

LEASE AND LICENSE

This indenture of lease made this 1st day of April, 1971, by and between FILIORUM CORPORATION, a California corporation, herein for convenience called "Filiorum", and ABALONE SHORE CLUB, a California non-profit corporation, herein for convenience called "Club".

W I T N E S S E T H:

WHEREAS, Club wishes to lease from Filiorum and Filiorum is willing to lease to Club at a rental, for a term, on conditions, and subject to termination, all as herein set forth, certain property in the County of Los Angeles, State of California, shown outlined in red on the plat hereto attached and herein for convenience called "the subject property"; and

WHEREAS, Club desires to acquire from Filiorum and Filiorum is willing to grant to Club, but only during the continuance of the lease herein provided for, a non-exclusive license for ingress and egress over and across the property outlined in green on the attached plat and herein for convenience called "the access property", all subject to covenants and conditions herein set forth;

Now, therefore, in consideration of the premises and the agreements herein contained, the parties agree together as follows:

(1) Filiorum hereby leases to Club and Club leases from Filiorum, subject to termination, for rental and on covenants and conditions as herein set forth, the subject property for a term commencing on April 1, 1971 and ending March 31, 1974.

(2) Filiorum grants to Club a non-exclusive license for ingress and egress over and across the access property, such license to continue in effect only during the term of the lease herein provided for and to cease and terminate forthwith upon any termination of said lease.

(3) Club shall pay Filiorum as rental for the subject property the sum of \$30,000 a lease year for each lease year, or fraction thereof, of the term of this lease during which this lease continues in existence. Each "lease year", as the term is herein used, shall commence on April 1st of one calendar year and end on March 31st of the next succeeding calendar year. Such rental for each lease year shall be paid as follows: 60% of the income received by the Club from dues, beginning on the 10th day of April of first year, and on the 10th day of each month following for duration of lease, but in no event a total of less than \$30,000. for each lease year. Should the Club incur expenses of an emergency character, it may make application to Filiorum and Filiorum may, in its sole discretion, reduce the rental for the lease year in which such emergency expenses are incurred to such amount as Filiorum may determine, but such a reduction shall not reduce the rental hereinabove provided for any subsequent lease year. Club agrees that its initiation fees, dues and assessments for each Club member for each lease year shall be a minimum of \$150.

(4) The Club shall deposit all dues, initiation fees and other income received by it in a bank account in its name from which withdrawals may not be made without the signature of H. E. Benedict, or such other person as Filiorum may designate. Upon termination of this lease, performance of all obligations of Club

hereunder and payment of all sums due from Club to Filiorum, Filiorum will consent to the withdrawal of all remaining sums, if any, in such manner as Club shall direct.

(5) Filiorum may terminate this lease at any time during the term hereof on not less than 90 days prior written notice to Club of such intended termination. In the event such termination occurs at any time other than on March 31st of any calendar year the rent for the lease year in which such termination occurs may be reduced or refunded in accordance with the following:

(a) Club shall refund to its members portions of the membership fees paid by them, respectively, for the lease year in which such lease termination occurs in accordance with the following:

<u>Month of Termination</u>	<u>Amount to be Refunded</u>
April	\$150.00
May	145.86
June	141.68
July	104.21
August	66.71
September	29.21
October	25.00
November	20.43
December	16.25
January	12.15
February	8.10
March	3.75

(b) Club shall use all its available funds for such refunds except funds committed for expenditure before notice of termination is received by the Club.

(c) In the event Club does not have sufficient funds available for such refunds, rental for such lease year shall be reduced or refunded in an amount which, when added to funds of Club available for the purpose as provided above in paragraph (b), will be sufficient to make refunds to members as above required.

(6) Lessee, in exercising its rights hereunder, shall comply fully with all applicable laws, regulations and ordinances.

(7) Lessee shall keep the premises in good order and repair and in a neat and clean condition. Upon the expiration of any sooner termination of this lease, Lessee will surrender the premises to Lessor in a neat and clean condition and in as good a condition as the same now are, reasonable use and wear thereof excepted.

(8) Club shall secure, at its cost and expense, public liability insurance in form and with companies acceptable to Filiorum and with limits of \$500,000 and \$1,000,000, such insurance to be written for the benefit of Filiorum and Club and to insure Filiorum and Club against any and all claims for injury to or death of a person or persons, or loss or damage to property arising out of, resulting from or in any manner connected with the condition of the subject property or the access property or any operations conducted thereon by Club or any of its officers, agents, members or employees.

(9) Any notice to either party hereto shall be in writing. Any notice to Lessor may be addressed to Filiorum Corporation at Three Peppertree Drive, Portuguese Bend, California 90274, or at such other address as Filiorum may from time to time designate. Any notice to Club may be addressed to Abalone Shore Club at Post Office #2, Portuguese Bend, California 90274, or at such other address as Club may from time to time designate. Any notice herein provided for shall be conclusively deemed to have been given when the same is placed in a sealed envelope with postage thereon fully prepaid and addressed to the party for whom the same is intended, as above provided, and deposited in the United States mail.

P.O. Box 2308  
Palos Verdes Peninsula, Calif.  
90274

(10) Lessee shall use the premises only for the purpose of conducting thereon a recreational beach club including, without limitation, the serving of food to its members and their guests and the furnishing of lifeguard service and swimming facilities.

(11) In the event of any default by Club in the payment of rental or in the performance of any of its obligations herein contained, and such default continues for seven days after notice to Club to remedy the same, Filiorum may, in addition to all its rights and remedies provided by law and without further notice to Club, terminate this lease and license and re-enter and take possession of the premises, using all necessary force so to do.

(12) Filiorum and its authorized representatives and public officials and authorized agents of Public Utilities may enter the premises at all times for inspection thereof and for other purposes not in conflict with Club's operations hereunder. In this connection, it is anticipated that the Club will install an electric gate across the access property at the approximate location shown on the attached plat. Club may do this provided it furnishes representatives of Filiorum and public officials designated by Filiorum with gate keys so that they may have access to the premises for the purposes above stated.

(13) Club may remove, prior to any termination of this lease, any and all improvements placed on the premises by it or for its account even though the same may be regarded as fixtures, including, without limitation, electric gates, barbeque pits, gang planks, floats, beach equipment, etc.

(14) The rights of Club hereunder may not be assigned without the written consent of Filiorum first had and obtained,

IN WITNESS WHEREOF, the parties hereto have executed these presents in duplicate.

FILIORUM CORPORATION,  
a California corporation,

By: Frank A. Vanderlip, Jr.

By: H. E. Benedict  
H. E. Benedict

ABALONE SHORE CLUB,  
a California nonprofit  
corporation,

By: Richard F. Karschner

By: Richard F. Karschner