the undisbursed balance of funding authorized in this Agreement. Y2W shall, within thirty (30) days after the date of the notice of termination, repay all unexpended Fire Break Funding received under this Agreement, plus all Fire Break Funding expended for purposes or items allocable to any time period after the termination date.

**4.5** Y2W shall promptly provide to the District a full accounting of the receipt and disbursement of all Fire Break Funding and expenditures incurred under this Agreement in the event the District terminates this Agreement and/or requires the repayment of Fire Break Funding pursuant to Section 4.

## **5. AMOUNT AND PAYMENT OF THE FUNDS**

The total amount of the Fire Break Funding shall not exceed Thirty Four Thousand Five Hundred Five Hundred Sixty-Five Dollars and Seventy-Five Cents (\$34,565.75), payable as follows:

**5.1** The amount of Nine Thousand Seven Hundred Twenty-Five Dollars and Seventy-Five Cents (\$9,725.75) shall be paid upon the District's receipt of this fully-executed Agreement (the "First Payment");

**5.2** The amount of Four Thousand Eight Hundred Forty Dollars (\$4,840.00) shall be paid upon the District's receipt of notice of the successful completion of the Training Program by Group 1, as defined in the Project Scope attached hereto as Exhibit A (the "Second Payment"); and

**5.3** An amount not to exceed Twenty Thousand Dollars (\$20,000.00) (the "Installation Payment Amount") for creation and maintenance of the Fire Breaks will be paid in installments (each, an "Installation Payment"), as specified in this Section 5.3 and Exhibit B.

**5.4** Y2W acknowledges and agrees that the District and its representatives have made no actual or implied promise of funding or support to Y2W, except as specified by this Agreement. Y2W further acknowledges and agrees that, upon the expiration or earlier termination of the Agreement, the District will have no further obligation to Y2W in connection with this Agreement. Notwithstanding the foregoing, nothing in this Section 5.4 shall be interpreted to prohibit the District from providing additional funds to Y2W if, at the expiration or earlier termination of this Agreement, the District determines, in its sole discretion, that the further expenditure of funding for purposes consistent with this Agreement is appropriate.

## **6. PAYMENT PROCEDURES**

The Fire Break Funding shall be paid only in accordance with this Agreement and the Payment Procedures attached hereto as Exhibit B.

## **7. TERM**

The Fire Break Funding is to be applied to authorized Y2W expenses incurred for the period from the Effective Date to June 30, 2014 or the date this Agreement is earlier terminated in accordance with Section 9, below (the "Term").

## **8. FUNDING CONDITIONS**

In addition to the conditions set forth in Section 1 above, Y2W agrees that the Fire Break Funding are subject to the following conditions:

**8.1 Reports.** In addition to providing the completion report(s) referenced in Exhibit B, Y2W furnish the below-described narrative report(s) and financial report(s) to the District as set forth in this Section 8.1.

(a) The narrative report(s) shall include a report on the use of the Fire Break Funding, compliance with the terms of the Agreement, the progress made by the Y2W toward performing the Project, any problems or obstacles encountered in the effort to complete the Project, and photographs of the results of the Project or any portion thereof.

(b) The financial report(s) shall show actual expenditures of Fire Break Funding reported as of the date of the report against the work authorized by the District as set forth in Exhibit B.

(c) After the close of the annual accounting period during which Y2W completes its use of the Fire Break Funding, Y2W shall make a final report with respect to all expenditures made from the Fire Break Funding (including salaries, travel and supplies) and indicate the progress made toward completion of the Project.

(d) In addition to the reports required by subsections (a), (b), and (c), above, Y2W agrees to submit other such interim reports as the District may reasonably request relating to Y2W's performance under the Agreement.

(e) All such reports shall be furnished to the District: (1) upon completion of any authorized portion of the Project, as set forth in Exhibit B; or (2) within thirty (30) days after the close of the annual accounting period for which the reports are made, the expiration or earlier termination of this Agreement, or upon the District's request, as the circumstances require.

(f) Y2W shall retain all such reports in its files for a period of at least four (4) years after the expiration or earlier termination of this Agreement.

## **8.2 Confidentiality and Publicity.**

(a) Y2W understands and agrees that, in the performance of this Agreement or in contemplation thereof, Y2W may have access to private or confidential information which may be owned or controlled by the District and that such information may contain proprietary or confidential details. Y2W shall exercise the same standard of care to protect such information as Y2W would use to protect its own proprietary data.

(b) Without the prior written consent of the District, Y2W agrees that it shall not: (i) use the District's name, logo, insignia, photographs or any other publicity in any medium; or (ii) make public announcements, or issue publicity or press releases related to its performance of this Agreement. Any and all proposed Y2W external communications regarding the District shall be submitted first to the District for its review and approval. Notwithstanding the foregoing, Y2W shall make best efforts to identify the District as a supporting organization in published materials relating to the subject matter of the Project and publicly acknowledge the District for the Fire Break Funding.

(c) Upon the District's reasonable request, Y2W agrees to disseminate to the interested public, by using established channels of communication, pertinent information relating to the performance of this Agreement, including the public benefits achieved by the Project.

(d) All copyright interests in materials first produced as a result of this Agreement shall be owned by Y2W. Y2W agrees to license such copyrighted materials for the public benefit and hereby grants to the District a nonexclusive, irrevocable, perpetual, royalty-free license to reproduce, publish, republish, summarize, excerpt, or otherwise use and license others to use, in print or electronic form, all such materials and to otherwise use the works by or on behalf of the District for educational and/or research purposes. Y2W represents and warrants that the material produced by it under this Agreement will be original and not infringe upon any copyright or any other right of any other person or entity, and has not previously been published.

## **9. REPRESENTATIONS AND WARRANTIES**

Y2W hereby warrants and represents that:

**9.1** Y2W has the full power and authority to enter into this Agreement and to perform its obligations under this Agreement.

**9.2** Y2W's entering into and performance of this Agreement by does not and will not violate, conflict with, or result in a material default under any other contract, agreement, indenture, decree, judgment, undertaking, conveyance, lien, or encumbrance to which Y2W is a party or by which it or any of Y2W's property is or may become subject or bound, or violate any applicable law or government regulation.

**9.3** Y2W will, in performing its obligations under this Agreement, strictly comply with all applicable federal, state, and local laws, regulations, ordinances, and orders.

## **10. INDEMNIFICATION**

**10.1** Y2W shall indemnify and hold harmless the District, its officers, directors, employees, agents, representatives, and affiliates (including, without limitation, the Ross Valley Fire Department Joint Powers Authority) from and against all claims, lawsuits, investigations, or demands and any and all costs, liabilities, damages, and expenses arising therefrom (including amounts paid in settlement and reasonable attorneys' fees) to the extent such claims, lawsuits, investigations, or demands arise out of or in connection with (i) Y2W's breach or alleged breach of any covenants, warranties, or representations made herein, and/or (ii) any act or omission of Y2W, its officers, directors, employees, agents, subcontractors, and/or representatives which results in (a) any bodily injury, sickness, disease, or death; (b) any injury or destruction to tangible or intangible property or any loss of use resulting therefrom; or (c) any violation of any applicable federal, state, and local law, regulation, ordinance, or order. The duty of the Y2W to indemnify and safe harmless includes the duty to defend as set forth in California Civil Code section 2778.

**10.2** Y2W waives any and all rights to any express or implied indemnity or right of contribution from the District and its officers, directors, employees, agents, representatives, and affiliates (including, without limitation, the Ross Valley Fire Department Joint Powers Authority), and the State of California and its officers, agents, and employees, for any liability resulting from, growing out of, or in any way connected with or incident to this Agreement, except such liability as results from the active negligence or the intentional wrongdoing of the District and/or its officers, directors, employees, agents, representatives, and affiliates, and in the case of joint negligence, is in direct proportion to the District's share of fault.

## **11. INSURANCE**

**11.1** Without limiting Y2W's indemnification obligations set forth in Section 10, above, Y2W shall provide and maintain at its sole cost and expense during the term of this Agreement the insurance coverage described in Exhibit C attached hereto.

**11.2** Prior to commencing the Training Program described in Exhibit A, Y2W shall cause its insurers to issue certificates of insurance evidencing that the required coverages and policy endorsements are maintained in force. Receipt of such certificates by the District is a condition to the legal effectiveness of this Agreement.

**11.3** Y2W shall give 30 days prior written notice to the District prior to any modification, cancellation, or non-renewal of the policies.

**11.4** Certificates of insurance must show, at least the following requirements:

(a) that each of the foregoing insurance policies (a) is primary and non-contributing with respect to any other insurance or self-insurance which may be maintained by Y2W, and (b) grants a waiver of subrogation in favor of the District, where permitted by law;

(b) the District and its officers, directors, agents, employees, licensees, and assigns as additional insureds on the policies designated in Exhibit C subsections (b), (d), and (e), above;

(c) the District as loss payee on the policy designated in Exhibit C subsection (c), above.

**11.5** Upon request by the District, the insurers selected by Y2W shall have an A.M. Best rating of A-VII or better or, if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. Y2W shall ensure that its subcontractors, if any, maintain insurance coverage as specified in this Section.

**11.6** The failure to procure or maintain required insurance will constitute a material breach of this Agreement.

## **12. RECORDS, AUDITS, AND SITE VISITS**

**12.1** Y2W shall maintain a systematic accounting record of the receipt and disbursement of all Fire Break Funding and shall retain the substantiating documents such as bills, invoices, cancelled checks, and receipts in Y2W's files for at least four (4) years following termination of this Agreement. Y2W shall use applicable Generally Accepted Accounting Principles, unless otherwise agreed to by the District. Y2W shall indicate the Fire Break Funding separately on its books of account but may commingle the Fire Break Funding with Y2W's general account for uses consistent with its status as a tax-exempt organization under the Code. Y2W agrees promptly to furnish to the District copies of such documents upon the District's request.

**12.2** At its expense, the District may audit or have audited Y2W's books and records, but only to the extent related to this Agreement, at any time during the Term and within four (4) years following the expiration or earlier termination of this Agreement. Y2W shall provide all necessary assistance to the District in connection therewith. Y2W shall allow the District and its

representatives, at the District's request, to have reasonable access during regular business hours to Y2W's files, records, accounts, personnel, clients, or other beneficiaries for the purpose of making such audits, verifications, or program evaluations as the District deems necessary or appropriate concerning this Agreement. Y2W shall maintain accounting records sufficient to identify the Fire Break Funding and to whom and for what purpose such funds are or were expended.

**12.3** At its expense, the District may monitor and conduct an evaluation of Y2W's operations related to, and performance of, the Agreement, which may include visits by District representatives to observe Y2W's procedures and operations and to discuss the Project with Y2W personnel.

### **13. NO ASSIGNMENT OR DELEGATION**

Y2W may not assign or otherwise transfer any rights or delegate any of Y2W's obligations under this Agreement without prior written approval from the District.

### **14. COMPLIANCE MATTERS**

During the Term of this Agreement:

**14.1** Y2W shall not discriminate against any person on the basis of sex, race, color, ancestry, religious creed, national origin, physical disability, mental disability, medical condition, age, marital status, sexual orientation, and denial of family care leave in performing the Project work or in the use of any property or facility acquired or developed pursuant to this Agreement.

**14.2** Y2W agrees to maintain in full force and effect all required governmental or professional licenses and credentials for itself, its facilities, and for its employees and all other persons engaged in work in conjunction with this Agreement.

### **15. CHANGED CIRCUMSTANCES; REGULATORY ACTION**

Y2W shall promptly notify the District in writing if any of the following events occurs or is likely to occur: (i) if there is any change in circumstances that might affect Y2W's ability to perform under the Agreement; (ii) if Y2W undergoes a merger, division, or other corporate reorganization; (iii) if Y2W becomes subject to a proceeding under the Bankruptcy Code or other law relating to insolvency or make an assignment for the benefit of creditors; (iv) if Y2W becomes subject to an investigation or proceeding brought by the Attorney General or any other regulatory agency; or (v) if Y2W receives notice of any litigation or other legal action relating to the Project or Y2W's performance under this Agreement, or is served with a subpoena or other legal process seeking to compel production of any data related to the Project or this Agreement.

### **16. DISPUTE RESOLUTION**



**16.1** Any dispute arising out of this Agreement (a “Dispute”) shall be resolved solely according to the procedures set forth in this Section 16.

**16.2** The Parties shall first negotiate in good faith to attempt to resolve the Dispute.

**16.3** If the Dispute is not so resolved within thirty (30) days following the commencement of negotiations, then either Party may initiate mediation by an active member of the California State Bar with substantial experience handling complex business transactions or litigation. If the Parties are unable to agree upon a mediator within two (2) weeks following the initiation of mediation, then either Party may apply to the San Francisco, California office of JAMS or its successor for the appointment of a mediator from a panel maintained by that organization.

**16.4** If the Parties are unable to resolve the Dispute(s) by mediation, then either Party may initiate arbitration of such Dispute(s). The arbitration shall be initiated and conducted according to the JAMS Comprehensive Arbitration Rules and Procedures, including the Optional Appeal Procedure provided for in such rules (the “Arbitration Rules”). The arbitration shall be conducted in San Francisco, California before a single neutral arbitrator appointed in accordance with the Arbitration Rules. Any appeal shall be heard and decided by a panel of three (3) neutral arbitrators. The single neutral arbitrator and the members of any Appeal Panel shall be active members of the California State Bar with substantial experience handling complex business transactions or litigation. If either Party refuses to perform any of its obligations under the final arbitration award (following appeal, if applicable) within the time specified therein or, if no such time is specified, within thirty (30) days of such award being rendered, then the other Party may enforce the final award in any court of competent jurisdiction.

**16.5** Any Dispute that may not be arbitrated pursuant to applicable state or federal law shall be heard only in a court of competent jurisdiction in San Francisco, California and the Parties hereby consent to the jurisdiction of such court. If the court determines that the Dispute is not arbitrable, then it shall be resolved by the court, sitting without a jury; to the extent permitted by law, the Parties hereby irrevocably waive their respective rights to trial by jury of any such Dispute. All other matters and claims for relief shall be subject to arbitration as set forth above.”

**16.6** The Parties agree to diligently cooperate with one another and the person(s) appointed to resolve any dispute, and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of such dispute.

## **17. NO JOINT VENTURE**

Nothing contained in this Agreement shall be construed in any manner to imply or create a relationship between the District and Y2W as partners, joint venturers, or agents of the other. Y2W shall not act in any manner as the District’s agent or representative.

## **18. GENERAL PROVISIONS**

**18.1** All notices, requests, directions, or other communications hereunder shall be in writing and deemed to have been sufficiently given when delivered in person or sent by wire or by email or by certified mail to the address of the respective Party below:

If to the District:

Sleepy Hollow Fire Protection District  
1040 Butterfield Road  
San Anselmo, California 94960-1148  
Attn: Thomas J. Finn, Director/Secretary  
e-mail: [tfinn@well.com](mailto:tfinn@well.com)

If to Y2W:

Youth2Work  
Post Office Box 951  
Fairfax, California 94978-0951  
Attn: John F. Hanley, President  
e-mail: [jfh2235@yahoo.com](mailto:jfh2235@yahoo.com)

With copy to:

Danielle S. Gensch, Esq.  
Nossaman LLP  
50 California Street, 29th Floor  
San Francisco, California 94111  
e-mail: [dgensch@nossaman.com](mailto:dgensch@nossaman.com)

With copy to:

John N. Gulick, Jr., Esq.  
61 Pixley Avenue, No. 11  
Corte Madera, California 94925  
e-mail: [jgulick@gulicklaw.com](mailto:jgulick@gulicklaw.com)

**18.2** This Agreement, including the Exhibits attached hereto and incorporated herein, constitutes the entire understanding and agreement of the Parties with respect to the subject matter hereof, and all prior or contemporaneous understanding or agreements, whether oral or written, with respect to such subject matter are hereby superseded. This Agreement may be amended only by a written instrument signed by the Parties.

**18.3** No delay or failure of either Party to exercise any right under this Agreement and no partial exercise of any right under the Agreement shall constitute a waiver of that right or any other right. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent, or subsequent breach of the same or any other provisions hereof, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving Party.

**18.4** In the event that any provision of this Agreement conflicts with governing law or if any provisions is held to be null, void, or otherwise ineffective or invalid by a court of competent jurisdiction, (i) such provision shall be modified to the least extent necessary to render them valid and consistent with the Parties' intent, and (ii) the remaining terms and provisions of this Agreement shall remain in full force and effect.

**18.5** The Parties agree that there are no third party beneficiaries to this Agreement other than those entitled to indemnification hereunder.

**18.6** This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of California.

**18.7** This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one and the same instrument.

**[SIGNATURE PAGE TO FOLLOW]**

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed and delivered by their respective authorized signing officers as of the Effective Date.

**SLEEPY HOLLOW FIRE PROTECTION DISTRICT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**YOUTH2WORK**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Sleepy Hollow Fire Protection District – Youth2Work  
Fire Break Project Funding Agreement

**EXHIBIT A**

**PROJECT SCOPE**

**Project Summary:** The training, equipping, and supervising small groups of individuals between the ages of 16 and 24 in brush removal and vegetation management in connection with the creation and maintenance of Fire Breaks on public property within the District’s boundaries.

**Training Program:** The training program consists of class room work and supervised usage of power tools. The class room work consists of:

Orientation and Overview of work expectations	One-half hour
Basic Wildfire Behavior	One hour
Communication and Teamwork/Leadership	One hour
Wildland Fire Safety Principles	One hour
Wildland Fire Chain Saw Operations	One-half hour
Fuel Reduction in the Urban/Interface	One-half hour
Brush Fire Management-Firebreak Locations	One hour
Construction and Maintenance of Firebreaks and Fire Roads	One hour
Playground/Park Maintenance	One-half hour
Safe tool Usage and Operation	Two hours
First aid.	One hour

After the foregoing class room presentation is completed, no less than four (4) students will obtain an additional four hours of supervised usage of power tools before being allowed to conduct Fire Break Work.

**Fire Break Work:** Although the scope of any portion of the Fire Break Work for which Y2W has received District approval will be specific to that portion so authorized, the Fire Break Work generally includes the following:

1. Clearing brush from trails and fire roads;
2. Repairing eroded trails and fire roads;
3. Clearing debris from creeks; and
4. Clearing defensible spaces around structures.

Sleepy Hollow Fire Protection District – Youth2Work  
Fire Breaks Project Funding Agreement

**EXHIBIT B**

**PAYMENT PROCEDURES**

The Installation Payments for the Fire Break Work, as more fully described in Exhibit A and as referred to in Sections 5.3 and 6 of the Agreement, shall be governed by the following procedures:

1. **Prior Approval of the District.** Y2W shall request prior written approval of the District Board member identified in Section 18.1 of this Agreement (or his designee) before commencing any Fire Break Work. Such request(s) shall include a description of the Fire Break Work to be completed, which shall be sufficiently descriptive so as to allow the District to properly evaluate the request, including, but not limited to: (i) a detailed breakdown of the cost of the portion of the Fire Break Work; and (ii) the geographical location of the proposed site of the portion of the Fire Break Work, which shall be on public lands within the District's boundaries.
2. **Completion Report and Invoicing.** Upon receipt of written approval by the District for a particular project involving Fire Break Work, Y2W will undertake the Fire Break Work. When the authorized portion of the Fire Break Work is completed, Y2W will notify the District of such completion by providing a written completion report to the District. The completion report must contain the narrative and financial information described in Section 8.1 of the Agreement. The completion report may request an Installation Payment which may not be higher than the detailed breakdown of the cost of the Fire Break Work contained in the written approval for the authorized portion of the Project, unless a written request for an increase in the cost is submitted in advance of the completion report by Y2W and is agreed to in writing by the District. After receipt of the applicable completion report and upon verification of the satisfactory completion of the Fire Break Work by the District, the District may authorize the payment of the Installation Payment for the authorized portion of the Project.

Sleepy Hollow Fire Protection District – Youth2Work  
Fire Breaks Project Funding Agreement

**EXHIBIT C**

**INSURANCE REQUIREMENTS**

In addition to the insurance requirements set forth in the three (3) pages following this first page of Exhibit C, Y2W agrees to procure automobile liability coverage for owned, leased, hired or borrowed automobiles in an amount per accident for bodily injury and property damage satisfactory to District, which shall be determined by the Parties in good faith prior to the commencement of the Training Program referred to in Exhibit A.