

Lease Number: GATE-1770-88624-77593-JBU
Bergen Beach Stables Jamaica Bay Riding Academy- Lessee
Effective through 12/31/2024



LEASE

BETWEEN THE

UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
(LESSOR)

AND

JAMAICA BAY RIDING ACADEMY
also known as
JAMAICA BAY RIDING ACADEMY, INC.
(LESSEE)

Gateway National Recreation Area
Equestrian Facilities at Bergen Beach, Jamaica Bay Unit

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LEASE

THIS LEASE is made and entered into by and between the United States Department of the Interior, acting through the National Park Service, an agency of the **United States of America** (Lessor), and the **Jamaica Bay Riding Academy** (Lessee).

WITNESSETH THAT:

WHEREAS, Congress designated Gateway National Recreation Area (Park Area) as a unit of the National Park System; and

WHEREAS, the Park Area contains certain property (defined as the Premises in Section 2 below) that has been determined suitable for leasing under 36 C.F.R. Part 18 (Part 18); and

WHEREAS, the Lessor has determined that the use and occupancy of the Premises that is made available under this Lease is consistent with the Park Area's General Management Plan and the requirements of Part 18; and

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

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

1.2 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, maintenance, Alteration, or repair of all or any portion of the Premises, even if compliance therewith necessitates structural changes to the Premises or results in interference with the use or enjoyment of all or any portion of the Premises.

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

1.4 Assignment - means the transfer, whether it is direct or indirect, voluntary or by operation of law, assignment, sale, 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, or an assignment. The sale, conveyance, or assignment (including by consolidation, merger or reorganization) of a controlling interest in the Lessee (if such entity is a corporation or a limited liability company), 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 or limited liability company 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, "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.

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

1.6 Condition Report – means the document to be developed by the Lessor in consultation with the Lessee pursuant to Section 3.3 of this Lease and which is to become a part of this Lease as its Exhibit B upon approval by the Lessor.

1.7 Construction Documents – means the architectural, engineering and related documents that are required by the Lessor for approval of the construction of Improvements.

1.8 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.

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

1.10 FF&E – means all furniture, fixtures and equipment in or on the Premises.

1.11 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.

1.12 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.

1.13 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.

1.14 Improvements - refers collectively to Alterations and Initial Improvements.

1.15 Initial Improvements – means the construction, modifications, rehabilitation, reconstruction, and/or restoration of the Premises as may be described in Section 9.1 of this Lease that the Lessee is required to make at the commencement of this Lease.

1.16 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.

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

1.18 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.

1.19 Maintenance and Repair and Replace – “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 a portion or element of the Premises which is broken, worn out, or irreparable.

1.20 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.

1.21 Park Area - means Gateway National Recreation Area.

1.22 Part 18 – means Part 18 of Title 36 of the Code of Federal Regulations.

1.23 Personal Property – means all FF&E, appliances, and apparatus placed in or on the Premises that are neither permanently attached to nor form a part of the Premises.

1.24 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.

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

1.26 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.

1.27 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.

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

SECTION 2. LEASE OF PREMISES

2.1 Lease of Premises; Reservation of Rights

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 as described in Exhibit A hereto:

- (a) Subject to all Applicable Laws, regulations and all liens, Encumbrances, restrictions, rights and conditions of law or of record or otherwise; and
- (b) 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 determined by the Lessor and to close the Premises when immediate danger to life or property is discovered or when required by Applicable Laws; and
- (c) 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.

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 are not Historic Property.

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 it is in an acceptable condition and meets the Lessee's needs.

3.3 Condition Report

The Lessor, in consultation with Lessee and within ninety (90) days of the Commencement Date, shall prepare a Condition Report of the Premises to establish the Premise's condition and existing FF&E as of the Commencement Date for purposes of Section 9 and other provisions of this Lease. When approved by Lessor, such report will become part of this Lease as its Exhibit B.

SECTION 4. LEASE TERM AND ABANDONMENT

4.1 Lease Term

The Lease Term shall be a period of ten (10) years commencing on **January 1, 2015** (Commencement Date) and expiring on **December 31, 2024** (Expiration Date) or ending on such earlier date as this Lease may be terminated in accordance with its terms (Termination Date).

4.2 Abandonment

The Lessee shall occupy the Premises during the entire Lease Term. If it fails to do so, the Lessee may be determined as in default for abandoning the Premises.

SECTION 5. RENT

5.1 Net Lease and Rent Payments

(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.

(b) All Rent payments consisting of \$10,000 per payment or more shall be deposited electronically by the Lessee as directed by the Lessor 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

Subject to Section 5.5 below, during the Lease Term, Lessee shall pay to Lessor Annual Rent for the Premises in the aggregate initial annual amount of **\$ Thirty-Nine Thousand Dollars**

(\$39,000.00) (as adjusted for CPI as provided below) payable in advance in equal monthly installments on the first day of each calendar month.

5.3 Consumer Price Index (CPI) Adjustment

(a) The Annual Rent will increase on the first day of the second Lease Year and annually thereafter during the Lease Term to reflect the proportionate cumulative increase in the Consumer Price Index (CPI), during the previous Lease Year. For purposes of this Section, CPI means the United States Department of Labor, Bureau of Labor Statistics, All Urban Consumers Price Index – All Items (Base Period 1982-84=100) 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 the Park Area.

(b) Adjustments to the Annual Rent shall be determined by multiplying the Annual Rent stated in Section 5.2 by the CPI index number for the month which is four months prior to the date of adjustment and dividing by the CPI index number for the month and year of the Commencement Date, and rounding the result to the nearest dollar. If the result of this formula is greater than the minimum Annual Rent set forth in Section 5.2, Lessee shall pay this greater amount as the new Annual Rent as set forth in Section 5.2 until the time of the next annual rental adjustment. If the product of the multiplication is less than the then current Annual Rent, there shall be no adjustment in the yearly rent at that time and Lessee shall pay the Annual Rent set forth in Section 5.2, as previously adjusted, until the time of the next annual rental adjustment. In no event shall any rental adjustment called for in this Section result in an Annual Rent less than the Annual Rent stated in Section 5.2.

5.4 Percentage Rent

(a) In addition to Annual Rent and subject to Section 5.5 below, the Lessee shall pay to the Lessor as Percentage Rent an amount of money equal to twenty percent (20%) of the Lessee's Gross Revenues in excess of \$695,000.00 for the preceding year of the Lease Term (or partial year, as the case may be). The Percentage Rent shall be due annually and shall be paid by the Lessee on or before March 31 for the preceding Lease Year.

(b) Gross Revenues means the entire amount of Lessee's revenues derived from this Lease or any Sublease hereunder, such amount as determined in accordance with generally accepted accounting principles consistently applied. Gross revenues include, as applicable and without limitation, boarding or stabling fees, charges for private and group riding lessons and/or equestrian therapy sessions, sales of tack, supplies, food and beverages, rent paid by Sublessees, Sublessee payments in lieu of rent, Sublessee reimbursements, and payments under a loss of rents insurance policy or provision. Also included in Gross Revenues are receipts from all mechanical or other vending devices placed on the Premises by the Lessee or under authority from the Lessee. Within sixty (60) days after the end of the Lease Year, Lessee shall provide Lessor with a report, in a form satisfactory to Lessor, of the gross receipts it derived during the prior Lease Year. Such report must be audited and certified by a certified public accountant.

SECTION 6. USE OF PREMISES

6.1 Authorized Uses

The Lessee may utilize the Premises only for the following purposes: Operation of equestrian facilities including horse boarding, guided horse rides and instruction (limited to occupancy by no more than a total of 120 horses at any one time); quick-serve on-premise food service offering convenience items; and a merchandising shop for sale of tack and riding supplies, clothing and equipment.

6.2 Changes to Authorized Uses

(a) The Lessee may amend or change approved uses only 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, the Park Area'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 the Park Area's resources and visitors.

(b) The Lessee agrees to pay Lessor in advance for the cost of any appraisal or alternative valuation analysis required to determine the amount of the fair market value rent corresponding to any proposed change in use of the Premises, even if such appraisal or valuation analysis indicates that the fair market value rent under the proposed new use would be more than Lessee desires to pay.

6.3 Applicable Laws

The Lessee shall comply with all Applicable Laws in its use and occupancy of the Premises including, but not limited to, the following equestrian facility safety standards:

- Horse immunization and testing as required by the State, County, and any other governing regulatory authorities.
- Maintenance of current negative Coggins Certificates for all horses at the Premises copies of which the Lessee shall retain as records.
- Sanitary and grooming conditions imposed by any State, County, and any governing regulatory authorities' health standards and laws.
- Precautions necessary to prevent new stock from posing health risks to other animals or humans.
- Proper veterinary examination of horses within a reasonable period of acquisition by the Lessee and/or acceptance for boarding at 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 Archaeological Resources

The Lessee shall ensure that any protected sites and archaeological resources within the Park Area 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 archaeological resources by the Lessee shall be promptly reported to the Lessor. The Lessee shall cease work or other disturbance that may impact any protected site or archaeological 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.

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.

SECTION 7. RECORDS AND AUDITS

The Lessee shall provide the Lessor and its agents, 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 at a location in the Premises or within the locale of the Park Area. 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 regarding negative Coggins certificates.

SECTION 8. MAINTENANCE AND REPAIR

8.1 Lessee's Responsibilities

The Lessee shall be solely responsible, at the Lessee's sole expense, for the Maintenance and Repair of the Premises during the Lease Term.

8.2 Maintenance Plan

The Lessee shall diligently implement and carry out the Maintenance Plan that is attached to this Lease as Exhibit D. The Lessor may make reasonable modifications to the Maintenance Plan from time to time to reflect changing maintenance and repair needs of the Premises. Any such modifications shall become part of this Lease.

SECTION 9. INITIAL IMPROVEMENTS AND ALTERATIONS

9.1 Initial Improvements

The Lessee shall make the following Initial Improvements to the Premises in the amount of not less than \$24,500.00, which shall be undertaken and completed within one hundred and twenty (120) days following the Commencement Date of the Lease:

Initial Improvements Required To Comply With Life and Safety, Fire, or Accessibility Codes	Estimated Cost
1. Install new exit lights in various locations throughout buildings.	\$650.00
2. Install handrails along steps in Riding Arena.	\$750.00
3. Replace door hardware with panic hardware in various egress locations throughout buildings.	\$2,500.00
4. Install handrails in stable area.	\$1,300.00
5. Install wall mounted fire extinguishers throughout buildings in an amount sufficient to comply with applicable law, regulation, and policy, and where applicable, as determined by the NPS safety official having jurisdiction.	\$800.00
6. Rebuild storefront entrance in main arena building.	\$18,500.00
Lessee's Required Minimum Investment in Initial Improvements	\$24,500.00

9.2 Alterations

The Lessee shall be solely responsible at its expense for any Alterations to the Premises that may be made during the term of this Lease. Lessee shall not make any Alterations of any nature to the Premises without the express written approval of the Lessor provided pursuant to Section 10 hereof. Any such approval that may be given will be subject to an amendment of this Lease to incorporate appropriate terms and conditions regarding the nature of the Alterations. The Lessor has no obligation under this Lease to make Improvements of any nature to the Premises during the term of this Lease.

10. CONSTRUCTION APPROVAL

10.1 In General

All Improvements (Initial Improvements and Alterations) 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. 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.

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

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:

- (a) Proposed Construction Documents;
- (b) If required by the Lessor, evidence of the availability of funding for the Improvements;
- (c) Documentation that required construction insurance is in effect; and
- (d) 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, they 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. 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 Evidence of Adequate Funds

As a condition to the approval of the construction of Improvements, the Lessee must demonstrate to the satisfaction of the Lessor with appropriate documentation that it has available to it funds adequate to undertake and complete the project in accordance with all terms and conditions of the approved Construction Drawings.

10.10 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.

10.11 Construction Completion Procedures

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

- (a) 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;
- (b) 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;

- (c) 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
- (d) A complete inventory of all FF&E 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, including similar correspondence stating the Improvements are acceptable and authorizing the Lessee's occupancy (or continued occupancy, if applicable) of the Premises.

SECTION 11. TAXES AND ASSESSMENTS

The Lessee shall be solely 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

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 and pro-rata share for infrastructure repairs and upgrades in accordance 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.

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. Except in cases of emergency, the Lessor's written approval of such actions shall first be obtained;

(d) 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

(e) 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, it shall obtain and keep in force for the benefit of the Lessee and Lessor the insurance coverages set forth in Exhibit C to this Lease under the terms and conditions of Exhibit C. All such policies shall list the Lessor as an additional insured.

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 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 held by the Lessee in an interest bearing account, with all interest accrued thereon deemed proceeds of insurance for purposes of this Lease. However, if required by the Lessor, an insurance trustee acceptable to the Lessor shall hold such proceeds for application in accordance with this Lease.

14.4 Inadequate Insurance Coverage

The Lessee's responsibility under this Lease for the Maintenance and Repair 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.

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 U.S.C. §2671 et seq.). 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; Duty to Restore

If the Premises or any portion thereof are damaged or destroyed at any time during the Lease Term, one of the following will occur as directed by the Lessor:

- (a) The Lessee, subject to the prior written approval of the Lessor, shall as promptly as reasonably practicable and with all due diligence repair or replace the damaged or destroyed Premises to the condition that existed prior to the damage or destruction; or
- (b) The Lessor may terminate this Lease without liability and the Lessee shall pay to the Lessor as additional Rent its insurance proceeds resulting from the damage or destruction.

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. 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 the other 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 Request 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 shall not effectuate an Assignment of this Lease, in whole or in part, or any real property on the Premises, nor Sublease the Premises to a Sublessee or any part thereof or any property thereon, nor grant any interest, privilege or license whatsoever in connection with this Lease, without the express prior written permission of the Lessor. Approval of any Assignment is in the discretion of the Lessor and in no event shall the Lessor grant an approval unless it is able to determine that the proposed assignee or Sublessee is financially and managerially capable of carrying out the terms of this Lease. The Lessor has an unconditional right to assign this Lease or any or all of its rights and obligations under it at any time.

With respect to proposed Assignments and without otherwise limiting the criteria upon which the Lessor may withhold its consent to any proposed Assignment, the Lessee shall furnish to the Lessor the following information:

- (a) All instruments proposed to implement the transaction;
- (b) A statement as to the existence of any litigation questioning the validity of the proposed transaction;
- (c) A description of the management qualifications and financial background of the proposed transferee, if any;
- (d) 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;

(e) If the transaction may result in a Encumbrance on the Lessee's assets, full particulars of the terms and conditions of the Encumbrance; and

(f) Such other information as the Lessor may reasonably require.

The Lessor shall have the right to approve the form of any Assignment. Any consideration for transfers of leasehold interests (as such costs are approved by the Lessor) received by the Lessee from an assignee for or in connection with an assignment of this Lease, shall be payable to the Lessor.

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 AND LESSOR'S REMEDIES

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 fifteen (15) calendar days in the case of monetary defaults and thirty (30) 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 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 Code 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.

18.3 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.

18.4 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.

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 FF&E, to as good an order and condition as that existing upon the Commencement Date as documented by the Condition Report (Exhibit B to this Lease) or otherwise by Lessor.

(b) If the Premises, or elements of the Premises or its FF&E have been lost, damaged, destroyed or not as in such good order and condition as they were as of the Commencement Date as documented by the Condition Report or otherwise, the Lessee shall either Replace or return them to the condition required under this Section by the Lessee, ordinary wear and tear excepted, or, at the election of the Lessor, reimbursement made therefor by the Lessee at the then current market value thereof. The provisions of this Section shall survive the Expiration Date or Termination Date of this Lease.

19.2 Holding Over

This Lease shall end upon the 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 Agents 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.; and
- (f) 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:

National Park Service
Superintendent, Gateway National Recreation Area
210 New York Ave.
Staten Island, NY 10305

If to the Lessee:

Anthony Danza, President
Jamaica Bay Riding Academy
2920 Avenue R
Suite 270
Brooklyn, New York 11229

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 any 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 the 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 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 construct minor additions, buildings and/or structures 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) Emergencies – In case of FIRE or MEDICAL emergency call 911. Fire and medical response is provided by New York City Fire Department and/or Emergency Medical Services. All emergencies utilizing a “911” call will be handled concurrently through U.S. Park Police (USPP) and NYPD. For any other emergency, contact United States Park Police at 718-338-3988. The USPP, in concurrence with NYPD, will handle all violations of Federal, State, New York City, or Service regulations or policies. State or New York City officials may be called to assist in some matters.

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 the Lessee 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 *Brion Strick*
Michael A. Caldwell
Regional Director
Northeast Region

12/23/2014
Date

LESSEE

Anthony Danza
Anthony Danza
President
Jamaica Bay Riding Academy

Dec 19 2014
Date

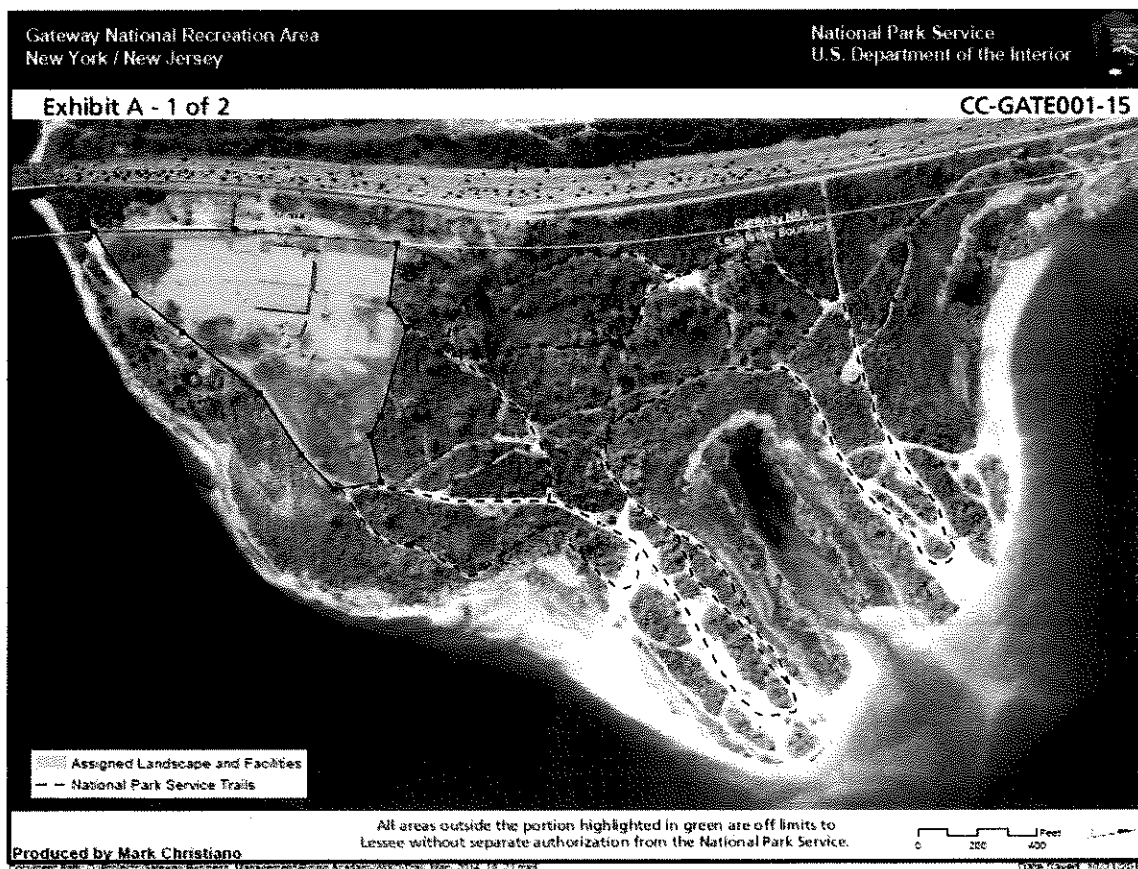
EXHIBIT A: DESCRIPTION OF PREMISES

Equestrian Facilities located on the Bergen Beach peninsula within the Jamaica Bay Unit of Gateway National Recreation Area at 7000 Shore Pkwy Brooklyn, New York 11234, described as follows:

- FMSS Building# 88624, a 19,534 SF Arena/Indoor Riding Facility
- FMSS Building# 77593, a 16,418 SF 120-stall Horse Stable Facility
- Associated land, as depicted below in green
- Associated Parking as depicted below and subject to the below noted restrictions

Applicable Restrictions:

Note that a portion of the parking area adjacent to the leased premises is located outside the Premises and is not federally owned. This portion of the parking area is under the jurisdiction of the New York City Department of Transportation (DOT) and is associated with an existing Right of Way for the Belt Parkway. The Lessee is required to address access to this area directly with the City of New York by way of a separate instrument.



Lease Number: GATE-1770-88624-77593-JBU
Bergen Beach Stables Jamaica Bay Riding Academy- Lessee
Effective through 12/31/2024

EXHIBIT B: CONDITION REPORT

[To be added in accordance with Section 3.3 of this Lease.]

EXHIBIT C: INSURANCE REQUIREMENTS

SECTION 1. INSURANCE REQUIREMENTS

The Lessee shall obtain and maintain during the entire term of this Lease, at its sole cost and expense, the types and amounts of insurance coverage necessary to fulfill the obligations of the Lease. No act of the Lessee, its agents, servants, or employees may impair any and all insurance coverage provided for the benefit of, or evidenced to, the Lessor. The Lessee must ensure that its insurance carriers provide the Lessor, solely for the benefit of the Lessor, **an unconditional 30 days advance notice** of cancellation in coverage or policy terms for all property insurance. The Lessee must provide the Lessor with a 30-day notice of cancellation on all liability and workers' compensation insurance policies.

The amounts of insurance, limits of liability, and coverage terms included are not intended as a limitation of the Lessee's responsibility or liability under the Lease, but rather an indication as to the minimum types, amounts, and scope of insurance that the Lessor considers necessary to allow the operation of the authorized uses under the Lease at the Area. Nevertheless, if the Lessee purchases insurance in addition to the limits set forth herein, the Lessor will receive the benefit of the additional amounts of insurance without cost to the Lessor.

SECTION 2. LIABILITY INSURANCE

The Lessee must maintain the following minimum Liability Coverages, all of which, unless noted herein, are to be written on an occurrence form of coverage. The Lessee may attain the limits specified below by means of supplementing the respective coverage(s) with Excess or "Umbrella" liability as explained below.

(a) Commercial General Liability

- (1) The Lessee must obtain coverage for bodily injury, property damage, contractual liability, personal and advertising injury liability, and products and completed operations liability. The Lessee must provide the following minimum limits of liability:

General Aggregate	\$2,000,000
Products and Completed Operations Aggregate	
Per Occurrence	\$1,000,000
Personal and Advertising Injury Liability	\$1,000,000
Medical Payments	\$5,000
Damage to Premises Rented to You	\$5,000

- (2) The liability coverages may not contain the following exclusions/limitations:

Athletic or Sports Participants
Products/Completed Operations
Personal & Advertising Injury exclusion or limitation

Contractual Liability

Explosion, Collapse and Underground Property Damage exclusion

Total Pollution exclusion

Watercraft limitations affecting the use of watercraft in the course of the Lessee's operations (unless separate Watercraft coverage is maintained)

- (3) Pollution liability insurance coverage must be included for injuries resulting from smoke, fumes, vapor, or soot, or other contaminants arising from equipment used to heat the building or from a hostile fire.
- (4) If the policy insures more than one location, the General Aggregate limit must be amended to apply separately to each location.

(b) Automobile Liability

The Lessee must provide coverage for bodily injury and property damage arising out of the ownership, maintenance or use of "any auto," Symbol 1, including garage operations for products and completed operations. Garage-keepers' liability is to be included on a "direct" basis for all Lessee operations handling, parking or storing automobiles owned by others for a fee. Where there are no owned autos, coverage will be provided for "hired" and "non-owned" autos, "Symbols 8 & 9".

Combined Single Limit Each Accident

\$1,000,000

(c) Excess Liability or "Umbrella" Liability

The Lessee is not required to provide Excess Liability or "Umbrella" liability coverage, but may use it to supplement any insurance policies obtained to meet the minimum requirements of the Lease. If maintained, the Lessee will provide coverage for bodily injury, property damage, personal injury, or advertising injury liability in excess of scheduled underlying insurance. In addition, coverage must be at least as broad as that provided by underlying insurance policies and the limits of underlying insurance must be sufficient to prevent any gap between such minimum limits and the attachment point of the coverage afforded under the Excess Liability or "Umbrella" Liability policy.

(d) Care, Custody and Control – Legal Liability, i.e. Innkeeper's Legal Liability (if applicable)

Coverage will be provided for damage to property in the care, custody or control of the Lessee.

Any one Horse

\$25,000

Any One Loss

\$500,000

SECTION 3. PROPERTY INSURANCE

The Lessee must maintain the following minimum property Coverages:

(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, but in amounts not less than those specified below:

FMSS Asset Code	Building Description	FMSS Asset Type	Unit of Measure	Date Built or Installed	Historic (Y or N)	Insurance Replacement Value
77593	120-Stall Boarding Stables	4100	SF	1973	N	\$673,056
88624	Main/Arena Bldg	4100	SF	1973	N	\$983,535

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 Lessor retains the right to increase these insurance replacement values and the minimum requirements for property insurance periodically to reflect changes in such values. The Lessor will provide written notice to the Lessee of such changed requirements.

(b) Boiler and Machinery Insurance – 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.

SECTION 4. OTHER TYPES OF INSURANCE

(a) 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 (\$1,000,000.00) for bodily injury per incident and Three Million Dollars (\$3,000,000.00) aggregate, or such higher amounts as may be required by law.

(b) Business Interruption and Extra Expense Insurance - Business interruption and extra expense to cover the loss of income and continuation of fixed expenses in the event of damage to or loss of the Premises, including, without limitation and, with respect to the interests of the Lessor, the loss (or reduction) of Rent payments to the Lessor by the Lessee. Coverage amounts shall be as required by the Lessor but in no event less than _____ (\$ _____) per incident and _____ (\$ _____) in the aggregate.

(c) Other - All other insurance that the Lessee should maintain to adequately protect the Premises, Lessor, and Lessee.

SECTION 5. 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.

SECTION 6. 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 payable to the Lessor; 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 unless the total amount of proceeds exceeds One Million Dollars.

(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 and must have a Best's Financial Size Category of at least VIII according to the most recent edition of Best's Key Rating Guide (Property-Casualty edition).

(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 identifying the United States of America as an additional insured, 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. Copies of the full policies shall be made available to the Lessor upon request.

(e) 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 D: MAINTENANCE PLAN

This Maintenance Plan (Plan) identifies the preservation, maintenance, and repair responsibilities of the Lessee. This Plan shall serve as a supplement to the Lease effective January 1, 2015 between the National Park Service (Lessor) and Jamaica Bay Riding Academy (Lessee) for use of the assigned Premises at the Jamaica Bay 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. The Plan may be modified by the Lessor from time to time in accordance with Section 8.1 of this Lease.

1. General – The Lessee shall Maintain, service, and Repair appliances, machinery, and equipment including parts, supplies, and related materials per manufacturers' recommendations and Replace such items as necessary. The Lessee shall comply with the following general provisions:
 - a. Ensuring the Premises are safe, habitable, and code compliant at all times;
 - b. Performing 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. Replacing all FF&E as they become worn out or obsolete;
 - d. Regularly performing housekeeping and routine and periodic work scheduled to mitigate wear and deterioration without altering the appearance of the Premises;
 - e. Repairing or replacing in-kind broken or worn out elements, parts, or surfaces, including, but not by way of limitation, structural elements and roofs;
 - f. Performing 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 regular grass mowing, managed lawn and ornamental plantings;
 - h. Ensuring the Lessor's Superintendent 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.
 - i. Ensuring buildings, equipment, and facilities are properly secured.
 - j. Arranging for the removal of manure from the Premises and the Park periodically.
2. Building Codes – The Lessee shall comply with all applicable federal, state, and local codes including but not limited to National Fire Protection Association (NFPA) and applicable Occupational Safety and Health Administration (OSHA) standards.
3. Deficiencies – The Lessee shall correct all deficiencies on notice from the Lessor.
4. Emergency Repairs – The Lessee may perform emergency repairs without prior permission from the Lessor.

5. Interior Systems – The Lessee shall ensure that all interior spaces are clean. In particular, Lessee shall arrange for manure to be removed from all stalls on at least a daily basis and from arenas twice per day (if in use).
6. Exterior Systems. The Lessee shall maintain the structural and architectural integrity of the Premises, including performing the following activities:
 - a. Exterior Lighting – The Lessee shall maintain exterior lighting to provide the minimum necessary lighting for safe nighttime walking in and around the Premises. Exterior lighting shall cast light downward only to the area of need and minimize light dispersion to surrounding areas to protect night skies.
 - b. Roofs – The Lessee shall inspect roofs on an annual basis to ensure that roofing materials are intact and free of deterioration that may affect structural quality.
 - c. Gutters and Downspouts – The Lessee shall ensure that gutters, downspouts, and roof drains remain properly attached to buildings. The Lessee shall inspect and clean gutters, downspouts and roof drains at least annually or more frequently if necessary to maintain the system free of obstructions, clear, and operational. The Lessee shall ensure that dry wells, French drains, swales, and other components are operational and are directing water away from the foundation of buildings.
 - d. Doors and Windows – The Lessee shall routinely inspect and maintain doors and windows to prevent moisture from causing deterioration of materials or structural damage to the building. Maintenance includes, but is not limited to, caulking, glazing, painting or staining, replacing damaged components, and related work.
 - e. Siding and Walls – The Lessee shall routinely inspect and maintain siding to prevent moisture from entering the building or causing deterioration of the siding material. The Lessee shall maintain the walls and trim of the Premises in satisfactory condition. Maintenance of these components includes, but is not limited to, caulking, re-nailing, painting or staining as appropriate, replacing damaged components, and related work.
 - f. Structural Ventilation Inspections – The Lessee shall inspect and maintain structural ventilation (mechanical and passive) on at least an annual basis to permit air circulation as designed and to prevent wildlife and pests from entering buildings.
 - g. Foundation and Exterior Wall Inspections – The Lessee shall inspect foundations (including but not limited to pilings) and exterior walls on at least an annual basis to ensure they are structurally sound and maintain them to prevent settlement, displacement or deterioration.
 - h. Parking Lots, Curbs, and Roadways – The Lessee shall remove downed vegetation from parking lots and roads within the Premises.
 - i. Walkways – The Lessee shall inspect and correct if necessary any hard surfaced walkways on at least an annual basis to ensure that they are intact and do not present any tripping hazards.
 - j. Decks, Stairs, Railings – The Lessee shall inspect and maintain all exterior decks, porches, stoops, stairs and railings. The Lessee shall maintain such facilities in satisfactory condition. Maintenance of these components includes but is not limited to caulking, re-nailing, painting or staining as appropriate, replacing damaged components, and related work.

7. Restrooms – The Lessee shall clean, maintain and repair the restrooms and the fixtures therein.
8. Other Areas – All other spaces shall be kept clean.
9. Heating, Ventilation, and Air Conditioning (HVAC) Systems – The Lessee shall operate, repair, and replace HVAC systems in the Premises.
 - a. The Lessee shall inspect HVAC systems annually and keep them clean, maintained, and operating in strict accordance with manufacturers' instructions.
 - b. A certified HVAC technician shall perform any new installations or repairs. The technician shall have successfully completed an Environmental Protection Agency certified refrigerant program. The Lessee shall maintain, repair and maintain documentation and make it available upon request by the Lessor.
 - c. The Lessee shall clean and inspect all chimneys, stoves, and exhaust ducts annually.
10. Asbestos – In the event that the Lessee discovers asbestos containing materials in the Premises, it shall notify the Lessor immediately and meet health and safety standards regarding asbestos. The Lessee shall obtain the written approval of the Lessor before performing any repair, replacement, or abatement of asbestos-containing materials.
11. Fire Detection and Suppression Systems – Fire detection and suppression systems shall be inspected and maintained in conformance with the manufacturer's recommendations and all applicable laws, including but not limited to sections of NFPA 13, 25, and 72. Copies of the inspection and maintenance records shall be provided to the Lessor's Business Management Division within thirty (30) days thereafter.
12. Winter Activities
 - a. Winter Preparation – The Lessee shall take all necessary precautions to prevent ice and snow damage to the Premises during winter.
 - b. Winterize Water and Sewer Lines -- The Lessee shall winterize all water lines between the water meter and end use devices (faucets, standpipes, etc.) and sewer lines within the facilities out to the cleanout if such lines will not be used during winter.
 - c. Clearing Snow and Ice from Structures – The Lessee shall remove snow and ice when accumulation threatens to damage structures or to injure persons.
 - d. Ice Melting Products – The Lessee shall remove snow from the entrances, stoops, porches, and walkways of Premises that are open. The Lessee shall sand or remove ice buildup on walkways as needed for safety. The Lessor must approve chemical ice melting products prior to use. When possible and appropriate, sand and other grit products are preferred over chemicals for this purpose.
 - e. Plowing Roads and Parking Lots – The Lessee shall remove snow from roads and parking lots within the Premises as needed for safety.
13. Environmental Impact – The Lessee shall conduct business and daily activities in such a manner to minimize impacts on the natural scene, including erosion control and protection of native species. Sediment runoff from corrals, pollution from manure or horse washing, and other conditions that would impact or damage surrounding natural zones in the Area shall be avoided. Horses should be washed on pavement or over a grassy area or sand pit to avoid mixing water and waste drainage in the adjacent Area.

14. Fire Breaks – The Lessee shall work with the Lessor to determine appropriate clearing techniques around buildings to protect Premises from wild land fire.
15. Protecting Buildings – The Lessee shall maintain vegetation, including shrubs, bushes and trees, to prevent them from contacting buildings. This is to prevent the introduction of pests as well as to protect buildings from damage.
 - a. Leaf Removal – The Lessee shall annually remove leaves from managed landscapes and areas around buildings. The Lessee shall ensure that the leaves are distributed over a wide area to prevent piles.
16. Walkways – The Lessee shall maintain walkways within the Premises. This includes but is not limited to: removing snow during periods of use; repairing deviations and damage; maintaining handrails; removing and trimming vegetation including shrubs, trees, and leaves; and related tasks.
17. Retaining Walls – The Lessee shall maintain retaining walls in good repair. This includes correcting walls when they are out of alignment, repairing cracks, and ensuring that walls are painted when or if necessary.
18. Fences, Paddocks, and Related Equipment– The Lessee shall maintain all fences, paddocks, and related equipment within Premises in good repair. This includes repairing, painting, replacing deteriorated sections, and ensuring that the fences are in a safe condition.
19. Patios and Stone Walkways – The Lessee shall maintain patios and stone paver walkways in good repair. This includes but is not limited to maintaining smooth walking surfaces and repairing mortar joints as necessary.
20. Mowing – The Lessee shall mow perimeters around the buildings that have lawns, grass areas around parking lots, and grass islands. Grass shall be mowed regularly not to exceed grass height of 6 inches.
21. Litter Abatement
 - a. Collection and Removal – The Lessee shall collect and remove litter from the Premises as frequently as is necessary to ensure that the grounds are clean and to minimize wildlife attractants. The Lessee shall also promptly remove debris.
 - b. Cigarette Receptacles – The Lessee shall place cigarette receptacles in accordance with the Lessor's Smoking Policy. The Lessor will provide a copy of the policy to the Lessee.
22. The Lessee shall limit activities to maintained and natural areas assigned under this Lease, which are detailed in Exhibit A: Assigned Land and Facilities. In order to protect the Park's natural resources and ecosystem, the Lessee shall prevent erosion, and restore and protect native vegetation in the assigned areas.
23. Manure – All manure shall be removed from pits, paved surfaces, grounds, and other areas subject to rain and water flows, and stored in a container to be emptied as often as necessary, but at least once every week. The container shall not be allowed to overflow. Manure shall be confined to a defined storage area and not overflow onto surrounding areas. If the defined storage area becomes full, the Lessee must remove manure from the Park at its own expense. Sanitary drains for leachate shall be kept operational and there should not be any surface runoff from the manure holding area.
24. Utilities
 - a. Electrical – The Lessee shall contract with private utility providers to provide power and maintain the primary and secondary electrical lines within the Area up

- to the electric meters. The Lessee shall maintain all equipment (conduit, fuses, panels, switches, etc.) within the Premises. The Lessor must approve any changes to the utility system.
- b. Maintaining Electrical System Components – The Lessee shall repair or replace all electrical system damage within the Premises. The Lessee shall repair damage to Lessor's facilities occurring beyond the Premises that results from actions of the Lessee, its employees, agents, or contractors.
 - c. Water – The Lessee shall maintain and repair the water system infrastructure within the assigned Premises. The Lessee shall repair damage beyond the Premises resulting from actions of the Lessee, employees, agents, or contractors.
 - d. Waste Water Systems - Line Maintenance – The Lessee shall maintain exterior and interior waste water lines from assigned Premises to the first cleanout outside of a building or the first cleanout beyond the Lessee's exterior facilities (e.g., beyond an exterior grease trap, as applicable). If there is no cleanout associated with a line, the Lessee shall maintain the line to the first manhole. The Lessee shall repair damage beyond the Lessee's areas of responsibility resulting from actions of the Lessee's, employees, agents, or contractors.
 - e. Propane – The Lessee shall provide and maintain any propane tanks within and for the Premises.
 - f. The Plan shall include quarterly inspections and corresponding maintenance of any above ground storage tank in a manner consistent with Lessor's Spill Prevention, Control, and Countermeasures (SPCC) Plan.
 - g. Common Area Utility Maintenance, as Applicable – The Lessee is responsible for reimbursing costs incurred by NPS for common area maintenance, utility and infrastructure maintenance and necessary upgrades, park personnel, law enforcement and emergency services 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 Lessee with annual statements identifying Lessee's pro-rata share of, or where applicable, per incident, costs pertaining to same.
25. Solid Waste – The Lessee's shall ensure that all trash is collected daily and placed in sanitary covered containers, ready for collection by contractual trash pickup.
26. Signs
- a. Responsibilities – The Lessee shall install, maintain and replace all interior and exterior signs relating to its operations within its Premises.
 - b. Location and Type – The Lessee shall ensure its signs are appropriately located, accurate, attractive, and well maintained. The Lessee shall prepare its signs in a professional manner, appropriate for the purpose they serve, and consistent with Lessor's guidelines and standards, including but not limited to, Directors Order 52C, Park Signs. The Lessor must approve all signs prior to installation. The Lessee shall not use a handwritten sign unless the Lessor approves an exception. The Lessee shall not locate signs advertising products outside of the Lessee's facilities without Lessor approval.
 - c. Replacement – The Lessee shall replace any defaced or missing life safety sign immediately. The Lessee shall replace any defaced or missing non-wood sign

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within seven days of discovery. Routed wood signs shall be replaced within 14 days of discovery.

- d. Temporary Signs – The Lessee may install temporary, professionally made signs for special events. Temporary signs for special events may be located outside of the assigned area if approved by the Lessor.
27. Pesticides and Chemicals – The Lessee shall utilize integrated pest management techniques. Pesticides should only be used as a last resort and must be approved by the Lessor prior to use. Approved products shall be applied in accordance with labels and New York City laws. Complete usage reports shall be submitted to the Lessor upon request. All pesticides, chemicals and toxic supplies and materials shall be stored away from animal feed and from all food items on premise.