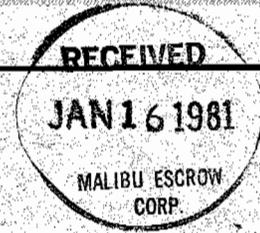


CALIFORNIA LAND TITLE COMPANY

- | | | | | |
|---|---|-----------------------------|---|----------------|
| <input type="checkbox"/> LOS ANGELES COUNTY: P.O. BOX 9048 | • | VAN NUYS, CALIFORNIA 91409 | • | (213) 760-2700 |
| <input type="checkbox"/> ORANGE COUNTY: P.O. BOX 10100 | • | SANTA ANA, CALIFORNIA 92711 | • | (714) 835-5575 |
| <input type="checkbox"/> RIVERSIDE COUNTY: P.O. BOX 2738 | • | RIVERSIDE, CALIFORNIA 92516 | • | (714) 784-2120 |
| <input type="checkbox"/> VENTURA COUNTY: P.O. BOX 612 | • | CAMARILLO, CALIFORNIA 93010 | • | (805) 484-2701 |
| <input type="checkbox"/> SAN BERNARDINO COUNTY: P.O. BOX 2517 | • | SAN BERNARDINO, CA. 92406 | • | (714) 886-5052 |

PRELIMINARY REPORT



• Malibu Escrow
• 22241 Pacific Coast Hwy.
• Malibu, Ca.

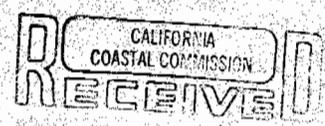
Date 1/15/81 Attention: Marie Your No. 5618
Our No. 1802209

Dated as of January 9, 1981 at 7:30 A.M.

In response to the above referenced application for a policy of title insurance, the insurer hereby reports that it is prepared to issue, as of the date hereof, a California Land Title Association Standard Coverage Form Policy of Title Insurance describing the land and the estate or interest therein hereinafter set forth in Schedule A, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception in Schedule B or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy form.

This report (and any supplements or amendments thereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

J. Hoblitt
.....
Hoblitt TITLE OFFICER



JAN 22 1981



SCHEDULE A

The estate or interest in the land described or referred to in this schedule covered by this report is:

A FEE

Title to said estate or interest at the date hereof is vested in:

FRANK ERPELDING AND LYNNE ERPELDING,
husband and wife as community property.

The following conveyance was recorded during a period of six months
preceding the date of this report: None.

The land referred to in this report is situated in the State of California, County of Los Angeles
and is described as follows:

Lot 18 of Tract 12634, as per map recorded in Book 260 Pages 25 to 27
inclusive of Maps, in the office of the County Recorder of said County.

And that portion of Lot 19 of Tract 12634, as per map recorded in Book
260 Pages 25 to 27 inclusive of Maps, in the office of the County Recorder
of said County, described as follows:

Beginning at the Northeasterly corner of said Lot 19; thence South 2°
0' 41" East, 35.60 feet along the Easterly line of Lot 19; thence North
3° 58' 08" West, 35.61 feet to the Northerly line of Lot 19; thence
Easterly along the said Northerly line, one foot to the point of beginning.

EXCEPT any portion of said land lying outside of the patent lines of
Rancho Topanga Malibu Seguit, as such lines existed at the time of the
issuance of the Patent, which was not formed by the deposit of alluvion
from natural causes and by imperceptible degrees.

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JAN 22 1961

SCHEDULE B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy form would be as follows:

1. TAXES

General and special County taxes for the fiscal year 1980-1981 as follows:

Total: \$3,976.77
1st inst.: \$1,988.39 paid
2nd inst.: \$1,988.38

Exemption: None
Code No.: 8678
Parcel No.: 4450-7-27

ADDITIONAL AMOUNTS THAT MAY HEREAFTER BE ASSESSED WITHIN THE GUIDELINES DEFINED IN CHAPTERS 49 AND 242 OF THE STATE OF CALIFORNIA STATUTES OF 1979.

2. EASEMENTS

An easement for public utilities and incidental purposes as provided in the deed recorded in Book 21118 Page 377, Official Records.

Said easement affects said land.

3. RESTRICTIONS

Covenants, conditions and restrictions as imposed by deed above mentioned.

The provisions, if any, of said instrument which provide restrictions based on race, color, religion or national origin are deleted.

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat nor render invalid the lien of any mortgage or deed of trust made in good faith and for value.

4. RESTRICTIONS

Covenants, conditions and restrictions, omitting restrictions herein, if any, based on race, color, religion or national origin, as contained in instrument recorded in Book 21265 Page 250, Official Records.

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat nor render invalid the lien of any mortgage or deed of trust made in good faith and for value.

Said covenants, conditions and restrictions, omitting restrictions herein, if any, based on race, color, religion or national origin, were purportedly modified by instrument recorded in Book 21297 Page 233, Official Records.

-continued-

5. EASEMENT

An easement over the Easterly 5 feet of said land for storm drains as shown on the map of said Tract.

6. DEED OF TRUST

A deed of trust to secure an indebtedness of \$160,000.00, and any other amounts payable under the terms thereof, recorded October 16, 1979 as Instrument No. 79-1157921, Official Records.

Dated: September 27, 1979
 Trustor: Frank Erpelding and Lynne Erpelding, husband and wife, as community property
 Trustee: Malibu Mortgage Corporation, a California corporation
 Beneficiary: Milton Ramberg, an unmarried man and Vibeke V. Andersen, a single woman, as tenants in common.

The beneficial interest under said deed of trust was assigned to Seymour G. Jacoby and Steven B. Jacoby dba Olympian Hotel, a partnership, by assignment recorded October 16, 1979 as Instrument No. 79-1157922, Official Records.

7. DEED RESTRICTION

A deed restriction executed by Frank Erpelding and Lynne Erpelding, in favor of the California Coastal Commission, acting on behalf of the People of the State of California, subject to the terms, covenants, and conditions contained therein, and omitting restrictions therein, if any, based on race, color, religion or national origin, recorded July 16, 1980 as Instrument No. 80-679381, Official Records.

Said document, among other things, provides:

In consideration of the granting of Permit No. 421-78 to the Owner by the California Coastal Commission, the Owner hereby irrevocably covenants with the California Coastal Commission that there be, and hereby is, created the following restrictions on the use and enjoyment of said subject property, to be attached to and become a part of the deed to the property; the undersigned Owner, for himself/herself and for his/her heirs, assigns and successors in interest, covenants and agrees that:

whole
 Owners hereby offer to dedicate to the People of California an easement in perpetuity for the purpose of public access from Pacific Coast Highway to the mean high tide line, including the privilege and right to pass and repass over a five (5) foot wide strip of land located on the subject property along the Eastern edge of the parcel extending from the edge of the public right-of-way of Pacific Coast Highway to the mean high tide of the Pacific Ocean and as specifically set forth by attached Exhibit C hereby incorporated by reference.

-continued-

Said deed restriction shall remain in full force and effect during the period that said permit, or any modification or amendment thereof, remains effective, and during the period that the development authorized by said permit, or any modification of said development, remains in existence in or upon any part of, and thereby confers benefit upon, the subject property described herein, and to that extent, said deed restriction is hereby deemed and agreed by Owner to be a covenant running with the land, and shall bind Owner and all his/her assigns or successors in interest.

8. DEED RESTRICTION

A deed restriction executed by Frank Erpelding and Lynne Erpelding, in favor of the California Coastal Commission, acting on behalf of the People of the State of California, subject to the terms, covenants and conditions contained therein, and omitting restrictions therein, if any, based on race, color, religion or national origin, recorded July 16, 1980 as Instrument No. 80-679382, Official Records.

Said document, among other things, provides:

In consideration of the granting of Permit No. 421-78 to the Owner by the California Coastal Commission, the Owner hereby irrevocably covenants with the California Coastal Commission that there be, and hereby is, created the following restrictions on the use and enjoyment of said subject property, to be attached to and become a part of the deed to the property: The undersigned Owner, for himself/herself and for his/her heirs, assigns and successors in interest, covenants and agrees that:

indiv
An easement to be dedicated to the People of California in perpetuity for the purposes of public access and recreation along shoreline located on the subject property adjacent to the mean high tide line extending 25 feet inland from the currant high water mark; however, in no case shall easement extend closer than 5 feet seaward and parallel to the proposed structure as specifically set forth by attached Exhibit C hereby incorporated by reference.

Said deed restriction shall remain in full force and effect during the period that said permit, or any modification or amendment thereof, remains effective, and during the period that the development authorized by said permit, or any modification of said development, remains in existence in or upon any part of, and thereby confers benefit upon, the subject property described herein, and to that extent, said deed restriction is hereby deemed and agreed by Owner to be a covenant running with the land, and shall bind Owner and all his/her assigns or successors in interest.

9. IRREVOCABLE OFFER

An irrevocable offer to dedicate, executed by Frank Erpelding and Lynne Erpelding in favor of the People of California, subject to the terms, covenants and conditions contained therein, and wherein:

In consideration of the granting of Permit No. 421-78 to the owner(s) by the Commission, the owner(s) hereby offer(s) to dedicate to the People of California an easement in perpetuity for the purposes of public access and recreation along the shoreline located on the subject property adjacent to the mean high tide line extending 25 ft. inland from the current high water mark; however, in no case shall the easement extend closer than 5 ft. seaward and parallel to the proposed structure as specifically set forth by attached Exhibit C hereby incorporated by reference.

This offer of dedication shall be irrevocable for a period of twenty-one (21) years, measured forward from the date of recordation, and shall be binding upon the owner(s), their heirs, assigns, or successors in interest to the subject property described above.

The People of the State of California shall accept this offer through the State of California the local government in whose jurisdiction the subject property lies, or through a public agency or a private association acceptable to the Executive Director of the Commission or its successor in interest, recorded July 16, 1980 as Instrument No. 80-679383, Official Records.

Acceptance of the offer is subject to a covenant which runs with the land, providing that the first offeree to accept the easement may not abandon it but must instead offer the easement to other public agencies or private associations acceptable to the Executive Director of the Commission for the duration of the term of the original offer to dedicate. The grant of easement once made shall run with the land and shall be binding on the owners, their heirs, and assigns.

10. IRREVOCABLE OFFER

An irrevocable offer to dedicate, executed by Frank Erpelding and Lynne Erpelding in favor of The People of California, subject to the terms, covenants and conditions contained therein, and wherein:

In consideration of the granting of Permit No. 421-78 to the owner(s) by the Commission, the owner(s) hereby offer(s) to dedicate to the People of California an easement in perpetuity for the purposes of public access from Pacific Coast Highway to the mean high tide line, including the privilege and right to pass and repass over a five (5) ft. wide strip of land located on the subject property along the Eastern edge of the parcel extending from the edge of the public right-of-way of Pacific Coast Highway to the high tide line of the Pacific Ocean and as specifically set forth by attached Exhibit C hereby incorporated by reference.

This offer of dedication shall be irrevocable for a period of twenty-one (21) years, measured forward from the date of recordation, and shall be binding upon the owner(s), their heirs, assigns, or successors in interest to the subject property described above. The People of the State of California shall accept this offer through the State of California, the local government in whose jurisdiction the subject property lies, or through a public agency or a private association

acceptable to the Executive Director of the Commission or its successor in interest, recorded July 16, 1980 as Instrument No. 80-679384, Official Records.

Acceptance of the offer is subject to a covenant which runs with the land, providing that the first offeree to accept the easement may not abandon it but must instead offer the easement to other public agencies or private associations acceptable to the Executive Director of the Commission for the duration of the term of the original offer to dedicate. The grant of easement once made shall run with the land and shall be binding on the owners, their heirs and assigns.

11. DEED RESTRICTION

A deed restriction executed by Frank Erpelding and Lynne Erpelding, in favor of the California Coastal Commission, acting on behalf of the People of the State of California, subject to the terms, covenants and conditions contained therein, and omitting restrictions therein, if any, based on race, color, religion or national origin, recorded December 17, 1980 as Instrument No. 80-1268245, Official Records.

Said document, among other things, provides:

In consideration of the granting of Permit No. 421-78 to the Owner by the California Coastal Commission, the Owner hereby irrevocably covenants with the California Coastal Commission that there be, and hereby is, created the following restrictions on the use and enjoyment of said subject property, to be attached to and become a part of the deed to the property:

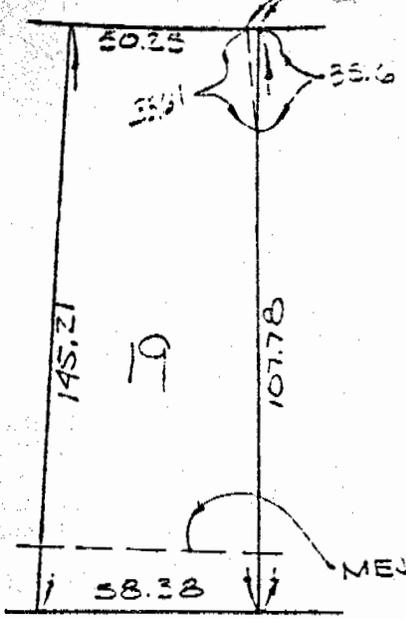
The undersigned Owner, for himself/herself and for his/her heirs, assigns and successors in interest, covenants and agrees: to waive any claims against the Commission or any other public agency for damage or injury to the property or the development resulting from drainage from the storm pipe, storm, tsunami, flood, or other wave action, and shall also agree to relinquish any rights to public disaster funds or loans for repair, replacement or rehabilitation of the property or the development made available because of any drainage problems, storm, tsunami, flood or other wave action.

Said deed restriction shall remain in full force and effect during the period that said permit, or any modification or amendment thereof, remains effective, and during the period that the development authorized by said permit, or any modification of said development, remains in existence in or upon any part of, and thereby confers benefit upon, the subject property described herein, and to that extent, said deed restriction is hereby deemed and agreed by Owner to be a covenant running with the land, and shall bind Owner and all his/her assigns or successors in interest.

12. STATEMENT OF IDENTITY

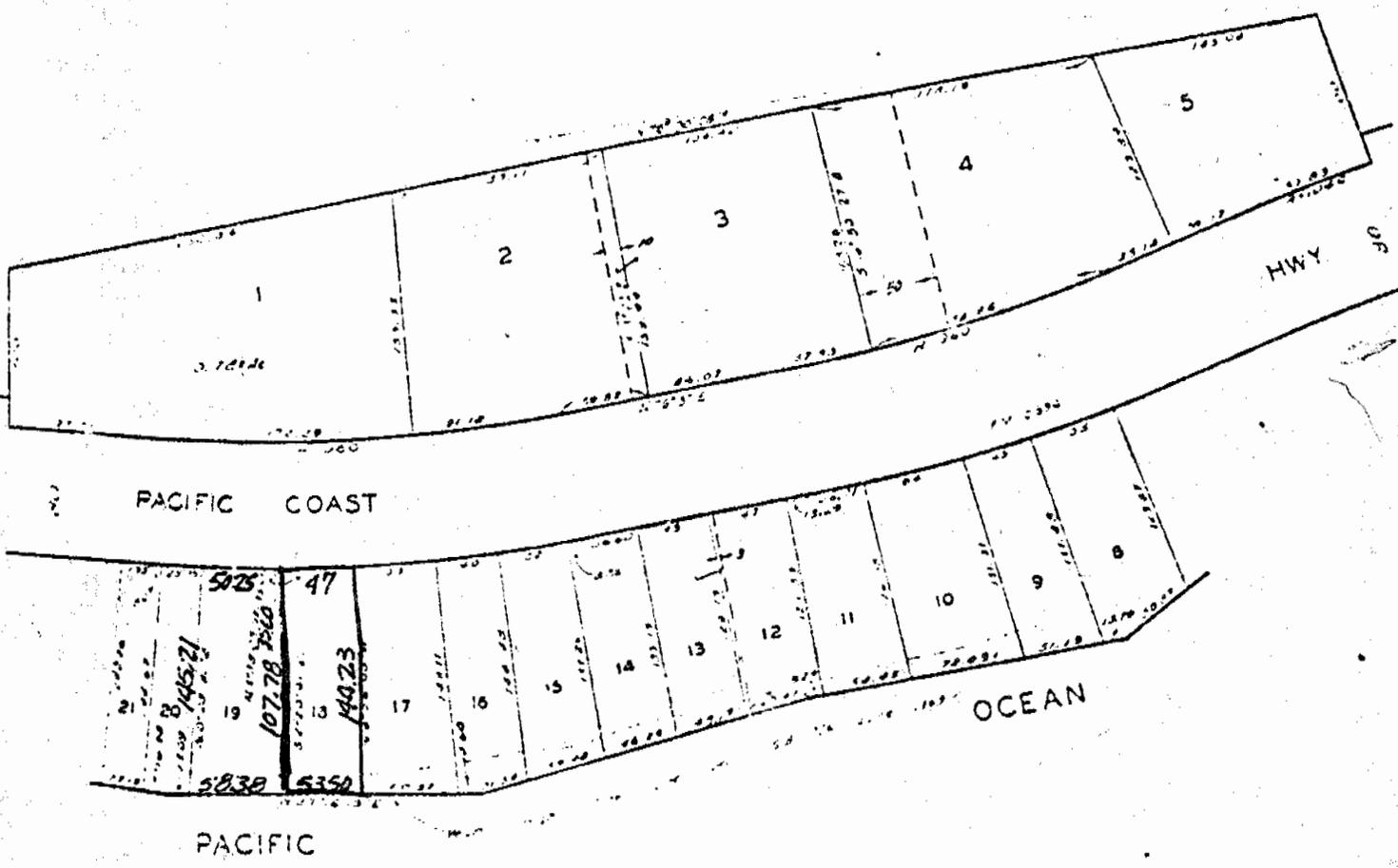
The effect of documents, proceedings, liens, decrees or other matters which do not specifically describe said land, but which, if any do exist, may affect the title or impose liens or encumbrances thereon. The name search necessary to ascertain the existence of such matters has not been completed and will require a statement of information from all parties in order to complete this report.

PACIFIC COAST



MEAN HIGH TIDE LINE PER. CSE 1726 JUNE 1909

PACIFIC OCEAN



TRACT NO. 12634

M E 250-25-27

THIS IS NOT A SURVEY OF THE LAND BUT IS COMPILED FOR INFORMATION ONLY FROM DATA SHOWN BY OFFICIAL RECORDS

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