GT GreenbergTraurig

January 22, 2010

Laurie Collins
Chief Staff Counsel
Mountains Recreation & Conservation Authority
570 West Avenue, Twenty-Six, Suite 100
Los Angeles, CA 90065

RE: Lechuza Beach Access Improvements Application
(CDP App. No. 07-087)

Dear Ms. Collins,

We have reviewed your letter to me of January 13, 2010 and have the following reply.

The facts stated in your letter, as with Mr. Edmiston's letter of September 1 with which we are very familiar, are not accurate and for all of the reasons we have already given you, we disagree with your assertion that the MRCA has any right to construct improvements or remove any improvements on the land subject to the MRCA's limited easement, or on any other land that it does not own within the Lechuza Beach tract, regardless of whether public or private funds are used. Moreover, even as to the property that it owns, development permits under applicable law are required before any construction may take place which the MRCA has yet to obtain.

The easement granted to the MRCA specifically and clearly states the entitlement to four parking spaces for vehicles with disability permits during daylight hours. You have quoted from the easement language in your letter, confirming this. MEHOA, as the successor to the Grantor, has the right to reasonably approve the location of the space, and has previously offered to approve specific locations for the spaces. The MRCA has unreasonably refused to accept these locations, and has now breached the easement through its recent unilateral actions, placing the MRCA easement in default and entitling MEHOA to permanently terminate the easement.

While MEHOA reserves all of its rights and remedies for the MRCA's improper actions, MEHOA is willing to explore potential settlement and resolution of its disputes with the MRCA. In this regard, and assuming that the MRCA is willing to immediately correct its defaults under the easement and set aside its recent improper actions, MEHOA believes the

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proper course is for the California Coastal Conservancy to reassume its responsibility under the Grant Agreement and restrictive covenants governing the acquisition of the MRCA's Lechuza Beach interests to prepare a comprehensive beach management plan. In such a context, MEHOA is confident that a plan for disabled persons parking consistent with the easement and the other issues which have resulted in conflicts with the MRCA can be worked out in a manner that promotes public access consistent with the rights of the members of the Lechuza Beach community and of the MRCA. Please let me know immediately if the MRCA is prepared to accept the California Coastal Conservancy's role and proceed in this manner.

This letter constitutes a privileged settlement communication and offer to compromise pursuant to California Evidence Code Section 1152.

Very truly yours,

Richard F. Davis

RFD:tb:ke

cc: Allan Abshez Esq.
Doug Bosco, Chair SCC
Members SCC
Joseph T. Edmiston, Exec. Officer, MRCA
John Ainsworth, Deputy Director, CCC
Steve Hudson, District Manager, CCC
Elena Eger, Senior Staff Counsel, SCC
Mary Small, South Coast Manager, SCC
Joyce Parker-Bozylinski, Planning Manager, Malibu
Stephannie Danner, Senior Planner, Malibu
Christi Hogin, City Attorney, Malibu