

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into by La Costa Beach Homeowners Association ("La Costa"), on the one hand, and the California State Coastal Conservancy ("Conservancy"), on the other hand, with reference to the following facts:

RECITALS

A. La Costa has filed a lawsuit against Conservancy in the Superior Court of the State of California for the County of Los Angeles, entitled La Costa Beach Homeowners Association, et al. v California State Coastal Conservancy, et al., Los Angeles Superior Court Case No. BC 063275 ("the Action"). By the Action, La Costa seeks a writ of mandate directing the Conservancy to set aside its decision to accept the dedication of the property at 21704 Pacific Coast Highway, ("the La Costa Lot").

B. La Costa and Conservancy now wish to settle and resolve the claims and disputes raised in the Action.

AGREEMENT

THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement, and other good and valuable consideration, receipt of which is hereby acknowledged, and to avoid further litigation and to resolve and settle all claims and disputes raised in the Action:

1. Notice and Meeting Commitment by Conservancy. The Conservancy agrees as follows:
 - a) Its staff, prior to recommending to the Conservancy any public access management plan and/or site plan for improvements for the La Costa Lot,

shall hold at least one noticed public meeting in the City of Malibu for the purpose of receiving comments from the public on the proposed access management plan and/or site plan for improvements for the La Costa Lot.

- b) Notice of the meeting described in (a) above shall be given at least thirty (30) days before the meeting by (1) publication in the local Malibu newspaper, and (2) delivery by mail, as well as by telephone, to the La Costa Beach Homeowners Association as specified in (c) below,
- c) Written and telephonic notice of the meeting described in (a) above shall be given to the following representatives of the La Costa Beach Homeowners Association:

Peg Yorkin, Treasurer
433 S. Beverly Drive
Beverly Hills, CA 90212
Telephone: (310) 556-2500

Helen Zoloth, Secretary
21422 Pacific Coast Highway
Malibu, CA 90265
Telephone: (310) 456-1455

Clare Bronowski, Attorney
Christensen, Miller, Fink, Jacobs, Glaser, Weil & Shapiro
2121 Avenue of the Stars, 18th Fl.
Los Angeles, CA 90067
Telephone: (310) 282-6254

Notice of the meeting described in (a) above shall include, as appropriate, a draft proposed public access management plan and/or a draft site plan for improvements for the La Costa Lot.

- d) The Conservancy shall hold a noticed public hearing prior to taking action to approve a public access management plan for the La Costa Lot, including a site plan for improvements on the La Costa Lot;
- e) Written notice of the public hearing described in (d) above shall be published in the local Malibu newspaper, delivered by mail to the City of Malibu and the Malibu City Council, and provided to the representatives of the La Costa Beach Homeowners Association listed in (c) above, at least ten (10) days before the public hearing. In scheduling this public hearing, Conservancy staff shall make good faith efforts to set the matter for a hearing in Southern California.
2. Dismissal by La Costa. La Costa shall file a Request for Dismissal of the entire Action with prejudice with the Court within five (5) business days after receipt of a fully executed copy of this Agreement.
3. No Admission of Liability. This Agreement and compliance with it shall not be construed as an admission by Conservancy of any liability, misconduct or wrongdoing whatsoever.
4. No Transfer of Actions. The parties hereto represent that they have not assigned or transferred, or purported to assign or transfer, to any person or entity any claim or portion thereof which is the subject of this Agreement.
5. Advice of Legal Counsel. Each party hereto acknowledges that it, he or she is either represented by legal counsel or has had a reasonable opportunity to consult with legal counsel in connection with the execution of this Agreement. Each

party hereto further acknowledges having read this Agreement and fully understood its provisions, and that no other representations or promises have been made to induce said party to enter into this Agreement.

6. Binding Effect This Agreement shall be binding upon each party and upon each party's heirs, administrators, representatives, executors, successors and assigns, and shall inure to the benefit of the other party and each of them, and to each party's heirs, administrators, representatives, executors, successors and assigns.
7. Severability Should any of the provisions of this Agreement be rendered invalid by a court or government agency of competent jurisdiction, it is agreed that this shall not in any way or manner affect the enforceability of the other provisions of this Agreement which shall remain in full force and effect. The parties further agree that California law shall govern the validity and interpretation of this Agreement.
8. Further Legal Action Upon Breach In the event it shall be necessary for any party hereto to institute legal action to enforce any of the terms and conditions or provisions in this Agreement, or as a result of any breach thereof, the prevailing party in such action shall be entitled to reasonable attorneys' fees and costs incurred.
9. Entire Agreement This Agreement constitutes the complete understanding between the parties and supersedes any and all prior agreements, promises or inducements, no matter its or their form, concerning its subject matter. No promises or agreements made subsequent to the execution of this Agreement by

these parties shall be binding unless reduced to writing and signed by these parties.

- 10. Modification No amendment, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the parties to be bound thereby.
- 11. Counterparts This Agreement may be executed and delivered by counterparts, each of which, when so executed and delivered, shall be the original, but such counterparts together shall constitute but one and the same instrument.
- 12. Effective Date This Agreement shall not be effective as to any party until and unless it has been signed by all parties named in the first paragraph hereof.

IN WITNESS WHEREOF, the parties hereto have each approved and executed this Agreement on the dates set forth opposite their respective signatures.

Dated: 2/14, 2003

LA COSTA BEACH HOMEOWNERS ASSOCIATION

By: Helen Zoloth
Its: Secretary

Dated: _____, 2003

By: _____
Its: Treasurer

Dated: _____, 2003

CALIFORNIA STATE COASTAL CONSERVANCY

By: _____
Its: Executive Officer

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Dated: _____, 2003

LA COSTA BEACH HOMEOWNERS ASSOCIATION

By: _____
Its: Secretary

Dated: 2/4, 2003

By: Peg York
Its: Treasurer

Dated: 2/27, 2003

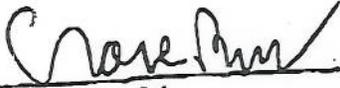
CALIFORNIA STATE COASTAL CONSERVANCY

By: Annalinda
Its: Executive Officer

AGREED AS TO FORM AND CONTENT:



PATRICIA SHEEHAN PETERSON
Deputy Attorney General
Attorney for California State Coastal Conservancy



Clare Bronowski
CHRISTENSEN, MILLER, FINK, JACOBS, GLASER,
WEIL & SHAPIRO, LLP.
Attorneys for La Costa Beach Homeowners' Association