

IRELL & MANELLA LLP

A REGISTERED LIMITED LIABILITY LAW PARTNERSHIP
HOLDING PROFESSIONAL CORPORATION

333 SOUTH HOPE STREET, SUITE 3300
LOS ANGELES, CALIFORNIA 90071-3042
TELEPHONE (213) 820-1555
FACSIMILE (213) 820-0515

1800 AVENUE OF THE STARS, SUITE 900
LOS ANGELES, CALIFORNIA 90087-4276

TELEPHONE (310) 277-1010

CABLE ADDRESS IRELL& LSA

FACSIMILE (310) 203-7199

640 NEWPORT CENTER DRIVE, SUITE 500
NEWPORT BEACH, CALIFORNIA 92650-6324
TELEPHONE (714) 765-2000
FACSIMILE (714) 765-1800

WRITER'S DIRECT DIAL NUMBER

October 15, 1997

VIA FACSIMILE & U.S. MAIL

Peter H. Kaufman, Esq.
Supervising Deputy Attorney General
State of California
Department of Justice
110 West A Street, Suite 1100
Post Office Box 85266
San Diego, California 92101

Via Fax (619) 645-2012

Re: Mancuso v. California State Coastal Conservancy
Los Angeles Superior Court Case No. BS 040197

Dear Mr. Kaufman:

Steve Horne and you have requested an expression of my client's interest in continuing settlement discussions regarding the following proposal by the Conservancy. I have consulted with Mr. Mancuso, as well as Mr. Wildman's counsel, Jonathan Horne, and can relay the following.

In response to our request for information regarding the alternative access opportunities which are being studied by the Conservancy, you indicated that Conservancy staff has identified two beaches in the Malibu area, Dan Blocker and El Sol, which are publicly owned but which are presently closed to public use due to insufficient improvements and operating funds. Conservancy staff believes that the approximately \$1.5 in proceeds from the settlement we have been attempting to negotiate (i.e., my client's potential contribution of \$987,000 together with the Black Tor Account and other sums identified by the Conservancy) could provide the cornerstone to enable the development of one or both of these valuable facilities. You have also indicated that the Conservancy may wish to include other feasible appropriate access opportunities in the alternative access program, provided they do not jeopardize the Conservancy's ability to consummate the settlement between us.

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Generally, you have expressed a high degree of confidence in the likelihood that an alternative access program along the foregoing lines is in the public interest, that it can be approved within a reasonable period of time, and that the reconveyance of the Chiate/Wildman easements can be successfully accomplished, all as envisioned by our settlement discussions.

In response to our concern about the delay in closing the contemplated reconveyance, you have indicated that Conservancy would require until June 2000 to take such agreed upon steps as are necessary to review and approve the alternative access program, and obtain the approval of the reconveyance of the Chiate/Wildman easements contemplated by the settlement agreement.

Specifically, with respect to schedule, you have indicated that the Conservancy would take action on the alternative access program and make Section 31404 findings regarding the Chiate/Wildman easements by January 1999. If the Conservancy determines to go forward with the alternative access program, the Conservancy would conduct environmental review during 1999, and the Conservancy would file necessary applications with the Coastal Commission by January 2000. You would require that we provide reasonable security for our commitment to close after January 2000. The reconveyance would be closed in June 2000. It would be mutually understood that it may be necessary for the Conservancy or others to take some steps to implement the alternative access program after the planned closing; however such steps, if any, would not delay the closing. You have indicated that we would be informed of the progress of your efforts and appropriately involved all along the way.

If the Conservancy Board authorizes you to proceed, we would be interested in finalizing a written settlement agreement which incorporates the foregoing points as soon as possible. Since you have informed me that you will require additional access to complete necessary studies of my client's property as a basis for the Section 31404 findings discussed, we would also work out mutually acceptable arrangements for such purposes. I look forward to hearing from you after your meeting with the Conservancy Board on October 16th.

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This letter is a confidential offer of compromise
inadmissible pursuant to Evidence Code Section 1152.

Very truly yours,



Allan J. Abshez

cc: Mr. Frank Mancuso
Mr. Steve Horne

DANIEL E. LUNGREN
Attorney General

State of California
DEPARTMENT OF JUSTICE



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NAME: STEVE J. JAWI
OFFICE: _____
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FAX NO.: 8541-0470 PHONE NO.: _____

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OFFICE: _____
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