

MINUTES OF SPECIAL MEETING OF
BOARD OF DIRECTORS
OF THE
SLEEPY HOLLOW FIRE PROTECTION DISTRICT

July 22, 2020

A duly noticed Special Meeting of the Board of Directors of the Sleepy Hollow Fire Protection District was convened at 5:00 p.m. on July 22, 2020 at 100 Tarry Road, San Anselmo, California. A quorum was achieved by the presence of each of the Directors of the District, namely, Richard Shortall, Thomas Finn, and Sharon Adams. Richard Shortall, as President, presided as Chairman and called the meeting to order. Thomas Finn, as Secretary, recorded the proceedings.

Open Time for Public Input

There was no request from any member of the public to address the Board regarding items not on the Meeting agenda.

FIRESafeMarin (FSM) Chipper Program Loan

Chairman Shortall reported that FSM is a nonprofit corporation that relies exclusively on donations from the community, foundations, private and public grants, and volunteers to fund and achieve its mission of enhancing Marin County's wildfire preparedness.

On or about June 18, 2020, the newly-formed Marin Wildfire Prevention Authority (MWPA) conditionally approved FSM's request for a \$1,105,000 grant (the "Grant") to conduct 19 discrete projects during FY2020-21, including an ongoing Countywide curbside pickup chipping program, a program to distribute NOAA Public Alert Weather Radios to residents of Marin County, and multiple ongoing public education programs. The 19 projects are referred to collectively herein as the "Chipper Program". The MWPA has yet to commence full operations and therefore the Grant has not yet been disbursed, in full or in part, by MWPA to FSM.

Chairman Shortall reported that FSM has determined that FSM will not have sufficient funds to meet its current operating expenses and cash flow needs during the period of time from the commencement of the Chipper Program to FSM's receipt of the Grant from MWPA, including its obligations incurred in connection with conducting the

Chipper Program. FSM therefore requires bridge funding to carry out the Chipper Program pending its receipt of the Grant in order to ensure continuity of business. FSM has therefore requested to temporarily borrow from the District a maximum principal amount of Three Hundred Thousand Dollars (\$300,000) (the "Maximum Amount") as necessary to fund FSM's operations, including the Chipper Program, pending FSM's receipt of the Grant.

Chairman Shortall stated that District directly benefits from the Chipper Program, and currently earns less than 1% per annum on its reserves deposited with the County of Marin.

FSM Treasurer Roger Meagor stated that FSM is facing a cash flow problem as the expected grant from MWPA is substantial but that no funds have yet been disbursed to FSM to implement the Chipper Program, which is crucial to FSM's mission.

Chairman Shortall proposed that the District provide bridge funding to FSM and authorize Chairman Shortall to execute a series of agreements pursuant to Resolution 2020-3 so as to provide FSM access to District reserve funds up to the Maximum Amount during FY2020-21, which funds shall bear an interest rate of 3% per annum until repaid and which repayment and other obligations of FSM are secured by the collateral set forth in that certain related Security Agreement.

Following discussion, upon motion made by Director Finn and seconded by Director Adams, the Board unanimously adopted Resolution No. 2020-3 attached hereto.

Adjournment

Since there was no further business to come before the Meeting, upon motion made and seconded, the Meeting was adjourned at 5:15 p.m.

Thomas J. Finn, Secretary

SLEEPY HOLLOW FIRE PROTECTION DISTRICT

RESOLUTION NO. 2020-3

RESOLUTION AUTHORIZING DISTRICT TO PROVIDE A SECURED LINE OF CREDIT FROM DISTRICT'S UNDESIGNATED RESERVES TO FIRE SAFE MARIN, INC. ("FSM") IN THE MAXIMUM AMOUNT OF \$300,000 AT 3% PER ANNUM TO ENABLE FSM TO FUND FSM'S CURRENT PROGRAMS PENDING DISBURSEMENT TO FSM OF A \$1,105,000 GRANT ("GRANT") APPROVED BY THE MARIN WILDFIRE PREVENTION AUTHORITY ("MWPA") TO COVER THE COSTS OF SAID FSM PROGRAMS, WITH GRANT PROCEEDS AND FSM ASSETS AS COLLATERAL TO SECURE REPAYMENT

WHEREAS, FSM is a nonprofit corporation organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code to provide education, to exchange information, and to foster fire prevention and fire safety within Marin County, California.

WHEREAS, FSM relies exclusively on donations from the community, foundations, private and public grants, and volunteers to fund and achieve its mission of enhancing Marin County's wildfire preparedness.

WHEREAS, effective April 2, 2020, the MWPA was formed for the purposes of planning, financing, implementing, managing, owning, and operating a multi-jurisdictional and County-wide agency to prevent and mitigate wildfires in Marin County, California.

WHEREAS, on or about June 18, 2020, MWPA conditionally approved FSM's request for a \$1,105,000 grant (the "Grant") to conduct 19 discrete projects during Fiscal Year 2020-2021, including an ongoing Countywide curbside pickup chipping program, a program to distribute NOAA Public Alert Weather Radios to residents of Marin County, and multiple ongoing public education programs, (The 19 projects are referred to collectively herein as the "Chipper Program").

WHEREAS, as of the date of this Resolution, MWPA has yet to commence full operations and therefore the Grant has not yet been disbursed, in full or in part, by MWPA to FSM. FSM has determined that FSM will not have sufficient funds to meet its current operating expenses and cash flow needs during the period of time from the commencement of the Chipper Program to FSM's receipt of the Grant from MWPA, including its obligations incurred in connection with conducting the Chipper Program.

WHEREAS, FSM requires bridge funding to carry out the Chipper Program pending its receipt of the Grant in order to ensure continuity of business and therefore, FSM has requested to

temporarily borrow from the District a maximum principal amount of Three Hundred Thousand Dollars (\$300,000) (the “Maximum Amount”) as necessary to fund FSM’s operations, including the Chipper Program, pending FSM’s receipt of the Grant.

WHEREAS, the District directly benefits from the Chipper Program, and currently earns less than 1% per annum on its reserves deposited with the County of Marin.

NOW, THEREFORE BE IT RESOLVED, the District hereby authorizes the District’s Board President to execute a series of agreements in substantially the forms attached hereto to provide FSM access to said District reserve funds up to the Maximum Amount during Fiscal Year 2020-2021, which funds shall bear an interest rate of 3% per annum until repaid and which repayment and other obligations of FSM are secured by the collateral set forth in that certain Security Agreement dated as of the date hereof;

IT IS FURTHER RESOLVED, (i) the execution and delivery of the agreements on behalf of the District by the Board President is hereby approved and authorized in all respects, and (ii) such further documents as are provided in the agreements or are otherwise related to the transactions contemplated thereby, in the forms and with such changes and additions as are hereinafter provided for, are all hereby approved and authorized;

IT IS FURTHER RESOLVED, that the Board President is hereby authorized for and on behalf of the District to execute and deliver amendments to the agreements and to execute and deliver such other agreements, documents, and instruments as the President may deem to be necessary or appropriate in connection with the transactions contemplated by the agreements, all in the forms submitted to, as hereby approved by, the Board, or as hereafter approved by the President in his or her sole discretion, the execution thereof by the President to be conclusive evidence of such approval;

IT IS FURTHER RESOLVED, that the Board President is hereby authorized for and on behalf of the District to do and perform all such acts and things, and to execute and deliver such documents and certificates, and to take all such other steps, as the President may deem to be necessary or advisable or convenient or appropriate to carry out the intent of these resolutions, and to fully perform the obligations of the District under the agreements and all other documents executed by the President pursuant to these resolutions; and

IT IS FURTHER RESOLVED, that all action heretofore taken by the directors and officers of the District in connection with the subject of the foregoing resolutions be, and hereby is, approved, ratified, and confirmed in all respects as the act and deed of the District.

PASSED AND ADOPTED at a Special Meeting of the Board of Directors held this 22nd day of July 2020 by the following vote:

AYES: Directors Shortall, Finn, and Adams
NOES: None
ABSENT: None

Richard C. Shortall, Jr., Director/President

ATTEST:

Thomas J. Finn, Director/Secretary