

East Cape RV Resort

DBA Lucas de Los Barriles, SA de CV, a Mexican Corporation

LONG TERM LEASE AGREEMENT

This lease agreement is made the _____ day of _____, by and between 'Lucas de Los Barriles', herein Lessor as a Mexican Corporation owned by Shaun Speer & Theresa Comber, and _____ herein lessees.

GRANT OF LEASE

For valuable consideration herein provided, Lessor hereby leases to Lessee the following described property in the East Cape RV Resort, 20 de Noviembre s/n, Los Barriles, BSC, Mexico:

Site: _____

\$325 per month _____

\$365 per month _____

\$400 per month _____

\$425 per month _____

Annual Amount: _____

INITIAL LEASE TERM

The initial Lease Term shall be for a period of no less than five (5) years.

The term of this lease shall be for a period of _____ years

The lease term will commence on the _____ day of _____, 200_____

The lease term will conclude on the _____ day of _____, 200_____

LEASE TERM OPTIONS

Additional Lease Options are to be available in addition to the initial lease term.

LEASE TERMS FOR SPACE IMPROVEMENT

Lessee's wishing to make improvements to their space must sign a minimum five (5) year lease and pay two (2) year's lease payment at the time of lease signing.

LEASE FEE & PAYMENTS

The lease fee for the above referenced property shall be in the sum of _____ per month equal to _____ per year. After the initial lease payment, subsequent lease payments shall be due each year on or before the first day of November, for the term of the lease.

Lease payments shall be paid to "Lucas de Los Barriles, Inc" in the form of a check or money order to Post Office Box 3292, Hailey, Idaho or in cash to the East Cape RV Resort, Los Barriles, BCS, Mexico. In the event that lease payment is not paid within five (5) days of the due date, a \$15 per day additional lease fee, retroactive to the due date, will be added to the annual Lease Fee.

ACCEPTANCE OF PROPERTY

Lessee has examined the property and accepts it "as is" in its present condition without representation or warranty by Lessor, express or implied, in fact or by law.

USE RESTRICTIONS

Lessee agrees to use and occupy the property as a domicile only and shall not use or permit any part of the property to be used for any unlawful purpose or in contravention of any restrictions covenants or conditions.

ASSIGNMENT

Lessee shall have the right to sublet/sell the above property, including the value of any property improvements. Lessee agrees to grant Lessor first right of refusal if Lessee determines to sublet/sell. Lessor maintains sublet/ sale approval, which shall not be unreasonably withheld. Any assignment or subletting/sale will include the terms of this agreement and will not relieve Lessee of the underlying obligation in the event of default by assignee.

DEFAULT

In the event of payment default by Lessee, Lessor shall have a lien on all property on the premises for the payment of all sums due. Lessor reserves the right to elect any remedy available under law to satisfy default.

UTILITIES, TAXES AND OTHER COSTS

Electric Lessee shall be responsible for electric charges specific to their leased property and according to their individual use based on an on-site meter. Lessee will pay a one-time \$150.00 fee for the cost of the electric meter and installation at lease signing. An Electric Deposit of \$200 is payable with lease agreement. Permanentes will receive invoices and payment is due within 7 days. Kilowatt-hour electric use is based on amounts set by Mexico's Comision Federal de Electricidad (CFE). Actual CFE monthly invoices are available for review from the East Cape RV Resort office. Electric Capacity provided to all leased sites is 110v/30amp. Capacity may be upgraded to 220v/50 amp at an additional expense.

Water An annual water assessment of \$300 will be collected with each year's lease payment. A ½ to ¾ inch water line will deliver domestic water to each site. Increases in water charges by Sistema Agua Potable y Alcantabiable (SAPA) may be passed-through.

Insurance Lessee shall provide personal insurance pertinent to personal property, improvements and liability within the Leased Property Site.

Sewer Lessor will provide and be responsible for a modern Sewer & Waste Water Treatment Plant. Sewer hook-ups will be provided to each leased property.

Leased Property Site Landscaping Lessee shall be responsible for all landscape maintenance within the perimeters of their leased property and agrees to keep their landscaping in good and orderly condition. Arrangements may be made with Lessor to undertake regular landscaping maintenance or to install landscaping at a pre-arranged fee.

Taxes Lessor will be responsible for general property taxes and common area improvements. Tax increases resulting from capital improvements to Lessee's individual leased property will be passed through. Property taxes in Mexico are extremely reasonable: any tax may be relatively small.

Common Area Lessor shall pay all common area utilities and provide all capital improvements and maintenance to the bathrooms, laundry, electrical, sewer, water, irrigation, landscaping and common areas. At some future time, common area maintenance including pool, electric and landscaping irrigation may be passed through on a prorated basis.

IMPROVEMENTS

Lessee may improve the leased property according to their specific and individual needs. Prior to fixed improvements to the leased property, Lessee shall provide Lessor a written 'Property Improvement Plan' accompanied by architectural renderings for review and approval. All property improvements undertaken by the Lessee remain the property of the Lessee to the end of lease terms. Improvements must comply with local and state permitting and all pertinent costs and fees including social security relating to construction must be paid before occupancy can occur. A \$100 refundable Site Improvement Deposit will be provided at the time improvements begin for ANY changes made to the original site. Please refer to the 'Improvements to Site' Agreement for additional information.

MAINTENANCE

Lessee agrees to keep and maintain the leased property in good order, condition and repair. Sites left unkept for more than 30 days will receive a written notification of 'Request to Remedy Site' with specific remedies required. A site that is considered a visual eyesore or disturbance for more than 30 days may be remedied and the Lessee will be assessed the costs. If after 90 days the remedies required in the original 30 day written notification of 'Request to Remedy' are not satisfied or resolved, the Lessor reserves the right to cancel the Lessee's agreement, no matter the lease term remaining.

CODES, COVENANTS & RESTRICTIONS

Lessee agrees to all the terms and agreements of the Codes, Covenants & Restrictions of the East Cape RV Resort as provided in Addendum 1 of the Lease Agreement.

FIRE RETARDANT & SAFETY STRATEGY

Lessees who install palapa roofs agree to undertake at least one of the recommended Fire Retardant & Safety Strategies of the East Cape RV Resort found in Addendum II of this lease agreement.

PETS

Lessee may have no more than two (2) dogs. Dog owners shall be responsible for their pets, which shall be controlled at all times. Dog owners will pick up after their pets and police their leased property and its surrounding area. Any pet determined to be a noise nuisance or hazard to people or other animals must be removed. No farm animals are allowed.

INDEMNITY

Lessee agrees to indemnify and hold the Lessor harmless from and against all claims for any accident, injury or damage whatsoever caused to any person occurring during all of the leased term, in or about the leased premises, arising from any act of negligence by Lessee or Lessee' contractors, licensees, agents, servants or obligations under this agreement, and from all fees, costs, expenses and liabilities incurred in connection with any such claim or proceeding brought thereon.

Lessor agrees to indemnify and hold Lessee harmless from and against all claims for any accident, injury or damage whatsoever caused to any person occurring during all of the leased term, in or about the leased premises, arising from any act of negligence by Lessor

or Lessor's contractors, licensees, agents, or obligations under this agreement, and from all fees.

SUCCESSORS

This lease shall bind and benefit alike the heirs, successors and assigns of the parties hereto. This lease shall bind and benefit alike any future owners, partners or shareholders of East Cape RV Resort and/or Lucas de Los Barriles for the full term of this lease and its specified lease options.

TIME

Time is of the essence in the performance under this agreement.

PRESUMPTION

No presumptions shall exist in favor of or against any party to this agreement as a result of the drafting and preparation of the document.

IN WITNESS THEREOF,

Lessor and Lessee have executed this lease, this _____ day of _____, 2008.

By Lessor:

Lucas de Los Barriles, SA de CV, a Mexican Corporation

By Lessee:

Name

Home Phone

Signature

Office Phone

Physical Address Mailing Address if different

Facsimile Number

City State Zip

E-Mail Address

Social Security Number

Emergency Contact Name Relationship

Emergency Contact Number

Lessor Contact Information:
East Cape RV Resort, dba
Lucas de Los Barriles, SA de CV
Shaun Speer & Theresa Comber
Post Office Box 3292
Hailey, Idaho 83333
1-208-726-1955 Office
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