

REAL ESTATE LEASE

This Lease Agreement (this "Lease") is made effective as of _____, 20__, by and between Dr. H. Paul Shuch, ("Landlord"), and _____, ("Tenant"). The parties agree as follows:

1. PREMISES. Landlord, in consideration of the lease payments provided in this Lease, leases to Tenant all portions of Hangar B6 (the "Premises") located at Frazier Lake Airpark, 7901 Frazier Lake Road, Hollister, CA 95023, except for those areas listed in Paragraph 2 below.

2. LANDLORD RESERVED PORTION. The total dimensions of the premises are 47.5 feet wide by 36 feet deep, constituting 1710 square feet of total floor space. Landlord reserves use of no more than 324 square feet of the total hangar area, constituting the southernmost 9 feet wide by 36 feet deep of the hangar floor space, for the storage of his travel trailer, motorcycle, and other personal goods, to which he will be granted unencumbered access by the Tenant with reasonable advance notice.

3. FURNISHINGS. The lease of the Premises includes any furnishings listed on the attached exhibit. Tenant shall return all such items at the end of the lease term in a condition as good as the condition at the beginning of the lease term, except for such deterioration that might result from normal use of the furnishings.

4. STORAGE. Tenant shall be entitled to store items of personal property in the Hangar, including not more than one (1) operational aircraft, and all tools and supplies associated with the safe operation and maintenance of said aircraft, during the term of this Lease. Landlord shall not be liable for loss of, or damage to, such stored items.

5. TERM. The lease term will begin on _____, 20__ and will terminate on _____, 20__.

6. RENEWAL TERMS. This Lease shall automatically renew for an additional period of one year per renewal term, unless either party gives written notice of the termination no later than thirty days prior to the end of the term or renewal term. The lease terms during any such renewal term shall be the same as those contained in this Lease except that the annual lease payment shall be adjusted annually in an amount consistent with the Consumer Price Index, or such other cost-of-living index as may be mutually agreed upon.

7. HOLDOVER. If Tenant maintains possession of the Premises for any period after the termination of this Lease ("Holdover Period"), Tenant shall pay to Landlord a monthly lease payment for the Holdover Period based on 10.00 % of the normal annual rate set forth in the following Lease Payments paragraph. Such holdover shall constitute a month to month extension of this Lease.

8. LEASE PAYMENTS. Tenant shall pay to Landlord a total annual lease payment of \$6000.00 per year, payable in full upon execution of this lease, and annually upon any lease

renewal. Said lease amount is inclusive of monthly Airpark membership fees, hangar property tax, and hangar insurance premiums. Lease payments are subject to adjustment to the extent that Membership Fees, Aircraft Basing Fees, Utilities Fees or Operating Fees are adjusted, or Assessments levied, by the Board of Directors of the Frazier Lake Airpark Association, or to the extent that Property Taxes are reassessed by San Benito County, CA. In no event will any increase in lease payments exceed such Fee adjustments or assessments. Lease payments shall be made to the Landlord at the address below, as may be changed from time to time by Landlord.

9. AIRPORT PRIVILEGES. Upon execution of this Lease, Landlord will designate Tenant as an Associate Member of Frazier Lake Airpark Association under Landlord's Membership #29, for the duration of this Lease, as executed and renewed. Tenant will be accorded full use of Airport facilities as would be granted to any other Member. Tenant's use of the property is subject to the provisions of all Bylaws and Operating Rules of the Frazier Lake Airpark Association. Tenant is required to execute and maintain current an Aircraft Basing Agreement with the Frazier Lake Airpark Association for any operational aircraft stored in the subject property, and to maintain on file with the Frazier Lake Airpark Association a valid Certificate of Insurance for said operational aircraft. Tenant agrees faithfully to represent Landlord's interests within the Frazier Lake Airpark Association.

10. NON-SUFFICIENT FUNDS. Tenant shall be charged \$ 50.00 for each check that is returned to Landlord for lack of sufficient funds.

11. SECURITY DEPOSIT. At the time of the signing of this Lease, Tenant shall pay to Landlord, in trust, a security deposit of \$ 1000.00 to be held and disbursed for Tenant damages to the Premises (if any) as provided by law.

12. POSSESSION. Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed by both parties in writing.

13. USE OF PREMISES. Tenant may use the Premises only for the storage and maintenance of an Aircraft and associated personal property, in accordance with all provisions of the Bylaws and Operating Rules of the Frazier Lake Airpark Association. The Premises may be used for any other purpose only with the prior written consent of Landlord, which shall not be unreasonably withheld. Tenant shall notify Landlord of any anticipated extended absence from the Premises not later than the first day of the extended absence.

14. REMODELING OR STRUCTURAL IMPROVEMENTS. Tenant shall have the obligation to conduct any construction or remodeling (at Tenant's expense) that may be required to use the Premises as specified above. Tenant may also construct such fixtures on the Premises (at Tenant's expense) that appropriately facilitate its use for such purposes. Such construction shall be undertaken and such fixtures may be erected only with the prior written consent of the Landlord which shall not be unreasonably withheld. At the end of the lease term, Tenant shall be entitled to remove (or at the request of Landlord shall remove) such fixtures, and shall restore the Premises to substantially the same condition of the Premises at the commencement of this Lease.

15. MAINTENANCE. Tenant shall have the responsibility to maintain the Premises in good repair at all times.

16. ACCESS BY LANDLORD TO PREMISES. Subject to Tenant's consent (which shall not be unreasonably withheld), Landlord shall have the right to enter the Premises to make inspections, provide necessary services, or show the unit to prospective buyers, mortgagees, tenants or workers. As provided by law, in the case of an emergency, Landlord may enter the Premises without Tenant's consent.

17. UTILITIES AND SERVICES. Tenant shall be responsible for the following utilities and services in connection with the Premises:

- electricity
- water and sewer
- garbage and trash disposal
- janitorial services

Such charges for electrical and water usage as may be assessed from time to time by the Frazier Lake Airpark Association shall be paid initially by the Landlord, and subject to reimbursement by the Tenant within thirty days of assessment.

Tenant acknowledges that Landlord has fully explained to Tenant the utility rates, charges and services for which Tenant will be required to pay (if any), other than those to be paid directly to the utility company furnishing the service.

18. PROPERTY INSURANCE. Landlord and Tenant shall each be responsible to maintain appropriate insurance for their respective interests in the Premises and property located on the Premises.

19. INDEMNITY REGARDING USE OF PREMISES. Tenant agrees to indemnify, hold harmless, and defend Landlord from and against any and all losses, claims, liabilities, and expenses, including reasonable attorney fees, if any, which Landlord may suffer or incur in connection with Tenant's use or misuse of the Premises.

20. DANGEROUS MATERIALS. Tenant shall not keep or have on the Premises any article or thing of a dangerous, inflammable, or explosive character that might substantially increase the danger of fire on the Premises, or that might be considered hazardous by a responsible insurance company, unless the prior written consent of Landlord is obtained and proof of adequate insurance protection is provided by Tenant to Landlord.

21. TAXES. Taxes attributable to the Premises or the use of the Premises shall be allocated as follows:

Real Estate Taxes. Landlord shall pay all real estate taxes and assessments for the Premises.

Personal Taxes. Tenant shall pay all personal taxes and any other charges which may be levied against the Premises and which are attributable to Tenant's use of the Premises.

22. MECHANICS LIENS. Neither the Tenant nor anyone claiming through the Tenant shall have the right to file mechanics liens or any other kind of lien on the Premises and the filing of this Lease constitutes notice that such liens are invalid. Further, Tenant agrees to (1) give actual advance notice to any contractors, subcontractors or suppliers of goods, labor, or services that such liens will not be valid, and (2) take whatever additional steps are necessary in order to keep the premises free of all liens resulting from construction done by or for the Tenant.

23. DEFAULTS. Tenant shall be in default of this Lease, if Tenant fails to fulfill any lease obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within thirty days (or any other obligation within thirty days) after written notice of such default is provided by Landlord to Tenant, Landlord may take possession of the Premises without further notice, and without prejudicing Landlord's rights to damages. In the alternative, Landlord may elect to cure any default and the cost of such action shall be added to Tenant's financial obligations under this Lease. Tenant shall pay all costs, damages, and expenses suffered by Landlord by reason of Tenant's defaults. All sums of money or charges required to be paid by Tenant under this Lease shall be additional rent, whether or not such sums or charges are designated as "additional rent".

24. ARBITRATION. Any controversy or claim relating to this contract, including the construction or application of this contract, will be settled by binding arbitration under the rules of the American Arbitration Association, and any judgment granted by the arbitrator(s) may be enforced in any court of proper jurisdiction.

25. ASSIGNABILITY/SUBLETTING. Tenant may not assign or sublease any interest in the Premises, nor effect a change in the majority ownership of the Tenant (from the ownership existing at the inception of this lease), without the prior written consent of Landlord, which shall not be unreasonably withheld.

26. TERMINATION UPON SALE OF PREMISES. Notwithstanding any other provision of this Lease, Landlord may terminate this lease upon thirty days written notice to Tenant that the Premises have been sold.

27. NOTICE. Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

LANDLORD:

Name: Dr. H. Paul Shuch
Address: 121 Florence Drive
Cogan Station PA 17728
Phone: 570-494-2299 (home)
570-419-1229 (mobile)
Email: drseti@verizon.net
Alt. Email: fly@avsport.org

TENANT:

Name:
Address:
Phone: (home)
(mobile)
Email:
Alt. Email:

Such addresses may be changed from time to time by either party by providing notice as set forth above.

28. ENTIRE AGREEMENT/AMENDMENT. This Lease Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

29. SEVERABILITY. If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

30. WAIVER. The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

31. CUMULATIVE RIGHTS. The rights of the parties under this Lease are cumulative, and shall not be construed as exclusive unless otherwise required by law.

32. GOVERNING LAW. This Lease shall be construed in accordance with the laws of the Commonwealth of Pennsylvania.

33. ENTIRE AGREEMENT executed this ____ day of _____, 20__.

LANDLORD:

Dr. H. Paul Shuch
121 Florence Drive
Cogan Station PA 17728

Dr. H. Paul Shuch
Frazier Lake Airpark Membership #29

TENANT:

