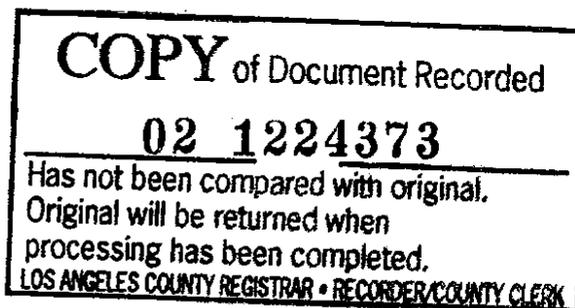


RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

MAY 29 2002

Mountains Recreation
and Conservation Authority
570 West Avenue 26, Suite 100
Los Angeles, CA 90065



Attention: Laurie C. Collins

order nos. 1201628-7 and 1201629-7

GRANT DEED

DOCUMENT ENTITLED TO FREE RECORDATION PURSUANT TO GOVT CODE SECTION 6103 and TRANSFER IS EXEMPT
PURSUANT TO REV. & TAX CODE SECTION 11922

For a valuable consideration, receipt of which is hereby acknowledged,

Lechuza Villas West, L.P., a California Limited Partnership

does hereby grant to:

**Mountains Recreation and Conservation Authority, a joint exercise of powers
authority established pursuant to Section 6500 of the Govt. Code,**

the following described real property located in the City of Malibu, County of Los Angeles,
State of California:

**described in Exhibits A-1 and A-2, attached hereto and incorporated herein by
reference, subject to the restrictive covenants set forth in Exhibit B attached
hereto and incorporated herein by reference.**

Lechuza Villas West, L.P.

Dated: 5-28-2002

Norman R. Haynie
By: Norman R. Haynie, General Partner

EXHIBIT "A"]

Parcel 1:

That portion of Lot 155 of Tract No. 10630, in the City of Malibu, County of Los Angeles, State of California, as per map recorded in Book 181 Pages 6 to 11 inclusive of Maps, in the office of the County Recorder of said County, lying Westerly of a line bisecting the Northerly line and the Southerly line of said lot.

EXCEPT any 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.

ALSO EXCEPT all water in said land and all water appurtenant thereto, and also all metals and minerals and all petroleum, natural gas and other hydrocarbon substances and all surface deposits and sub soil products of any nature or character whatsoever in, under or upon said land, provided, however, nothing herein contained shall be construed as reserving the right to extract minerals, oil, or water therefrom, as reserved by Sonya Levien Hovey, a married man in deed recorded January 23, 1953, in Book 40798 Page 109 Official Records.

Parcel 2:

Lot 156 of Tract No. 10630, in the City of Malibu, County of Los Angeles, State of California, as per map recorded in Book 181 Pages 6 to 11 inclusive of Maps, in the office of the County Recorder of said County

EXCEPT any 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.

ALSO EXCEPT all water in said land and all water appurtenant thereto, and also all metals and minerals and all petroleum, natural gas and other hydrocarbon substances and all surface deposits and sub soil products of any nature or character whatsoever in, under or upon said land, provided, however, nothing herein contained shall be construed as reserving the right to extract minerals, oil, or water therefrom, as reserved by Sonya Levien Hovey, a married man in deed recorded January 23, 1953, in Book 40798 Page 109 Official Records.

Parcel 3:

An easement for ingress and egress and for public utilities over that portion of Lot "A" of Tract No. 10630, in the City of Malibu, County of Los Angeles, State of California, as per map recorded in Book 181 Pages 6 to 11 inclusive of Maps, in the office of the County Recorder of said County, that lies Easterly of the following described line:

Beginning at the Northwesterly corner of Lot 156 of Tract 10630, thence North 33° 09' 42" East, 23.89 feet to the Southerly line of Sea Level Drive, a private street.

EXHIBIT "A" 2

Lot 140, of Tract No. 10630, in the City of Malibu, County of Los Angeles, State of California, as per map recorded in Book 181 Pages 6 to 11 inclusive of Maps, in the office of the County Recorder of said County.

EXHIBIT B

RESTRICTIVE COVENANTS

Grantee agrees that the property described herein under this Grant Deed shall be held subject to the covenants, conditions, and restrictions set forth below.

Grantee received a grant from the California State Coastal Conservancy (Conservancy) to be used by Grantee to acquire the Property pursuant to the terms and conditions of that certain Grant Agreement No. 00-170, as amended (the "Grant Agreement").

WHEREAS, both Grantee and the Conservancy desire and intend to restrict the uses of the Property all on the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual promises of the parties hereto and under the Grant Agreement, the parties agree as follows:

1. Term: These covenants shall run with the Property in perpetuity and shall be binding on all parties and all persons claiming under them.
2. Purposes of Agreement: This Agreement is solely for recording purposes and shall not be construed to alter, modify, amend or supplement the Grant Agreement.
3. Severability: Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.
4. Restrictive Covenants:
 - a. The Property was acquired by Grantee pursuant to the Grant from the Conservancy for the purpose of providing public access to Lechuza Beach for public recreation as may be further specified in the Lechuza Management Plan, when prepared, and that no use of the Property inconsistent with that purpose is permitted, except by specific act of the legislature.

Mitigation: Without the written permission of the Executive Officer of the Conservancy, Grantee shall not use or allow use of any portion of the Property for mitigation (in other words, to compensate for adverse changes to the environment elsewhere). All funds generated in

connection with any authorized or allowable mitigation on the Property shall be remitted promptly to the Conservancy until the Conservancy has been fully paid for all of its past, present and future costs with respect to the Property, including, without limitation, staff, planning, development, restoration, operation, and maintenance and monitoring costs, and acquisition costs at fair market value as of the time the mitigation is to begin.

- b. The Property (including any portion of it or any interest in it) may not be used as security for any debt without the written approval of the State of California, acting through the Executive Officer of the Conservancy, or its successor.
 - c. The Property (including any portion of it or any interest in it) may not be transferred without the approval of the State of California, through the Executive Officer of the Conservancy, or its successor.
 - d. If the existence of the Grantee ceases for any reason or if any of the essential provisions stated above are violated, all of the Grantee's right, title and interest in the Property shall automatically vest in the State of California for the benefit of the Conservancy or its successor, upon acceptance of the Property and approval of the State Public Works Board; provided, however, that the State, through the Executive Officer of the Conservancy, or its successor, may designate another public agency or a nonprofit organization to accept the right, title and interest, in which case vesting shall be in that agency or organization rather than in the State.
5. Notice of Violation: Notice of violation of an essential provision shall be provided by the Conservancy to the fee title owner of the Property promptly upon the Conservancy's actual knowledge of the violation, which notice shall specify the violation and provide the fee title owner with a 30-day period to make best efforts to abate the violation prior to the exercise of the State's rights pursuant to 4(d) above, or vesting of title in the State of California.
 6. This Agreement, executed as of the date hereof, shall take effect only upon, from and after its recording in the Office of the County Recorder of Los Angeles County, California.
 7. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

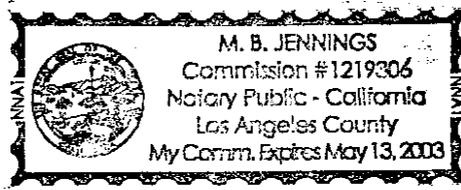
STATE OF CALIFORNIA
COUNTY OF Los Angeles

On 3-28-02
before me, M.B. JENNINGS
a Notary Public in and for said State, personally appeared
NORRAN K. HAYNIE

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature 



(This area for official notarial seal)

ESCROW NO. 103593-JB
TITLE ORDER NO.

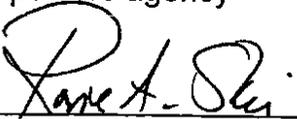
CERTIFICATE OF ACCEPTANCE

This is to certify that the Mountains Recreation and Conservation Authority, a joint powers agency established pursuant to Government Code Section 6500 *et. seq.*, hereby accepts the Grant Deed executed by Lechuza Villas West, L.P., a California Limited Partnership, on _____, 2002, in favor of the Mountains Recreation and Conservation Authority, to which Grant Deed this Certificate of Acceptance is attached.

This acceptance is made pursuant to the authority conferred by Resolution No. 01-14 adopted on January 22, 2001 and the Mountains Recreation and Conservation Authority consents to the recordation of the Grant Deed and this Certificate of Acceptance.

Dated: May 24, 2002

MOUNTAINS RECREATION AND CONSERVATION AUTHORITY,
a joint powers agency

BY: 
Rorie Skei, Acting Chief Deputy Executive Officer