IRREVOCABLE OFFER TO DEDICATE SCENIC EASEMENT

AND

DECLARATION OF RESTRICTIONS

THIS IRREVOCABLE OFFER TO DEDICATE SCENIC EASEMENT AND DECLARATION OF
RESTRICTIONS (hereinafter "Offer") is made this 23rd day of August, 1999, by James Nelson Yardley and Gail Reavely Yardley (hereinafter referred to as "Grantor")

I WHEREAS, Grantor is the legal owner of a fee interest of certain real properties located in the County of Los Angeles, State of California and described in the attached Exhibit A (hereinafter referred to as the "Open Space Property"), and

II WHEREAS, all of the Open Space Property is located within the coastal zone as defined in Section 30103 of the California Public Resources Code (which code is hereinafter referred to as the "California Coastal Act of 1976"), and

III WHEREAS, the California Coastal Act of 1976 (hereinafter referred to as the "Act") creates the California Coastal Commission (hereinafter referred to as the Commission") and requires that any development approved by the Commission must be consistent with the policies of the Act set forth in Chapter 3 of Division 20 of the Public Resources Code, and
IV. WHEREAS, Pursuant to the Act, Anden/VMS Rancho Malibu Venture (hereinafter the "Applicant") applied to the Commission for a permit to undertake development as defined in the Act within the coastal zone of Los Angeles County (hereinafter the "Permit"), and

V WHEREAS, in its decision on the Permit (Permit No 5-91-436, decided on July 18, 1991), the Commission found that the development proposed by the Applicant would cause an increase in residential density thus contributing to adverse cumulative impacts on both coastal resources and public access to the coast within the Los Angeles County coastal zone, and that such density increase could not be permitted consistent with the policies of the Act without corresponding reductions in the number of existing undeveloped residential building sites in the vicinity for residential development so as to mitigate the adverse cumulative effects of the proposed development, and

VI WHEREAS, the Commission acting on behalf of the People of the State of California and pursuant to the Act, granted the Permit to the Applicant upon condition (hereinafter the "Condition") requiring inter alia that the Applicant cause Grantor to grant a scenic or open space easement over the Property and agree to restrict development on the Property so as to preserve the open space and scenic values present on the Property and so as to prevent the adverse cumulative effects on coastal resources and public access to the coast which would occur if the Property would be developed as building sites for residential use.

VII WHEREAS, the Commission has placed the Condition on the Permit because a finding must be made under Public Resources Code Section 30604(a) that the proposed development is in conformity with the provisions of Chapter 3 of the Act and that in the absence of the protections provided by the Condition said
finding could not be made; and

VIII WHEREAS, THE Applicant has elected to comply with the Condition and has contracted with Grantor, and, in return for valuable consideration granted by Applicant to Grantor, receipt of which is hereby acknowledged, Grantor has agreed to execute this Offer so as to enable Applicant to fulfill the Condition thus allowing Applicant to undertake the development authorized by the permit; and

IX WHEREAS, it is intended that this Offer is irrevocable and shall constitute enforceable restrictions within the meaning of Article XIII, Section 8 of the California Constitution and that said restrictions shall thereby qualify as an enforceable restriction under the provision of the California Revenue and Taxation Code, Section 4021,

NOW, THEREFORE, in consideration of the mutual benefit and conditions set forth herein and substantial public benefits for the protection of coastal resources to be derived therefrom, the preservation of the Open Space Property in open space uses, the valuable consideration granted by Applicant to Grantor as a consequence of the grant of the Permit to the Applicant by the Commission, and the beneficial effect on the method of determining the assessed value of the Property including any reduction thereof due to the imposition of limitations on its use as set forth in this Offer, Grantor hereby irrevocably offers to dedicate to the State of California, a political subdivision of the State or a private association approved in writing by the Executive Director of the Commission as grantee (hereafter "Grantee") a conservation and scenic easement in gross and in perpetuity for light, air, view, and the preservation of scenic qualities over the Open Space Property, subject to the following terms, conditions, and restrictions

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1 USE OF PROPERTY. The use of the Open Space Property shall be limited to natural and private open space for habitat protection, resource conservation, private recreation, and ____________, in accordance with the following limitations. No development as defined in Public Resources Code, Section 30106, attached hereto as Exhibit B and incorporated herein by this reference, including but not limited to removal of trees and other major vegetation, grading, paving or installation of structures such as signs, buildings, etc, shall occur or be allowed on the Open Space Property with the exception of the following, subject to applicable governmental regulatory requirements:

a) the removal of hazardous substances or conditions or non-native or diseased plants or trees;

b) the removal of any vegetation which constitutes or contributes to a fire hazard to residential use of neighboring parcels, and which vegetation lies within 100 feet of existing or permitted residential development;

c) the installation of repair of underground utility lines and septic systems,

d) the posting of signs to prevent trespass of no greater than the minimum size specified by law;

e) ____________ private recreational facilities, driveways, septic systems, corral, trails and decks

2 RIGHT OF ENTRY. The Grantee or its agents may, at times reasonably acceptable to Grantor, enter onto the Open Space Property to ascertain whether the use restrictions set forth above are being observed by the Grantor. No right of access for the public or persons other than the Grantee or its agents is
created by this provision.

3 **BENEFIT AND BURDEN.** This Offer shall run with and burden the Open Space Property, and all obligations hereby imposed shall be deemed to be covenants and restrictions running with the land, shall be effective limitations on the use of the Open Space Property from the date of recordation of this document and shall bind the Grantor and all successors and assigns. This Offer shall benefit the State of California.

4 **CONSTRUCTION OF VALIDITY.** If any provision of these restrictions shall be held to be invalid or for any reason become unenforceable, no other provision shall be thereby affected or impaired.

5 **ENFORCEMENT.** Any act or any conveyance, contract, or authorization whether written or oral by the Grantor which uses or would cause to be used or would permit use of the Open Space Property contrary to the terms of this Offer will be deemed a breach hereof. The Grantee may bring any action in court necessary to enforce this Offer, including, but not limited to, injunction to terminate a breaching activity, or any action to enforce the terms and provisions hereof by specific performance. It is understood and agreed that the enforcement proceedings provided in this paragraph are not exclusive and that the Grantee may pursue any appropriate legal and equitable remedies. The Grantee shall have sole discretion to determine under what circumstances an action to enforce the terms and conditions of this Offer shall be brought in law or in equity. Any forbearance on the part of Grantee to enforce the terms and provisions hereof in the event of a breach shall not be deemed a waiver of Grantee's rights regarding any subsequent breach.

6 **TAXES AND ASSESSMENTS.** Grantor agrees to pay or cause to be paid all real property taxes and assessment levied or assessed against the Open Space.
Property.

7 MAINTENANCE The Grantee shall not be obligated to maintain, improve or otherwise expend any funds in connection with the Open Space Property or any interest or easement created by this Offer. All costs and expenses for such maintenance improvement, use or possession shall be born by the Grantor, except for maintaining compliance with the terms of this Offer.

8 LIABILITY AND INDEMNIFICATION This conveyance is made and accepted upon the express condition that the Grantee, its agencies, departments, officers, agents and employees are to be free from all liability and claim for damage by reason of any injury to any person or persons, including Grantor, or property of any kind whatsoever and to whomsoever belonging, including Grantor, from any cause or causes whatsoever, except matters arising out of the sole negligence of the Grantee, while in, upon, or in any way connected with the Open Space Property, Grantor hereby covenants and agreeing to indemnify and hold harmless the Grantee, its agencies, departments, officers, agents and employees from all liability, loss, cost, and obligations on account of or arising out of any such injuries or losses however occurring. The Grantee shall have no right of control over, nor duties and responsibilities with respect to the Open Space Property which would subject the Grantee to any liability occurring upon the land by virtue of the fact that the right of the Grantee to enter the land is strictly limited to preventing uses inconsistent with the interest granted and does not include the right to enter the land for the purpose of correcting any dangerous condition as defined by California Government Code Section 830.

9. SUCCESSORS AND ASSIGNS. The terms, covenants, conditions, exceptions, obligations and reservations contained in this Offer shall be binding upon and inure to the benefit of the successors and assigns of both the Grantor and the
Grantee, whether voluntary or involuntary.

10 TERM. This Offer shall be binding upon the Grantor and the owner and his and/or her heirs, assigns or successors in interest to the Open Space Property described above for a period of 21 years. Upon recordation of an acceptance of this offer by the Grantee in the form attached hereto as Exhibit C, this Offer shall have the effect of a grant of open space and scenic easement in gross and perpetuity for light, air, view, and the preservation of scenic qualities over the Open Space Property that shall run with the land and be binding on the parties heirs, assigns and successors in accordance with the terms and conditions of this office.

IN WITNESS WHEREOF, Grantor has executed this Offer on the__

08/23/ 1999

By

James M. Yardley

Gail Reavely Yardley

Grantor (Type or Print Name)

Grantor (Type or Print Name)

**NOTARY ON NEXT PAGE**
STATE OF CALIFORNIA
COUNTY OF Los Angeles
On 8-23-99, before me, David Gibson, a Notary Public, personally appeared John Doe, 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

DAVID GIBSON
Commission # 1214107
Notary Public — California
Los Angeles County
My Comm Expires Mar 31, 2003

STATE OF CALIFORNIA
COUNTY OF
On , before me, , a Notary Public, personally appeared , 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

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Consent to Recordation

This is to certify that the Offer to Dedicate set forth above is hereby acknowledged by the undersigned officer on behalf of the California Coastal Commission when it granted Coastal Development Permit No 5-91-436 on July 18, 1991 and the California Coastal Commission consents to recordation thereof by its duly authorized officer.

Dated 10/8/99

John Bowers, Staff Counsel
California Coastal Commission

STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO

On 10/8/99, before me, Lorraine Smith, a Notary Public, personally appeared John Bowers, 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 Lorraine Smith

Lorraine Smith
Comm #1145714
NOTARY PUBLIC CALIFORNIA
City & County of San Francisco
Comm Exp July 4 2001

99 213711C
EXHIBIT C

Recording Requested By
When Recorded Mail To
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, California 94105-2219
Attention Legal Department

CERTIFICATE OF ACCEPTANCE
OFFER AND DEDICATION OF SCENIC EASEMENT

This is to certify that __________________________ hereby accepts the Offer to Dedicate a Scenic Easement executed by __________________________

Dated ________________

By __________________________

For __________________________

STATE OF CALIFORNIA
COUNTY OF ________________

On ________________, before me, __________________________, a Notary Public, personally appeared __________________________, 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 __________________________

99 2137110
ACKNOWLEDGEMENT BY CALIFORNIA COASTAL COMMISSION

This is to certify that ________________________________

_________________________ is a public agency/private association acceptable to the
Executive Director of the ________________________________ Commission,
California Coastal Commission to be Grantee under the above described Offer
to Dedication

Dated ____________________                CALIFORNIA COASTAL COMMISSION

_________________________

STATE OF CALIFORNIA

COUNTY OF ____________________

On ____________________, before me, ____________________, a Notary
Public, personally appeared ______________________________, 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 ________________________________

99 2137110
EXHIBIT B

Public Resources Code Section 30106

30106 Development

"Development" means, on land, in or under water, the placement or erection of any solid material or structure, discharge or disposal of any dredged material or any gaseous, liquid, solid, or thermal waste, grading, removing dredging, mining, or extraction of any materials, change in the density or intensity of use of land, including, but not limited to, subdivision pursuant to the Subdivision Map Act (commencing with Section 66410 of the Government Code), and any other division of land, including lot splits, except where the land division is brought about in connection with the purchase of such land by a public agency for public recreational use, change in the intensity of use of water, or of access thereto, construction, reconstruction, demolition, or alteration of the size of any structure, including any facility of any private, public, or municipal utility, and the removal or harvesting of major vegetation other than for agricultural purposes, kelp harvesting, and timber operations which are in accordance with a timber harvesting plan submitted pursuant to the provisions of the Z'berg-Nejedly Forest Practice Act of 1973 (commencing with Section 4511)

As used in this section, "structure" includes, but is not limited to, any building, road, pipe, flume, conduit, siphon, aqueduct, telephone line, and electrical power transmission and distribution line.
EXHIBIT A

Open Space Property

The westerly 104 5 feet of Lot 73 of Garapatas Tract, as per map recorded in Book 22 Page 140 of maps, in the office of the County Recorder of Los Angeles County, State of California

(APN 4444-013-013)