



July 31, 2024 - VIA EMAIL – CONFIDENTIAL

Bruce Moe
City of Manhattan Beach
1400 Highland Ave
Manhattan Beach, CA 90266

Re: Memorandum of Understanding - New Aquatics Center - LA County Assessor's Identification Number (AIN): 4138-026-900

The Bay Club Company ("Bay Club") is pleased to submit this Memorandum of Understanding ("MOU") which sets forth the terms under which Bay Club proposes to construct and operate an aquatic facility and related project in cooperation with the City of Manhattan Beach (the "City").

PART I

Nonbinding Proposed Terms:

PROJECT AND FUNDING:

Bay Club would construct two (2) swimming pools, one (1) junior pool (depth 3-4 feet) and one (1) competition pool (depth 5-6 feet), as well as a proper facility including locker room buildings with appropriate site ingress, egress and parking located at AIN: 4138-026-900 (the "Aquatic Center"). Bay Club will fund the project costs to build the Aquatic Center estimated between \$10-\$15 million.

EXPERIENCE:

Bay Club currently operates 90+ pools on the West Coast and will construct and program a similar aquatic experience for the Aquatic Center. Bay Club will work with City staff in developing the program experience, including accommodating select City programming.

OWNERSHIP:

The Aquatic Center would be owned and operated by Bay Club with special privileges for City residents.

LEASE:

Bay Club will enter into a long-term ground lease for the real property at AIN: 4138-026-900 (the "Real Property") with the City on terms mutually agreed by the parties as part of the documentation.

CITY RESIDENT PRIVILEGES:

City residents will be eligible to use the Aquatic Center for a daily walk-up fee only available to City residents (e.g., \$15 per day) with first priority for programs at the Aquatic Center for City residents.

CONTINGENCIES AND DOCUMENTATION:

Counsel for Bay Club and the City will cooperate to prepare the appropriate documentation to formalize the terms set forth herein with all final documentation subject to Bay Club environmental reviews and successful negotiation of the final terms, including addressing the parking and ingress/egress issues set forth below.

BEGG POOL:

In addition, Bay Club will be willing to partially fund a solution for the Begg Pool, with a contribution of up to \$1 million. Bay Club would be involved in the budgeting and expenditure of funding for a shorter term solution for the Begg Pool or conversion to another use (e.g., a ball field). Any funding for the Begg Pool by Bay Club will be contingent on approval and entry into final documentation for the Aquatic Center.

TIMING AND NEXT STEPS:

Generally, the City will take the lead on the next steps, and the parties will work to execute this MOU on or before August 31, 2024.

The City and Bay Club will coordinate staff meetings to address any programming concerns, which can include site visits to Bay Club facilities in San Diego or the San Francisco Bay area.

Upon signing this MOU, Bay Club will order Phase 1, and as needed Phase 2, environmental reports on the Real Property, at Bay Club's expense.

Bay Club and the City will work to immediately address whether sufficient parking exists for the Aquatic Center and whether, after installation of an appropriate accessibility ramp, the initial proposed location of Aquatic Center will be acceptable.

PART II

Additional Provisions

COSTS AND EXPENSES:

The City and Bay Club will each be solely responsible for and bear all of their reasonable expenses, including, without limitation, expenses of legal counsel, and other advisors, incurred at any time in connection with pursuing, negotiating and consummating the transactions contemplated hereby.

PUBLIC DISCLOSURE:

Except as required by law, the timing and content of any public disclosure shall be made only upon the mutual approval of Bay Club and the City.

**BINDING PROVISIONS;
ENFORCEABILITY:**

This MOU is an expression of intent only and is not legally binding upon either of the parties hereto, except that the provisions set forth in this Part II shall be legally binding upon and enforceable against each of the parties hereto.

* * * * *

Upon its acceptance by you, this letter will evidence our mutual intention to proceed with negotiations designed to carry out the transaction substantially in the manner outlined herein. Our proposal set forth in this MOU is valid through 5:00pm PDT on August 31, 2024.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew Stevens", is written over a light blue circular background.

Matthew Stevens
President and CEO
The Bay Club Company

If the foregoing meets with your approval, please indicate your acceptance by signing and returning the accompanying copy of this MOU.

In witness thereof, the Parties hereto have entered into this MOU on August 20, 2024.

City:

Consultant:

City of Manhattan Beach,
a California municipal corporation

The Bay Club Company,
a Limited Liability Company

Signed by:
By: Talyn Mirzakhanian
3EDF7FAFD03408...
Name: Talyn Mirzakhanian
Title: Acting City Manager
Date: 9/5/2024

DocuSigned by:
By: Matthew Stevens
A8B7DB4E4F284B4...
Name: Matthew Stevens 8/29/2024
Title: President and CEO

ATTEST:

DocuSigned by:
By: Liza Tamura, City Clerk
975D2FFB9D8440B...
Name: Liza Tamura
Title: City Clerk
Date: 9/9/2024

APPROVED AS TO FORM:

DocuSigned by:
By: Quinn Barrow, City Attorney
024C6E263545445...
Name: Quinn M. Barrow
Title: City Attorney
Date: 9/4/2024

APPROVED AS TO FISCAL IMPACT:

DocuSigned by:
By: Onyx Jones, Interim Finance Director
2E7A73EAFD77469...
Name: Onyx Jones
Title: Interim Finance Director
Date: 9/3/2024

APPROVED AS TO CONTENT:

Signed by:
By: George Gabriel
F38A8702AB50499...
Name: George Gabriel
Title: Assistant to the City Manager
Date: 8/29/2024