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April 25, 2006

Michael Berger, Chair
Mountains Recreation and Conservation Authority
570 West Avenue 26, Suite 100
Los Angeles, California 90065

RE: Mountains Recreation and Conservation Authority v. Santa Monica Mountains
Conservancy
Superior Court of California, County of Los Angeles, Case No. BC 340177

Dear Mr. Berger:

In accordance with the Mutual Release and Settlement Agreement which the authorized representatives of both the Mountains Recreation and Conservation Authority and the Santa Monica Mountains Conservancy have executed, this letter shall constitute a complete written release and satisfaction of the Santa Monica Mountains Conservancy's demand for a refund of certain grant funds, set forth in my written demand letter dated December 4, 2004 as well as those disputed grants identified in paragraph 8 of the Mutual Release and Settlement Agreement.

This confirms that pursuant to the Mutual Release and Settlement Agreement and in consideration of the Mountains Recreation and Conservation Authority's irrevocable offer to dedicate fee title to approximately 2650 acres of real property to the Santa Monica Mountains Conservancy, any legal obligation which the Mountains Recreation and Conservation Authority may have been obligated to repay to Santa Monica Mountains Conservancy has been fully satisfied, and the Mountains Recreation and Conservation Authority shall have no further obligation or liability to defendant with respect to the proceeds of Grant No. SMM-6109, in the amount of \$76,293; Grant No. SMM-871, in the amount of \$768,000; Grant No. SMM-895, in the amount of \$429,000; Grant No. SMM-882, in the amount of \$491,841; Grant No. SMM-3123, in the amount of \$217,980; or Grant No. NP-2171, in the amount of \$132,000.

I have been authorized by the Santa Monica Mountains Conservancy to advise you that the written demand contained in my letter of December 4, 2004 and in paragraph 8 of the Mutual Release and Settlement Agreement is hereby released and satisfied in full.

Michael Berger
April 25, 2006
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Sincerely,

JOHN A. SAURENMAN
Supervising Deputy Attorney General

For BILL LOCKYER
Attorney General

cc: Elizabeth Cheadle, Chair, Santa Monica Mountains Conservancy
Mitchell Abbott, Richards, Watson & Gershon
Rorie Skei, Santa Monica Mountains Conservancy