

**FUNDING AGREEMENT TO MOUNTAINS RECREATION AND
CONSERVATION AUTHORITY FOR OPEN SPACE ACQUISITION**

THIS AGREEMENT is made and entered into this ____ day of _____, 2007.

BY COUNTY OF LOS ANGELES, a body
corporate and politic, hereinafter referred to
as "County",

AND MOUNTAINS RECREATION AND
CONSERVATION AUTHORITY, a
California non-profit organization,
hereinafter referred to as "MRCA".

WITNESSETH:

WHEREAS, the County's intent is to preserve the riparian habitat, and prevent further development in an open space that has scenic and ecological value; and

WHEREAS, MRCA is dedicated to the preservation and management of local open space and parkland, watershed lands, trails and wildlife habitat; and

WHEREAS, MRCA shall act as lead agency in matters pertaining to compliance with the California Environmental Quality Act; and

WHEREAS, in order to preserve the riparian habitat of the Topanga Canyon and preclude further development, and to provide a public trail connection from Paradise Lane to the north into the National Park Services (NPS) property, the County Board of Supervisors has approved a contribution in the amount of \$800,000 to the MRCA for acquisition of a 38-acre parcel in the Garapito Canyon tributary of Topanga Canyon, Assessor Parcel Number 4434-009-015, hereinafter referred to as "Property".

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein the parties hereto agree as follows:

A. Proposed Acquisition

1. The MRCA is to acquire and maintain the Property, as defined herein, in the Garapito Canyon tributary of Topanga Canyon as an open space natural area to provide a trail connection from Paradise Lane to the north into the NPS property. The acquisition would directly preserve and protect land, water and other natural resources in a watershed of Santa Monica Bay.

2. MRCA agrees to use the Property acquired with grant money from the County only for the purposes for which it requested the funds and MRCA agrees to operate the Property acquired as open space area with reasonable public trail access in perpetuity.
3. In the event MRCA decides to sell or otherwise disposes of the Property acquired under this Agreement, MRCA shall reimburse the County in an amount equal to the greater of 1) the amount of monies provided under this Agreement; 2) the fair market value of the real property; 3) the proceeds from the portion of the property acquired under this Agreement.

B. Agreement Term

The term of this Agreement is from the Effective Date until December 30, 2057 except that the obligation to maintain the Property will remain in force in perpetuity.

C. Assignment

MRCA shall not assign their interest in this Agreement or the Property without prior written consent of the County, which shall not be unreasonably withheld.

D. Approved Funding and Costs

1. The County hereby grants to the MRCA the amount not to exceed \$800,000 for the acquisition in fee of the Property.
2. County Funds may be used by the MRCA only for direct costs of the acquisition of the Property.
3. MRCA shall not use the fund contributed by the County for any other purposes except for the acquisition of the Property under this Agreement. Any revision of the acquisition plan must have written consent of the County prior to expending County funds.

E. Financial Records

1. The MRCA agrees to maintain satisfactory financial accounts, documents and records of the expenditure of County Funds and to make them available to the County for auditing at reasonable times. The MRCA also agrees to retain such financial accounts, documents and records for five (5) years following termination of this Agreement.
2. The MRCA agrees to use a generally accepted accounting system. The MRCA also agrees to maintain, and make available for County inspection, accurate records of all of its costs, disbursements and receipts with respect to its activities under this Agreement.
3. At any time during the term of this Agreement or at any time within five (5) years of the expiration or prior termination of this Agreement, authorized

representatives of the County may conduct an audit of MRCA records for the purpose of verifying appropriateness and validity of expenditures of County Funds under the terms of this Agreement. If said audit reveals expenditures that cannot be verified or that were paid in violation of the terms of this Agreement, the County may request that the MRCA substitute other funds available to the MRCA, or if all County Funds have not yet been paid to the MRCA, the County may, in its discretion, reduce its County Funds obligation by an amount equal to such expenditures.

The MRCA, within thirty (30) days of notification from the County of its audit findings, may dispute the audit findings in writing to the County and provide the County with records and/or documentation to support the expenditure claims. The County shall review this documentation and make a final determination as to the validity of the expenditures.

The MRCA will provide the County Chief Executive Office with a report itemizing actual expenditures funded by monies received pursuant to this Agreement prior to a request for an extension to this Agreement or within one hundred twenty (120) days following the termination of this Agreement.

F. Hold Harmless and Indemnification

1. The MRCA shall indemnify, defend and hold the County, its officers, and employees harmless from and against any and all liability to any third party for or from loss, damage or injury to persons or property in any manner arising out of, or incident to, the performance of this Agreement and those obligations survive the termination or expiration of this Agreement.
2. The County shall have no liability for any debts, liabilities, deficits, or cost overruns of the MRCA beyond the amount of the County's contribution.
3. The MRCA and the County agree that the liability of the County hereunder shall be limited to the payment of the County Funds pursuant to the terms and conditions of this Agreement. Any contracts entered into, or other obligations or liabilities incurred by the MRCA in connection with the acquisition or otherwise relating to this Agreement shall be the sole responsibility of the MRCA and the County shall have no obligation or liability whatsoever thereunder or with respect thereto, unless the County is a party to any such agreement. This Agreement does not otherwise alter or amend any other agreements or obligations between the County and the MRCA.

G. Notices and Approvals

All notices and approvals shall be directed to and made by the following representatives of the parties:

a. To the County: Chief Executive Office
Capital Projects/Debt Management Division
Attn: Jan Takata
Kenneth Hahn Hall of Administration, Room 754
500 West Temple Street
Los Angeles, CA 90012

b. To the MRCA: Mountains Recreation & Conservation Authority
Attn: Cara McLane
570 West Avenue 26, Suite 100
Los Angeles, CA 90065

H. Nondiscrimination

The MRCA shall not discriminate against any person on the basis or race, color, sex, sexual orientation, age, religious belief, national origin, marital status, physical or mental handicap, medical condition, or place of residence in the use of the County Funds paid to the MRCA pursuant to this Agreement.

I. Severability

If any provision of this Agreement, or the application thereof, is held to be invalid, that invalidity shall not affect other provisions or applications of the Agreement that can be given effect without the invalid provision or application, and to this end the provisions of the Agreement are severable.

J. Effective Date

The effective date of this Agreement shall be the date of approval by the County's Chief Executive Officer.

