

MALIBU-ENCINAL HOMEOWNERS ASSOCIATION

November 2, 2009

VIA HAND DELIVERY AND FIRST-CLASS MAIL

Joseph T. Edmiston
Executive Officer
Mountains Recreation & Conservation Authority
Ramirez Canyon Park
1510 Ramirez Canyon Road
Malibu, CA 90265

Re: NOTICE OF DEFAULT - GRANT OF EASEMENTS (Document No. 02-1025266)

Dear Mr. Edmiston:

Please be advised that the Malibu Encinal Homeowners Association ("MEHOA") is the owner of Lot A - West Sea Level Drive and East Sea Level Drive and other title interests, including all reversionary rights reserved and/or excepted and as described in the attached Exhibit A (the "Property"). The Property is part of and within the land comprising Tract 10630, City of Malibu, County of Los Angeles, more particularly described in the attached Exhibit B (the "Tract"). MEHOA's rights and interests in the Tract include those reserved to MEHOA as the successor to Lechuza Villas West, L.P., a California limited partnership ("Lechuza"), in the Grant of Easements recorded in the Official Records of Los Angeles County on May 3, 2002, as Instrument Number 02-1025266 (the "Grant of Easements") made by Lechuza as Grantor, in favor of the Mountains Recreation and Conservation Authority ("MRCA").

You are hereby notified that the MRCA is in default of the terms and conditions included in the Grant of Easements. Such default is a result of the MRCA's conduct as follows:

- (a) failure and refusal to maintain all of the pedestrian access gates referred to in the Grant of Easements, including the locks;
- (b) failure and refusal to replace the pedestrian access gate at the ocean end of West Sea Level Drive after removing the same;
- (c) failure and refusal to close and lock both sides of all of the pedestrian access gates referred to in the Grant of Easements during non-daylight hours;

(d) failure and refusal to remove non-resident members of the public after sundown from the Property and all property owned by the MRCA within the Tract, thereby causing, abetting and participating in, during non-daylight hours, trespass upon the Property and interference with the rights and uses of MEHOA and its members in the Property;

(e) failure and refusal to limit access by the non-resident member of the public during daylight hours to pedestrians by permitting such access to non-resident persons on bicycles and motorcycles, thereby causing, abetting and participating in, during daylight hours, trespass upon the Property and interference with the rights and uses of MEHOA and its members in the Property;

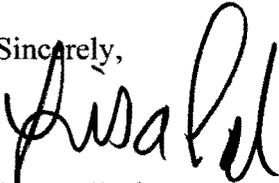
(f) placement and maintenance of notices and signs within the Tract inconsistent and conflicting with the Grant of Easements and not otherwise permitted by the Grant of Easements; and

(g) application to the City of Malibu for the development of improvements not included within the Grant of Easements within, over and involving the Property.

The MRCA has consistently and continuously failed to uphold its obligations or act within the limits expressed in the Grant of Easements. Accordingly, the MRCA has repudiated the Grant of Easements. MEHOA requests that the MRCA immediately cure any and all of its defaults under the Grant of Easements. MEHOA reserves the right to commence formal legal action and terminate MRCA's rights in the Grant of Easements if such curative action is not commenced and completed within thirty (30) days from the date of this notice.

Your prompt attention to the foregoing is anticipated.

Sincerely,



Lisa Pallack
President, Malibu Encinal Homeowners' Association

Enclosures

cc: California State Conservancy
City of Mailbu

EXHIBIT A

Parcel 1:

Lots M, N and T of Tract No. 10630, in the City of Malibu, County of Los Angeles, State of California, as per map recorded in Book 181 Page 6 to 11 inclusive of Maps, in the office of the County Recorder of said County.

Parcel 2:

Lot "A" of Tract 10630, in the City of Malibu, County of Los Angeles, State of California, as per map recorded in Book 181 Page 6 to 11 inclusive of Maps, in the office of the County Recorder of said County.

Beginning at the Northwest corner of Lot 159, of said Tract 10630; thence along the Westerly line of said Lot "A", North 13° 25' 06" East 45.91 feet to the Southwest corner of Lot 160 of said Tract 10630; thence Easterly along the Southeasterly boundaries of Lots 160 and 161 of said Tract 10630, following the arc of a circular curve concave Northwesterly, having a radius of 110 feet; through a central angle of 29° 28' 21" a distance of 152.58 feet to the Northwest corner of said Lot 161; thence South 87° 05' 42" East 4.61 feet along the Easterly prolongation of the Northerly line of said Lot 161 to a point in the arc of a circular curve, having a radius of 425 feet, and the center of which said curve bears North 76° 36' 50" East from the last said point; thence Southeasterly along the arc of the last said curve through a central angle of 3° 38' 06", 26.96 feet to a point of compound curve; thence Southeasterly along the arc of a tangent curve, having a radius of 291 feet, and concave Northeasterly, through a central angle of 41° 12' 51" 209.32 feet to the intersection of the last said arc and the Northerly prolongation of the easterly line of Lot 156 of said Tract 10630; thence South 13° 25' 06" West along the Northerly prolongation of the Easterly line of said Lot 156, 14.37 feet to the Northeast corner of said Lot 156; thence North 76° 34' 54" West 250 feet along the Northerly lines of Lots 156, 157, "V", 158 and 159 to point of beginning.

Together with that portion of the 80 foot strip of land Condemned by Decree of Condemnation entered in Case No. 135650 Superior Court, (A Certified Copy of said Decree being recorded in Book 9434 Page 338 Official Records), lying Southerly of the 60 foot strip of land deed to the County of Los Angeles for road purposes by deed recorded in Book 21722 page 190 Official Records adjoining said Lot A.

EXCEPT that portion of Lot A described in the deed recorded May 7, 2002 as Instrument No. 02-1047549 of Official Records.

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

Parcel 3:

Lot "B" of Tract No. 10630, in the City of Malibu, County of Los Angeles, State of California, as per map recorded in Book 181 Page 6 to 11 inclusive of Maps, in the office of the County Recorder of said County.

EXCEPT therefrom that portion of Lot "B" of Tract No. 10630, in the City of Malibu, County of Los Angeles, State of California, as per map recorded in Book 181 Page 6 to 11 inclusive of Maps, in the office of the County Recorder of said County, lying Easterly of a line which passes through the middle parts of the Northerly and Southerly lines of Lot 66 of said tract.

ALSO EXCEPT the Easterly 10 feet thereof.

Parcel 4:

That portion of Lot "K" of Tract No. 10630, in the City of Malibu, County of Los Angeles, State of California, as per map recorded in Book 181 Page 6 to 11 inclusive of Maps, in the office of the County Recorder of said County, lying Easterly of the Northerly prolongation of the Easterly line of Lot 91 of said Tract 10630.

EXHIBIT B

RECORDED
BY INSTRUMENT NO. 1354
SEP 23 1934
P.M. 12 M.
BOOK 137
PAGE 9

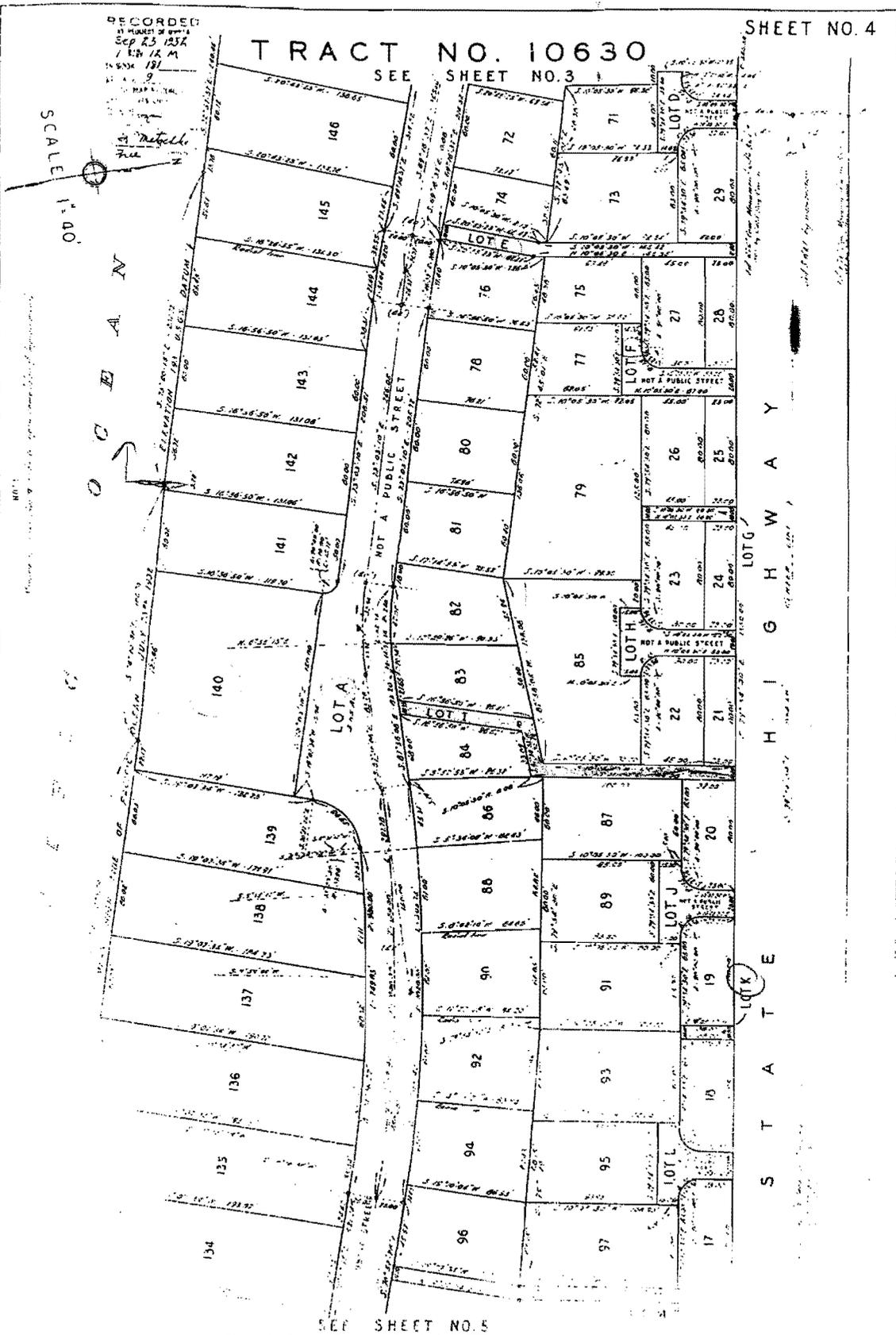
TRACT NO. 10630

SHEET NO. 4

SEE SHEET NO. 3

SCALE 1"=100'

O C E A N



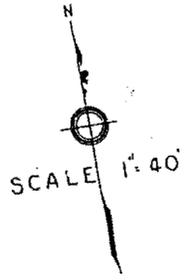
S T A T E H I G H W A Y

SEE SHEET NO. 5

TRACT NO. 10630

SHEET NO 5

REC'D
AT PROCLAMATION
SEP 23 1932
1 P.M. 12 M
BOOK 151
PAGE 10
BY REC'D
IN PROCLAMATION
CADD
M. J. McCall
PAC



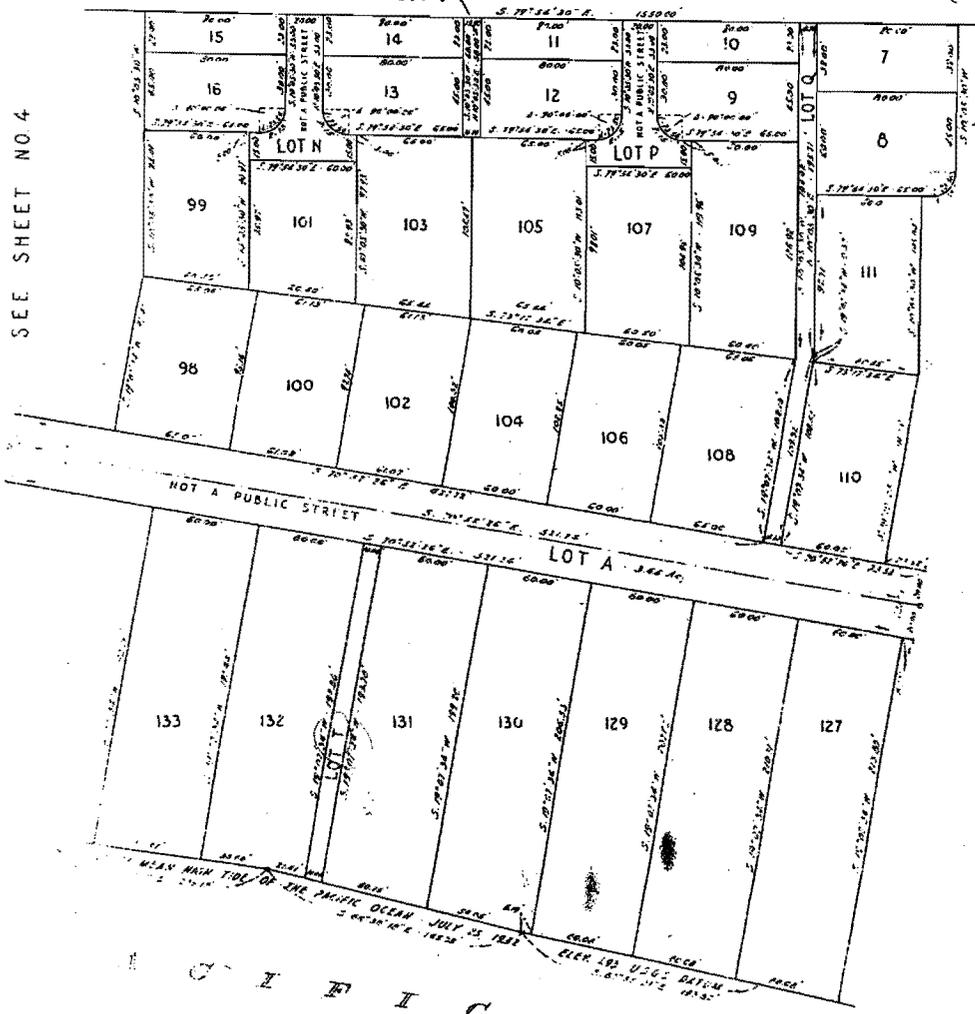
STATE HIGHWAY

CENTER LINE 7 S. 77° 54' 30" E

LOT O

SEE SHEET NO 4

SEE SHEET NO. 6



PACIFIC OCEAN

