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DEPARTMENT OF JUSTICE



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March 27, 1997

Allan Abshez
IRELL & MANELLA
1800 Avenue of the Stars, Suite 900
Los Angeles, California 90067-4276

RE: Mancuso v. Calif. State Coastal Conservancy, et al.
Los Angeles Superior Court No. BS 040197

Dear Mr. Abshez:

Enclosed please find a copy of draft 3 of the Settlement Agreement in the above-entitled matter. This draft reflects our conversation of March 20, 1997, in which I advised you of the projected dates for the conclusion of the Conservancy's studies with respect to both the cost analysis for construction of improvements to the easement and the alternative access program study called for in the agreement. As we also discussed, these dates will occur after the currently established trial date for the above-entitled matter. As a result, draft 3 incorporates these dates and changes the time in which Mr. Mancuso is required to dismiss the above-entitled action.

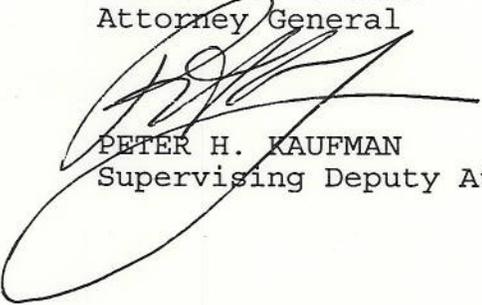
In addition, draft 3 also addresses the issue of what happens should the Conservancy have acted in December 1997 and January 1998 in furtherance of this Agreement and Mancuso is unable to provide or maintain the letter of credit or should the contingencies necessary to payment under the letter of credit not occur. Specifically, these changes to the Agreement in draft 3 envision a letter executed by Mancuso and Wildman and his agents and successors etc. binding them not to use the existence of this Agreement or any decisions made in furtherance of the Agreement as a basis for opposing improvement of the easement.

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When you have had an opportunity to review this document, please contact me and we can arrange to have a drafting meeting to attempt to iron out the final details of the agreement.

Sincerely,

DANIEL E. LUNGREN
Attorney General



PETER H. KAUFMAN
Supervising Deputy Attorney General

PHK:tag
enc.

cc: Elena Eger
James Pierce

RECEIVED
MAR 31 1997
COASTAL CONSERVANCY
OAKLAND, CALIF.