

Lessor.

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

1.16 Fixtures – A Fixture is an article in the nature of Personal Property which has been so annexed to the Premises as to be regarded as a part of the realty.

1.17 General and Administrative Costs – or G&A, are costs necessary for the construction of Initial Improvements or Alterations that are not directly related to labor and building materials. Such costs may include, but are not limited to, architecture, engineering, planning, and permits.

1.18 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.

1.19 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.

1.20 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.

1.21 Improvements – means physical changes to the Premises, including, without limitation, modification, rehabilitation, physical enhancement, and/or restoration of the Premises.

1.23 Initial Improvements – means the Improvements to the Premises to be made by Lessee upon commencement of this Lease as described in Exhibit E to this Lease.

1.24 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.

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

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

1.27 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.

1.28 Lessor Improvements – means Improvements to the Premises which may be made by Lessor during the term of this Lease.

1.29 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” (or “Replacement” means providing a substitute in place of an item which is broken, worn out, or irreparable.

1.30 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.

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

1.32 Park Area – means Gateway National Recreation Area (GATE).

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

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

1.35 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.

1.36 Premises – means the property of the Park Area that is described in Section 2 of this Lease, including, without limitation, all Improvements thereon as of the Commencement Date and all Initial Improvements, Alterations and other installations or physical changes made to the Premises during the term of this Lease by any party.

1.37 Preservation Maintenance Plan – is a document that sets forth a plan for the Lessee’s Repair and Maintenance of Historic Property.

1.38 Rent – means the Annual Rent to be paid to the to the Lessor by the Lessee as described in Section 5 of this Lease and any Additional Rent this Lease may require.

1.39 Rent Offset – means offsets to Annual Rent which Lessee may make pursuant to Section 5.4 hereof.

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

1.41 Sublease – means an agreement under which the Lessee grants a person or entity (a Sublessee) the right to use, occupy, or possess the Premises in whole or in part.

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

1.43 Utilities – Include but are not limited to, electric, propane, water, and wastewater. 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). 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, the Premises described as follows and as depicted in **Exhibit C** to this Lease:

- Fort Hancock Building # _____, also known as _____, Sandy Hook, New Jersey 07732, in its entirety
- Driveways corresponding to the facility
- Lands immediately adjacent to the facility as depicted in Exhibit _____

(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 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 (<https://federalregister.gov/a/2014-23533>), are incorporated by reference into this Lease.

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 or Right-of-Way Permits

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 permit affecting the Premises. Lessor agrees to execute, if otherwise appropriate as determined by the Lessor, such easements or right-of-way permits for Utilities as Lessee shall reasonably 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

(a) The Premises, identified as Historic Property in the NPS List of Classified Structures, must be preserved and maintained in accordance with the Secretary's Treatment Standards 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).

(b) Section 106 of the National Historic Preservation Act (recodified at 54 U.S.C. § 306108) requires all projects that may alter the Premises to be reviewed for conformance with these standards. Compliance may require the Lessee to submit formal plans and specifications. Such submittals shall be coordinated as directed by the Lessor in consultation with the New Jersey State Historic Preservation Office. Such review may include interior changes which include modifications to the layout of the Premises.

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 as of the Commencement Date 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 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 ____ years commencing on _____ (Commencement Date) and expiring on _____ (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 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 a force majeure occurrence renders the occupancy of the Premises infeasible for an extended period of time, the Lessor may terminate this Lease in accordance with the termination process set forth in Section 15 hereof.

SECTION 5. RENT

5.1. Net Lease and Rent Payments

Except as provided in Section 5.4, 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, and, all Common Area Maintenance Fees applicable to the Premises promptly upon billing by Lessor.

(a) 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.

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

5.2 Annual Rent

During the Lease Term, Lessee shall pay to Lessor Annual Rent for the Premises in the aggregate annual amount of \$_____(\$) (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 by Lessor of a temporary or final use and occupancy certificate or similar instrument.

5.3 CPI Adjustment

The Annual Rent will increase effective as of the beginning of the second Lease Year after issuance of a temporary or final use and occupancy certificate or similar instrument, 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 Gateway National Recreation Area (GATE).

5.4 Rent Offsets

(a) The Lessee may offset against Annual Rent Payments the Approved Costs of completed Initial Improvements and/or completed Alterations incurred by the Lessee in accordance with the requirements of Section 10 of this Lease. The method and timing of such Rent Offsets will be agreed to by the Lessor and Lessee from time to time, provided that, no Rent Offsets may be made in the absence of such an agreement.

(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 the Approved Costs of Initial Improvements and/or Alterations have not been applied by Lessee to offset Annual Rent as of the date of such termination, Assignment or expiration. of this Lease.

5.5 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 _____ and _____ 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 use permitted by this Lease 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 a 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 to reflect the current fair market value rent as defined above. If, after the end of such sixty (60) day negotiation period, the parties have come to agreement as to an appropriate Rent adjustment, the Rent will be adjusted accordingly. If agreement is not reached, the Rent will not be adjusted.

(c) If the negotiation does not result in agreement as to an appropriate Rent adjustment within this sixty (60) day period, then either the Lessee or the Lessor may request binding arbitration to determine the adjustment to Rent in accordance with this section. Such a request for arbitration must be made by mailing written notice to the other party within fifteen (15) days of the expiration of the sixty (60) day period.

(d) Within thirty (30) days of receipt of such a written notice, the Lessee and the Lessor shall each select an arbiter. These two arbiters, within thirty (30) days of selection, must agree to the selection of a third arbiter to complete the arbitration panel. Unless otherwise agreed by the parties, the arbitration panel shall establish the procedures of the arbitration. Such procedures must provide each party a fair and equal opportunity to present its position on the matter to the arbitration panel.

(e) The arbitration panel shall consider the written submissions and any oral presentations made by the Lessee and the Lessor and provide its decision on an adjusted Rent (up, down or unchanged) that is consistent with the Fair Market Value of the privileges granted by this Lease within sixty (60) days of the presentations.

(f) Any adjustment to the Rent resulting from this Section shall be prospective only.

(g) Any adjustment to the Rent will be embodied in an amendment to this Lease.

(h) During the pendency of the process described in this Section, the Lessee shall continue to make the established Rent payments required by this Lease.

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:

XXX

(a) Depending on the Premises' historic use, proposed use, any change in use, and corresponding legal limitations, the Premises may be subject to occupancy limits. Such occupancy limits may include determinations as to the minimum allowable occupancy period for short term residential use based on compliance with code requirements pertaining to matters such as but not limited to fire suppression and egress requirements, maximum occupancy limitations, and short term or seasonal use of the facility.

(b) Additionally, Lessee's activities on the Premises shall be subject to the general inspection of the Lessor and to such directives regarding ingress, egress, safety, sanitation, and security as may be prescribed by the GATE Superintendent from time to time.

(c) In the event Lessor may approve sale of alcohol by the Lessee in connection with Lessee's use and occupancy of the Premises, Lessee is required to obtain the necessary authorizations and approvals from the State of New Jersey or local municipality prior to conducting any alcohol sales.

6.2 Changes to Authorized Uses

(a) 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.

(b) 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 and approval by the Office of Valuation Services (OVS) (or successor entity).

(c) Any adjustment to the value of the Annual Rent as a result of a change in the Authorized Use of the Premises under this section will be embodied in an amendment to this Lease.

6.3 Applicable Laws

The Lessee shall comply with all Applicable Laws in its use and occupancy of the Premises. Such laws, regulation and policies are stated in part in the definition of Applicable Laws set forth in this Lease, and include, but are not limited to:

- The National Historic Preservation Act (NHPA), including Section 106 of the Act (which address related State Historic Preservation Office (SHPO) Considerations).
- The National Environmental Policy Act (NEPA)
- Americans with Disabilities Act (ADA)
- The Architectural Barriers Act (ABBAS)
- International Existing Building Code (IEBC)
- International Residential Code (IRC)
- National Fire Protection Act (NFPA), particularly NFPA 13, NFPA 101, NFPA Section 914 Protection of Historical Structures, and the Uniform Fire Code,
- Department of the Interior (DOI) Secretary of the Interior (SOI) Standards for the Treatment and Rehabilitation of Historic Properties 36 CFR 61 and 36 CFR 68
- The Uniform Building Code, State of NJ Rehabilitation Subcode
- The National Electric Code
- The Uniform Mechanical Code
- The Uniform Plumbing Code
- Uniform Federal Accessibility Standards
- Life-Safety Codes
- Uniform Code for Building Conservation and the Council of American Building Officials' (CABO)
- NPS 28: Cultural Resource Management Guideline
- The Federal Fair Housing Act
- Local Building Codes adopted by the State of New Jersey and Middletown Township

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, all as determined by Lessor, 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 on the Premises or 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 will review the proposed layout, content, and will approve same so long as Lessor has determined same to be consistent with GATE's existing signage plan and Applicable Laws. 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 as approved by the Lessor. The Township of Middletown, New Jersey, is authorized to undertake inspections and to issue permits for electric and plumbing. The Township of Middletown, New Jersey, is also authorized to issue temporary or final Certificates of Occupancy in conjunction with NPS approval.

SECTION 7. RECORDS AND AUDITS

(a) The Lessee shall provide the Lessor and its agents, including without limitation, the Comptroller General of the United States, access to all Lessee 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.

(b) The Lessee shall, if requested by the Lessor, provide the Lessor in writing with complete information and data concerning the Lessee's operations and operating results, including without limitation, information and data requested by Lessor 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 Repair and Maintenance, including Replacements (whether foreseen or unforeseen) necessary to maintain the Premises 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, as they become worn out or obsolete, all Fixtures.
- (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 Lessor, 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 Laws. Lessor 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 Premises or that locks are installed upon the Premises as Lessor directs, and that nothing impedes Lessor's access to the Premises or any government or other Lessor property.

8.2 Preservation Maintenance Plan

The Lessee shall provide Repair and Maintenance for 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 Repair and Maintenance needs of the Premises. The Lessee shall submit a proposed Preservation Maintenance Plan to the Lessor within sixty (60) calendar days of the issuance by Lessor of a Certificate of Completion for the Premises upon completion of Initial Improvements as determined by Lessor. The final Plan (the proposed Plan as it may be amended by Lessor), when approved by the Lessor, shall become a part of this Lease as Exhibit D hereto 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 Lessor will consider the Lessee in default for failure to comply within the specified period of time.

8.3 Alterations to the Premises

Any Alterations to the Premises made in the course of Lessee's Maintenance and Repair obligations described in this Lease shall be the property of the Lessor and must be approved in advance by the Lessor in accordance with Section 10 hereof. The Approved Costs of elements of Maintenance Reserve projects that qualify as costs of Alterations under the terms of this Lease are eligible for Rent Offset pursuant to Section 5.4 hereof.

8.4 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 the Lessor's project review and approval process requirements of section 10 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 Repair and Maintenance 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. Within 60 days of the Lessee's receipt of Certificate of Completion from the Lessor, the Lessee shall deposit funds in the amount of \$_____ 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 prior written approval.

(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 an Assignment of this Lease by Lessee, 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 Maintenance Reserve Account projects required by Lessor. If not, any such balance shall be remitted to the successor lessee by Lessee as of the effective date of the Assignment, or, if there is no successor lessee, such balance shall be remitted to the Lessor by Lessee as Additional Rent.

SECTION 9. LESSOR IMPROVEMENTS

(a) Lessor Improvements made to the Premises 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 repairs to windows, as well as any 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.

(b) In no event shall Lessor be obligated to make Improvements or to Repair and Maintain to the Premises.

SECTION 10. APPROVAL OF THE LESSEE'S PROPOSED IMPROVEMENTS

10.1 In General

(a) All Initial Improvements and Alterations made by the Lessee shall be undertaken pursuant to the requirements of this Section 10 at the Lessee's sole expense and only with prior written notice to the Lessor and the Lessor's prior written approval; provided that, the requirements of this Section 10 for the approval and construction of Alterations which Lessor considers to be minor in nature (including Alterations which may be part of Lessee Repair and Maintenance or Utility installation, relocation or upgrade project (as described in Section 12 hereof) may be modified by Lessor on a case-by case basis. All work shall be performed in a good and workmanlike manner consistent with standards required by the Secretary as they pertain to Historic Structures.

(b) The Lessee shall undertake Initial Improvements and Alterations in strict accordance with approved Construction Documents, including any proposed change orders. The Lessee must also comply with the following requirements for the construction of Initial Improvements and Alterations:

1. Pre-Construction Planning & Design

- **Submission of Qualified Team Members** - All construction projects are required to lead by a qualified team of project managers, design and construction professionals at the expense of the Lessee. Upon initiation of a new project, the Lessee shall identify the Lessor's project manager, architect(s), historical architect(s), engineer(s) and any known construction contractor who will be working on the project. All consultants and contractors must be licensed and/or registered to perform work in the State of New Jersey and if required by the Lessor must have experience working on historical buildings. Key team members, if

required by the Lessor, must meet the requirements specified in 36 CFR Appendix A, Professional Qualification Standards and the intent of 54 U.S.C., 306131 of the National Historic Preservation Act of 1966 as amended. Provide resumes and summary of work for team members if available.

- Code Assessment completed by an architect licensed in the State of New Jersey.
- Annotated Construction Drawings signed and sealed by a licensed design professional (engineer, architect, etc.), including but not limited to architectural, civil - site, structural, electrical, plumbing, HVAC/mechanical, fire suppression system installations, modifications to account for accessibility requirements, etc.
- Construction Specifications signed and sealed by a licensed design professional (engineer, architect, etc.).
- Designs shall account for installing all critical systems (electrical panels, boilers, water heaters, etc.) above the FEMA Base Flood Elevation.
- Should the building be open to the public, the building must be made accessible in accordance with ADA-ABA Accessibility Guidelines or current Federal standards.
- The Lessee is required to comply with Lessor's determination, if any, that the services of other professionals are required in order to identify and abate hazardous materials such as, but not limited to mold, asbestos, and lead.
- In the event Lessee wishes to apply for a 20% tax credit under the Historic Tax Credit Program, the Lessee must comply with the procedures of 36 CFR 67. Additional information can be found at:
<https://www.nps.gov/tps/tax-incentives/before-you-apply.htm>

(c) The Lessee shall, upon request, furnish the Lessor a correct copy of any contract with the Lessee's general contractor, subcontractors, architects, or consultants. The Lessor may require the Lessee not to occupy specified portions of or all of the Premises during the construction of Initial Improvements or Alterations 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 Initial Improvements or Alterations due to, as determined by Lessor, unforeseeable causes beyond the Lessee's control for which, as determined by Lessor, there was no 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 Initial Improvements or Alterations may be extended by Lessor for the period of the enforced delay as determined by Lessor.

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 Initial Improvements or Alterations. The Lessee is required to obtain all necessary Utility plans and permits from the appropriate public utility companies.

10.4 Approval of Construction

The Lessee must request in writing advance permission from the Lessor to undertake Initial Improvements and/or Alterations. Such requests must include:

- (a) Proposed Construction Documents as described in this Section;
- (b) Evidence of the availability of funding for the project;
- (c) Documentation that required construction and other insurance is in effect; and
- (d) Other information as may be required by the Lessor.

10.5 Construction Documents

The proposed Construction Documents submitted to the Lessor must be complete and satisfactory to Lessor as showing all material elements of the Initial Improvements and/or Alterations and related matters. When proposed Construction Documents are approved by the Lessor, the said documents shall become an Exhibit to this Lease without further action.

10.6 General Scope of Lessor's Review

(a) The Lessor will not approve proposed Construction Documents unless it is able to determine, among other matters, that the proposed Initial Improvements and/or Alterations 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 projects 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).

(b) 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 execution 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 Initial Improvements or Alterations (or portions thereof).

10.7 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.

10.8 Special Considerations for Historic Property

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

10.9 Evidence of Adequate Funds

(a) The Lessor will not approve proposed Initial Improvements and/or Alterations unless 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. The Lessee must comply with Lessor's requests for additional documentation evidencing the availability of the required funding.

(b) The Lessee will make Initial Improvements at a total Approved Cost of no less than \$_____.

10.10 Notice to Proceed or Similar Authorization

Lessee shall not commence Initial Improvements or Alterations until such time as Lessor may issue a notice to proceed or similar written authorization. The notice to proceed or similar written authorization shall contain terms and conditions necessary and appropriate for the construction to commence. The notice to proceed or similar written authorization may be issued by the GATE Chief of Facility Management or his designee.

10.11 Site Conditions During Construction

At its cost and expense, the Lessor shall be entitled to have on the Premises at any time during the construction of Initial Improvements and Alterations an inspector or representative who may observe all aspects of the work on the Premises. The Lessee shall maintain on the Premises during construction, current, annotated Construction Documents for Initial Improvements and Alterations for inspection by the Lessor.

10.12 Construction Completion Procedures

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

(i) a notice of completion, which shall include, a written assessment prepared by an independent third party inspector, hired by the Lessee, concluding that the Initial Improvements and/or Alterations have been completed in compliance with the requirements of applicable local building codes;

(ii) satisfactory evidence of the payment of all costs, expenses, liabilities, and liens arising out of or in any way connected with the Initial Improvements and/or Alterations.

(iii) 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 Initial Improvements and/or Alterations; and

(iv) a complete inventory of all Fixtures and equipment in or on the Premises, as well as operations and equipment manuals, and copies of warranties upon the completion of the Initial Improvements and/or Alterations.

(b) Upon approval by the Lessor of the satisfactory completion of the Initial Improvements or Alterations, the Lessor will issue a Certificate of Completion stating the Initial Improvements or Alterations, are acceptable and authorizing the Lessee’s occupancy (or continued occupancy, if applicable) of the Premises.

(c) As part of the Certificate of Completion or after its issuance, Lessor will also provide Lessee with Lessor’s determination of the total Approved Cost(s) of the Initial Improvements or Alterations for purposes of this Lease.

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.

(b) 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

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. Lessees are not exempt from the payment of local real estate taxes to Middletown Township absent any law to the contrary.

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 prior review and approval:

- (a) Lessee must install propane tanks necessary for Lessee to undertake conversion to propane heat/fuel at a location approved by the Lessor. Propane tanks must be installed underground at a location approved by the Lessor and in accordance with requirements identified elsewhere in the Lease;
- (b) Lessee must install all other Utilities such as but not limited to electrical panels, water heaters, etc., at an elevation sufficient to comply with FEMA and NPS flood consideration guidelines.
- (c) Work associated with repair to or installation of any underground Utilities requires monitoring by a qualified licensed archaeologist. Lessee is required to obtain the services of a qualified archaeologist in connection with the installation of utilities. The archaeologist will have to obtain an ARPA permit. An ARPA permit may take up to 90 days to review.

(d) Approved Costs of Lessee Alterations resulting from Utility relocation, installation and upgrade projects may be used by Lessor as a Rent Offset pursuant to Section 5.4 hereof.

SECTION 13. HAZARDOUS MATERIALS

The Lessee shall comply with the requirements identified in Section 9.1, above, as well as 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 thirty (30) 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. Distributions to Lessor shall be made as Additional Rent.

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.

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, 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.).

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 determined by Lessor as beyond Lessee's control, one of the following may occur:

- (a) The Lessee, if so directed by 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;
- (b) The Lessor may terminate this Lease and the Lessee shall utilize its own funds or 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 to the extent, if any, directed by Lessor. Any such proceeds not so utilized shall be distributed as directed by Lessor pursuant to Section 14.3 hereof ; or
- (c) The Lessee may terminate this Lease without liability by providing sixty (60) days written notice to the Lessor, and the Lessee shall utilize its own funds or 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 to the extent, if any, directed by Lessor. Any such proceeds not so utilized shall be distributed as directed by Lessor pursuant to Section 14.3 hereof. 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 required by this Lease.
- (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 other investments made to the Premises by the Lessee remain 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 Fixtures and Equipment 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 refund, return, or rebate of Rent required hereunder. 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. The costs of Improvements made in response to damage or destruction to the Premises are not eligible for Rent Setoff.

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 rights 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, ENCUMBRANCES AND SUBLEASES

17.1 Assignments

(a) 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.

(b) 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 require. The Lessor shall have the right to approve the form of any such proposed transaction.

(c) Except as identified in accordance with Section 8.4 (Maintenance Reserve Account), any consideration received by the Lessee resulting from an Assignment shall be payable to the Lessor as Additional Rent, or, to a successor Lessee as directed by the Lessor.

(d) 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.

17.3 Subleases

The Lessee must obtain written approval from the Lessor prior to entering into Subleases (including approval of the proposed Sublessee) of all or part of the Premises or the transfer of a Sublease to a new Sublessee. Lessee shall submit such documentation of the proposed Sublease and proposed Sublessee as the Lessor may require in connection with a request for an approval of a Sublease or Sublessee. Approval of proposed Subleases and Sublessees is in the discretion of Lessor taking into consideration the financial and managerial qualifications of the proposed Sublessee.

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. 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.

18.2 Termination by Lessee

(a) The Lessee may voluntarily request the Lessor to permit a surrender of the Premises, and the Lessor agrees to consider the Lessee's request 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 Initial Improvements required by this Lease, if any, the Lessee has obtained a Certificate of Completion from the Lessor, and the Lessor has issued a written determination that any such Initial Improvements are complete to the Lessor's satisfaction in accordance with the terms of the Lease; or,
- (iv) The Lessee has complied and is current with all Lease terms and conditions and has commenced Initial Improvements but has failed to complete such Initial Improvements in accordance with the Lease terms and conditions, or, in accordance with any review, inspection, or approval, including permitting requirements. Prior to any surrender of the Premises, the Lessee must have posted a bond payable to Lessor as Additional Rent sufficient to cover the cost of the Initial Improvements in an amount satisfactory to the Lessor.

(b) In the event the Lessor, in the exercise of its discretion, agrees to the Lessee's request and the Lease is terminated by Lessor 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 Initial Improvements, Alterations or any other Lessee costs associated with the Lease.

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.

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 Equipment, and return the Premises to good order and condition.

For these purposes, the Lessor shall prepare prior to the Expiration or Termination Date, a written report to Lessee that shall constitute the basis for settlement by the Lessee to the Lessor for elements of the Premises (including Fixtures), shown to be lost, damaged, destroyed, inoperable or in bad repair. Such report will become an Exhibit to this Lease upon issuance by Lessor. Any such 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 to the Lessor as Additional Rent at the then current market value thereof. The costs of any Improvements made by Lessee in complying with the report are not eligible for Rent Offset.

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 Affiliates 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

(a) 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:

[Lessee's address and name of person to whom the notice should be addressed]

(b) 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 considered as attached to and incorporated in this Lease as of the Commencement Date or on the date when additional Exhibits referenced in this Lease are issued by Lessor.

(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.

(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.

(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 give reasonable notice to Lessee prior to entry; provided that, 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.

(p) Initial Improvements or Alterations made by the Lessee without required notification and approvals from Lessor described in this Lease are prohibited. In the event such any Initial Improvements or Alterations are made by the Lessee without such required notice and approvals, the Lessor may terminate this Lease for default and/or impose liquidated damages (payable by Lessee to Lessor as Additional Rent) in the amount of \$1,000 per violation per day and require removal by the Lessee at its expense

of the non-compliant Initial Improvements or Alterations. Lessee costs for non-compliant Initial Improvements or Alterations are not eligible for Rent Offset.

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/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

By _____ **Date:**

Regional Director (if under 10 years)
Northeast Region

Director (if over 10 years)
National Park Service

LESSEE/S

By _____ **Date:**

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EXHIBIT A:
Inventory and Condition Report - Existing Conditions
SAMPLE

Asset	Description: Location # ____ Asset List also identified as Building _____ in Location of Park	Condition	
	Roofing System	Good	Accepted As Is
	”Exterior System	Good	Accepted As Is
	Exterior Doors System	Good	Accepted As Is
	Window System	Good	Accepted As Is
	Utility System	Good	Accepted As Is
	Interior System	Good	Accepted As Is
	Electrical System	Good	Accepted As Is
	Special Structures	Good	Accepted As Is
	Special Structures	Good	Accepted As Is
	Alarm System, Fire 1201 SF	Good	Accepted As Is
	Generic Electrical	Good	Accepted As Is
	Generic Electrical	Good	Accepted As Is
	Electric Transmission/Distribution	Good	Accepted As Is
	Boiler	Good	Accepted As Is
	Domestic Water Distribution	Good	Accepted As Is
	Plumbing Fixture	Good	Accepted As Is
	Plumbing Fixture	Good	Accepted As Is
	Plumbing Fixture	Good	Accepted As Is
	Interior Finish	Good	Accepted As Is
	Interior Finish	Good	Accepted As Is
	Interior Finish	Good	Accepted As Is
			Accepted As Is
			Accepted As Is
			Accepted As Is
			Accepted As Is

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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.

B.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 Premises or elements thereof are actually rebuilt. All such policies shall waive any requirement that a building or structure be replaced at its original site.

(b) Flood Insurance - Lessees must obtain flood insurance in sufficient coverage amounts. Flood Insurance is available through the National Flood Insurance Program (NFIP):

https://www.floodsmart.gov/floodsmart/pages/residential_coverage/rc_overview.jsp

(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 Fixtures, Equipment or other elements of the Premises are actually replaced or 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, and commensurate with the authorized use, 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.

(f) Liquor Liability - Proof of Liquor Liability is required, if alcohol is permitted to be served or made available at the Premises in connection with the proposed use of the Premises. The Lessee must provide coverage for bodily injury and property damage including damages for care, loss of services, or loss of support arising out of the selling, serving, or furnishing of any alcoholic beverage in amounts as may be required by the Lessor, but in any event not less than \$2,000,000 Each Common Cause Limit/ \$3,000,000 Aggregate Limit.

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

B.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.

B.3 Conditions of Insurance.

(a) The policy or policies required by 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 to the extent 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 Lessor 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_____, also known as ADDRESS, 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

RESERVE FOR MAP/SITE LAYOUT

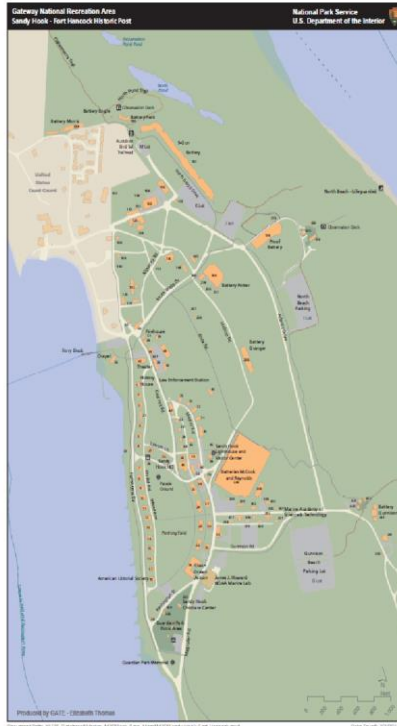


EXHIBIT D: PRESERVATION MAINTENANCE PLAN [To become part of the Lease when approved by Lessor in accordance with Section 8.2 of the Lease]

Years	Base Rent as if completed (assuming 3% CPI increase as of Year 11)	Up Investment Improvement	Front Facility	Carryover	Rent
Year 1					
Year 2					
Year 3					
Year 4					
Year 5					
Year 6					
Year 7					
Year 8					
Year 9					
Year 10					
Year 11					
Year 12					
Year 13					
Year 14					
Year 15					
Year 16					
Year 17					
Year 18					
Year 19					
Year 20					
Year 21					
Year 22					
Year 23					
Year 24					
Year 25					
Year 26					
Year 27					
Year 28					
Year 29					
Year 30					

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Year 31				
Year 32				
Year 33				
Year 34				
Year 35				
Year 36				
Year 37				
Year 38				
Year 39				
Year 40				
Year 41				
Year 42				
Year 43				
Year 44				
Year 45				
Year 46				
Year 47				
Year 48				
Year 49				
Year 50				
Year 51				
Year 52				
Year 53				
Year 54				
Year 55				
Year 56				
Year 57				
Year 58				
Year 59				
Year 60				



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EXHIBIT E: LESSEE’S RESPONSIBILITY FOR INITIAL IMPROVEMENTS

Lessee’s Responsibility for Initial Improvements as identified in Lessee’ response to the Request for Proposals dated _____:

Type of Improvement	Location	Cost	Check if applicable:
Boiler (brand, btus. etc.) and related system components (describe)	Third Floor Utility Closet		<input type="checkbox"/> Fixture <input type="checkbox"/> Equipment
			<input type="checkbox"/> Fixture <input type="checkbox"/> Equipment
			<input type="checkbox"/> Fixture <input type="checkbox"/> Equipment
			<input type="checkbox"/> Fixture <input type="checkbox"/> Equipment
Total Cost		\$	

RESERVED FOR EXHIBIT F – CERTIFICATE OF COMPLETION REPORT

Improvement	Location	Components	Cost
This may come in a different format			
Total Cost			\$

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