



LEASE
Between

U.S. DEPARTMENT OF INTERIOR
National Park Service

And
Brian Samuelson
and
Joseph Dorsey

For the Premises known as
Fort Hancock Building #21
21 Hartshorne Drive
Sandy Hook, New Jersey 07732

NPS LCS ID# 008447
NPS FMSSID# 21051
SAHO NDHQ021
Quarters #21 (Duplex)

In the Sandy Hook Unit of
Gateway National
Recreation Area

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THIS LEASE is made and entered into by and between the United States Department of the Interior (DOI), acting through the National Park Service (NPS), an agency of the United States of America (Lessor), and Brian Samuelson and Joseph Dorsey (Lessee) (with the named individuals being jointly and severally liable for the obligations of the Lessee).

WITNESSETH THAT:

WHEREAS, Congress designated Gateway National Recreation Area (GATE or Park Area) as a unit of the national park system;

WHEREAS, the Park Area contains property that has been determined suitable for leasing under 36 Code of Federal Regulations Part 18;

WHEREAS, the Lessor has determined that the use and occupancy of the property that is made available under this Lease is consistent with the requirements of Part 18 of Title 36 of the Code of Federal Regulations; and

WHEREAS, the Lessee desires to lease the property on the terms and conditions set forth in this Lease; and

WHEREAS, the Lessee was selected in response to "Request for Proposals Multiple Buildings on Officers Row for Compatible Use at Sandy Hook Unit's, Fort Hancock," dated July 31, 2015;

NOW THEREFORE, in consideration of their mutual promises, the Lessor and Lessee hereby agree as follows:

Section 1. DEFINITIONS

As used in this Lease, the following defined terms are applicable to both singular and plural forms.

1.1 Affiliate of Lessee - means any person or entity directly or indirectly controlling, controlled by, or under common control with Lessee, or, any entity owned in whole or part, directly or indirectly, by Lessee.

1.2 Alterations – means any construction, modifications, rehabilitation, reconstruction, and/or restoration of the Premises other than Initial Improvements.

1.3 Applicable Laws – means all present and future laws, statutes, requirements, ordinances, judgments, regulations, and administrative and judicial determinations (that are applicable by their own terms to the Premises or the Lessee), even if unforeseen or



extraordinary, of every governmental or quasi-governmental authority, court or agency claiming jurisdiction over the Premises now or hereafter enacted or in effect (including, but not limited to, Part 18 and the Park Area's General Management Plan, environmental laws and those relating to accessibility to, usability by, and discrimination against, disabled individuals), and all covenants, restrictions, and conditions now or hereafter of record which may be applicable to the Lessee or to all or any portion of the Premises, or to the use, occupancy, possession, operation, and maintenance of the Premises, even if compliance therewith results in interference with the use or enjoyment of all or any portion of the Premises.

1.4 Annual Rent – means the annual fixed rent to be paid to Lessor by Lessee under Section 5.

1.5 Assignment - means the transfer, whether it is direct or indirect, voluntary or by operation of law, assignment, sale, Sublease or conveyance, of the Lessee's leasehold estate, or the Lessee's rights under this Lease in whole or part. Such transfer may be designated as a sale, a conveyance, a sublease or an assignment. The sale, conveyance, sublease or assignment (including by consolidation, merger or reorganization) of a controlling interest in the Lessee (if such entity is a corporation), or any sale or other transfer of a controlling interest in the partnership interests (if such entity is a partnership), whether in a single transfer or in a series of related transfers, and whether directly or by sales or transfers of underlying partnership or corporate ownership interests, is an assignment. For a corporate entity, the term "controlling interest" means an interest, beneficial or otherwise, of sufficient outstanding voting securities or capital of the Lessee so as to permit exercise of managerial authority over the actions and operations of the Lessee. For a partnership, limited partnership, joint venture, limited liability company, or individual entrepreneur(s), "controlling interest" means the beneficial ownership of the capital assets of the Lessee so as to permit exercise of managerial authority over the actions and operations of the Lessee.

1.6 Commencement Date – means the first day of the Lease term as stated in Section 4 of this Lease.

1.7 Construction Documents – refers collectively to all drawings, plans, specifications, and similar documents associated with the construction of Improvements on the Premises.

1.8 Common Area Maintenance Fees - Common Area Maintenance consists of the total cost of services such as Law Enforcement, Fire Safety, Administration, Roads and Grounds, and Trash Removal, that benefits and is shared by all occupants of Fort Hancock.



1.9 Encumbrance – means the direct or indirect, voluntary or by operation of law, encumbrance, pledge, mortgage, or other hypothecation of the Lessee’s interest or rights under this Lease and/or the Premises or Lessee’s leasehold estate.

1.10 Expiration Date – means the last day of the Lease Term as stated in Section 4 of this Lease.

1.11 Fixtures and Equipment – means all fixtures and related equipment in or on the Premises. A Fixture is an article in the nature of Personal Property which has been so annexed to the realty that it is regarded as a part of the real property.

1.12 General and Administrative Costs, or G&A, also known as “Soft Costs” are costs associated with the rehabilitation that are not directly related to labor and building materials. Such costs may include but are not limited to architecture, engineering, planning, and legal fees, and permits.

1.13 Hazardous Materials – means any material or other substance: (a) that requires investigation or correction under Applicable Laws; (b) that is or becomes defined as a hazardous waste, hazardous substance, pollutant, or contaminant, under Applicable Laws; (c) that is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous, and is or becomes regulated under Applicable Laws; (d) that, without limitation of the foregoing, contains gasoline, diesel fuel or other petroleum hydrocarbons; (e) that, without limitation of the foregoing, contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation; or (f) without limitation of the foregoing, contains radon gas. The term Hazardous Materials as used in this Lease includes Pre-Existing Hazardous Materials unless otherwise stated in a particular provision of this Lease.

1.14 Hazardous Materials Occurrence – means any use, treatment, keeping, storage, sale, release, disposal, migration, transport, or discharge of any hazardous materials from, on, under, or into the Premises or other Park Area property that occurs during the Lease Term.

1.15 Historic Property – means building(s) and land located within the boundaries of the Park Area that are part of a pre-historic or historic district or site included on, or eligible for inclusion on, the National Register of Historic Places.

1.16 Improvements – refers collectively to any Alterations and Initial Improvements.

1.17 Initial Improvements – means the construction, modifications, rehabilitation, reconstruction, and/or restoration of the Premises as may be described in Section 8 of this



Lease that the Lessee is required to make at the commencement of this Lease.

1.18 Interest Rate – means the percentage of interest charged based on the current value of funds to the United States Treasury that is published annually in the Federal Register or successor publication.

1.19 Inventory and Condition Report – means the document contained in Exhibit A to this Lease that describes the Fixtures and Equipment in the Premises and the condition of the Premises (including Fixtures and Equipment) as of the Commencement Date.

1.20 Lease Term – is the term of this Lease as stated in Section 4 of this Lease.

1.21 Lease Year – means a year of the Lease Term. The first Lease Year shall commence on the Commencement Date and shall end on the expiration of the twelfth full calendar month following thereafter. Each subsequent Lease Year shall commence on the next day following the expiration of the preceding Lease Year, and shall end on the expiration of the twelfth full calendar month following thereafter, or on the last day of the Lease Term, whichever occurs first.

1.22 Maintenance and Repair – “Maintenance” means the preservation of, and prevention of a decline to the Premises from, existing conditions; “Repair” means mending, fixing, or restoring the Premises to good condition after decay, injury, or dilapidation; “Replace” means providing a substitute in place of an item which is broken, worn out, or irreparable, subject to the Secretary’s Standards for the Treatment of Historic Properties, as applicable.

1.23 Notice of Default – means an instrument in writing from the Lessor to the Lessee providing notice that the Lessee is in default of the lease.

1.24 NPS 28 - means the National Park Service document entitled “Cultural Resource Management Guidelines” which is hereby made a part of this Lease by reference.

1.25 Park Area - means Gateway National Recreation Area (GATE).

1.26 Part 18 – means Part 18 of Volume 36 of the Code of Federal Regulations.

1.27 Personal Property – means all furniture, fixtures, equipment, appliances, and apparatus placed in or on the Premises that are neither permanently attached to or form a part of the Premises.



1.28 Pre-existing Hazardous Materials – means hazardous materials (including storage tanks) that existed in, on, or under the Premises or other Park Area property prior to the Commencement Date.

1.29 Premises – means the property of the Park Area that is described in Section 2 of this Lease.

1.30 Preservation Maintenance Plan – is a document that sets forth a plan for the Lessee's repair and maintenance of Historic Property.

1.31 Rent - means the rent to be paid Lessor by Lessee described in Section 5 of this Lease and any additional Rent this Lease may require.

1.32 Secretary's Treatment Standards – shall mean the Secretary of the Interior's Treatment Standards for Historic Property (36 Code of Federal Regulations Part 68) that are hereby made a part of this Lease by reference.

1.33 Sublease - means an agreement under which the Lessee grants a person or entity (a Sublessee) the right to use, occupy, or possess a portion of the Premises.

1.34 Termination Date – means the date this Lease may be terminated or cancelled in accordance with its terms prior to the Expiration Date.

1.35 Utilities - Include *but are not limited to* electric, oil, gas, water, wastewater, and waste. Utilities are subject to Director's Order #35B, or any applicable law, regulation, and policy, requiring National Parks to recover the cost of providing utilities and maintaining utility infrastructure, including pursuant to 36 CFR 18.12(g). The current Reference Manual #35B (2012, Section 7) indicates any increase in rates will be phased in so that the Lessee sees no more than a 10% rate increase per year. The current rate for water is a Flat Rate of \$816 annually + Usage @ \$6.1998 per 1000 gallons, a rate comparable to NJ American Water. The current rate for Sewer service is a Flat Rate of \$600 annually (comparable to Township of Middletown Sewerage Authority). Changes to the rate or the method of calculation may be modified by the Lessor in accordance with any change to existing law, regulation, and policy.

Section 2. LEASE OF PREMISES

2.1. Lease of Premises; Reservation of Rights

(a) The Lessor hereby leases and demises to the Lessee under the authority of Part 18, and the Lessee hereby leases, upon and subject to the covenants and agreements contained



in this Lease, from the Lessor, the Premises described as follows and as depicted in **Exhibit C** to this Lease:

- Fort Hancock Building #21, also known as 21 Hartshorne Drive, Sandy Hook, New Jersey 07732, in its entirety
- Driveways corresponding to the facility

The Premises do not include, but Lessee shall have the non-exclusive right to enjoy:

- Corresponding ingress and egress
- Lands adjacent to the facility
- Non-exclusive use of nearby common parking area/s.

(b) Subject to all Applicable Laws, and all liens, encumbrances, restrictions, rights and conditions of law or of record or otherwise; and

(c) Excepting and reserving to the Lessor the right, at reasonable times and (except in case of emergency following advance notice to the Lessee, to enter and to permit any governmental agency, public or private utilities and other persons to enter upon the Premises as may be necessary for the purposes of the administration of this Lease and/or the Park Area as reasonably determined by the Lessor and to close the Premises when immediate danger to life or property is discovered or is otherwise required by law;

(d) Excepting and reserving exclusive rights to all oil, gas, hydrocarbons, and other minerals in, under, or on the Premises and ownership of any current or future water rights applicable to the Premises.

(e) Executive Order 13658 - Establishing a Minimum Wage for Contractors, and its implementing regulations, including the applicable contract clause, are incorporated by reference into this contract as if fully set forth in this contract.

2.2 Waiver

The Lessee hereby waives any claims for damages for any injury or inconvenience to or interference with the Lessee's use and occupancy of the Premises, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned by the Lessor's exercise of its rights under this Lease or by the Lessor's actions taken for the management and protection of the Park Area's resources and visitors.

2.3 Easements

Nothing contained in this Lease shall give or be deemed to give the Lessee a right to grant any type of easement or right-of-way affecting the Premises. Lessor agrees to execute, if otherwise appropriate as determined by the Lessor, such easements for utilities as Lessee



shall require in connection with the use and operation of the Premises.

2.4 Ownership of the Premises

This Lease does not vest in the Lessee any fee interest in the Premises. Title to the Premises at all times is with and shall remain solely with the Lessor.

2.5 Historic Property

The Premises, identified as Historic Property in the NPS List of Classified Structures, must be preserved and maintained in accordance with the Secretary's Standards for the Treatment of Historic Properties as identified in 36 CFR Part 68, and as may be further identified in the Exhibit D to this Lease (Preservation or other Maintenance Plan).

Section 3. ACCEPTANCE OF THE PREMISES

3.1 As Is Condition of the Premises

The Lessee agrees to lease the Premises in their existing "as is" condition and acknowledges that in entering into this Lease, the Lessee does not rely on, and the Lessor does not make, any express or implied representations or warranties as to any matters including, without limitation, any characteristics of the Premises or improvements thereon, the suitability of the Premises for the intended use, the likelihood of deriving trade from or other characteristics of the Park Area, the economic or programmatic feasibility of the Lessee's use and occupancy of the Premises, or Hazardous Materials on or in the vicinity of the Premises.

3.2 Lessee's Due Diligence

Prior to entering into this Lease, the Lessee in the exercise of due diligence has made a thorough, independent examination of the Premises and all matters relevant to the Lessee's decision to enter into this Lease, and the Lessee is thoroughly familiar with all aspects of the Premises and is satisfied that they are in an acceptable condition and meet the Lessee's needs.

3.3 Inventory and Condition Report

In the exercise of its due diligence, Lessee has taken into account the Inventory and Condition Report (Exhibit A) and acknowledges that it is complete and accurate.

Section 4. LEASE TERM AND ABANDONMENT

4.1 Lease Term

The Lease Term shall be a period of sixty (60) years commencing on April 1, 2016 (Commencement Date) and expiring on March 31, 2076 (Expiration Date) or ending on such earlier date as this Lease may be terminated in accordance with its terms



(Termination Date); unless terminated earlier in accordance with its terms.

4.2 Abandonment

The Lessee shall utilize and maintain the Premises in accordance with the terms of this Lease during the entire Lease Term. If Lessee fails to do so, the Lessee may be determined as in Default for abandoning the Premises.

Notwithstanding the foregoing, Lessee shall not be in violation of this provision for closures due to regularly scheduled school vacations, for weather related reasons, or due to a force majeure event. In the event force majeure renders occupancy of the Premises infeasible, the Lessor or Lessee may terminate this Lease in accordance with the termination process set forth in Section 15, below.

Section 5. RENT

5.1. Net Lease and Rent Payments

(a) Except as provided in Section 5.2 and Section 10.1 a, all Rent shall be absolutely net to Lessor without any abatement, deduction, counterclaim, set-off or offset. Lessee shall pay all costs, expenses and charges of every kind and nature relating to the Premises, including, without limitation, all taxes and assessments, provided that, the Lessee is not required to pay Common Area Maintenance Fees during the term of the Lease.

(b) All Rent payments consisting of \$10,000 or more shall be deposited electronically by the Lessee using the Treasury Financial Communications System. At Lessor's option, Rent payments shall be payable by wire transfer or other electronic means to such account as Lessor may from time to time designate. Interest at the Interest Rate will be assessed on overdue Rent payments. The Lessor may also impose penalties for late Rent payments to the extent authorized by Applicable Law.

5.2 Annual Rent

During the Lease Term, Lessee shall pay to Lessor Annual Rent for the Premises in the aggregate annual amount of Twenty-Four Thousand Dollars (\$24,000.00) (as adjusted for CPI as provided in Section 5.3 below) payable in advance in equal monthly installments on the first day of each calendar month upon issuance of a Temporary or Final Use and Occupancy Certificate or similar instrument.

(a) Improvements costs incurred by the Lessee with respect to completed Improvements pursuant to Section 9, shall be used to offset the Annual Rent for the Premises and applied toward the Annual Rent as agreed upon by the Lessor and the Lessee in the manner identified in Exhibit E: Rent Offset Calculation. Offsets will be based on actual costs to the Lessee, and may also include costs related to securing the Temporary or



Final Use and Occupancy Certificate, Permits, or similar instrument. The Lessor may also consider for offset the value of "sweat equity" Improvements undertaken or provided by the Lessee, which shall be valued based on documentation demonstrating reasonable and customary project hours worked and related hourly rates and costs submitted by the Lessee. Lessor, in its sole discretion, retains the right to determine, ascertain, and approve the value of sweat equity as it pertains to any offset requested by the Lessee.

(b) Lessee shall have no right or claim of compensation of any nature from the Lessor in the event of a termination, assignment or expiration of this Lease in circumstances where Lessee Improvement costs have not been applied to offset Annual Rent as of the date of such termination, assignment or expiration of this Lease.

(c) The Lessor may choose to, but is not obligated to, issue Lessee a Bill of Collection (BOC) identifying rents due and owing, though any failure of the Lessor to do so shall not alleviate Lessee's obligation to remit rents due and owing pursuant to the Lease terms.

5.3 CPI Adjustment

The Annual Rent will increase effective as of the beginning of the 10th Lease Year and annually thereafter during the Lease Term to reflect the proportionate cumulative increase in the CPI, if any, during the previous Lease Year. For purposes of this Section, CPI means the United States Department of Labor, Bureau of Labor Statistics, All Cities Average Consumer Price Index, or if such index is no longer published, a successor or substitute index designated by the Lessor, that shows changes in consumer prices in the locale of GATE.

5.4 Rent Reconsideration

(a) The Rent otherwise required by this Lease shall be subject to reconsideration at the request of the Lessor or the Lessee after the end of the 20th Lease Year of this Lease in order to maintain the Rent under this Lease in an amount and structure consistent with fair market value rent. "Fair market value rent" for the purposes of this Section means the most probable rent, as of a specific date, in cash or in terms equivalent to cash, for which the Premises, under the terms and conditions of this Lease, should rent for their highest and best permitted use after reasonable exposure in a competitive market under all conditions requisite to a fair leasing opportunity, with the Lessor and the Lessee each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

(b) To request Rent reconsideration, the Lessor or Lessee must notify the other party in writing of its request within sixty (60) days after the end of the applicable Lease Year. Upon receipt of such notice, the Lessor and Lessee must negotiate in good faith a Rent adjustment. If, after the end of such sixty (60) day negotiation period, agreement as to a possible Rent adjustment has not been reached, either party may request that the matter be



resolved by binding arbitration conducted by an arbitration panel. Such request must be made by written notice to the other party within thirty (30) days of the end of the negotiation period.

(c) One member of the arbitration panel is to be selected by the Lessor, one member is to be selected by the Lessee, and the two party-appointed members are to select the third (neutral) member. The neutral arbiter must be a licensed real estate appraiser. The expenses of the neutral arbiter and other associated common costs of the arbitration will be borne equally by the Lessor and the Lessee. The arbitration panel will adopt procedures that treat each party equally, give each party the opportunity to be heard, and give each party a fair opportunity to present its case. A Rent adjustment determination must be made by a majority of the members of the panel and will be binding on the Lessor and the Lessee. The arbitration panel will determine an appropriate adjustment to Rent, if any, to reflect fair market value rent effective as of the beginning of the 20th Lease Year, as applicable.

Section 6. USES OF PREMISES

6.1 Authorized Uses

The Lessee may utilize the Premises, or sub-lease the Premises, only for the following purposes: Private Residential Use combined with professional Office Use limited to occupancy by no more than 12 individuals per unit at any one time, or less, if dictated in accordance with requirements of applicable laws, including but not limited to those governing safety, fire, egress, and other code considerations.

Additionally, Lessee's activities on the Premises shall be subject to the general supervision and inspection of the NPS and to such rules and regulations regarding ingress, egress, safety, sanitation, and security as may be prescribed by the Superintendent from time to time.

6.2 Changes to Authorized Uses

The Lessee may amend or change approved uses subject to the prior written approval of the Lessor. No change of the uses of the Premises shall be approved unless the Lessor, among other matters, determines the proposed use to be consistent with Part 18, GATE's General Management Plan, all other Applicable Laws, and that the proposed change will not have an adverse impact on the Lessor's ability to manage and protect GATE's resources and visitors.

The Lessee shall be obligated for the cost of any appraisal required to determine the value of the annual rent corresponding to any proposed change in use of the premises. Such appraisals must be obtained in accordance with the requirements set forth by the Department of the Interior (DOI), and corresponding review required by the Office of Valuation Services (OVS).



6.3 Applicable Laws

The Lessee shall comply with all Applicable Laws in its use and occupancy of the Premises.

6.4 Forbidden Uses

In no event shall the Premises be used for any purpose that is not permissible under Part 18 or, even if so permissible, may be dangerous to life, limb, property or public health; that in any manner causes or results in a nuisance; that is of a nature that it involves substantial hazard, such as the manufacture or use of explosives, chemicals or products that may explode, or that otherwise harms the health or welfare of Park Area resources and/or visitors; or that results in any discharge of Hazardous Materials in, on or under the Premises.

6.5 Site Disturbance

Lessee shall neither cut any timber nor remove any other landscape features of the Premises such as shrubs or bushes without Lessor's prior written consent. The Lessee shall conduct no mining or drilling operations, remove no sand, gravel or similar substances from the ground, and commit no waste of any kind.

6.6 Protection of Cultural and Archeological Resources.

The Lessee shall ensure that any protected sites and archeological resources within GATE are not disturbed or damaged by the Lessee except in accordance with Applicable Laws and only with the prior written approval of the Lessor. Discoveries of any archeological resources by the Lessee shall be promptly reported to the Lessor. The Lessee shall cease work or other disturbance, which may impact any protected site or archeological resource until the Lessor may grant approval to continue upon such terms and conditions as the Lessor deems necessary to protect the site or resource.

6.7 Signs

The Lessee may not post signs on the Premises of any nature without the Lessor's prior written approval. Any approval of a sign that may be given by the Lessor shall specify the type, size, and other appropriate conditions concerning its display. The Lessor may post signs on the Premises as appropriate for the administration of the Park Area. The Lessee has proposed a 2" x 3' sign to be erected upon the Premises, indicating the Premises are available for rent. Lessor will review the proposed layout, content, and will approve same so long as Lessor has determined same to be consistent with the existing signage plan and applicable law, regulation, and policy concerning same.

6.8 Permits and Approvals

Except as otherwise may be provided in this Lease, the Lessee shall be solely responsible



for obtaining, at its expense, any permit or other governmental action necessary to permit its activities under this Lease.

6.9 Improvements

The Lessee shall not make any Improvements of any nature to the Premises without the prior written permission of the Lessor, to be obtained in the manner identified in Sections 8, 9, and 10 below.

Section 7. RECORDS AND AUDITS

The Lessee shall provide the Lessor and its agents and affiliates, including without limitation, the Comptroller General of the United States, access to all books and records relating to the Premises and the Lessee's use of the Premises under this Lease for the purpose of conducting audits to verify the Lessee's compliance with the terms and conditions of this Lease for any of the five (5) preceding Lease Years. The Lessee shall keep and make available to the Lessor these books and records and provide them to Lessor within 30 days of Lessor's request.

The Lessee shall, if requested by the Lessor, provide the Lessor with complete information and data concerning the Lessee's operations and operating results, including without limitation, information and data requested by NPS relating to the Lessee's particular operations.

Section 8. MAINTENANCE AND REPAIR

8.1 Lessee's Responsibilities

The Lessee shall be solely responsible, at the Lessee's sole expense, for the repair and maintenance of the Premises during the Lease Term. This responsibility includes, without limitation:

- a) Ensuring the Premises are safe, habitable, and code compliant at all times;
- b) The performance of all repairs, maintenance, replacement (whether foreseen or unforeseen) necessary to maintain the Premises and the improvements thereon in good order, condition, and repair, in a manner consistent with the operation of comparable facilities in the locale of the Park Area and in compliance with all Applicable Laws;
- c) The replacement as they become worn out or obsolete of all Fixtures and Equipment;
- d) Housekeeping and routine and periodic work scheduled to mitigate wear and



- deterioration without altering the appearance of the Premises;
- e) The repair or replacement of in-kind or broken or worn out elements, parts, or surfaces so as to keep the existing appearance of the Premises;
 - f) Scheduled inspections of all building systems on the Premises;
 - g) Maintaining the grounds of the Premises in good condition, including, without limitation, avoidance or removal of unsightly storage or parking of materials, equipment, vehicles, and to the extent same is not undertaken by NPS, managed lawn and ornamental plantings;
 - h) Reimbursement of the Lessor's utility costs and Lessor's costs of infrastructure maintenance and necessary upgrades, in accordance with NPS Director's Order #35B, any modifications thereto, and other applicable law, regulation, and policy. NPS will provide Lessee with Bills of Collection identifying Lessee's pro-rata share of costs pertaining to same;
 - i) Ensuring the Unit Coordinator and his/her representative has keys to the facility or that locks are installed upon the facility as NPS sees fit, and that nothing impedes access to the facility or any government land and improvements governed by this Agreement.

Except for minor repairs and maintenance undertaken in connection with ordinary wear and tear, repair and maintenance actions that may result in Alterations to the Premises require the prior written approval of the Lessor .

8.2 Preservation Maintenance Plan

The Lessee shall repair and maintain all portions of the Premises through a Preservation Maintenance Plan prepared by the Lessee and approved by the Lessor as appropriate and, as applicable, in a manner consistent with the requirements of the Secretary's Treatment Standards and NPS 28. The Lessor may make reasonable modifications to the plan from time to time to reflect changing maintenance and repair needs of the Premises. The Lessee shall submit a proposed Preservation Maintenance Plan to the Lessor within sixty (60) calendar days of the date of occupancy. The plan, when approved by the Lessor, shall become an Exhibit to this Lease without further action and the Lessee shall comply with its terms. In the event the Lessee does not comply with the conditions of the Preservation Maintenance Plan, the Lessor will require the Lessee to take corrective action and the Lessee will consider the Lessee in default for failure to comply within the specified period of time.

8.3 Improvements to Leased Premises

Any modifications to the Leased Premises made in connection with the Lessee's maintenance obligations described in the above Paragraphs 8.1 and 8.2, shall become the



property of the NPS. The Lessee shall have no right, title, or claim to modifications, or the value thereof, made in connection with maintenance obligations to assigned government land and improvements.

8.4 Exclusions for Normal Wear and Tear

Notwithstanding anything to the contrary above, nothing in this Lease shall require the Lessee, upon the expiration or termination of the Lease, to repair, restore, or replace the Premises or any Fixtures or Equipment, personal property located therein or any item listed on Exhibit A, due to normal wear and tear.

8.5 Maintenance Reserve Account

(a) The Lessee shall establish and manage a Maintenance Reserve Account. The funds in the Maintenance Reserve Account shall be used to carry out, on a project basis, repair and maintenance needs of the Premises that are non-recurring within a seven-year time frame. Such projects may include repair or replacement of foundations, building frames, window frames, sheathing, sub floors, drainage, rehabilitation of building systems such as electrical, plumbing, built-in heating and air conditioning, roof replacement and similar projects. The Lessee will carry out projects as the Lessor shall direct in writing in advance of any expenditure being made and in accordance with project proposals approved by the Lessor. No projects may be commenced until the Lessee receives written approval from the Lessor in accordance with Section 21 of this Lease.

(b) Projects paid for with funds from the Maintenance Reserve Account will not include routine, operational maintenance of facilities or housekeeping and grounds keeping activities. Nothing in this Section shall lessen the responsibility of the Lessee to carry out the maintenance and repair of the Premises from funds other than those in the Maintenance Reserve Account.

(c) The Lessee shall establish the Maintenance Reserve Account within its accounting system. Upon execution of the Lease, the Lessee shall deposit funds in the amount of \$5,000.00 to the Maintenance Reserve Account. The Lessee shall add funds to the Maintenance Reserve Account by January 1st of every year this lease is in effect, to account for funds depleted over the course of the previous year. If the Lessee fails to make timely deposits to the account, the Lessor may terminate this Lease for default or may require the Lessee to post a bond in an amount equal to the amount of the required Maintenance Reserve. The Lessee shall periodically at times prescribed by the Lessor submit written reports to the Lessor containing such information as the Lessor may require concerning the Maintenance Reserve Account and the related activities of the Lessee.

(d) The balance in the Maintenance Reserve Account shall be available for projects in accordance with its purpose. For all expenditures made for each project from the Maintenance Reserve Account, the Lessee shall maintain auditable records including invoices, billings, canceled checks, and other documentation satisfactory to the Lessor. Withdrawals from the account shall not be made without the Lessor's countersignature.



(e) Failure to expend Maintenance Reserve Account funds when directed by the Lessor shall be considered as a material breach of this Lease for which the Lessor may seek monetary damages and other legal relief, including, without limitation, termination of this Lease.

(f) In the event of a sale or transfer, any balance in the Maintenance Reserve Account shall be returned to the Lessee, provided that the Lessee has completed to the satisfaction of Lessor all required Maintenance Reserve Account projects. If not, any such balance shall be remitted to the Lessor by Lessee as of the date of sale or transfer.

Section 9. IMPROVEMENTS

Improvements of a substantial nature, such as, but not limited to, structural repairs, replacement of or upgrades to HVAC, mechanical, or electrical systems, repairs to or replacement of the roof or windows, as well as any capital improvements, fire prevention system upgrades, and improvements required by federal, state or local law or regulations (i.e. Americans with Disabilities Act, building codes) may be undertaken by the Lessor at any time during the Lease Term with thirty (30) days prior notice to the Lessee. The above notwithstanding, the Lessor is under no obligation to undertake improvements of any kind to the Premises.

In no event shall Lessor be obligated to make Improvements or to make repairs to fixtures, systems, or equipment, for which Lessee is obligated to obtain insurance pursuant to Section 14 of this Lease.

Lessee may undertake Improvements, such as, but not limited to, structural repairs, replacement or upgrade of HVAC, mechanical, or electrical systems, repairs or replacement of the roof and windows, subject to Lessor's prior written approval of proposed Improvements, in accordance with Section 10 below. Documentation required by Lessor to consider offsets, if any, shall include but is not limited to all contractor estimates, paid invoices, receipts, and proof of payment. Documents submitted in connection with approved Improvements must be in a format acceptable to the Lessor. In no event shall the Lessor be required to consider sweat equity or other tenant financed Improvements to the Premises except as described and conditioned in Paragraph 5.2.

Any Improvements or investments made to the Premises become the property of the United States and the Lessee shall have no right or claim to the Improvements or value thereof except as identified in Paragraph 5.2.

Section 10. CONSTRUCTION APPROVAL

10.1 In General

(a) All Improvements made by the Lessee pursuant to Section 9 (Improvements), if



any, shall be undertaken at the Lessee's sole expense and only with the Lessor's prior written approval. All work shall be performed in a good and workmanlike manner and with materials of at least the quality and standard of materials used in comparable facilities in the locale of the Park Area. The Lessee shall undertake Improvements in strict accordance with applicable laws and with approved construction documents, including any proposed change orders.

(b) The Lessee shall, upon request, furnish the Lessor a correct copy of any contract with the Lessee's general contractor, architects, or consultants. The Lessor shall require the Lessee not to occupy specified portions of or all of the Premises during the construction of Improvements if determined by the Lessor as necessary for the protection of health or safety.

10.2 Enforced Delays

The Lessee shall not be considered in default in the event of an enforced delay in the construction of Improvements due to unforeseeable causes beyond the Lessee's control and without any fault or negligence on the part of the Lessee. Such enforced delays include, without limitation, public enemies, war, invasion, insurrection, rebellion, riots, fires, floods, epidemics, quarantine restrictions, strikes, lockouts, freight embargoes, and unusually severe weather. In the event of an enforced delay, the time or times for construction of Improvements will be extended by the period of the enforced delay. Lessee shall not be held responsible for rents due during the time line of enforced delays that deny access and use of Building #21.

10.3 Utilities During Construction

In the preparation of proposed construction documents, the Lessee shall review utility plans for the location of existing utilities that may be affected by any Lessee Improvements. The Lessee is required to obtain all necessary utility plans and permits from the appropriate public utility companies.

10.4 Site Inspection

At its own cost and expense, the Lessor shall be entitled to have on the Premises at any time during the construction of Improvements an inspector or representative who may observe all aspects of the work on the Premises. No inspection performed or not performed by the Lessor shall be deemed to give the Lessor any responsibility or liability with respect to the construction work, its prosecution or design, or, be deemed to constitute a waiver of any of the Lessee's obligations under this Lease or be construed as approval or acceptance of the Improvements (or portions thereof). The Lessee shall maintain on the Premises during construction, current, annotated construction documents



for inspection by the Lessor.

10.5 Approval of Construction

The Lessee must request in writing advance permission from the Lessor to undertake Improvements. The request must include:

10.5.1 proposed construction documents;

10.5.2 if required by the Lessor, evidence of the availability of funding for the Improvements;

10.5.3 documentation that required construction insurance is in effect; and

10.5.4 other information as may be required by the Lessor.

10.6 Construction Documents

The proposed construction documents submitted to the Lessor must be complete and satisfactory to Lessor as showing all material elements of the Improvements. When proposed construction documents are approved by the Lessor, the said documents shall become an Exhibit to this Lease without further action.

10.7 General Scope of Lessor's Review

The Lessor will not approve proposed Construction Documents unless it is able to determine, among other matters, that the proposed Improvements are appropriate for the Park Area and consistent with the requirements of Part 18, the Park Area's General Management Plan and other Applicable laws. Review and approval of proposed Improvements is subject to any required compliance with the National Environmental Policies Act (NEPA, 42 USC 4321 et seq.) and, if the project affects Historic Property, Section 106 of the National Historic Preservation Act (Section 106, 16 USC 470f).

10.8 Changes to Approved Construction Documents

Any material change in the approved Construction Documents and any deviation in actual construction from these documents are subject to the Lessor's prior written approval under the procedures stated in this Section, which approval shall not be unreasonably withheld or delayed. An approved change order will be issued by Lessor if proposed changes are approved. The Lessee shall prepare and maintain on the Premises during construction, current, annotated Construction Documents.

10.9 Special Considerations for Historic Property

If proposed Improvements relate to Historic Property, the Lessor will not approve proposed Construction Documents unless it is able to determine that the proposed Improvements comply with the Secretary's Treatment Standards, NPS 28, and any conditions that may be imposed on the Improvements through the operation of other Applicable Laws, including, without limitation, NEPA and Section 106.



10.10 Evidence of Adequate Funds

The Lessee has demonstrated to the satisfaction of the Lessor with appropriate documentation that it has available to it funds adequate to undertake and complete the project and that the Lessee will make an investment in the facilities based on estimated costs in the amount of \$283,306. This is an estimate only, and all actual costs will be disclosed to the NPS. The cost of any interest on a construction loan may be offset provided that such costs are in line with prevailing rates, as determined by the Lessor, at the time the project is undertaken. Advance written approval from the Lessor is required in connection with any request to offset the interest on any construction loan.

10.11 Notice to Proceed or Similar Authorization

Lessee shall not commence Improvements until such time as Lessor may issue a Notice to Proceed or similar written authorization, as evidence of satisfactory Construction Documents. The Notice to Proceed or similar written authorization shall contain terms and conditions necessary and appropriate for the construction of the Improvements. The Notice to Proceed or similar written authorization may be issued by the GATE Chief of Facility Management or his designee.

10.12 Construction Completion Procedures

Upon completion of the Improvements, the Lessee shall submit to the Lessor (in formats specified by the Lessor):

10.12.1 a notice of completion, which shall include, a written assessment prepared by an independent third party inspector, hired by the Lessee, concluding the Improvements have been completed in compliance with the requirements of applicable local building codes;

10.12.2 if requested by Lessor, satisfactory evidence of the payment of all expenses, liabilities, and liens arising out of or in any way connected with the Improvements;

10.12.3 if there are project drawings, a complete set of "as built" drawings showing all revisions and substitutions during the construction period, including field changes and the final location of all mechanical equipment, utility lines, ducts, outlets, structural member, walls, partitions and other significant features of the Improvements; and

10.12.4 a complete inventory of all Fixtures and Equipment in or on the Premises as of the completion of the Improvements.

Upon approval by the Lessor of the completion of the Improvements, the Lessor will issue



a Certificate of Completion or similar correspondence stating the Improvements are acceptable and authorizing the Lessee's occupancy (or continued occupancy, if applicable) of the Premises.

10.13 Lessor's Right to Utilize Documents

(a) In the event of expiration or termination of this Lease, the Lessee shall assign and deliver to the Lessor any and all of Lessee's rights to all architectural, engineering and other plans, drawings, specifications and studies relating to the Premises. In order to assure Lessor that it will have the legal right to use such plans, drawings, specifications and the like if Lessor becomes entitled to such items, Lessee shall include in its agreements with the architects, engineers and other professionals who prepared such items and who have any proprietary rights with respect to such items (including the rights to use thereof in connection with the Premises) provisions whereby Lessee and Lessor shall have the right to use such plans and other materials in connection with the Premises. In furtherance and not in limitation thereof, Lessee (referred to below as "Owner") shall include in such agreements the following provisions:

The drawings, specifications and other documents prepared by the Architect for this Project ("Documents") are instruments of the Architect's service and, unless otherwise provided, the Architect shall be deemed the author of these Documents and shall retain all common law, statutory and other reserved rights, including the copyright. For the purpose of completing this Project or for any other purpose, Architect and its consultants hereby (i) grant to Owner and the National Park Service an irrevocable, fully paid-up, perpetual, worldwide license to copy and use such Documents for completion of this Project or for any other purpose and (ii) consent to the use by Owner and the National Park Service, and of the modification by other design professionals retained by Owner and the National Park Service, of the Documents. The Architect will have no responsibility or liability to the Owner or the National Park Service with respect to any modification to the Documents made by the Owner or National Park Service or any other design professional retained by the Owner or National Park Service. Furthermore, except where the Architect is found to be liable for such claim, damage or loss, the Owner shall hold Architect harmless from any such claim, damage or loss arising out of the modification of the Documents by Owner or the National Park Service or another design professional. The Owner and the National Park Service shall be permitted to retain copies, including reproducible copies, of the Documents for information and reference in connection with the use and occupancy of the Project.

Notwithstanding the foregoing, Architect acknowledges and consents to the use



and ownership by the National Park Service, or its designees or assignees, of said plans and specifications in accordance with the Lease between the Owner (as Lessee) and the National Park Service (as Lessor) for the Premises leased to Lessee associated with the Documents; and Architect agrees to deliver copies of said plans and specifications to the National Park Service upon written request from the National Park Service, provided that the National Park Service agrees to pay the Architect's reasonable duplication expenses.

Section 11. TAXES AND ASSESSMENTS

11.1 Lessee's Responsibilities

The Lessee shall be responsible for the payment to the proper authority, when and as the same become due and payable, all taxes and assessments imposed by federal, state, or local agencies applicable to the Premises or the Lessee's activities on the Premises.

Section 12. UTILITIES

12.1 Arrangements with Utility Providers. The Lessee at its sole expense shall make all arrangements with appropriate utility providers (including the Lessor where applicable), for all utilities furnished to the Premises, including, without limitation, gas, electricity, other power, water, cable, telephone and other communication services, sewage, and waste removal. Any utility service provided by Lessor will be subject to the Lessor's established policies and procedures for provision of utility services to third parties. To the extent such utilities are provided by the NPS, the Lessee shall remit payment for costs of all utilities in accordance with Special Directive 83-2, NPS Director's Order #35B, any modifications thereto, and other applicable law, regulation, and policy. NPS will provide the Lessee with separately billed statements or Bills of Collection (BOC) identifying the Lessee's costs, if any, pertaining to same.

12.2 Installation, Relocation, or Upgrades to Utilities. With respect to Lessee's installation, relocation, or upgrades to Utilities, and subject to the Lessor's review and approval: agree as follows:

- (a) Lessee will relocate oil tanks outside of the Leased Premises at a location approved by the Lessor, at an elevation sufficient to comply with FEMA flood consideration guidelines; or
- (b) Lessor may provide, and install propane tanks necessary for Lessee to undertake conversion to propane heat/fuel, in which case, Lessee must utilize the propane tanks



within five (5) years of installation,

(c) Lessee will install all other utilities such as but not limited to electrical panels, water heaters, etc., at an elevation sufficient to comply with FEMA flood consideration guidelines.

Section 13. HAZARDOUS MATERIALS

The Lessee shall comply with the following provisions concerning Hazardous Materials:

- (a) No Hazardous Materials shall be used, treated, kept, stored, sold, released, discharged or disposed of from, on about, under or into the Premises except in compliance with all Applicable Laws and as approved by the Lessor in writing;
- (b) The Lessee shall use, manage, treat, keep, store, release discharge and dispose of its approved Hazardous Materials in accordance with all Applicable Laws. The Lessee is responsible for timely acquisition of any permits required for its Hazardous Materials and related activities and will be fully responsible for compliance with the provisions and conditions of such permits;
- (c) If any Hazardous Materials Occurrence caused by Lessee results in any contamination of the Premises, other Park Area property or neighboring property, the Lessee shall promptly take all actions at its sole expense as are required to comply with Applicable Laws and to allow the Premises or such other property to be used free of any use restriction imposed under Applicable Laws as a result of the Hazardous Materials Occurrence;
- (d) Except in cases of emergency, the Lessor's written approval of such actions shall first be obtained; Lessee at its expense shall be responsible for the abatement of Hazardous Materials in accordance with Applicable Laws in, on, or under the Premises as of the Commencement Date and thereafter; and If the Lessee discovers any unapproved Hazardous Materials in or on the Premises or becomes aware of a Hazardous Materials Occurrence related to the Premises, the Lessee shall immediately notify the Lessor

Section 14. INSURANCE AND INDEMNIFICATION

14.1 Insurance During the Lease Term

At all times during the Lease Term and at the Lessee's sole expense, Lessee shall obtain and keep in force for the benefit of the Lessee and Lessor the insurance coverages set forth in Exhibit B to this Lease under the terms and conditions of Exhibit B.

14.2 Insurance Requirements Modification

If the Lessor at any time, but not more than annually, believes that the limits or extent of



coverage, conditions, deductibles or self insurance retention, with respect to any of the insurance required by this Lease are insufficient for a prudent owner of property of the nature of the Premises, the Lessor may determine, by giving the Lessee ninety (90) days written notice, the proper and reasonable limits and extent of coverage, deductibles, conditions, and self insurance retention limits for such insurance and such insurance shall thereafter be carried by the Lessee until changed pursuant to the provisions of this section.

14.3 Disposition of Insurance Proceeds

All insurance proceeds received by or payable with respect to damage or destruction of the Premises (except proceeds of insurance covering loss or damage of the Lessee's Personal Property), less actual expenses incurred in connection with their collection, shall be distributed in the manner directed by the Lessor.

14.4 Inadequate Insurance Coverage

As detailed in Exhibit B attached hereto, the Lessee's responsibilities under this Lease for the repair or replacement of the Premises assumes full risk and responsibility for any inadequacy of insurance coverage or any failure of insurers. No approval by the Lessor of any insurer, or the terms or conditions of any policy, or any coverage or amount of insurance, or any deductible amount shall be construed as a representation by the Lessor of the solvency of the insurer or the sufficiency of any policy or any coverage or amount of insurance or deductible. Lessor shall not be responsible for any omissions or inadequacies of insurance coverages and amounts in the event the insurance purchased by Lessee proves to be inadequate or otherwise insufficient for any reason whatsoever except that Lessee shall have no liability for the risks insured by the property insurance policy referred to in Section 1 of Exhibit B attached hereto, except to the extent provided by said policy.

14.5 Indemnity

The Lessee shall indemnify, defend, save and hold the United States of America, its employees, successors, agents and assigns, harmless from and against, and reimburse the United States of America for any and all claims, demands, damages, injuries, losses, penalties, fines, costs, liabilities, causes of action, judgments, and expenses, including without limitation expenses incurred in connection with or arising in any way out of this Lease, the use, occupancy or manner of use or occupancy of the Premises by the Lessee or any other person or entity, the design, construction, maintenance, or condition of any improvements on the Premises, the condition of the Premises, and/or any accident or occurrence on the Premises from any cause whatsoever; provided, however, that the Lessee shall not be liable to the extent that the damages, expenses, claims or suits result from the willful misconduct or negligence of the United States of America, or its employees, contractors, or agents; provided, further, that the United States of America shall be liable only to the extent such claims are covered by the Federal Tort Claims Act



(28 USC 2671 et seq.); and provided further that Lessee shall have no liability for the risk insured by the property insurance policy referred to in Section 1 of Exhibit B attached hereto, except to the extent provided by said policy. The provisions of this Section shall survive the Expiration Date or Termination Date of this Lease.

Section 15. DAMAGE OR DESTRUCTION

15.1 Damage or Destruction

If the Premises or any portion thereof are damaged or destroyed at any time during the Lease Term, or the Premises are rendered inaccessible resulting in the Lessee's inability to undertake its primary use of the Premises as a result of significant damage or destruction to the park area, which has resulted from circumstances beyond the control of the Lessor, one of the following will occur:

- (a) the Lessor may terminate this Lease without liability and the Lessee shall utilize any insurance proceeds or proceeds distributed as a result of any bond related obligations to secure, repair, rehabilitate, or demolish the damaged or destroyed Premises as may be directed by Lessor.
- (b) the Lessor may consider Lessee's written request to abate rent for the period during which access to the Premises is restricted as a result of damage or destruction that results in the Lessee's inability to undertake its primary use of the leased premises, or is otherwise prohibited, due to circumstances beyond NPS control, for a period exceeding fourteen (14) days, and the Lessee is able to provide documentation in support of same. Rent abatement, if any, shall be at the sole discretion of the NPS, and the Lessee shall abide by the determinations made by the Lessor concerning abatement or pro-rated rent, if any.
- (c) the Lessee may terminate this Lease without liability by providing sixty (60) days written notice to the Lessor, and the Lessee shall utilize any insurance proceeds or proceeds distributed as a result of any bond related obligations to secure, repair, rehabilitate, or demolish the damaged or destroyed Premises at the discretion of NPS. In the event Lessee fails to vacate the Premises within sixty days of providing notice as described above, Lessee shall continue to be obligated for Rent as identified in Section 5.
- (d) In the event of damage to or destruction of the Premises in whole or in part by any cause whatsoever, nothing herein contained shall be deemed to require Lessor to replace or repair the Premises. If Lessor reasonably determines in writing, delivered to Lessee, that damage to the Premises or portions thereof renders the Premises unsuitable for continued use by the Lessee, Lessor shall assume sole control over such Premises or



portions thereof. If the Premises or portions thereof rendered unsuitable for use are essential for conducting operations authorized under this Lease, then failure to substitute and assign other facilities acceptable to Lessee will constitute termination of this Lease by Lessor. Lessor shall not be liable to Lessee for losses resulting from the termination of this Lease. Any improvements or investments made to the Premises become the property of the United States.

15.2 No Termination; No Effect on Rental Obligation

No loss or damage by fire or other cause resulting in either partial or total destruction of the Premises, the improvements thereon, or any other property on the Premises shall operate to terminate this Lease except as provided in Section 15.1 of this Lease. No such loss or damage shall affect or relieve the Lessee from the Lessee's obligation to pay the Rent required by this Lease and in no event shall the Lessee be entitled to any prorated return or refund of Rent paid hereunder, except as provided in Section 15.1 of this Lease. Unless this Lease is terminated under Section 15.1, no such loss or damage shall relieve or discharge the Lessee from the payment of taxes, assessments, or other charges as they become due and payable, or from performance of other the terms and conditions of this Lease.

Section 16. LIENS

16.1. No Power in Lessee to Create

The Lessee shall have no power to take any action that may create or be the foundation for any lien, mortgage or other Encumbrance upon the reversion, fee interest or other estate of the Lessor or of any interest of the Lessor in the Premises, except as otherwise may be expressly approved by the Lessor in writing in accordance with the terms of this Lease.

16.2. Discharge of Liens by Lessee

The Lessee shall not suffer or permit any liens known to the Lessee to stand against the Premises for any reason. If a lien is filed against the Premises, the Lessee shall cause it to be discharged of record within sixty calendar (60) days after notice to the Lessee of filing the lien. If the Lessee fails to discharge or contest the lien within this period and the failure shall continue for a period of fifteen calendar (15) days after notice by the Lessor, then, in addition to any other right or remedy of the Lessor, the Lessor may, but shall not be required, to procure the discharge of the lien either by paying the amount claimed to be due, by deposit in court, or by bonding. All amounts paid or deposited by the Lessor for any of these purposes, and all other expenses of the Lessor and all necessary disbursements in connection with them, shall become due and payable forthwith by the Lessee to the Lessor upon written demand therefore as additional Rent.



16.3 No Consent or Waiver by Lessor

Nothing in this Lease shall be deemed to be or be construed in any way as constituting the consent or request of the Lessor, expressed or implied, by inference or otherwise, to any person, firm or corporation, for performance of any labor or the furnishing of any materials in connection with the Premises.

Section 17. ASSIGNMENTS AND ENCUMBRANCES

17.1 Assignments

The Lessee may effectuate an Assignment (including sale) of this Lease, in whole or in part, or any real property on the Premises, or any part thereof or any property thereon, or grant any interest, privilege or license in connection with this Lease, only with the express prior written permission of the Lessor. Approval of any such transactions is in the discretion of the Lessor and the Lessor shall not grant an approval unless it is able to determine that the proposed assignee is financially and managerially capable of carrying out the terms of this Lease.

With respect to such proposed Assignments and without otherwise limiting the criteria upon which the Lessor may withhold consent to any proposed Assignment, the Lessee shall furnish to the Lessor the following information: [1] all instruments proposed to implement the transaction; [2] a statement as to the existence of any litigation questioning the validity of the proposed transaction; [3] a description of the management qualifications and financial background of the proposed transferee, if any; [4] a detailed description of the financial aspects of the proposed transaction including but not limited to prospective financial forecast statements that have been examined by an independent accounting firm and that demonstrate to the satisfaction of the Lessor that terms of the transfer do not impede or interfere with the financial ability of the Lessee to perform the requirements of this Lease; [5] if the transaction may result in an encumbrance on the Lessee's assets, full particulars of the terms and conditions of the encumbrance,; and [6] such other information as the Lessor may reasonably require. The Lessor shall have the right to approve the form of any such Assignment proposed transaction.

Except as identified in accordance with Section 8.5 (Maintenance Reserve Account), any consideration for received by the Lessee resulting from such transaction shall be payable to the Lessor.

The Lessor has an unconditional right to assign this Lease or any or all of its rights and obligations under it at any time.

17.2 Encumbrances

The Lessee may not effectuate an Encumbrance on the Premises except with the prior



written permission of the Lessor. Approval of any Encumbrance is in the discretion of the Lessor and in no event shall an Encumbrance be approved unless the Lessor is able to determine that it only grants its holder, in the event of a foreclosure, to assume the responsibilities of the Lessee under this Lease or to select a qualified new lessee subject to the written approval of the Lessor, and that it does not grant its holder any rights to alter or amend in any manner the terms and conditions of this Lease.

Section 18. DEFAULTS, LESSOR'S REMEDIES, AND LESSEE TERMINATION

18.1 Termination for Default

The Lessor may terminate this Lease for default if the Lessee fails to keep and perform any of the terms and conditions of this Lease, provided that the Lessor shall first give the Lessee written notice of at least thirty (30) calendar days in the case of monetary defaults and forty-five (45) calendar days in the case of non-monetary defaults of the Lessor's intention to terminate if the default is not cured within the applicable time period. If the Lessor terminates this Lease, all of the rights of the Lessee under this Lease and in the Premises shall terminate.

18.2 Non-Binding Arbitration In The Event Of Default.

(a) In the event the Lessor provides the Lessee a written notice of termination as a result of default and the Lessee has undertaken measurable efforts to cure the default(s), either party may request that the matter be addressed by non-binding arbitration conducted by a panel. Such request must be made by written notice to the other party within fourteen (14) days of the date of the notice of termination.

(b) One member of the panel is to be selected by the Lessor, one member is to be elected by the Lessee, and the two party-appointed members are to select the third (neutral) member. The neutral panel member must be a professional qualified to address the matter in dispute. The expenses of the neutral panel member and other associated common costs of the proceeding will be borne equally by the Lessor and the Lessee. The panel will adopt procedures that treat each party equally, give each party the opportunity to be heard, and give each party a fair opportunity to present its case. The panel's recommendation will address:

- i) whether any remedial efforts that may have been undertaken by the Lessee are sufficient to cure the stated default, or
- ii) what actions, if any, are required to cure the stated Default.



(c) A recommendation must be made by a majority of the members of the panel. Such recommendation shall be considered by the Lessor in making its final administrative decision as to the proposed termination.

(d) The above notwithstanding, if the Lessee cures any specified default within the allotted time period to the satisfaction of the Lessor as confirmed in writing, the Lease shall remain in full force and effect and any prior notice of termination shall be null and void.

18.3 Bankruptcy

The Lessor may terminate this Lease, in its discretion, in the event of a filing or execution of; (a) a petition in bankruptcy by or against the Lessee which is not dismissed within ninety calendar (90) days of its filing; (b) a petition seeking relief of the same or different kind under any provision of the Bankruptcy Act or its successor; (c) an assignment for the benefit of creditors; (d) a petition or other proceeding against the Lessee for the appointment of a trustee, receiver or liquidator; or (e) the taking by any person of the leasehold created by this Lease or any part thereof upon execution, attachment or other process of law.

18.4 No Waiver

No failure by the Lessor to insist upon the strict performance of any of the terms and conditions of this Lease or to exercise any right or remedy upon a default, and no acceptance by the Lessor of full or partial Rent during the continuance of any default shall constitute a waiver of any default or of such terms and conditions. No terms and conditions of this Lease may be waived or modified except by a written instrument executed by the Lessor. No waiver of any default shall affect or alter this Lease, but each and every term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent default.

18.5 Lessor's Right to Cure Defaults

If a default occurs under the terms of this Lease and the Lessee fails to correct the default within the applicable grace period, the Lessor may choose to correct the default (entering upon the Premises for such purposes if necessary), and the Lessor shall not be liable or in any way responsible for any loss, disturbance, inconvenience, or damage resulting to the Lessee as a result, and the Lessee shall pay to the Lessor upon demand the entire expense of the correction as additional Rent, including, without limitation, compensation to the agents, consultants and contractors of the Lessor and related expenses. The Lessor may act upon shorter notice or no notice at all if necessary in the Lessor's judgment to meet an emergency situation or governmental time limitation or to protect the Lessor's interest in



the Premises.

18.6 Termination by Lessee.

(a) The Lessee may voluntarily propose to surrender the Premises, and the Lessor agrees to consider the Lessee's voluntary surrender of the Premises in the event of the following:

- i) The Lessee wishes to terminate the Lease, and
- ii) The Lessee has provided not less than one hundred and twenty (120) days written notice to the Lessor of the desire to terminate the lease, and
- iii) The Lessee has complied and is current with all lease terms and conditions at the time the notice is given, the Lessee has completed the Improvements required by this Lease as approved by the Lessor, the Lessee has obtained a certificate of occupancy from the Lessor, and the Lessor has issued a written determination that such Improvements are complete to the Lessor's satisfaction, in accordance with the terms of the Lease; or,
- iv) The Lessee has commenced Improvements as proposed under the Lease but has failed to complete such Improvements in accordance with the Lease terms and conditions, or in accordance with any review, inspection, or approval, including Permitting requirements, and prior to any surrender of the Premises, the Lessee has posted a bond sufficient to cover the cost of the Improvements, in an amount satisfactory to the Lessor; or,
- v) The Lessee, prior to commencement of Improvements, has reasonably determined in good faith that the costs of Improvements will substantially exceed the estimated costs of Improvements set forth in Exhibit F of this Lease, such that is financially unreasonable to commence the Improvements.

(b) In the event the Lease is terminated under the terms of this Section 18, the Lessee is obligated for payment of Rent as identified in Section 5 until such time as the Lessee has vacated and surrendered the Premises, the Lessee shall be obligated to remove all personal property, and the Lessee shall be obligated to leave the Premises in as good a condition as they were on the Commencement Date. Any personal property remaining on the Premises beyond the termination date shall be considered "abandoned" and any costs associated with the removal or disposal of same shall be a surviving obligation to be borne by the Lessee. In the event that the Lease is terminated under the terms of this Section 18, the Lessee shall not be entitled to reimbursement for the cost of Improvements or any other Lessee costs associated with the Lease.



Section 19. SURRENDER AND HOLDING OVER

19.1 Surrender of the Premises

(a) On or before the Expiration Date or Termination Date of this Lease, the Lessee shall surrender and vacate the Premises, remove Lessee's Personal Property, and return the Premises, including the Fixtures and Equipment, to as good an order and condition as that existing upon the Commencement Date.

(b) For these purposes, the Lessor and Lessee shall prepare an Inventory and Condition Report of the Premises to constitute the basis for settlement by the Lessee to the Lessor for Lessor's Fixtures and Equipment, or elements of the Premises shown to be lost, damaged or destroyed. Any such Fixtures and Equipment, or other elements of the Premises shall be either replaced or returned to the condition required under this Section by the Lessee, ordinary wear and tear excepted, or, at the election of the Lessor, reimbursement made therefore by the Lessee at the then current market value thereof.

19.2 Holding Over

This Lease shall end upon the Expiration Date or Termination Date and any holding over by the Lessee or the acceptance by the Lessor of any form of payment of Rent or other charges after such date shall not constitute a renewal of this Lease or give the Lessee any rights under this Lease or in or to the Premises.

Section 20. EQUAL OPPORTUNITY LAWS

The Lessee and Lessee's Agent's shall comply with the requirements of (a) Title VII of the Civil Rights Act of 1964 (as amended), as well as Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967; (b) Title V, Sections 503 and 504 of the Rehabilitation Act of September 26, 1973, Public Law 93-112 (as amended), which prohibits discrimination on the basis of disability and requires government contractors and subcontractors to take Affirmative Action to employ and advance in employment qualified handicapped individuals; (c) 41 C.F.R. Chapter 60, which prescribes Affirmative Action requirements for government contractors and subcontractors; (d) the Age Discrimination in Employment Act of December 15, 1967 (as amended); (e) the Americans with Disabilities Act, 42 U.S.C. Sections 12101 et seq.; (f) and all other Applicable Laws relating to nondiscrimination in employment and in providing facilities and services to the public. The Lessee shall do nothing in advertising for employees that will prevent those covered by these laws from qualifying for such employment.



Section 21. NOTICES

Except as otherwise provided in this Lease, any notice, consent or other communication required or permitted under this Lease shall be in writing and shall be delivered by hand, sent by courier, sent by prepaid registered or certified mail with return receipt requested and addressed as appropriate to the following addresses (or to such other or further addresses as the parties may designate by notice given in accordance with this section):

If to the Lessor:

Superintendent
Gateway National Recreation
Area 210 New York Avenue
Staten Island, New York 10305
718-354-4665

Unit Coordinator
Sandy Hook Unit
Gateway National Recreation
Area 26 Hudson Road
Sandy Hook, New Jersey
07732
732 872-5910

If to the Lessee:

Brian Samuelson & Joseph
Dorsey

[REDACTED]

Cell: [REDACTED]

Email:
rainbowlandings@cs.com

Electronic notification to the Lessor is permitted; though such notification will not have been deemed received until Lessor issues a written response.



Section 22. GENERAL PROVISIONS

The following general provisions apply to this Lease:

- (a) The Lessor is not for any purpose a partner or joint venture participant of the Lessee in the development or operation of the Premises or in any business conducted on the Premises. The Lessor under no circumstances shall be responsible or obligated for any losses or liabilities of the Lessee. The Lessee shall not publicize, or otherwise circulate, promotional or other material of any nature that states or implies endorsement of the Lessee or its services or products by the Lessor or any other governmental agency.
- (b) This Lease shall not, nor be deemed nor construed to, confer upon any person or entity, other than the parties hereto, any right or interest, including, without limiting the generality of the foregoing, any third party beneficiary status or right to enforce any provision of this Lease.
- (c) This Lease provides no right of renewal or extension to the Lessee, nor does it provide the Lessee with the right to award of a new lease upon termination or expiration of this Lease. No rights shall be acquired by virtue of this Lease entitling the Lessee to claim benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646.
- (d) The Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage or contingent fee. For breach or violation of this warranty, the Lessor shall have the right to terminate this Lease for Default.
- (e) In case any one or more of the provisions of this Lease shall for any reason be held to be invalid, such invalidity shall not affect any other provision of this Lease, and this Lease shall be construed as if the invalid provisions had not been contained in this Lease.
- (f) All Exhibits that may be referenced in this Lease are hereby attached to and incorporated in this Lease.
- (g) Time is of the essence to this Lease and all of its terms and conditions.
- (h) The laws of the United States shall govern the validity, construction and effect of this Lease.
- (i) This Lease constitutes the entire agreement between the Lessor and Lessee with respect to its subject matter and supersedes all prior offers, negotiations, oral and written. This Lease may not be amended or modified in any respect except by an instrument in writing signed by the Lessor and Lessee.




- (j) The voluntary sale or other surrender of this Lease by the Lessee to the Lessor, or a mutual cancellation, or the termination by the Lessor pursuant to any provision of this Lease, shall not work a merger, but, at the option of the Lessor, shall either terminate any or all existing subleases hereunder or operate as an Assignment to the Lessor of any or all of subleases.
- (k) If more than one Lessee is named in this Lease, each Lessee shall be jointly and severally liable for performance of the obligations of this Lease.
- (l) Any and all remedies available to Lessor for the enforcement of the provisions of this Lease are cumulative and are not exclusive, and Lessor shall be entitled to pursue either the rights enumerated in this Lease or remedies authorized by law, or both. Lessee shall be liable for any costs or expenses incurred by Lessor in enforcing any term of this Lease, or in pursuing legal action for the enforcement of Lessor's rights, including, but not limited to, court costs.
- (m) The Lessee shall not construct new buildings or structures on the Premises, except that, with the prior written approval of the Lessor, the Lessee may make improvements to the Premises as determined by the Lessor to be necessary for support of the uses authorized by this Lease.
- (n) Nothing contained in this Lease shall be construed as binding the Lessor to expend, in any fiscal year, any sum in excess of the appropriation made by Congress for that fiscal year or administratively allocated for the subject matter of this Lease, or to involve the Lessor in any contract or other obligation for the future expenditure of money in excess of such appropriations. Nothing in this Lease shall be construed as preventing the cancellation of this Lease by the Lessor in the exercise of sovereign authority otherwise provided by Applicable Laws.
- (o) This Lease excepts to the Lessor the right, at reasonable times, to enter upon the Premises as may be necessary for the purposes of the administration of this Lease and/or the Park Area as determined by the Lessor and to close the Premises when immediate danger to life or property is discovered. The Lessor will notify the Lessee prior to entry in accordance with Paragraph 21. In the event the Lessor is required to enter the Premises when immediate danger to life or property is discovered, the Lessor will thereafter immediately notify Lessee.



IN WITNESS WHEREOF, the, Regional Director, Northeast Region, National Park Service, acting on behalf of the United States, in the exercise of the delegated authority from the Secretary of the Interior, as Lessor; and Brian Samuelson and Joseph Dorsey, the Lessee/s, have executed this Lease by proper persons thereunto duly authorized as of the date heretofore written.

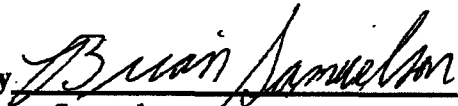
LESSOR

**The UNITED STATES DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE**

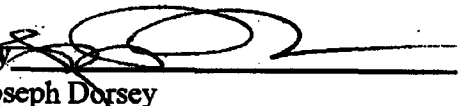
for 
Michael A. Caldwell
Regional Director
Northeast Region

Date: 5/2/2014

LESSEE/S

By 
Brian Samuelson

Date: 4/14/16

By 
Joseph Dorsey

Date: 4/14/16



EXHIBIT B: Insurance Requirements

During the term of this Lease, the Lessee shall maintain the following insurance coverage (where applicable as determined by the Lessor) under the following general terms and conditions and under such specific terms and conditions as the Lessor may further require with respect to each particular insurance policy.

1. Types of Insurance (Non-Construction)

- (a) **Property Insurance** - An all risk or special form, including fire, vandalism and malicious mischief insurance. The amount of such insurance shall be the full insurable value of the Premises. All such policies shall specify that proceeds shall be payable whether or not any damaged or destroyed improvements are actually rebuilt. All such policies shall waive any requirement that a building or structure be replaced at its original site. The property insurance annual premium may be offset against the annual rent.
- (b) **Flood Insurance** - Lessees must obtain flood insurance in sufficient coverage amounts subject to the following limitations: Flood insurance is required absent proof of inability of the Lessee to obtain same through a National Flood Insurance Program (NFIP). Proof of inability to obtain flood insurance must be supported in the form of a writing from a representative of the NFIP. The inability of the Lessee to obtain flood insurance must be reexamined every five (5) years. If at any time during the lease term flood insurance becomes available, the Lessee is obligated to comply with any requirements to obtain same. In the event Lessee is able to obtain flood insurance, the annual premium may be offset against the annual rent.
- (c) **Boiler and Machinery Insurance** – Boiler and Machinery at full replacement cost. The policy shall specify that proceeds shall be payable whether or not any damaged or destroyed improvements are actually rebuilt. The policy shall include an endorsement that waives any provision of the policy that requires a building or structure to be replaced at its original site, provided that, such endorsement shall not operate to increase the insurance company's liability under the policy.
- (d) **Worker's Compensation and Employer's Liability Insurance** - Worker's compensation insurance in the statutory amounts and coverage required under worker's compensation, disability and similar employee benefit laws applicable to the Premises and to the Lessee's use and occupancy of the Premises; and employer's liability insurance, with limits of not less than the minimum amounts required by State of New Jersey for bodily injury per incident and aggregate, or such higher amounts as may be required by law.



(e) General Liability - Comprehensive Farm Liability and/or Commercial General Liability through one or more primary and umbrella liability policies against claims for bodily injury and property damage occurring on the Premises, the improvements thereon, or the streets, curbs or sidewalks adjoining the Premises, with such limits as may be required by the Lessor, but in any event not less than one million dollars (\$1,000,000.00) per incident and three million dollars (\$3,000,000.00) aggregate for the Premises. Such insurance shall insure the performance by the Lessee of its indemnity obligations under this Lease.

2. Insurance During Construction

At all times during Construction, the Lessee at its sole expense, shall obtain and keep in force for the benefit of the Lessee and Lessor the following insurance coverages:

(a) If requested by Lessor at any time, performance and payment bonds approved by the Lessor, which bonds shall cover payment of all obligations arising under all contracts let in connection with a Construction and guaranteeing performance and payment under the applicable contracts, and payment in full of all claims for labor performed and materials supplied under such contracts. The bonds shall be issued by a responsible surety company, licensed to do business in the state where the Park Area is located, in an amount not less than the amount of the respective contracts, including without limitation, amounts for cost overruns, price increases, change orders, forced delays and the like, and shall remain in effect until the entire work under the contracts is completed; and

(b) To the extent not covered by other property insurance maintained by the Lessee, comprehensive "all risk" or "special form" builder's risk insurance, including vandalism and malicious mischief, covering the Construction, all materials and equipment stored at the Premises and furnished under a construction contract, and all materials and equipment that are in the process of fabrication at the Premises of any third party or that have been placed in due course of transit to the Premises when such fabrication or transit is at the risk of, or when title to or an insurable interest in such materials or equipment, has passed to the Lessee, such insurance to be written on a completed value basis in an amount not less than the full estimated replacement cost of the Construction.



3. Conditions of Insurance.

- (a) The policy or policies required under this Exhibit shall provide that in the event of loss, the proceeds of the policy or policies shall be payable to the Lessee to be used solely for the repair or replacement of the property damaged or destroyed, as approved and directed by the Lessor, with any balance of the proceeds not required for repair or replacement to be distributed in a manner identified by the Lessor in writing; provided, however, that the insurer, after payment of any proceeds to the Lessee, will have no obligation or liability with respect to the use or disposition of the proceeds by the Lessee.
- (b) All property and liability insurance policies shall name the United States of America as an additional insured.
- (c) All of the insurance required by this Exhibit and all renewals shall be issued by one or more companies of recognized responsibility licensed to do business in the state in which the Park Area is located with a financial rating of at least a Class A- (or equivalent) status, as rated in the most recent edition of Best's Insurance Reports (or equivalent) or as otherwise acceptable to the Lessor.
- (d) All insurance policies shall provide that such policies shall not be cancelled, terminated or altered without thirty (30) days prior written notice to the Lessor. The Lessee must provide to the Lessor a copy of each policy and a certificate of the policy executed by a properly qualified representative of the insurance company evidencing that the required insurance coverage is in full force and effect on or before the Commencement Date, and annually thereafter. The Lessee shall maintain all policies provided throughout the Lease Term and the Lessee shall renew such policies before the expiration of the term of the policy.
- (e) If the Lessor at any time, but not more than annually, believes that the limits or extent of coverage, deductibles or self insurance retention, with respect to any of the insurance required by this Exhibit are insufficient for a prudent owner of property of the nature of the Premises, the Lessor may determine the proper and reasonable limits and extent of coverage, deductibles and self insurance retention limits for such insurance and such insurance shall thereafter be carried by the Lessee until changed pursuant to the provisions of this Exhibit.
- (f) The Lessee assumes full risk and responsibility for any inadequacy of insurance coverage or any failure of insurers. No approval by the Lessor of any insurer, or the terms or conditions of any policy, or any coverage or amount of insurance, or any deductible amount shall be construed as a representation by the Lessor of the solvency of the insurer



or the sufficiency of any policy or any coverage or amount of insurance or deductible.

(g) The Lessee and Lessee's Agents shall not do anything, or permit anything to be done, in or about the Premises or on adjacent or nearby property that would invalidate or be in conflict with the provisions of any fire or other insurance policies covering the Premises or result in a refusal by insurance companies of good standing to insure the Premises in the amounts required under this Exhibit.



EXHIBIT C: PROPERTY DESCRIPTION/LAND ASSIGNMENT

The Premises and any Land Assignment identified in Section 2.1 of this Lease is described and depicted as follows:

- Fort Hancock Building #21, also known as 21 Hartshorne Drive, Sandy Hook, New Jersey 07732, in its entirety
- Driveways corresponding to the facility

The Premises do not include, but Lessee shall have the non-exclusive right to enjoy:

- Corresponding ingress and egress
- Lands adjacent to the facility
- Non-exclusive use of nearby common parking area/s.

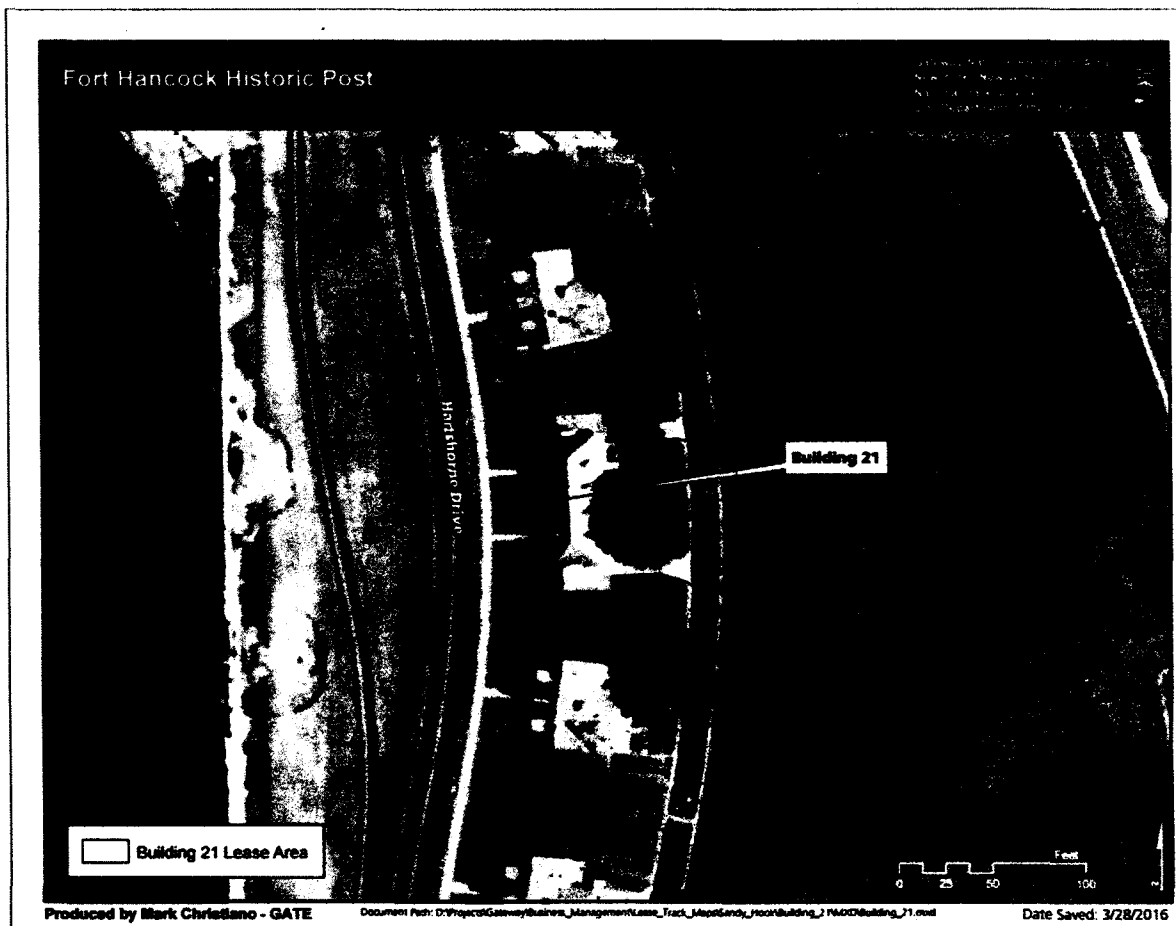


EXHIBIT C: PROPERTY DESCRIPTION/LAND ASSIGNMENT

Continued

The Premises and any Land Assignment identified in Section 2.1 of this Lease is described and depicted as follows:

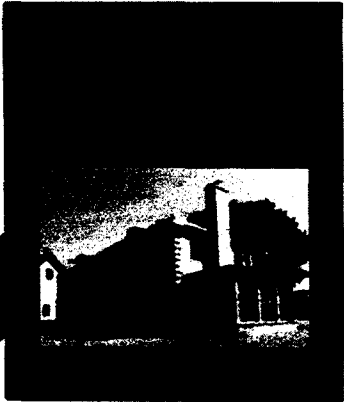
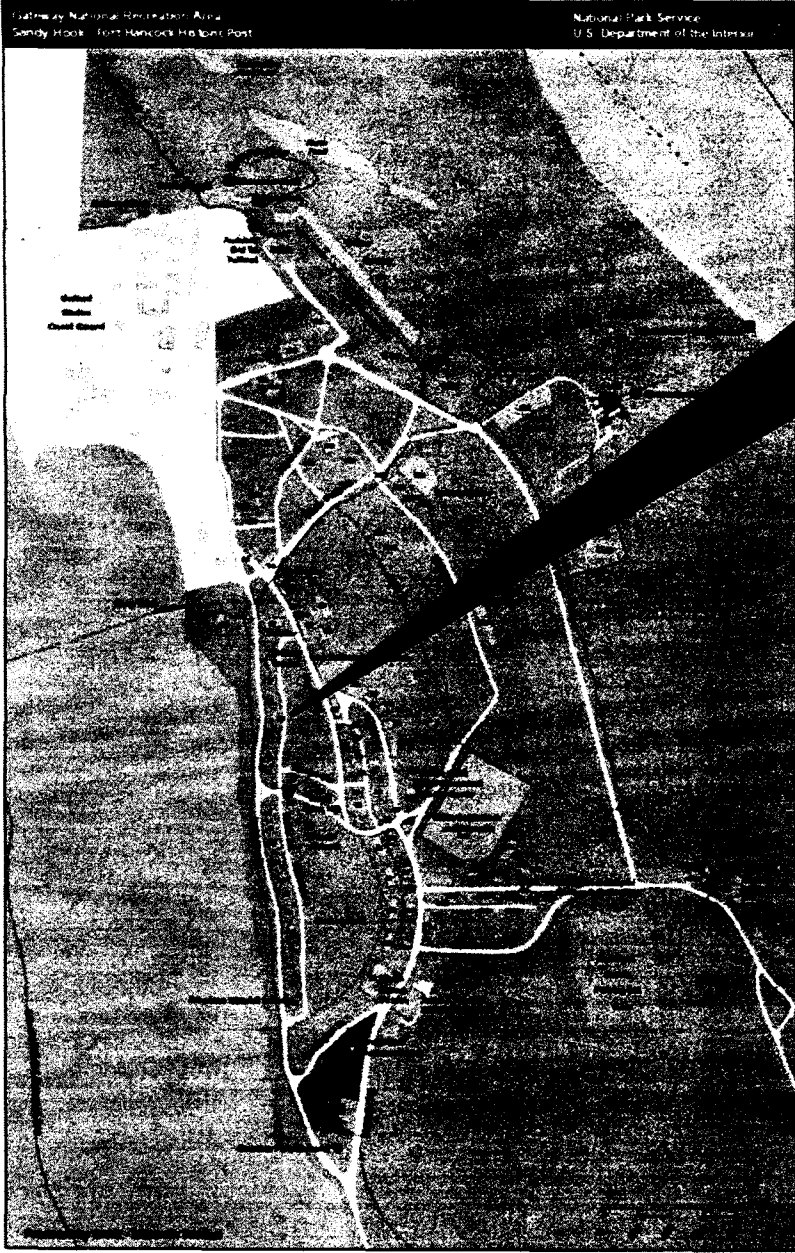


EXHIBIT D: PRESERVATION MAINTENANCE PLAN

This Preservation Maintenance Plan (Plan) identifies the preservation, maintenance, and repair responsibilities of the Lessee. This Plan shall serve as a supplement to the Lease effective _____, 2016 between the National Park Service (Lessor) and (Lessee) for use of the assigned Premises at the Sandy Hook Unit of Gateway National Recreation Area. In the event of any conflict between the terms of the Lease and this Plan, the terms of the Lease shall prevail.

This Plan shall remain in effect until superseded or amended, and may be reviewed annually and revised by NPS as necessary. Revisions to this Plan may not be inconsistent with the terms of the Lease.

The Lessee shall submit a proposed Preservation Maintenance Plan (in accordance with the requirements of Section 8.2 of the Lease) within sixty (60) calendar days of the NPS approved completion of Improvements to the Premises. The plan, when approved by the Lessor, shall become an Exhibit to this Lease without further action and the Lessee shall comply with its terms. This Plan shall remain in effect until superseded or amended, and may be reviewed annually and revised by NPS as necessary. Revisions to this Plan may not be inconsistent with the terms of the Lease. In the event of any conflict between the terms of the Lease and this Plan, the terms of the Lease shall prevail.



Exhibit E: RENT OFFSET CALCULATION
 Page 1 of 4

Years	Base Rent as if completed assuming 3% CPI increases of Year 1)	Up Front Investment Facility Improvement	Carryover	Rent
Year 1	\$24,000	\$283,306	\$259,306	\$0
Year 2	\$24,000		\$235,306	\$0
Year 3	\$24,000		\$211,306	\$0
Year 4	\$24,000		\$187,306	\$0
Year 5	\$24,000		\$163,306	\$0
Year 6	\$24,000		\$139,306	\$0
Year 7	\$24,000		\$115,306	\$0
Year 8	\$24,000		\$91,306	\$0
Year 9	\$24,000		\$67,306	\$0
Year 10	\$24,720		\$42,586	\$0
Year 11	\$25,462		\$17,124	
Year 12	\$26,225			\$26,225
Year 13	\$27,012			\$27,012
Year 14	\$27,823			\$27,823
Year 15	\$28,657			\$28,657
Year 16	\$29,517			\$29,517
Year 17	\$30,402			\$30,402



Rent Calculation - Fort Hancock Building #21

Years	Base Rent as if completed assuming No CPI increase as of Year 11)	Up Front Investment Facility Improvement	Carryover	Rent
Year 18	\$31,315			\$31,315
Year 19	\$32,254			\$32,254
Year 20	\$33,222			\$33,222
Year 21	\$34,218			\$34,218
Year 22	\$35,245			\$35,245
Year 23	\$36,302			\$36,302
Year 24	\$37,391			\$37,391
Year 25	\$38,513			\$38,513
Year 26	\$39,668			\$39,668
Year 27	\$40,858			\$40,858
Year 28	\$42,084			\$42,084
Year 29	\$43,347			\$43,347
Year 30	\$44,647			\$44,647
Year 31	\$45,986			\$45,986
Year 32	\$47,366			\$47,366
Year 33	\$48,787			\$48,787
Year 34	\$50,251			\$50,251
Year 35	\$51,758			\$51,758



Rent Calculation - Fort Hancock Building #21

Years	Base Rent as if completed assuming a CPI increase of Year 11	Up Front Investment Facility Improvement	Carryover	Rent
Year 36	\$53,311			\$53,311
Year 37	\$54,910			\$54,910
Year 38	\$56,558			\$56,558
Year 39	\$58,254			\$58,254
Year 40	\$60,002			\$60,002
Year 41	\$61,802			\$61,802
Year 42	\$63,656			\$63,656
Year 43	\$65,566			\$65,566
Year 44	\$67,533			\$67,533
Year 45	\$69,559			\$69,559
Year 46	\$71,645			\$71,645
Year 47	\$73,795			\$73,795
Year 48	\$76,009			\$76,009
Year 49	\$78,289			\$78,289
Year 50	\$80,638			\$80,638
Year 51	\$83,057			\$83,057
Year 52	\$85,548			\$85,548
Year 53	\$88,115			\$88,115



Rent Calculation - Fort Hancock Building #21

Years	Base Rent as if completed assuming 3% CPI increase as of Year 11)	Up Front Investment Facility Improvement	Carryover	Rent
Year 54	\$90,758			\$90,758
Year 55	\$93,481			\$93,481
Year 56	\$96,285			\$96,285
Year 57	\$99,174			\$99,174
Year 58	\$102,149			\$102,149
Year 59	\$105,214			\$105,214
Year 60	\$108,370			\$108,370

The cost of required improvements made during the life of the lease can be applied as well (and figures will be recalculated accordingly)



EXHIBIT F: LESSEE'S RESPONSIBILITY FOR IMPROVEMENTS

Lessee's Responsibility for Improvements as identified in Lessee' response to the Request for Proposals dated July 31, 2015:


Project:	Estimated Cost:
Scrape paint, repair plaster, paint north apartment	\$7,000
Remove and replace damaged brick, repoint brick, repair poured concrete structural members	\$47,000
Furnish and install 2 new gas fired boilers to be relocated to the first floor level from the basement	\$2,6000
Remove and replace 2 electric panels. New panels to be relocated to the first floor level from the basement	\$9,000
Miscellaneous slate and copper roof repairs	\$4,000
Remove and dispose of oil tanks	\$1,500
Re-trim one front entrance	\$1,500
Check existing and replace missing ½ round copper gutters and leaders	\$1,500
Fabricate and install new screens at North Porch	\$750
Furnish and install 2 new basement doors	\$2,000
Furnish and install 8 new basement windows	\$2,500
Remove existing Kitchen in North Unit. Furnish and install new kitchen cabinets and counter top	\$8,000



Project:	Estimated Cost:
General Conditions	\$7,000
Overhead and Profit	\$20,000
Mold Remediation	\$10,000
Front Railings	\$4,600
Sewer Main Line	\$7,500
Replace Oil Tanks	\$4,500
Replace/Repair Windows	\$18,000
Side Porch	\$20,000
Cost of Capital (interest on Construction loan - 15 year amortization 4.5%)	\$80,956
Total Cost	\$283,306.00



Estimate of costs: Below is a cost estimate provided by a local architect and historical restoration expert. Currently approved and performing restoration at Gateway National Park. The below estimate is partial estimate for building #21.



CHARLES B. HEMBLING & SON
 BUILDERS / CONSTRUCTION MANAGEMENT

712 GRAND STREET - BRIDGEVIEW, NJ 07702
 Mail P.O. BOX 758, RED BANK, NJ 07701
 712-747-3004 Fax 712-750-0882
www.cbhembling.com

COMMERCIAL
 RESIDENTIAL
 CHURCHES
 HISTORICAL
 RESTORATIONS
 RESTORATION
 LICENCE # 131418800000

September 21, 2015

Mr. Brian Sammons

Re: Building # 21, Sandy Hook NJ

Dear Mr. Sammons,

We are pleased to provide the following Budget estimate for proposed renovations at Building # 21.

1. Scrape paint, repair plaster, paint north apartment	\$ 7,000.
2. Remove and replace damaged brick, repoint brick, repair poured concrete structural members	\$47,000.
3. Furnish and install (2) new gas fired boilers to be reflected to first floor level from basement	\$26,000.
4. Remove and replace (2) electric panels- New panels to be relocated to first floor, from basement	\$ 9,000.
5. Miscellaneous date & copper roof repairs	\$ 4,000.
6. Remove and dispose of oil tanks	\$ 1,500.
7. Re-tim (1) front entrance	\$ 1,500.
8. Check existing and replace missing 1/2 round copper gutters and leaders	\$ 1,500.
9. Fabricate and install new screens at North porch	\$ 750.
10. Furnish and install (2) new basement doors	\$ 2,000.
11. Furnish and install (8) new basement windows	\$ 2,500.
12. Remove existing Kitchen at North Unit, furnish & install New kitchen cabinets and counter top	\$8,000.
13. General Conditions	\$ 7,000.
14. Overhead & Profit	\$20,000.
Total Budget estimate	\$117,750.

Respectfully submitted,
 Charles B. Hembling & Son Inc.

(Ray T. Hembling)
 President

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Additional costs to the above will include:

Mold remediation	\$10,000
Front Railings	\$ 4,600
Sewer Main Line	\$ 7,500
Replace Oil Tanks	\$ 4,500
Replace/Repair Windows	\$18,000
Side Porch	\$20,000

Cost of Capital (interest paid) \$80,956 (15 yr amortization 4.5%)

Total (including above) \$283,306

