

OPERATIONAL TRANSFER AGREEMENT BETWEEN THE SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT, REPRESENTING THE INTERESTS OF THE FUTURE SANTA MONICA UNIFIED SCHOOL DISTRICT, AND THE CITY OF MALIBU, REPRESENTING THE INTERESTS OF THE FUTURE MALIBU UNIFIED SCHOOL DISTRICT

This Operational Transfer Agreement (“Agreement”) is entered into and effective ____, 2024 (“Effective Date”), between the Santa Monica-Malibu Unified School District (“SMMUSD”), representing the interests of the future Santa Monica Unified School District (“SMUSD”), and the City of Malibu (“Malibu”), representing the interests of the future Malibu Unified School District (“MUSD”), hereinafter referred to as the “Parties”, and with respect to the following Recitals, which are incorporated by reference into this Agreement.

The purpose of this Agreement is to provide the framework for how the Parties will work together during the time preceding the formation of the future MUSD, hereinafter referred to the “Transition Period”, and to provide guidance for certain activities/actions which may require collaboration after the transition period. This framework of this Agreement defines how the Parties will work together to manage the transition of Confidential Data; Educational Services; Other Student Related Services; Staffing Assignments; Human Resources; Maintenance, Operations and Facilities; Allocation of Real Property; Allocation of Other Assets and Liabilities; Fiscal Implications; and, Communications.

It is the intent of the Parties to provide for a smooth and transparent Transition Period to assist themselves and the public in understanding how all aspects of providing public education services will transition from SMMUSD to the future SMUSD and MUSD.

A. RECITALS

WHEREAS, SMMUSD is the current provider of preschool through twelfth grade public education for students residing within the cities of Santa Monica and Malibu, as well as certain adjacent unincorporated territory of Los Angeles County; and,

WHEREAS, SMMUSD and Malibu have agreed that the formation of an independent Malibu Unified School District is in the best interest of all students; and,

WHEREAS, SMMUSD and Malibu have agreed to pursue the unification of MUSD from territory within SMMUSD with the intention of the two resulting school districts serving the communities of Santa Monica and Malibu, respectively; and,

WHEREAS, Education Code section 35511(a)(2) allows for the action to form a new unified school district from all or parts of one or more existing unified school districts; and

WHEREAS, on the Separation Date (as defined below), SMUSD will become the provider of preschool through twelfth grade public education for students in the City of Santa Monica, California, which boundaries are reflected and included in **Exhibit A**, attached and incorporated in this Agreement (“SMUSD Boundaries”); and,

WHEREAS, on the Separation Date (as defined below), MUSD will become the provider of preschool through twelfth grade public education for students in Malibu, California, and certain adjacent unincorporated areas of Los Angeles County, which boundaries are reflected and included in **Exhibit B**, attached and incorporated in this Agreement (“MUSD Boundaries”); and,

WHEREAS, the parties have agreed upon a revenue sharing concept that is memorialized in a Property Tax Sharing Agreement that allocates a sufficient share of funding to enable each successor educational entity to provide a similar level of service at each school site as prior to separation; and,

WHEREAS, the parties have agreed to work collaboratively during the Transition Period to facilitate the transition from SMMUSD into SMUSD and MUSD.

NOW, THEREFORE, the parties agree as follows:

B. DEFINITIONS

1. For the purposes of this Agreement, the following terms shall have the meanings set forth below:
 - a. “Fund Balance” shall mean assets, including cash and accounts receivable, less liabilities, including accounts payable, referred to as Ending (Fund) Balance, June 30 in the state’s Standardized Account Code Structure (SACS) Unaudited Actual reports.
 - b. “JPA” shall mean a Joint Powers Authority formed to execute the terms of this Agreement.
 - c. “Malibu Transition Team” shall be the consultants engaged by the City of Malibu assigned to facilitating and implementing the steps necessary to initiate operations of MUSD.

- d. "Revenue Sharing Agreement" shall mean the Property Tax Revenue Sharing Agreement entered into between SMMUSD and Malibu that sets forth the allocation of revenues between the Parties post-separation.
- e. "Separation Date" shall mean the 1st of July in the year whereby the separate Malibu Unified School District and Santa Monica Unified School District become officially operational as authorized by the California Department of Education.
- f. "Successor Entity" shall mean the future school districts, referred to herein as SMUSD or MUSD, collectively the "Successor Entities", which exists after the Separation Date, regardless of the legal process by which each agency is formed or identified.
- g. "Transition Period" shall begin when this Agreement, the Property Tax Revenue Sharing Agreement, and the JPA Agreement are collectively ratified and will continue up to and until the Separation Date.

C. AGREEMENT

1. Common Interest

- a. The parties will work cooperatively on developing a Common Interest Agreement by 12 months prior to the Separation Date, that will address sharing information that requires confidentiality and ongoing decision-making that directly impacts the future MUSD.
 - i. The Common-Interest Agreement will address sharing of student data; cooperation on facilities improvements and improvement plans at Malibu school sites; and, to the extent necessary, special legislation to implement the Revenue Sharing Agreement including but not limited to the continuation and treatment of revenue sources.
 - ii. The Agreement will be consistent with Family Educational Rights and Privacy Act (FERPA) restrictions.

2. Educational Services

- a. General Educational Services SMMUSD Assistant Superintendent of Educational Services will participate in developing a transition plan with the Malibu Transition Team which will describe how instructional services will be transitioned from SMMUSD to MUSD post-separation.
- b. Special Education Services SMMUSD Special Education Director will participate in developing a transition plan with the Malibu Transition Team which will describe how

special education services will be transitioned from SMMUSD to MUSD post-separation.

- i. SMMUSD shall provide a list to the Malibu Transition Team of all ongoing mediations and litigation involving future MUSD students receiving special education services as well as the name and contact information of the attorney representing the district.
- ii. SMMUSD will provide copies of all agreements with the parents of students attending schools in Non-Public School (NPS) or residential RTC facilities, and all information, including cost and supervision responsibilities related to those placements.
- iii. Digital copies for all MUSD students with disabilities shall be provided to the Malibu Transition Team one year prior to the Separation Date.
- iv. Liabilities from incidents resulting in incurrence of monetary liability prior to the Separation Date shall be the sole responsibility of SMUSD.

c. Local Control and Accountability Plan (LCAP)

- i. Existing levels of services identified in the SMMUSD LCAP for Unduplicated Students, as defined in Education Code Sections 2574(b)(2) and 42238.02(b)(1)), shall be provided by the future MUSD.

3. Other Student Related Services

a. Inter/Intra-District Transfers

- i. At the beginning of the Transition Period, SMMUSD shall provide the Malibu Transition Team with a list of all students in Malibu Schools attending via an interdistrict or intradistrict attendance permit.

1. MUSD will honor existing permits awarded by SMMUSD and allow them to continue their enrollment in MUSD schools.

b. Food Services

- i. SMMUSD Food Services Director will participate in developing a transition plan with the Malibu Transition Team which will describe how food services operations will be transitioned from SMMUSD to MUSD post-separation.

- ii. Any student meal accounts at Malibu schools that have a remaining balance at the Separation Date shall be transferred to MUSD.
 - c. Transportation
 - i. SMMUSD Transportation Director will participate in developing a transition plan with the Malibu Transition Team which will describe how transportation operations will be transitioned from SMMUSD to MUSD post-separation.
- 4. Staffing Assignments
 - a. Employee assignments are governed by Education Code Sections 35555-35559, 44035, 44955, and 45121, and described in the California Department of Education “School District Organization Handbook”, the relevant sections of which are included as **Exhibit E**.
 - i. SMMUSD and the Malibu Transition Team will follow the provisions of the Education Code and California Department of Education Handbook regarding employee assignments and rights.
 - b. Initial Employee assignments for the post-separation period shall be determined by December 31 in the year prior to the Separation Date.
 - c. SMMUSD and the Malibu Transition Team shall work with labor partners to determine whether employee assignments for specialized departments, such as special education, can be identified at an earlier date.
 - d. SMMUSD and Malibu Transition Team members will hold meetings in each school where employees may be impacted, providing employees with information and an opportunity to ask questions.
 - e. SMMUSD shall keep Malibu informed about labor discussions during the Transition Period that may affect or relate to school district separation.
- 5. Human Resources
 - a. Health and Related Insurance for Employees
 - i. SMMUSD shall coordinate with insurance providers to ensure continuity of employee benefits.
 - ii. If SMMUSD is considering a change in insurance/benefit providers, in addition to the collective bargaining process, SMMUSD will share any

considered changes to employee benefits with the Malibu Transition Team prior to making any changes.

- iii. The Malibu Transition Team will meet with labor partners and SMMUSD staff to review the seamless transition of health and welfare benefits for employees and retirees.

b. Retirement Benefits

- i. SMMUSD shall coordinate with the Los Angeles County Office of Education (LACOE) for the transition with PERS and STRS regarding a change in employer to ensure continuity of service so that employee retirement benefits are not adversely impacted by the school district reorganization.

c. Sick Leave Balances

- i. SMMUSD employees transferring to MUSD will maintain their sick leave balances upon transfer to MUSD.

d. Vacation Balances

- i. SMMUSD employees transferring to MUSD will keep up to 24 vacation days or the maximum number of days allowed in the SMMUSD employee contract, or whichever is less.

- 1. SMMUSD shall pay out all vacation liability above that amount at the Separation Date on or reasonable after the Separation Date in alignment with normal payroll processing.

6. Facilities, Maintenance, and Operations

- a. SMMUSD will provide the Malibu Transition Team with a schedule/list of all scheduled maintenance, upgrades, and grounds work expected to occur on Malibu campuses each year, including its 10-year schedule for replacing all equipment, roof replacement, septic pumping and maintenance, and any other maintenance information necessary to maintain MUSD school sites.

- b. At the Separation Date, SMMUSD will provide the MUSD with instructions and control access for the HVAC and security systems at Malibu school sites.

c. MUSD Administrative Headquarters

- i. SMMUSD shall complete the construction/installation of the MUSD Administrative Headquarters prior to the Separation Date in coordination with the Malibu Transition Team and the Parties will work cooperatively to

develop the a satisfactory mutually agreeable solution to the central office facilities needs of MUSD.

- ii. All existing portable classrooms that are SMMUSD owned and currently located in the future MUSD area of SMMUSD, including the Malibu High/Middle School (MHS/MMS) campus and Webster Elementary campus, shall become the property of MUSD.
- iii. The MUSD District Office will be temporarily located on the Malibu Elementary School (MES) campus as conceptually shown in **Exhibit C**.
 - 1. The current portables on the MES campus will be removed and returned to the leasing company.
 - 2. Portables located on the upper MHS/MMS campus will be removed and relocated to the MES campus.
 - 3. In consultation with the Malibu Transition Team, the portables will be reconfigured and remodeled for meeting rooms and office space.
 - 4. If the secured entry for the MES campus impacts the new portables, a new secure entry will be created for the MES campus.
 - 5. The improvements identified in this Section will be funded from the proceeds of General Obligation Bonds authorized under School Facilities Improvement District (SFID) No. 2, the SFID located in the Malibu area of SMMUSD.

d. Facilities Improvements and Planning

- i. The Malibu Transition Team will be consulted and participate in any planning for school facility improvements by SMMUSD during the Transition Period at any Malibu school sites, except for work orders or routine maintenance, and/or property owned in the Malibu area of the SMMUSD, including the following:
- ii. Improvements funded from General Obligation Bonds or other SMMUSD funding sources.

- iii. Reasonable improvements in design documents for Malibu area schools in order to accommodate plans for an independent MUSD as identified by the Malibu Transition Team.
 - iv. Power and technology infrastructure that will be needed for MUSD to operate independently as well as other improvements identified by the Malibu Transition Team.
 - 1. Representatives from the Malibu Transition Team shall be included in the Malibu Facilities District Advisory Committee meetings.
 - 2. During the Transition Period, Malibu shall receive notification of facility improvements occurring in the Santa Monica area of the SMMUSD for expenditures funded from non-SFID 1 funding sources, except for work orders or routine maintenance.
 - v. SMMUSD and the Malibu Transition Team shall discuss decisions that may result in a facilities-related budgetary impact to MUSD or involve the spending of shared funding sources.
 - vi. To the extent funding and approvals are available, SMMUSD will continue to progress without unneeded delay remaining projects in the Measure M (SFID 2) bond, including tying Webster Elementary into the new sewer system.
 - 1. If the projects are not complete prior to separation, SMMUSD will transfer contracts to MUSD and provide MUSD with all relevant plans, specifications, documentation of approvals, funding, and other information necessary to complete the projects.
 - vi. SMMUSD shall actively complete applications for State School Facility Program funding for all eligible projects on Malibu school sites and notify the Malibu Transition Team of project application and funding status.
 - 1. SMUSD shall provide MUSD will all information and data reasonably necessary to file required Office of Public School Construction (OPSC) expenditure reports and respond to audit requests if such deadlines occur after the Separation Date for funding applications submitted prior to the Separation Date.
- e. Information Technology
- i. All technology currently located in Malibu schools will be transferred from SMMUSD to MUSD.

1. SMMUSD will port phone numbers for all Malibu schools to MUSD.
- ii. In consultation with SMMUSD Information Technology (IT) staff, Malibu will hire a technology consultant or consulting firm during the Transition Period to advise the Malibu Transition Team and SMMUSD IT staff on the most effective strategies for splitting SMMUSD's technology network into separate and independent networks for SMUSD and MUSD.
 1. SMMUSD will work cooperatively and accommodate the reasonable recommendations of the technology consultant which will address, at a minimum:
 - a. Identifying a central location for a new MUSD network technology.
 - b. Developing a timeline for creating a new MUSD system for critical technology-based programs and applications, including the creation of a one-year parallel system where the new MUSD systems are up and running so that troubleshooting can occur prior to the Separation Date.
 - c. Determining the best short-term and long-term solutions for hard wire internet connections to Los Angeles County Office of Education (LACOE).
 - d. Determine the best site based and cloud-based services for MUSD.
- iii. SMMUSD will work with the Malibu Transition Team, starting 18 months prior to the Separation Date, to create redundant systems to facilitate a smooth transition when MUSD begins operations.
 1. SMMUSD will identify office space adjacent to SMMUSD IT staff for the Malibu Transition Team IT consultant.
- iv. Until the Separation Date, SMMUSD will continue to repair and replace older technology in Malibu schools using standards common to all SMMUSD schools.

- v. SMMUSD will hire a data transfer employee that will support data transfer from SMMUSD to MUSD for the various digital applications.
 - 1. The cost of this position can be partially reimbursed by MUSD post-separation.
 - 2. The Malibu Transition Team will participate in the hiring of the data transfer person, with the intent of employing this person at MUSD post-separation.

7. Allocation of Real Property Assets

- a. All real property currently located within the territory of MUSD will be allocated to MUSD post-separation, likewise, all real property currently located within the territory of SMUSD will be allocated to SMUSD post-separation, as shown in **Exhibit D**.
- b. SMMUSD will provide the Malibu Transition Team with an inventory of all real property owned by SMMUSD, including identification of the use of the asset, Assessor's Parcel Number (APN), address, acreage, and square footage of any buildings six months prior to the Separation Date .
- c. The Vista Pacifica site lease shall be transferred to MUSD.
- d. SMMUSD will provide the Malibu Transition Team with any joint use agreements related to Malibu school sites six months prior to the Separation Date.

8. Allocation of Other Assets, Liabilities, & Fund Balances

- a. Division of Other Assets. Non-real property assets of SMMUSD will be divided between SMUSD and MUSD in the following manner, under review and resolution of any disputes by the JPA.
 - i. All furniture, equipment, tools, and vehicles owned by SMMUSD and currently located and only serving school sites or properties in the Malibu area of the SMMUSD will become the property of MUSD.
 - 1. Includes maintenance, grounds, food services, transportation equipment as well as classroom and office furniture and equipment.

- ii. All furniture, equipment, tools, and vehicles owned by SMMUSD and currently located and only serving school sites or properties in the Santa Monica area of the SMMUSD will become the property of SMUSD.
 - 1. Includes maintenance, grounds, food services, transportation equipment as well as classroom and office furniture and equipment.
 - iii. Furniture, equipment, and vehicles owned by SMMUSD that serve school sites and properties in both the Malibu and Santa Monica areas of the SMMUSD will be retained by SMUSD.
 - 1. SMUSD will compensate MUSD for twenty two percent (22%) the insured replacement value of these centrally located assets based on the listing of all vehicles, units, and equipment maintained by the SMMUSD Maintenance and Operations Department with valuation occurring within six (6) months after the Separation Date.
 - a. The compensation for these assets may be allocated from SMUSD to MUSD over the first three (3) years of MUSD operations, with 50% of the allocation occurring on the Separation Date and the remaining 50% allocated in years two (2) and three (3), with 25% allocation on July 1 of each year.
 - iv. All solar panel Power Purchase Agreements (PPA) Agreements for Malibu area school sites will be provided to the Malibu Transition Team and transferred to MUSD upon separation.
- b. Division of Current Assets. Current Assets include Cash, Investments, Accounts Receivable, Due from Other Agencies, Stores, Prepaid Expenditures, and Other Receivables.
- i. Cash in each fund will be allocated between SMUSD and MUSD in the same proportion as as identified in Allocation of Fund Balance of this Section.
 - 1. “Cash” for allocation purposes will include balances listed as Cash in County Treasury, Cash with Fiscal Agent, and Collections Awaiting Deposit. In addition, the Cash balance will be increased for Accounts Receivable as of June 30 and reduced by Accounts Payable as of June 30.

- ii. All other non-Capital Assets besides Cash and Accounts Receivable will remain with SMUSD as the successor district.
- c. Division of Liabilities – Short Term Liabilities. Short-term Liabilities include Accounts Payable, Due to Other Agencies, and Current Loans and Unearned Revenue as defined in SACS.
 - i. Accounts Payable will be netted with Cash and Accounts Receivable as discussed above in Section 8.b.i.1.
 - ii. Other Short-term Liabilities will remain with SMUSD as the successor district.
- d. Division of Liabilities – Bonded Indebtedness and Lease Obligations. The bonded indebtedness and lease obligations of SMMUSD will be allocated between SMUSD and MUSD in the following manner:
 - i. Outstanding General Obligation Bond (GO Bond) repayment obligations will remain in effect based on current taxpayer responsibilities. Currently outstanding bonds will continue to be repaid by all taxpayers within the existing boundaries of SMMUSD in the same manner as bonds are currently repaid.
 1. SMUSD taxpayers will continue to repay outstanding GO Bonds and future issuances of SFID 1.
 2. MUSD taxpayers will continue to repay outstanding GO Bonds and future issuances of SFID 2.
 3. The repayment of all outstanding non-SFID GO Bonds of SMMUSD will continue to be repaid by the entire SMMUSD tax base based on the assessed value in each area as defined in Exhibit A and Exhibit B.
 4. SMUSD will assume responsibility for ongoing debt administration, future issuance, and refinance of all outstanding GO Bonds of SMMUSD, except for outstanding SFID 2 bonds.
 5. MUSD will assume responsibility for ongoing debt administration, future issuance, and refinance of all outstanding SFID 2 GO Bonds.

- ii. Certificates of Participation (COPs) currently outstanding as of June 30, 2024, would become the sole responsibility of SMUSD.
- iii. Other lease obligations of SMMUSD at the Separation Date would be allocated to SMUSD and/or MUSD based on the utilization of the proceeds from the lease.
 - 1. The parties, through the JPA, shall review and agree on the appropriate allocation of these leases.
- e. Division of Liabilities – Employment-Related Liabilities. The employment-related liabilities of SMMUSD will be allocated between SMUSD and MUSD in the following manner:
 - i. Pension and Other Post Employment Benefit (OPEB) liabilities and associated assets, if any, shall be allocated between SMUSD and MUSD based on actual employee assignments determined by an actuarial study completed as soon as possible once employee assignments are identified.

The results of the actuarial study shall be reviewed by the JPA and the JPA shall make the determination of allocation of such liabilities and associated assets, if any.
 - ii. SMMUSD employees transferring to MUSD will keep up to 24 vacation days or the maximum number of days allowed in the SMMUSD employee contract, or whichever is less.
 - 1. SMMUSD shall pay out all vacation liability above that amount at the Separation Date or reasonable after the Separation Date in alignment with normal payroll processing.
- f. Allocation of Fund Balances. Fund Balances will be proportionately allocated between SMUSD and MUSD based on estimated Fund Balances on the Separation Date, with a true-up allocation on October 1 following the Separation Date after the Unaudited Actual Financial Statements are completed, in the following manner.
 - i. Unrestricted General Fund (Fund 01) Balance will be allocated with 78% allocated to SMUSD and 22% allocated to MUSD, with a minimum allocation to MUSD of five million five hundred thousand dollars (\$5,500,000).

1. If the Unrestricted General Fund Balance allocation to MUSD results in a fund balance of less than seven million five hundred thousand dollars (\$7,500,000), then there shall be an adjustment to the Property Tax Transfer Amount, as described in Section 9 of the Revenue Sharing Agreement, in the second and third year of operations of MUSD.
 - a. The revenue sharing amount shall be adjusted in the second year of operations of MUSD in an amount equal to 66.67% of the MUSD deficit spending in the Unrestricted General Fund in the first year of operations, as described in Section 9.a. of the Revenue Sharing Agreement.
 - b. The revenue sharing amount shall be adjusted in the third year of operations of MUSD in an amount equal to 33.33% of the MUSD deficit spending in the Unrestricted General Fund in the second year of operations, as described in Section 9.b. of the Revenue Sharing Agreement.
 2. Any Unrestricted General Fund Balance allocation in excess of 22% of the SMMUSD Unrestricted General Fund Balance, including adjustments occurring in the second and third year of MUSD operations, shall be reimbursed by MUSD to SMUSD as an adjustment to the Revenue Sharing Agreement in the final year of revenue sharing, as described in Section 9.c. of the Revenue Sharing Agreement.
 3. The JPA shall oversee the adjustments to the Property Tax Transfer Amount as described in this Agreement and the Revenue Sharing Agreement.
- ii. Restricted General Fund (Fund 01) Balance will be allocated proportionately based on the location of the students generating the funds.
 1. For revenues that are received for a specific student(s) or site-specific program, which MUSD is operating, the Fund Balance will be allocated to the Successor Entity that will be providing services to the student(s) or the site-specific program.
 2. For revenues that are received for programs or purposes that are located in both the Santa Monica and Malibu areas of the SMMUSD, the Fund

Balance will be allocated based on the percentage of participating student enrollment, as determined through CALPADS Form 1.17 certified data in each area of SMMUSD for each restricted program in the year prior to the Separation Date.

- iii. Student Body Fund (Fund 08) Balance will be allocated by school.
- iv. Adult Education Fund (Fund 11) Balance will be allocated to SMUSD.
- v. Child Development Fund (Fund 12) Balance will be allocated to SMUSD will be allocated based on the percentage of students in MUSD and SMUSD.
- vi. Cafeteria Fund (Fund 13) Balance will be allocated proportionally based on the percentage of students qualifying for free and reduced lunch in the respective areas of the SMMUSD as defined in Exhibit A and Exhibit B.
- vii. Deferred Maintenance Fund (Fund 14) Balance will be allocated proportionally based on the square footage of buildings in each area of the SMMUSD.
- viii. Building Fund (Fund 21-Bonds) Balance shall be allocated based on the SFID in which the bond proceeds were generated.
- ix. Capital Facilities Fund (Fund 25-Developer fees) Balance shall be allocated based on the funds collected in each area of SMMUSD to each subsequent entity serving that territory.
- x. County Schools Fund (Fund 35-State Bond) Balance shall be allocated based on the school for which the funds were received.
- xi. Special Reserve for Capital Outlay (Fund 40) Balance shall be allocated based on the source of the funds.
- xii. Bond Interest and Redemption Fund (Fund 51) Balance shall be allocated based on the SFID in which the bond proceeds were generated.
- xiii. Retiree Benefits Fund (Fund 71) Balance shall be allocated based on an actuarial study completed prior to the Separation Date and the identification of the employees that will be assigned to the respective SMUSD and MUSDs.

- g. Any assets, liabilities or fund balances not identified in this Agreement or uncertainties related to asset, liability, or fund balance distribution shall be allocated proportionately between SMUSD and MUSD at the discretion of the JPA.

9. Fiscal Implications

- a. It is anticipated that prior to separation, SMMUSD shall continue to make enrollment-related budget adjustments to “right-size” operations to manage sufficient fund balances for the future SMUSD and MUSD.
- b. Once this Agreement, as well as the Revenue Sharing Agreement and JPA Agreement have been approved by both SMMUSD and Malibu governing bodies, the SMMUSD staff shall engage with the Malibu Transition Team whenever expenditure adjustments to Malibu schools are considered.
- c. Malibu shall publicly support the right-sizing decisions if Malibu agrees those decisions are in the best interest of the future MUSD.

10. Communications

- a. During the Transition Period, SMMUSD and Malibu will collaborate in the development and issuance of all press releases, or other public forms of communications, related to updates and information about the formation of the SMUSD and MUSD successor entities.