

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CALIFORNIA COASTAL COMMISSION
AND
THE MOUNTAINS RECREATION AND CONSERVATION AUTHORITY
ON
MANAGEMENT OF FUNDS TO BE USED FOR THE DEVELOPMENT OF
LOWER COST VISITOR SERVING COASTAL AMENITIES AT
CAMERON NATURE PRESERVE IN PUERCO CANYON**

This Memorandum of Understanding (“MOU”) is entered into by and between the California Coastal Commission (“Commission”), a public agency, and the Mountains Recreation and Conservation Authority (“MRCA”), a local public agency established pursuant to California Government Code Sections 6500, *et seq.*, through their duly elected, appointed, qualified or acting representatives; with Commission and MRCA hereinafter referred to collectively as the Parties.

I. RECITALS

WHEREAS, the City of Malibu submitted a proposed Amendment to its Local Coastal Program (LCP-4_MAL-14-0408-1) (“LCPA”) on April 2, 2014, which file was deemed complete by Commission staff on June 6, 2014 and the deadline for action on the Amendment subsequently extended by the Commission until August 2015;

WHEREAS, the LCPA proposed changing the land use designation of a 24-acre blufftop parcel formerly known as the “Crummer Trust” parcel and now known as “Malibu Coast Estate” from Commercial-Visitor Serving to Planned Development, allowing for development of five estate homes and a small public park, and precluding use of the site for visitor serving accommodations and resulting in a lower priority residential use under the Coastal Act;

WHEREAS, the owner of the Malibu Coast Estate site, PCH Project Owner, LLC (“Project Owner”) proposed a \$4,000,000 in-lieu fee as part of the LCPA, and this project feature will have the effect of helping address the loss of the valuable Commercial-Visitor Serving land use designation at the Malibu Coast Estate site;

WHEREAS, on August 12, 2015, the Commission entered into an Escrow Agreement with Project Owner. Under the terms of the Escrow Agreement, Project Owner agreed to deposit the \$4,000,000 (the “Funds”) into an escrow account within two business days after the Commission hearing on the proposed LCPA and agreed to release the funds to MRCA upon the satisfaction of various conditions;

WHEREAS, MRCA wishes to establish and manage an interest bearing account to hold the Funds, pursuant to an MOU with the Commission, and to use that money in developing low-

cost visitor serving overnight accommodations (i.e., campground facilities, including tent camps and tent cabins, to serve the public and MRCA's programs for disadvantaged and foster youth) at MRCA's Cameron Nature Preserve in Puerco Canyon;

WHEREAS, the Commission and MRCA now wish to enter into an agreement to guide MRCA's use of the Funds to be transferred pursuant to this agreement;

WHEREAS, MRCA is authorized to enter into this MOU by Government Code Sections 6500-6538; and

WHEREAS, the Acting Executive Director of the Commission is authorized to enter into this agreement on behalf of the Commission pursuant to the Commission's authority under, inter alia, California Public Resources Code sections 30330, 30512, 30513 and 30514;

Now, therefore, in consideration for being designated to receive the Funds, MRCA does hereby agree, and in consideration for MRCA's commitments herein, the Commission does hereby agree, as follows:

II. TERMS AND CONDITIONS

1. This Memorandum of Understanding ("MOU") is executed as of the date on which it has been signed by the authorized representatives of the Parties.
2. MRCA shall establish an interest bearing account (the "Account") to receive \$4,000,000 (the "Funds") from Project Owner.
3. The purpose of the Account shall be to hold funds that will be used for developing low-cost visitor serving overnight accommodations (i.e., campground facilities, including tent camps and tent cabins, to serve the public and MRCA's programs for disadvantaged and foster youth) at MRCA's Cameron Nature Preserve in Puerco Canyon.
4. MRCA shall maintain the Account as a segregated account. The only funds to be deposited into the Account shall be the \$4,000,000 fee funded by Project Owner (and interest earned thereon); no other funds of MRCA shall be deposited into or comingled with those funds. MRCA shall maintain records and documentation of development and construction costs that it incurs and pays with funds from the Account. MRCA shall provide the Commission with an accounting that details the utilization of all funds upon completion of the improvements, or at such earlier times as may be reasonably requested by the Commission.
5. The Account shall be structured to ensure that the entirety of the Funds and any accrued interest shall be used for the above-stated purpose within five years of the Funds being deposited into the Account, unless the Commission's Executive Director extends this time period for good cause. To accomplish that, MRCA shall develop and maintain a schedule for its completion of the improvements at Cameron Nature Preserve within that five-year period. MRCA will prepare and advise the Commission of the schedule within

12 months of the execution of this MOU and will thereafter promptly notify and consult with the Commission if any material delays or changes arise.

6. The Account shall be structured to ensure that, in the unanticipated event that any portion of the Funds has not been expended within the five-year period, or longer period if extended by the Executive Director, those funds remaining in the account shall be directed to other MRCA (or other public agency acceptable to the Commission's Executive Director) sponsored lower-cost overnight accommodation improvement projects within the Coastal Zone of Los Angeles County, southern Ventura County, or the City of Malibu pursuant to a new Memorandum of Understanding with the Coastal Commission.
7. MRCA shall be responsible for ongoing management of the Account.
8. MRCA shall utilize the Funds and any accrued interest exclusively to construct low-cost visitor serving overnight accommodations (i.e., campground facilities, including tent camps and tent cabins, to serve the public and MRCA's programs for disadvantaged and foster youth) at MRCA's Cameron Nature Preserve in Puerco Canyon. MRCA shall use no more than thirteen percent of the total funds (i.e., \$520,000) to pay design and other pre-development costs incurred after the August 12, 2015 Commission action on the LCPA in the course of submitting a complete CDP application to Los Angeles County for the work. MRCA agrees to obtain any necessary coastal development permits and other necessary regulatory permits and approvals associated with the development.
9. Notwithstanding the provision of Funds based on the Escrow Agreement between the Commission and Project Owner arising out of the LCPA certified by the Commission, and the review of plans and/or programs by the Commission or its Executive Director pursuant to actions MRCA takes in furtherance of this MOU, MRCA hereby assumes full responsibility for and liability arising out of all actions, activities, construction and/or development that MRCA undertakes with the assistance of the Funds.
10. The terms of this MOU shall become effective upon execution by both Parties and shall continue thereafter until the satisfactory completion of the obligations of the Parties as described herein, unless extended by written and signed amendment of this MOU. The MOU may be altered, changed, or amended by mutual consent of the Parties. Any changes or amendments must be in writing and signed by the Parties before such change or amendment shall take effect.
11. MRCA shall ensure that the improvements constructed pursuant to this MOU shall continue to be operational.
12. The MOU is executed in counterparts, each of which shall be considered a duplicate original.
13. Notices: Any demand upon or notice required or permitted to be given by one party to the other shall be in writing, shall be made in the following manner, and shall be effective (a)

upon receipt if given by personal delivery, (b) on the date indicated on the receipt if given by certified or registered mail, return receipt requested, or (c) on the succeeding business day after mailing or deposit if given by Express Mail or by deposit with a private delivery service of general use (e.g. Federal Express), postage or fee paid, as appropriate, addressed to the Parties. Notice of a change of address shall be given by written notice in the manner set forth in this section.

Any such notice should be sent to the following representatives of the Parties:

If to the Commission:
Steve Hudson
Deputy Director
Coastal Commission
89 S California St. # 200
Ventura, CA 93001

If to MRCA:
Jeff Maloney
Chief Staff Counsel
MRCA
570 West Avenue 26, Suite 100
Los Angeles, CA 90065

- 14. This MOU shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.
- 15. This MOU shall be governed by, and construed and enforced in accordance with, the laws of the State of California.
- 16. Should any provision of this MOU be found invalid, void or unenforceable, it shall be severable from the rest of the MOU and the remaining terms shall be enforced as if the unenforceable term had not existed.

STATE OF CALIFORNIA
CALIFORNIA COASTAL COMMISSION

MOUNTAINS RECREATION AND
CONSERVATION AUTHORITY

By: _____
JACK AINSWORTH
Acting Executive Director

By: _____
RORIE SKEI
Chief Deputy Executive Director

Date: _____

Date: _____