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State of California
DEPARTMENT OF JUSTICE



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STATE COASTAL CONSERVANCY
San Diego, Calif.

January 6, 1997

Alan Abshez
Irell & Manella
1800 Avenue of the Stars, Suite 900
Los Angeles, California 90067-4276

RE: Mancuso v. Calif. State Coastal Conservancy, et al.
LASC No. BS 040197
(Sent via Facsimile)

Dear Mr. Abshez:

During the course of our ongoing conversations with respect to settlement of the above entitled matter, we have concluded that one of the key elements, if not the key element, was the dollar amount of the contribution by your client and Mr. Wildman to a proposed Coastal Conservancy Malibu Access Endowment Account. In an attempt to define what that amount needed to be, the Mountains Recreation and Conservation Authority (the agency which would be responsible for implementing the access program funded by this account) performed an analysis of the yearly cost of instituting such an access program in Malibu.

After receiving the results of that study, the Coastal Conservancy staff has concluded that a contribution of \$978,000.00 from Mr. Mancuso and Mr. Wildman when combined with the amount already authorized by the Coastal Conservancy for management of the SeaCliff and Geoffrey easements plus the balance in the Black Tor account should be adequate to create an endowment of sufficient size to fund an appropriate Malibu access program.

As a result, if your client and Mr. Wildman agree to contribute that amount, the Coastal Conservancy staff and our office will agree to recommend (at the Coastal Conservancy's January 23, 1997 meeting) that the Coastal Conservancy accept this amount as well and that we then proceed to finalization of the balance of the terms of a settlement agreement. It is my understanding that Mr. Michael Mantell of the Resources Agency has conveyed this information to Mr. Jonathan Horne who represents Mr. Wildman.

Those terms, broadly stated, are:

1. Dismissal with prejudice of the pending litigation against all parties with each side bearing its own costs and attorney fees;

2. Reconveyance of the Chiate\Wildman easements back to Mr. Mancuso and Mr. Wildman upon the occurrence of each one of the following contingencies:

a. The Coastal Conservancy finds that the cost of developing the Chiate\Wildman easements outweigh any potential public access benefits and that the proposed alternative promotes superior public access opportunities;

b. The Coastal Commission and the Department of General Services agree to the reconveyance;

c. The Coastal Commission agrees to placement of the dollars in the Black Tor account into the proposed Coastal Conservancy Malibu Access Endowment Account;

d. The Coastal Commission agrees to placement of \$82,000.00 from its Malibu Access Fund into the proposed Coastal Conservancy Malibu Access Endowment Account;

e. Entry of final non-appealable judgments or dismissals with prejudice of any suits filed challenging the validity of any action by the Coastal Conservancy to approve or implement the settlement or any action by the Coastal Commission or General Services necessary to implement the settlement; and

f. Receipt by the Coastal Conservancy of \$978,000.00 from Mr. Mancuso and Mr. Wildman on terms acceptable to the Coastal Conservancy;

3. An appropriate agreement providing sufficient assurance that Mr. Mancuso and Mr. Wildman will hold the Coastal Conservancy and the Department of General Services as well as the State of California and any of its officers and employees harmless from an award of costs or costs and attorney fees in any action brought challenging any action approving the settlement agreement or necessary to implement that agreement.

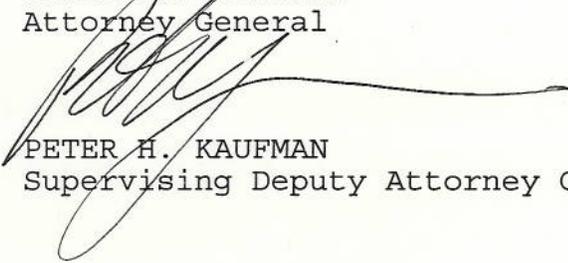
In order to provide sufficient time to prepare an appropriately detailed recommendation to the Coastal Conservancy,

Steven E. Thomas
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I would appreciate having a response from you as far in advance of the Coastal Conservancy's January 23, 1997 meeting as possible: Preferably within ten (10) days of the meeting.

Sincerely,

DANIEL E. LUNGREN
Attorney General



PETER H. KAUFMAN
Supervising Deputy Attorney General

cc: Michael Fischer