



Marin Community Foundation  
17 E. Sir Francis Drake Blvd.  
Suite 200  
Larkspur, California 94939  
415 461 3333  
415 461 3386 (Facsimile)

**AGREEMENT ESTABLISHING  
THE MOUNT TAMALPAIS WATERSHED FUND  
OF THE MARIN COMMUNITY FOUNDATION  
a designated organization fund**

WHEREAS, the Marin Community Foundation (the "Foundation") has been established for the purpose of engaging in nonprofit, charitable, and philanthropic activities in Marin County, California and, except for funds received from the Leonard and Beryl Buck Foundation, in other geographic locales; and

WHEREAS, residents of Marin County have expressed continuing desire to preserve and protect one of its greatest treasures, the Mount Tamalpais watershed; and

WHEREAS, the Directors of the Marin Municipal Water District (the "Directors"), the duly elected protectors of this valuable natural resource, have expressed their desire consistent with these residents of Marin County by resolution and by the commitment to initiate a fund that will be able to preserve this vital resource over time; and

WHEREAS, the Trustees of the Foundation (the "Trustees") wish to participate in partnership with the Directors in an effort to preserve and protect Mount Tamalpais for the future enjoyment of Marin and regional visitors;

NOW THEREFORE, the Trustees and the Directors hereby agree to establish the Mount Tamalpais Watershed Fund of the Marin Community Foundation (the "Fund"). The assets of the Fund shall be held and administered by the Foundation under the following terms and conditions.

**TERMS AND CONDITIONS OF THE FUND:**

**1. Name and Nature of the Fund.**

The name of the Fund shall be "The Mount Tamalpais Watershed Fund of the Marin Community Foundation."

By its nature, the Fund is fully expendable.



**2. Purpose of the Fund.**

The purpose of the Fund is to accept contributions and, with the advice of the Directors, to distribute assets to support the watershed management activities of the Mount Tamalpais watershed and other MMWD watershed lands. These activities include, but are not limited to: the preservation, protection, and enhancement of native flora, wildlife, trails, roads, and other natural features of the Mount Tamalpais watershed and other MMWD watershed lands. Ranger, resource management, and other services will be used as necessary for fire protection and vegetation management, and to provide for passive recreation and public safety. All contributions accepted by the Trustees and distributions made by the Trustees shall be consistent with established plans and policies of the Directors.

**3. Effective Date; Contributions to the Fund.**

The effective date of the fund agreement is the date on which an initial contribution to the Fund is accepted by the Foundation (\_\_\_/\_\_\_/\_\_\_). The Directors or others may make additional contributions to the Fund provided that these contributions are acceptable to the Foundation. The Foundation shall have the right to refuse any additional contribution of property which the Trustees, in their sole discretion, find unacceptable. Any additional contributions accepted by the Trustees shall be subject to the terms of this Agreement.

**4. Expiration of the Fund.**

This Fund may expire one year after all assets of the Fund have been distributed and if it appears unlikely that the Directors or others will replenish the Fund within a reasonable time.

**5. Holding Assets in the Fund.**

Assets of the Fund need not be segregated from assets of other component funds of the Foundation for investment purposes, but the Trustees shall keep separate accounts for the assets of the Fund if the assets are mixed for investment purposes, and investment returns (including interest, capital appreciation, and dividends) on the assets of the Fund shall inure to the benefit of the Fund.



**6. Administrative Procedures:**

Foundation activities in support of the Fund will include administration of the Fund; consultation with the Directors concerning the Fund; payment of distributions from the Fund to the Directors or their agents in furtherance of the purposes of the Fund; and quarterly reporting to the Directors on the status of the Fund and distributions therefrom.

The President of the Foundation will designate a lead staff person who will be responsible for the administration of the Fund, consistent with an approved budget. All staff time, materials, services or other costs will be rendered to the Fund only through the lead staff person and only with the approval of Foundation.

Limited secretarial, accounting, legal and other support services necessary to administer the Fund will be provided by the Foundation.

**7. Distributions.**

The Trustees shall determine distributions to be made from assets of the Fund based upon the recommendations of the Directors.

The recommendations of the Directors are advisory only and are not binding on the Trustees. The Trustees have the authority to distribute assets of the Fund at such intervals and in such greater or lesser amounts as they shall deem appropriate after having considered the recommendations of the Directors.

The Foundation will distribute payments from available assets of the Fund based upon the decisions of the Trustees. All distribution decisions of the Trustees will be conveyed in writing to the Directors and will be final. All distribution payments will be made in the name of "The Mount Tamalpais Watershed Fund" unless otherwise advised by the Directors.

**8. Administrative Fees.**

The Foundation shall charge an annual fee of 0.5 per cent of the assets of the Fund, annually evaluated and assessed quarterly, to cover the cost of administering the Fund. In no case shall the total annual fee be less than \$250.00. In its initial year, the Foundation may elect to assess this fee on the basis of each contribution made to the Fund. As the Fund grows, this fee will be reassessed by the Foundation and will be reduced should the volume of assets merit such reduction.



This administrative fee will cover normal administrative services, including the Foundation staff time required to maintain an accounting of the Fund, to process deposits into the Fund, and to process distribution payments from the Fund. If the Foundation determines that the actual cost of administering the Fund exceeds the fee set forth in this Agreement, the Foundation may set a different administrative fee based on such actual costs.

Fees for management of Fund assets by investment managers not normally utilized by the Foundation for its general purposes shall be deducted at cost from gross income before income is credited to the Fund account. Extraordinary costs associated with the acquisition of any contribution to the Fund also shall be deducted from gross income before income is credited to the Fund account.

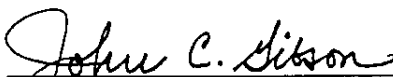
**9. Component Part.**

The Fund is intended to be and shall be administered as a component part of the Foundation under Treasury Regulation Section 1.170A-9(e)(11), and is specifically subject to the powers of the Trustees as the governing body of a community trust as required therein and as set forth in the Articles of Incorporation and Bylaws of the Foundation. Such powers include the power to unilaterally modify any restriction or condition of the Fund in the event such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the needs of the community served by the Foundation.


**10. Amendment.**

This Agreement may be modified, amended, or terminated by an instrument in writing signed by the Directors and the Foundation.

**SIGNED:**

  
\_\_\_\_\_  
John C. Gibson, President  
Board of Directors  
Marin Municipal Water District

Dated: April 29, 1996

  
\_\_\_\_\_  
Stephen M. Dobbs  
President and CEO  
Marin Community Foundation

Dated: 4/30/96



**RATIFIED:**

The Trustees of the Marin Community Foundation ratified this fund agreement at their meeting on 4/30/96.