

SUBLEASE (Equestrian Stable)

This Sublease agreement (“**Sublease**”) is made this ____ day of _____ 2009, by and between the **Philadelphia Authority for Industrial Development**, a body corporate and politic organized under the laws of the Commonwealth of Pennsylvania (“**PAID**” or “**Landlord**”) and **Northwestern Stables, Inc.**, a Pennsylvania non-profit corporation, with an address and principal place of business at 120 West Northwestern Avenue, Philadelphia, Pennsylvania 19118 (“**Subtenant**”).

Background

A. The City of Philadelphia (the “**City**”) is owner of that certain equestrian stable facility and land in the Fairmount Park system located at 120 West Northwestern Avenue in Philadelphia, Pennsylvania, commonly referred to as the Northwestern Equestrian Facility. The parcel of land is more particularly described in Exhibit “A” to this Sublease and is referred to in this Sublease as the “**Demised Premises**”.

B. The Northwestern Equestrian Facility includes certain improvements including a boarder barn with two apartment units (the “Boarder Barn Apartments”), lesson barn, riding ring and turnout rings, which are more particularly described in Exhibit “A” to this Sublease (the “**Improvements**”). The Demised Premises and Improvements are collectively referred to herein as the “**Facility**”.

C. Subtenant is a 501(c)(3) non-profit organization incorporated under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania. Tenant’s Articles of Incorporation and Bylaws are attached to and incorporated into this Agreement as **Exhibit “G”**.

D. The Demised Premises falls within the Fairmount/Wissahickon National Historic District under the provision of the National Historic Preservation Act of 1966, and the Boarder Barn is considered a contributing structure to the Fairmount/Wissahickon National Historic District.

E. PAID is a public instrumentality of the Commonwealth and is a body corporate and politic organized and established by the City and existing under the Pennsylvania Economic Development Financing Law, P.L. 251, August 23, 1967, 73 Pa.C.S.A. § 371 et seq., as amended.

F. PAID has leased the Facility from the City under a certain Master Lease Agreement, dated the same date as this Sublease (“**Master Lease**”). The Master Lease requires PAID to enter into this Sublease with Subtenant. A copy of the Master Lease is attached as **Exhibit “G”**, and incorporated into this Sublease.

G. Subtenant currently uses, occupies, operates, maintains and manages the Facility under a certain Agreement of Lease between the City and Subtenant dated as of April 1, 1993 (the “Existing Lease”).

H. By Bill No. _____, approved _____2009, Philadelphia City Council authorized the Executive Director of Fairmount Park to execute the Master Lease.

I. By Resolution dated _____2009, the Board of Directors of PAID authorized the execution of the Master Lease and this Sublease by PAID.

J. By Resolution dated _____2009, the Board of Directors of Subtenant authorized the execution of this Sublease by Subtenant.

K. Subtenant desires to sublease the Demised Premises from Landlord, and Landlord desires to sublease the Demised Premises to Subtenant, on the terms and conditions hereinafter provided.

THEREFORE, in consideration of the mutual promises of Landlord and Subtenant described below, Landlord and Subtenant, intending to be legally bound, agree as follows:

DEFINITIONS

In this Sublease, the words and phrases listed below are defined as follows:

“**Additional Rent**” has the meaning given it in Section 4.3.

“**Alteration**” and “**Alterations**” have the meaning given them in Section 6.1.1.

“**Applicable Law**” and “**Applicable Laws**” mean all present and future federal, state, and municipal laws, ordinances, codes, notices, orders, rules, regulations, and requirements that are applicable to the Demised Premises, this Sublease, the Public Programs, Subtenant, its officers, employees, agents, Contractors, subcontractors, licensees, or invitees, and all sub-subtenants. Applicable Law and Applicable Laws include but are not limited to: **(1)** that certain federal legislation commonly known as the “Americans With Disabilities Act of 1990,” PL Sections 101-336, codified generally at 42 U.S.C. Sections 12101 *et. seq.*, **(2)** all laws that govern or regulate the use, presence, treatment, and disposal of hazardous substances and environmental contamination, **(3)** the Philadelphia Home Rule Charter and the Philadelphia Code, and **(4)** all laws and regulations related to fire suppression mechanisms and plans.

“**Assessments**” has the meaning given it in Section 20.2.

“**Books and Records**” has the meaning given it in Section 14.1.

“**City**” means the City of Philadelphia, its officials, officers, employees, departments, boards, commissions, agents, representatives, successors and assigns.

“City Approvals” has the meaning given it in Section 5.1

“Commencement Date” has the meaning given it in Section 3.1.

“Contractors” means all contractors, consultants, and professionals hired by Subtenant (including all subcontractors of them) to design, plan, or perform any Maintenance, Repairs, or Alterations, or who otherwise perform work or services in connection with this Sublease.

“Corporate Documents” means Subtenant’s:

- (1) articles of incorporation,
- (2) bylaws,
- (3) letter from the United States Internal Revenue Service certifying Subtenant’s status as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code,
- (4) a certification by Subtenant’s corporate secretary that Subtenant’s Board of Directors passed a resolution authorizing Subtenant’s officers to execute this Sublease and that such resolution is effective and unmodified as of the Commencement Date, and
- (5) all other documents requested by the City.

“Demised Premises” has the meaning given it in Background Paragraph “A”.

“Designated Improvements” has the meaning given it in Section 18.2.1.

“Event of Default” has the meaning given it in Section 17.1.

“Event” and “Events” have the meaning given it in Section 19.1

“Executive Director” means the Executive Director of Fairmount Park, the Executive Director of Fairmount Park’s designee, or a designee of the Commissioner of Parks and Recreation.

“Facility” has the meaning given it in Background Paragraph “B”.

“Improvements” has the meaning given it in Background Paragraph “B”.

“Initial Term” has the meaning given it in Section 3.2.

“Insurance” has the meaning given it in Section 9.1.

“Indemnitees” has the meaning given it in Section 10.2.

“Landlord” has the meaning given it in the introductory paragraph of this Sublease.

“Maintain” and “Maintenance” have the meaning given them in Section 7.0.1.

“Material Destruction” has the meaning given it in Section 11.1

“Notice” and **“Notices”** have the meaning given them in Section 23.1.1.

“PAID” has the meaning given it in introductory paragraph of this Sublease.

“Partial Destruction” has the meaning given it in Section 11.2.

“Personal Property” has the meaning given it in Section 2.11

“Releasees” and **“Releasors”** have the meaning given in Section 10.4.

“Renewal Term” has the meaning given it in Section 3.3.

“Rent” has the meaning given it in Section 4.1.

“Repair” and **“Repairs”** have the meaning given them in Section 7.0.2.

“Subtenant” has the meaning given it in the introductory paragraph of this Sublease.

“Public Programs” has the meaning given it in Section ____.

“Term” has the meaning given it in Section 3.4.

“Trust” has the meaning given it in Section 19.5

Exhibits:

Exhibit A: Description of Demised Premises

Exhibit B: Management Plan

Exhibit C: Description of Public Programs

Exhibit D: Equestrian Stable Performance and Operating Requirements

Exhibit E: Master Lease

Exhibit F: Financial Assistance Disclosure Form

Exhibit G: Northwestern Stables, Inc. Articles of Incorporation/By Laws

Exhibit H: Recognition Agreement

ARTICLE 1

BACKGROUND; DEMISE; CONDITION

1.1 Background. The Background is incorporated by reference.

1.2 Commencing as of the date of this Sublease (**“Commencement Date”**), Landlord subleases to Subtenant and Subtenant subleases from Landlord the Facility, subject to the terms and conditions of this Sublease and of the Master Lease (as it relates to the Facility). Effective

as of the Commencement Date, the Existing Lease shall terminate and have no further force or effect, and this Sublease shall replace the Existing Lease in its entirety.

1.3 At all times during the Term of this Sublease, the Facility shall be and remain owned by and titled to the City of Philadelphia. **No legal title or easement shall be deemed to be created or vested in Subtenant by anything contained in this Lease.**

1.4 Subtenant accepts the Facility:

1.4.1 in its “AS IS” condition, including without limitation:

- (i) the zoning applicable to the Demised Premises,
- (ii) the existing surface and subsurface conditions of the Demised Premises,
- (iii) the existing conditions of the Improvements, including, but not limited to the Boarder Barn Apartments,
- (iv) the present uses and non-uses of the Facility, and
- (v) all latent and patent defects and hazards.

1.4.2 Except as expressly set forth in this Sublease, Subtenant accepts the Facility without representation, covenant or warranty, express or implied, in fact or in law, by Landlord. Subtenant agrees that it shall have no recourse to Landlord as to the title to the Facility, encumbrances, restrictions and conditions in, on, or about the Facility, the nature, condition or usability of the Facility, or the use or uses to which the Facility may be put. Subtenant is leasing the Facility without reliance on any information which may have been obtained from Landlord.

1.4.3 Without in any way limiting this Section 1.4, Landlord makes no representation or warranty regarding compliance by the Facility with any Applicable Law, including but not limited to compliance with laws regulating hazardous substances and that law commonly known as the Americans With Disabilities Act of 1990, P.L. Sections 101-336, codified generally at 42 U.S.C. §§ 12101 et. seq., and all rules, regulations and guidelines promulgated pursuant to that law (“**ADA**”), as any or all of the foregoing may be amended from time to time.

1.4.4 Except as expressly set forth in this Sublease, Landlord shall have no obligation whatsoever to maintain, repair or operate the Facility, and any and all such maintenance and repair required by Subtenant shall be performed by Subtenant at Subtenant’s sole cost and expense in accordance with and to the extent required by the terms of this Sublease.

1.5 Except as expressly set forth in this Sublease, Landlord shall not in any event be liable for any injury or damage to any property or to any person occurring in, on, or about the Facility and its appurtenances, nor to any property, whether belonging to Subtenant or any other person, caused by any fire, breakage, leakage, defect or bad condition in any part of the Facility, or from water, rain or snow that may leak into, issue or flow from any part of the Facility, from

the drains, or pipes, or from any place or quarter, or due to the use, misuse or abuse of all or any of the hatches, openings, installations of any kind whatsoever which may now or hereafter be erected or constructed in, on or to the Facility, or from any kind of injury which may arise from any other condition whatsoever on the Facility.

ARTICLE 2
USES REQUIRED, PERMITTED, AND PROHIBITED

2.1 Subtenant shall operate, manage and maintain the Facility in accordance with all Applicable Laws, for the following purposes (the purposes set forth in 2.1.1- 2.1.5 are collectively referred to in this Sublease as the “**Permitted Use**”):

2.1.1 operating, managing, and maintaining, a self-sustaining, first-class equestrian riding and boarding facility and performing related administrative and caretaking operations in accordance with the professional management plan attached to this Sublease as **Exhibit “B”** (the “**Management Plan**”);

2.1.2 operating, managing, maintaining and repairing the Facility in accordance with the “**Equestrian Stable Performance and Operating Requirements**” set forth in **Exhibit “D”**, which is attached to and part of this Sublease;

2.1.3 providing and managing summer camp and community outreach programs at the Facility as described in **Exhibit “C”** attached to this Sublease, which benefit residents of the City of Philadelphia and the surrounding communities (“**Public Programs**”);

2.1.4 boarding privately-owned horses in such numbers and for fees as agreed upon in advance by the Executive Director; and

2.1.5 providing industry standard maintenance and care for Subtenant’s horses and any privately-owned horses boarded at the Facility, including feeding, watering, and providing clean bedding.

2.2 Subtenant shall perform its obligations under this Sublease completely and wholly without profit to itself or its members and shall return all operating profit to the management, operation, maintenance and repair of the Facility as required in this Sublease all in a manner consistent with maintaining its non-profit status.

2.3 Subtenant shall not use or permit the use of the Facility in violation of any Applicable Law or in violation of this Sublease. Subtenant shall not suffer any act to be done or any condition to exist in, on, or about the Facility or any article to be brought on or in to the Facility which may be dangerous or which may, in law, constitute a nuisance, public or private, or which may make void or voidable any insurance then in force with respect to the Facility.

2.4 Subtenant shall not permit the Facility to be used in any manner as might tend to impair the City’s title to any or all of the Demised Premises, or in such manner as might make

possible a claim or claims of adverse usage or adverse possession by the public or of implied dedication of any or all of the Demised Premises.

2.5 Subtenant acknowledges that it has received and reviewed a copy of the Rules and Regulations of Fairmount Park. Without limiting the definition of Applicable Law, Subtenant shall occupy, use, and operate the Facility in compliance with the Rules and Regulations of Fairmount Park as now enacted and as they may be amended from time to time.

2.6 Except with respect to that certain commercial vending machine existing at the Facility as of the date hereof, Subtenant shall not permit any commercial vendors on the Facility without the City's prior consent. City shall have the exclusive right to authorize, but not require, any commercial enterprise at the Facility on the Demised Premises, including but not limited to contracting for concessionaires or vendors to perform commercial activities or place commercial vending machines of any kind in, on, or about the Facility.

2.7 Except as otherwise provided for herein, Tenant shall continue to provide directly or contract for all services and equipment necessary and desirable to safely occupy, use, and operate the Facility as contemplated by the Sublease, including but not limited to security and janitorial services.

2.8 Subtenant shall not raise fees for boarding privately-owned horses without the prior written approval of the Executive Director.

2.9 Subtenant shall conduct the Public Programs in compliance with industry safety standards.

2.10 Signs; Name of Demised Premises; Publicizing the Demised Premises.

2.10.1 Subtenant must not place, erect, hang, paint, post, tack, or permit any sign in, on, or about the Demised Premises without the prior approval of the City of Philadelphia Art Commission and the Executive Director.

2.10.2 At all times during the Term, Subtenant must maintain prominent, clearly legible signs at the driveway entrances to the Facility that identify the Facility and contain the Fairmount Park Logo (in equal-at least fifty percent (50%) of the size of the Tenant's logo and any other wording thereon) and the following inscription (in lettering for "Fairmount Park" at least fifty Percent (50%) of the size of the remaining lettering):

**Northwestern Equestrian Facility
in Fairmount Park**

or such other wording and letter size that the Executive Director approves in advance. The entrance sign must be approved in advance by the City and must comply in all respects with Fairmount Park regulations and policies regarding signs.

2.10.3 At all times during the Term, Subtenant must include in its regularly used stationery letterhead and all its print, broadcast, electronic publicity (including but not limited to prominent display on Subtenant's website homepage), advertising, and fund raising materials, an easily legible statement that reads: **"Northwestern Equestrian Facility is a Fairmount Park property operated by Northwestern Stables, Inc."**

2.11 Financial.

2.11.1 Annual Operating Budget. Subtenant shall maintain a \$100,000 annual operating budget.

2.11.2 Capital Escrow Account. Subtenant shall be required to make payments and/or account for the value of donated services equaling \$50,000 annually into a **Capital Escrow Account**. Subtenant shall be responsible to fund and implement all Alterations (defined below) from the Capital Escrow Account and Subtenant shall have a minimum balance of \$50,000 in such Capital Escrow Account by the end of the Initial Term as a condition of exercising the Renewal Term.

2.11.3 Landlord's Fee. In consideration of the services provided by Landlord under or in relation to this Sublease, the Subtenant shall make a one time payment to Landlord of ONE THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$1,500.00). Such payment shall be made to Landlord no later than 30 days from the Commencement Date.

2.12 Board Representation. Subtenant shall appoint a Fairmount Park employee identified by the Executive Director as an ex-officio member of Subtenant's board of directors. The Ex-Officio Member shall have the same voting rights as all other members of Subtenant's Board of Directors, and during the Term of this Sublease, including any holdover period, Subtenant shall not amend its Bylaws in any way that diminishes the rights and powers of the Fairmount Park ex-officio member.

2.13 Occupancy of Boarder Barn Apartments.

2.13.1 Subtenant shall be solely responsible for any and all authorizations, permits, certificates or other approvals required under Applicable Law in order to sub-sublease, license or occupy the two Boarder Barn Apartment units.

2.13.2 Subject to Subtenant's compliance with all Applicable Laws, and in accordance with the terms of this Sublease, Subtenant may sub-sublease the Boarder Barn Apartment units subject to the Executive Director's approval of a proper sub-sublease agreement for each unit, which approval shall not be unreasonably withheld, conditioned or delayed.

2.13.3 Subtenant shall submit, within ninety (90) business days following the Commencement Date (defined below), copies of occupancy permits or other approvals required under Applicable Law, , if any, for any occupied apartment units in the Boarder Barn. During the Term (defined below), Subtenant shall provide written notice to and seek approval of the

Executive Director, in accordance with the terms of this Sublease, for any renewals, or amendments to existing sub-subleases or any sub-subleases with new tenants of the Boarder Barn Apartments, which approval shall not be unreasonably withheld, conditioned or delayed.

ARTICLE 3

TERM; RENEWAL

3.1 Commencement Date. The “**Commencement Date**” of this Sublease is the date set forth in the introductory paragraph.

3.2 Initial Term. The “**Initial Term**” of this Sublease shall commence on _____ 1, 2009 and shall terminate at the end of the day on _____ 3__, 2014 (“**Termination Date**”), unless sooner terminated or extended as provided herein.

3.3 Renewal Term.

3.3.1 Following expiration of the Initial Term, upon approval by the Executive Director and Landlord, this Sublease will renew for up to one additional five-year period (the “**Renewal Term**”), commencing immediately following the Expiration Date (the “**Renewal Term Commencement Date**”) and expiring at the end of the day which is one day before the second (5th) anniversary of Renewal Term Commencement Date unless sooner terminated or extended as provided herein.

3.3.2 Landlord’s option to exercise the Renewal Term of this Sublease shall be subject to the following conditions:

(i) This Sublease shall be in full force and effect and there shall exist no Event of Default, or condition or state of facts which with notice or the passage of time might become an Event of Default, on the date of exercise of such extension option or the date of expiration of the Term which is the subject of such extension;

(ii) There shall have been no violation of Applicable Law in the twenty-four (24) month period prior to the Renewal Term Commencement Date; and

(ii) If any damage, destruction or Partial Destruction shall have occurred affecting the Facility or any part of the Facility, Subtenant shall have committed in writing to reconstruct, restore and/or repair the Facility.

3.4 Term. As used in this Sublease, the word “**Term**” means the Initial Term and Renewal Term, if any. Except as otherwise provided for herein, all of Subtenant’s obligations under this Sublease shall continue through the date of expiration or earlier termination of the Term.

3.5 Non-renewal. This Sublease will not renew for any Renewal Term if at least ninety (90) days before the end of the Initial Term Landlord provides written notice to Subtenant

that Landlord desires that this Sublease not renew, in which case this Sublease will expire at the end of the Initial Term.

ARTICLE 4 **RENT**

4.1 Rent. Subtenant shall pay the sum of \$1.00 rent per term as rent (the “**Rent**”). The parties hereby acknowledge that the total amount of Rent for the Term has been paid by Subtenant concurrently with the execution and delivery of this Sublease.

4.2 Additional Rent. Subtenant must promptly pay, or cause to be promptly paid, as additional rent (“**Additional Rent**”), without demand and without set-off:

4.2.1 any and all sums which become due by reason of any Event of Default of Subtenant or failure on Subtenant’s part to comply with the terms of this Sublease;

4.2.2 and any and all damages, costs, and expenses which Landlord, the City and/or Fairmount Park may suffer or incur by reason of any Event of Default of Subtenant or failure on Subtenant’s part to comply with the terms of this Sublease;

4.2.3 any and all damages to the Facility caused by any act, omission, or negligence of Subtenant, its officers, employees, agents, Contractors, subcontractors, licensees, or invitees; and

4.2.4 any and all sums which Subtenant may be required to pay to Landlord, the City, Fairmount Park and/or any utility provider or any other third party under any other provision(s) of this Sublease.

ARTICLE 5 **APPROVALS**

5.1 Approvals by City. Subtenant acknowledges and agrees that wherever this Sublease and/or Applicable Law specifies that a consent, review, authorization, permit, certificate or other approval must be given, made or performed by the City (“**City Approval**”), then such City Approval shall not be valid and binding unless given, made, or performed by the person or entity so specified in this Sublease and/or Applicable Law, and in the manner required. Prior to submitting any request for City Approval to the person or entity required by this Sublease and/or by Applicable Law Subtenant shall first submit such request for City Approval to the Executive Director for review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. Such request shall describe in detail the City Approvals being sought by Subtenant, including but not limited to any and all City Approvals being sought from the City’s Art Commission, Historical Commission and/or the Department of Licenses and Inspections. Wherever this Sublease requires the approval of both Landlord and the City, Subtenant may submit the matter requiring such approval simultaneously to Landlord and the

City.

5.2 Proper Approvals by City, Commission and Executive Director deemed Approval by Landlord. Except where the provisions of this Sublease explicitly require separate approvals by both Landlord and City, or Landlord and Executive Director, any approval granted by City, or Executive Director shall be deemed approval by Landlord.

5.3 Enforcement by City. Subtenant acknowledges and agrees that all of Landlord's rights and remedies under this Sublease may be exercised and/or enforced directly by the City.

5.4 Effect of Reviews and Approvals under This Sublease.

5.4.1 The review, approval, or consent under this Sublease of any plans, specifications, work or materials submitted or performed by Subtenant under this Sublease, including but not limited to plans and specifications for any Alterations under Article 6, does not constitute any representation, warranty, or guarantee by the City or Executive Director as to the quality or substance of the matter reviewed or approved or its compliance with Applicable Laws. Subtenant must use its own independent judgment as to the accuracy and quality of all such matters and their compliance with Applicable Laws.

5.4.2 Review, approval, or consent by the Executive Director under this Sublease does not constitute any review, approval, consent, license or permit otherwise required under Applicable Laws by any departments, boards, commissions, and officials of the City of Philadelphia.

5.4.3 Recognition of Subtenant. Simultaneously with the execution of the Sublease, Landlord shall obtain from the City a Recognition Agreement in the form attached hereto as Exhibit "H" (the "Recognition Agreement").

ARTICLE 6

ALTERATIONS; IMPROVEMENTS; HISTORIC PRESERVATION

6.1 Definitions: Alterations and Improvements. As used in this Sublease, the words "**Alteration**" and "**Alterations**" mean any and all work in, on, or to the Improvements or any part of the Facility that is capital in nature, including but not limited to construction, changes, additions, renovations, and replacements upon, in, or to any capital elements of the Improvements or any part of the Facility and other work typically characterized as capital in nature and/or any work that: i) in any way alters the interior or exterior appearance of the Improvements; (ii) costs in excess of two thousand five hundred dollars (\$2,500) (or such higher dollar threshold as the Executive Director may stipulate in writing from time to time); or (iii) changes the structure of any Improvement or any of its systems. Alteration and Alterations include but are not limited to all changes to the structure, supporting walls, foundation, roof, windows, and building systems of Improvements or any part of the Facility.

6.2 Subtenant Must Not Make Alterations Without Prior Approval. Subtenant must not make or cause any Alterations, without the written approval of the Executive Director, and

any other approvals as required under Applicable Law. Subtenant must submit to the Executive Director detailed plans, specifications, timeline and budget for the proposed Alterations and any and all additional information as requested by the Executive Director. The Executive Director's approval of any Alterations may be conditioned upon a requirement that Subtenant provide the City with a performance and payment bond satisfactory to the City in all respects and upon other requirements the City deems necessary or prudent to protect the interests of the City and Landlord.

6.3 Subtenant Must Perform Approved Alterations. Following proper approval of any proposed Alterations by the Executive Director and as required by Applicable law, Subtenant's plans and specifications, as approved by the Executive Director and as required by Applicable Law shall automatically become part of this Sublease and Subtenant must make, or cause to be made, the approved Alterations in a good and workmanlike manner, free from defects, and in compliance with all Applicable Laws, including but not limited to all building and zoning ordinances and regulations and in strict accordance with the plans and specifications that have received approval by the Executive Director and as required by Applicable Law. Without limiting the immediately preceding sentence, during all Alterations and other construction, Subtenant shall undertake all necessary and prudent measures to control erosion and ensure that dirt, litter, construction materials, and debris do not blow, issue, or flow from the Facility, or from construction vehicles that enter or leave the Demised Premises, onto or into roads, storm water inlets, and property outside the Demised Premises.

6.4 Alterations Become Part of Demised Premises. Except as expressly provided otherwise in any approval required under this Article 6, all Alterations performed on the Demised Premises or any of the Improvements shall, upon completion, become part of the Facility and the property of the City; provided, however, Subtenant may remove its trade fixtures from the Facility at the expiration or earlier termination of this Sublease in accordance with Section 18.2 below and Section 6.5 below.

6.5 Fixtures. Subtenant must not install any fixtures in or on the Demised Premises or any of the Improvements without approval of the Executive Director. Upon the expiration or earlier termination of this Sublease, Subtenant must:

- (i) promptly remove any and all of its trade fixtures;
- (ii) restore any damage to the Facility caused by the installation or removal of the trade fixtures; and
- (iii) return the Facility to Landlord in good condition and broom clean.

6.6 Historic Preservation of Boarder Barn.

6.6.1 All use, care of, Maintenance (defined below), Repair (defined below), Alterations, rehabilitation, remodeling, site development, ground disturbance or other action taken with respect to the Boarder Barn shall take into account its value as a contributing structure to a National Historic District and its historic nature and value generally. Subtenant shall not disturb any historic fabric in the interior or exterior of the Boarder Barn without the explicit prior written approval of the Executive Director. The Executive Director shall have the right at any

time to impose additional reasonable restrictions on use, care, Maintenance (defined below), Repair (defined below), Alteration, rehabilitation, remodeling, site development ground disturbance or other action taken with respect to the Boarder Barn which the Executive Director deems necessary or desirable for the preservation of the structures' designation as a contributing structure to a National Historic District.

6.6.2 Without limiting the provisions of this Sublease including, but not limited to Section 6.6.1 above, all Alterations to the Boarder Barn shall be performed in accordance with the Secretary of the Interior's Standards for Historic Preservation, as they may be amended from time to time, and as interpreted by the Philadelphia Historical Commission and the Pennsylvania Historical and Museum Commission.

ARTICLE 7

MAINTENANCE; REPAIRS

7.1 Definitions: Maintenance and Repair.

7.1.1 In this Sublease, the words "**Maintain**" and "**Maintenance**" mean all maintenance that is reasonably necessary or prudent to keep the Facility safe, in good condition, in compliance with Applicable Laws, and in appropriate condition for the uses contemplated by this Sublease. Maintain and Maintenance include but are not limited to work that is routine, preventive, ordinary, extraordinary, foreseen, unforeseen, capital in nature or otherwise.

7.1.2 In this Sublease, the words "**Repair**" and "**Repairs**" mean all repairs, replacements, and renewals that are necessary or prudent to keep the Facility safe, in good condition, in compliance with Applicable Laws, and in appropriate condition for the uses contemplated by this Sublease. Repair and Repairs include but are not limited to work that is routine, ordinary, extraordinary, foreseen, unforeseen, capital in nature or otherwise.

7.2 Subtenant Obligated to Maintain and Repair the Demised Premises.

7.2.1 At all times during the Term, Subtenant must Maintain and Repair the Facility at its sole cost and expense and in accordance with the terms of the Sublease. Subtenant's obligation to Maintain and Repair the Facility includes the structural and nonstructural parts of the Improvements and their plumbing, mechanical, and fire suppression systems, roofs, exterior walls, interior walls, windows, foundations, water supply systems, sewage disposal systems, and heating, ventilation, air conditioning and electrical systems.

7.2.2 Without limiting Section 7.1.1, Subtenant shall, at Subtenant's sole cost and expense:

(i) Maintain, inspect and keep in effect fire escape and suppression equipment, if any, in full compliance with all requirements of applicable laws and regulations and contracts for continuous monitoring, inspection and maintenance of such equipment;

(ii) Maintain, inspect and keep in effect security systems, and contracts for continuous monitoring, inspection and Maintenance thereof;

(iii) keep in effect a contract for the automatic delivery of heating oil and the periodic inspection, cleaning and maintenance of the oil burner and other heating, ventilation and air-conditioning systems in the Improvements;

(iv) provide for the adequate sanitary handling of all trash, garbage, manure, and other refuse caused as a result of its occupancy, and for its removal away from the Facility. Piling of boxes, cartons, barrels, pallets, or other similar items, in an unsightly or unsafe manner or about the Facility is forbidden;

(v) provide snow removal and salting including, but not limited to, Maintaining the steps, walks and areas of the Facility where snow may cause interior leaks or exterior hazards in a safe condition, free of snow and ice.

(vi) insure that all paved and unpaved service roads remain open where they intersect the Facility to permit free and unobstructed passage of Fairmount Park and City vehicles;

7.2.3 Without limiting Section 7.1.1, Subtenant shall, at its sole cost and expense, keep and Maintain all exterior areas in, on, and about the Improvements as appropriate to ensure the safety of persons and property and in a clean, neat, orderly and attractive condition.

7.3 Maintenance and Repair Alterations. All Maintenance and Repairs that constitute Alterations are subject to the requirements of Article 6 above. In the event of an emergency posing an immediate, bona fide threat of danger to the health or safety of any persons, animals, or property, however, Subtenant may perform all Maintenance and Repairs necessary to secure the Facility and prevent injury or property damage, but Subtenant must at its very first opportunity inform the Executive Director in writing about such Maintenance or Repair and must obtain the City's prior approval for any additional future Maintenance or Repairs that may be necessary or prudent.

7.4 No Waste; Subtenant Must Repair Damages. Subtenant must not cause or suffer any waste, damage, disfigurement or injury to the Facility. Subtenant must promptly Repair (or cause the Repair of) every injury or damage to the Facility (except ordinary wear and tear) caused by Subtenant or any of its officers, employees, agents, Contractors, subcontractors, licensees, invitees, or any other person, including but not limited to injury or damage caused by vandalism or malicious mischief and damage that is capital in nature.

7.5 Security. Subtenant must take all reasonably necessary and prudent measures to keep the Facility safe and secure against break in, fire, and other hazards. The City and/or Landlord are not obligated to provide any security for the Facility. Subtenant must promptly pay any tax or levy imposed by any governing authority under Applicable Laws in connection with

the maintenance of security and fire alarm and fire suppression systems in, on, or about the Facility.

7.6 City and Landlord Not Obligated to Maintain or Repair the Facility.

7.6.1 At all times during the Term, the City and Landlord shall not be obligated to Maintain or Repair the Facility or any part of the Facility or pay for any Maintenance or Repair of or to the Facility or any part of the Facility. At all times during the Term, the City and Landlord are not required to furnish any services or facilities to Subtenant, the Facility, or any part of the Facility. Subtenant expressly waives any and all rights it may have under Applicable Laws to Maintain or Repair all or any part of the Facility at the expense of the City and/or Landlord.

7.6.2 Notwithstanding 7.6.1, the City shall provide lawn care and tree pruning at the Facility.

7.7 City's Option to Maintain and Repair.

7.7.1 The City may, in its sole discretion, perform any or all Maintenance and Repairs that may be necessary or prudent by reason of Subtenant's failure to make any Maintenance or Repairs. Nothing in this Sublease, however, creates or implies any duty on the part of the City to make any Maintenance or Repairs, whether capital in nature or otherwise.

7.7.2 The City's performance of any Maintenance or Repairs does not waive any default by Subtenant in failing to perform the Maintenance or Repair.

7.7.3 If the City elects to perform any Maintenance or Repairs, the City will not in any event be liable to Subtenant for inconvenience, annoyance, disturbance, or other damage arising from the Maintenance or Repairs performed by the City or by bringing materials, supplies and equipment onto the Facility during the course of any Maintenance or Repairs.

7.7.4 If the City elects to perform any Maintenance or Repairs, then Subtenant must promptly pay the City as Additional Rent the actual cost of any and all Maintenance and Repairs.

7.7.5 Except when an emergency situation exists that would be harmful or potentially cause harm to Subtenant or any of its officers, employees, agents, Contractors, subcontractors, licensees, invitees, or any other person, the City shall provide Subtenant with adequate notice of maintenance and repair issues and an opportunity to cure the issue within 15 days of notice.

ARTICLE 8
NO MECHANICS' LIENS

8.1 Waivers of Mechanics' Liens. Subtenant waives its right to have filed against the Facility any mechanics' or materialman's lien. In addition, where the estimated cost of any Alteration, Maintenance, or Repair is Fifteen Thousand Dollars (\$15,000.00) or more, each

contract entered into by Subtenant for the Alteration, Maintenance or Repair must obligate the Contractor to submit to the City a waiver of mechanics' lien before the date that the Contractor begins work under the contract. Each waiver of mechanics' lien required by the City must be in a form reasonably acceptable to the City.

8.2 No Consent by City to Mechanics' or Materialman's Lien. Nothing contained in this Sublease may be construed in any way as constituting the consent or request of the City, express or implied, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific Alteration, Maintenance, Repair or other work to the Facility. Nothing contained in this Sublease may be construed in any way as giving Subtenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the interest of City in the Facility or any part of the Facility. Subtenant and all of its Contractors are notified by this Section 8.2 that the City expressly does not consent to the filing of any lien against the interest of the City in the Facility or any part of the Facility.

ARTICLE 9 **INSURANCE**

9.1 General. Throughout the Term, Lessee must procure and maintain, at its sole cost and expense, insurance of the types and minimum limits of coverage specified below (collectively, "**Insurance**"). All Insurance shall be procured from reputable insurers who are acceptable to the City and authorized to do business in the Commonwealth of Pennsylvania. All Insurance, except the Professional Liability insurance, must be written on an "occurrence" basis and not a "claims-made" basis.

9.1.1. Workers' Compensation and Employers' Liability

- a.** Workers Compensation – Statutory Limits;
- b.** Employers Liability:
 - \$100,000 Each Accident - Bodily Injury by Accident;
 - \$100,000 Each Employee - Bodily Injury by Disease;
 - \$500,000 Policy limit - Bodily Injury by Disease;
- c.** Other states endorsement including Pennsylvania.

9.1.2. General Liability Insurance

- a.** Limit of Liability: \$1,000,000 per occurrence combined single limit for bodily injury (including death) and property damage liability; \$1,000,000 personal and advertising injury; \$2,000,000 general aggregate and \$100,000 fire legal liability.
- b.** Coverage: Facility operations; blanket contractual liability; personal injury liability; products and completed operations; independent contractors; employees and volunteers as additional insureds; cross liability; and broad form property damage (including completed operations) liability; and sexual abuse/molestation liability coverage.

9.1.3. Commercial Automobile Liability Insurance on vehicles owned by Subtenant

- a.** Limit of Liability: \$1,000,000 per occurrence combined single limit for bodily injury and property damage liability;
- b.** Coverage: Owned, hired and non-owned vehicles.

9.1.4. Professional Liability Insurance *(required for all architectural/engineering services provided on the Facility during the Term)*

- a.** Limit of Liability: \$1,000,000 per occurrence with a deductible not to exceed \$50,000;
- b.** Coverage: errors and omissions;
- c.** Professional Liability Insurance may be written on a claims-made basis provided that coverage for occurrences arising out of the performance of services required under the Contract shall be maintained in full force and effect under the policy or “tail” coverage for a period of at least two (2) years after the expiration of the Contract.

9.1.5 Umbrella Liability Insurance

At limits totaling \$5,000,000 per occurrence when combined with insurance required under 1, 2, and 3 above

9.2 Additional Insurance. Throughout the Term Subtenant must promptly obtain and maintain Insurance against such other hazards, risks or perils, and in such amounts as reasonably may be requested by the City and as at the time are customarily insured against with respect to Improvements similar in character, size, general location, use and occupancy to the Facility.

9.3 Contractors’ Insurance. Throughout the Term, Subtenant must cause all of its Contractors to promptly secure and maintain sufficient insurance of the types and limits set forth above, and as otherwise reasonably required by the City.

9.4 City Must Be Named as Additional Insured, Loss Payee. All policies of insurance, except Workers’ Compensation and Employers’ Liability, to be furnished under this Sublease shall include as additional insureds Landlord, City, and their respective officials, commissions, officers, employees and agents. All such policies shall include an endorsement stating that the coverage afforded the Landlord, City, and their respective officials, commissions, officers, employees, and agents, as additional insureds will be primary to any other coverage available to them and that no act or omission of the Landlord or City shall invalidate its coverage. All such policies of insurance shall provide that the loss, if any, shall be payable to Subtenant, provided that payments may be made directly to Landlord, the City, or third-party claimants under liability policies.

9.5 Certificates of Insurance. Subtenant must cause certificates of insurance evidencing the required Insurance coverage to be submitted to (1) Fairmount Park , One Parkway Building – 10th Floor, 1515 Arch Street, Philadelphia, PA 19102, Attention: Director, Property and Concessions Management, and (2) the City of Philadelphia Office of Risk Management, One

Parkway Building – 14th Floor, 1515 Arch Street, Philadelphia, PA 19102, Attention: Risk Manager. Subtenant must cause the certificate of insurance to be delivered as provided above on or before the execution date of this Sublease. Subtenant must furnish, or cause its insurers to furnish, certified copies of the original policies of all Insurance required under this Sublease at any time within ten (10) days after written request by the City.

9.6 Insurance Not A Limitation. The types and amounts of Insurance required in this Article 9 do not modify, limit or reduce Subtenant's indemnifications of the City under this Sublease; nor do they limit the Subtenant's liability under this Sublease to the limits of the policy(ies) of Insurance.

9.7 Notice of Change, Cancellation, Non-Renewal, or Lapse. Subtenant must cause all insurance policies to provide for at least thirty (30) days prior written notice to be given to the City in the event the coverage is materially changed, canceled, not renewed, or scheduled to expire or lapse. At least ten (10) business days prior to the expiration of each policy, Subtenant must deliver, or cause to be delivered, to the City a certificate of insurance evidencing the replacement policy(ies) that must become effective immediately upon the termination of the previous policy(ies).

9.8 City Not Limited In Proof of Damages. In the event Subtenant fails to obtain and maintain the Insurance, or fails to cause its Contractors to obtain and maintain the Insurance, the City is not limited in the proof of any damages that the City may claim against Subtenant or any other person or entity to the amount of the premium or premiums not paid or incurred and that would have been payable upon such Insurance. Rather, the City is entitled to recover as damages for Subtenant's failure the uninsured amount of any loss, damages and expenses of suit and costs, including without limitation reasonable cancellation fees, suffered or incurred during any period when Subtenant shall have failed or neglected to provide the Insurance as required herein.

9.9 Application of Insurance Proceeds. All insurance money paid on account of damage to or destruction of the Facility or any part of the Facility, less the actual cost, fees and expenses, if any, incurred in connection with the adjustment of the loss, may, at the election of the City, be applied to either **(1)** payment of the cost of the restoration, repairs, replacement, rebuilding or alterations, of the Facility, including without limitation the cost of temporary Repairs to the Facility pending the completion of permanent restoration, repairs, replacements, rebuilding or alteration of the Facility, or **(2)** removal of Improvements and restoration of the Facility to its condition prior to Lessee's entry onto the Facility subject to the Executive Director's reasonable satisfaction.

9.10 Subtenant Must Not Act in Manner That Voids or Suspends Insurance. Subtenant must not do or permit any act, matter, or thing that causes or gives rise to, directly or indirectly, all or any of the Insurance to be voided or suspended, or that increase the risk or hazard of fire in or on the Facility.

9.11 No Concurrent Insurance. Subtenant must not obtain or maintain, or permit its Contractors to obtain or maintain, separate insurance that, **(1)** relates to the Facility and is

concurrent in form or contributing, in the event of loss, with the Insurance, or (2) increase or permit to be increased the amounts of any then-existing insurance relating to the Facility by securing an additional policy or policies without including the City as additional insured. Subtenant must immediately notify the City whenever Subtenant or its Contractors obtain such separate insurance, and Subtenant must deliver or cause its Contractors to deliver to the City certificates of insurance in accordance with Section 9.5 above and, promptly following request by the City, certified copies or duplicate originals of such policies.

ARTICLE 10

LIABILITY FOR FACILITY; INDEMNIFICATION; RELEASE

10.1 Subtenant Has Exclusive Care Custody and Control of Facility. Throughout the Term of this Sublease, subject only to City's title to and ownership of the Demised Premises and Improvements, Subtenant has exclusive care, custody, and control of the Facility. From and after the Commencement Date, except as otherwise set forth in this Sublease, Subtenant is fully and solely responsible for the condition, Maintenance, Repair, operation, and management of and to the Facility and all Alterations of and to the Facility.

10.2 (a) Subtenant shall indemnify, defend, and hold harmless Landlord, the Fairmount Park Commission (the "**Commission**"), and City, their officials, directors, commissioners, officers, employees, agents, successors and assigns (collectively, the "**Indemnitees**") from and against any and all losses, claims, suits, actions, damages, expenses (including but not limited to attorneys' and experts' fees and litigation costs), and liabilities, including but not limited to those in connection with loss of life, bodily and personal injury, or damage to property (real or personal, and regardless of ownership), which occur or arise, in whole or in part, as a result of or in connection with (a) any work or thing done, or any violation of Applicable Laws, in, on or about the Facility or any part of the Facility or in connection with this Sublease, (b) any act or omission of Subtenant, or any of its officers, employees, agents, contractors, servants, licensee, or invitees, or anyone for whom Subtenant is legally responsible, (c) the use, non-use, possession, occupancy, operation, maintenance, or management of the Facility or any part of the Facility by Subtenant or any of its officers, employees, agents, contractors, servants, licensee, or invitees, or anyone for whom Subtenant is legally responsible, (d) the exercise of any right and/or performance of any obligation by Subtenant under or pursuant to this Sublease, (e) the condition of the Facility or any part of the Facility, (f) any accident, injury, or damage to any person or property occurring in, on, or about the Facility or any part of the Facility, and (g) any failure on the part of Subtenant to keep, observe and perform any of the terms, covenants, agreements, provisions, conditions or limitations contained in this Sublease on Subtenant's part to be kept; provided, however, that Subtenant shall not be obligated to indemnify the Indemnitees for any losses, claims, suits, actions, damages, expenses, or liabilities caused exclusively by the gross negligence or willful misconduct of the Indemnitees or any of them.

(b) If any action or proceeding is brought against the Indemnitees relating to any matter for which Subtenant has indemnified the Indemnitees, then, upon written notice from the Indemnitees, or any of them, Subtenant shall, at its sole cost and expense, resist or defend such

action or proceeding by counsel approved by the City Solicitor in writing; provided that no approval of counsel shall be required in each and every instance where the claim is resisted or defended by counsel of an insurance carrier obligated to so resist or defend such claim; and provided also that Landlord and City may engage at their expense their own counsel to participate in the defense of any such claim. Without limiting the generality of Section 22.5, the provisions of this Section 10.2 shall survive the expiration or termination of this Sublease.

10.3 Release. In consideration for the rights granted to Subtenant by this Sublease, Subtenant does, for itself and its successors, assigns, officers, employees, agents, guests, invitees, contractors, subcontractors, and any person claiming by, through, or under Subtenant or any of them (collectively, “**Releasors**”), hereby remise, quitclaim, release and forever discharge Landlord, the Commission, and City, their officials, directors, commissioners, officers, employees, agents, successors and assigns (collectively, “**Releasees**”), acting officially or otherwise, from any and all, and all manner of, actions and causes of action, suits, claims and demands whatsoever in law or in equity which Subtenant or any of the Releasors may have against the Releasees or any of them relating in any way whatsoever, directly or indirectly, to (a) the Facility Premises and all conditions now or hereafter existing in, on, or about the Facility, and (b) the use, occupancy, operation, and maintenance of the Facility or any part of the Facility by Subtenant. Subtenant hereby voluntarily and knowingly assumes all risk of loss, damage and injury, including death, that may be sustained by Subtenant, its successors, assigns, officers, employees, agents, guests, invitees, contractors, subcontractors, and any person claiming by, through, or under Subtenant or any of them, and the public in general, in connection with the Facility or Subtenant’s use, occupancy, operation, and maintenance of the Facility.

ARTICLE 11

DAMAGE BY FIRE OR OTHER CASUALTY

11.1 Material Destruction. If in the City’s judgment the Facility has been substantially or totally destroyed by fire, explosion, windstorm, tornado or other casualty, or if the Facility should be damaged so that, in the City’s sole discretion, Subtenant’s ability to use the Facility for the purposes set forth in this Sublease will be impaired for a period greater than ninety (90) calendar days after written notice by Subtenant to City of the destruction (“**Material Destruction**”), then the City may at its option terminate this Sublease as of the date of the Material Destruction by delivering to Subtenant written notice of termination, and upon Subtenant’s receipt of the City’s termination notice this Sublease will absolutely cease and terminate and the parties shall be relieved of all future liabilities.

11.2 Partial Destruction. If the damage by fire, explosion, windstorm, tornado or other casualty can, in the sole judgment of the City, be reasonably rebuilt or repaired within ninety (90) calendar days from the date of the written notification by Subtenant to City of the destruction (“**Partial Destruction**”), the City may at its option terminate this Sublease or continue this Sublease for the permitted use by giving written notice to the Tenant. Should City elect to continue the Sublease, Subtenant must promptly repair the Partial Destruction. Subtenant must apply the Property Insurance proceeds to cover losses sustained from the Partial

Destruction. Subtenant is obligated to continue this Sublease if City so chooses following any Partial Destruction.

ARTICLE 12

CONDEMNATION

12.1 Condemnation. If a portion of the Demised Premises are taken under condemnation proceedings or by eminent domain, then the City may, at City's sole discretion, terminate this Sublease as of the date when the taking becomes final and unappealable or continue this Sublease as to the remaining portion of the Demised Premises. If all the Demised Premises are taken under condemnation proceedings or by eminent domain, then this Sublease shall terminate as of the date the taking becomes final and unappealable.

12.2 Compensation. Subtenant agrees that the compensation awarded in or by reason of the condemnation of some or all the Demised Premises are the property of and shall be paid first to the City as full compensation for the City's interests taken by the condemnation. Any remaining award shall be paid secondarily to Subtenant as compensation for Subtenant's interest taken by the condemnation.

12.3 Subtenant's Moving Expenses. Notwithstanding the provisions of Section 12.2 above, Subtenant may make a claim against the condemnor for moving and related expenses (if applicable) that are payable to tenants under Applicable Laws.

ARTICLE 13

NO SUB-SUBLEASES OR ASSIGNMENTS

13.1 Sub-sublease Prohibited.

13.1.1 Except as set forth in Section 2.13 and Section 13.3 below, Subtenant shall not sub-sublease, assign, or transfer this Sublease, either in whole or in part, or mortgage, pledge or otherwise encumber this Sublease or Subtenant's leasehold estate in the Facility, without on each occasion first obtaining the prior written consent of the Executive Director, which the Executive Director may withhold in his or her sole discretion and for any reason or no reason.

13.1.2 Subtenant promises that in the event the Executive Director approves any sub-sublease, assignment, transfer, or other encumbrance of this Sublease by Subtenant, then Subtenant will, nevertheless, remain liable for the performance of its agreements and obligations under this Sublease and will require each sub-subtenant, assignee, or transferee, as the case may be, to execute and deliver to the City an assumption of liability agreement, in form satisfactory to the Executive Director, including, without limitation, ratification of and agreement to be bound by all of the provisions of this Sublease. If any sub-subtenant, assignee, or transferee fails or refuses to execute and deliver an assumption of liability agreement, such sub-tenant, assignee, or transferee will nevertheless remain liable to the City as set forth in this Sublease.

13.2 Consent to Sub-Sublease Does Not Waive Compliance. Any consent by the Executive Director to a sub-sublease, assignment, or transfer of this Sublease by Subtenant is

not a waiver of Subtenant's strict future compliance with the provisions of this Article 13 or a release of Subtenant from Subtenant's obligation to fully perform the provisions of this Sublease.

13.3 Permitted Transfer. Notwithstanding the foregoing provisions of this Section 13 and any other provisions of this Sublease, Subtenant shall have the right, at any time during the Term of this Sublease, without the consent of Landlord or the City, to sell or grant to persons licenses, subleases, sublicenses or similar rights for the purpose of boarding privately-owned horses at the Facility.

ARTICLE 14

SUBTENANT'S RECORDS; ANNUAL REPORTS; CORPORATE DOCUMENTS

14.1 Books and Records. Subtenant must keep complete and accurate books of accounts, financial records, and other records (collectively, "**Books and Records**") within the City of Philadelphia relating to Subtenant's use and occupancy of the Facility. Subtenant must maintain its Books and Records in accordance with generally accepted accounting principles consistently applied.

14.2 City May Audit. The City, or its duly authorized representatives, may inspect and audit all of Subtenant's Books and Records and Subtenant's affairs at all reasonable times at the Demised Premises, the Commission's offices, or other place the Commission may reasonably require.

14.3 Financial Reports. Subtenant shall submit annual financial statement to the Executive Director detailing income and expense statements from Subtenant, which details gross income and expenses related to operation and management of the Facility. Thereafter, on or before sixty (60) days following each anniversary of the Commencement Date during the Term, and on or before sixty (60) days following the expiration or earlier termination of this Sublease, Subtenant must submit to the Executive Director a report that includes (1) a description of all activities, including but not limited to all Public Programs undertaken at the Facility, (2) a detailed income and expenses statement for Subtenant's most recently completed fiscal year, (3) audited annual financial statements of Subtenant, (4) all tax returns filed by Subtenant, and (5) detailed income and expense statements from Subtenant, which details gross income and expenses related to operation, management and maintenance of the Facility. Subtenant must also promptly submit to the Executive Director all supplemental reports, documents, records, and other information that the Executive Director may reasonably require.

14.4 Subtenant's Corporate Documents. Subtenant warrants that the copies of its Articles of Incorporation and Bylaws are attached as **Exhibit "G"** to this Sublease are true, correct, complete and current as of the Commencement Date. Subtenant shall notify the Executive Director promptly of any change in Subtenant's officers, directors, Articles of Incorporation or Bylaws.

ARTICLE 15

PHILADELPHIA HOME RULE CHARTER AND PHILADELPHIA CODE REQUIREMENTS:

NON-INDEBTEDNESS; NON-DISCRIMINATION

15.1 Non-Discrimination. This Sublease is entered into under the terms of the City of Philadelphia Home Rule Charter. In Subtenant's use of the Facility and exercise of its rights under this Sublease, Subtenant must not discriminate or permit discrimination against any person because of race, color, religion, national origin, sex, sexual orientation, or gender identity. In the event of such discrimination, and without limiting the City's remedies under this Sublease for an Event of Default under this Sublease by Subtenant, the City may terminate this Sublease immediately.

15.2 Non-Indebtedness. By executing this Sublease, Subtenant represents and certifies that Subtenant and Subtenant's parent company(ies), subsidiary(ies), and affiliate(s), if any, and each of Subtenant's directors and officers, are not currently indebted to the City and will not at any time during the Term be indebted to the City for or on account of any delinquent taxes (including, but not limited to, taxes collected by the City on behalf of the School District of Philadelphia), liens, judgments, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established. In addition to any other rights or remedies available to the City under this Sublease, at law and or in equity, Subtenant acknowledges that any breach or failure to conform to this certification may, if the breach or failure is not resolved to the City's satisfaction within a reasonable time frame specified by the City in writing, result in the termination of this Sublease for default (in which case Subtenant is be liable for all excess costs and other damages, including but not limited to those set forth in Article 17 of the Sublease, resulting from the termination). Nothing set forth in this Article must limit the generality of Article 17.

15.3 Non-Indebtedness of Subtenant's Contractors. Subtenant must cause its Contractors to be bound by the provision below (for example, by inserting the provision into a written agreement between Subtenant and Contractor). Subtenant must cooperate fully with the City in the City's exercise of the rights and remedies described below or otherwise available at law or in equity:

Contractor (or subcontractor, as the case may be) represents and certifies that contractor and contractor's parent company(ies) and subsidiary(ies) are not currently indebted to the City of Philadelphia ("City") and will not at any time during the "Term" of Subtenant's Sublease with PAID be indebted to the City for or on account of any delinquent taxes (including, but not limited to, taxes collected by the City on behalf of the School District of Philadelphia), liens, judgments, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established. In addition to any other rights or remedies available at law or in equity, contractor acknowledges that any breach of or failure to conform to this certification may, at the option and direction of the City, result in the termination of the Sublease (in which case contractor will be liable for all excess costs and other damages resulting from the termination).

15.4 Exclusionary Organizations.

15.4.1 In accordance with Chapter 17-400 of the Philadelphia Code, Subtenant agrees that its payment or reimbursement of membership fees or other expenses associated with participation by its employees in an exclusionary private organization, insofar as such participation confers an employment advantage or constitutes or results in discrimination with regard to hiring, tenure of employment, promotions, terms, privileges or conditions of employment, on the basis of race, color, sex, sexual orientation, religion, national origin or ancestry, constitutes, without limiting the generality of Article 17, a substantial breach of this Sublease entitling the City to all rights and remedies provided in this Sublease or otherwise available in law or equity.

15.4.2 Subtenant agrees to include the immediately preceding paragraph, with appropriate adjustments for the identity of the parties, in all contracts and subcontracts that are entered into for work to be performed under this Sublease.

15.4.3 Subtenant further agrees to cooperate with the Commission on Human Relations of the City in any manner which such commission deems reasonable and necessary for such commission to carry out its responsibilities under Chapter 17-400 of the Philadelphia Code. Subtenant's failure to so cooperate is, without limiting the generality of Article 17, a substantial breach of this Sublease entitling the City to all rights and remedies provided in this Sublease or otherwise available in law or equity.

15.5 No Prohibited Gifts to City Officials.

15.5.1 Pursuant to Executive Order 002-04, no official or employee in the Executive and Administrative Branch of the City shall solicit or accept, directly or indirectly, anything of value, including any gift, gratuity, favor, entertainment or loan from any of the following sources:

- (1) A person seeking to obtain business from, or who has financial relations with, the City;
- (2) A person whose operations or activities are regulated or inspected by any City agency;
- (3) A person engaged, either as principal or attorney, in proceedings before any City agency or in court proceedings in which the City is an adverse party;
- (4) A person seeking legislative or administrative action by the City; or
- (5) A person whose interests may be substantially affected by the performance or nonperformance of the official's or employee's official duties.

15.5.2 Subtenant understands and agrees offering anything of value to a City official or employee under circumstances where the receipt of such item would violate the provisions of this Executive Order shall be a default of this Sublease.

ARTICLE 16

QUIET ENJOYMENT; CITY RIGHT TO ENTER AND INSPECT DEMISED PREMISES

16.1 Quiet Enjoyment. So long as Subtenant **(1)** promptly pays the Rent, Additional Rent, and all other costs, expenses, charges, and fees required under this Sublease within the

respective times required for payment, and (2) strictly complies with all the provisions of this Sublease and strictly observes and performs all covenants, terms, and conditions that this Sublease requires Subtenant to observe and perform, the Subtenant may peaceably and quietly hold and enjoy the Facility for the Term without hindrance or interruption by the City or anyone lawfully claiming through City. Subtenant's peaceable and quiet enjoyment of the Facility under this Section 16.1 is subject to all the provisions of this Sublease, including but not limited to the City's right to enter and inspect the Facility provided in Section 16.2 below.

16.2 City Right to Enter Facility. Subtenant shall permit the City to enter and traverse the Facility as a member of the public and/or enter the Facility at any time as may be necessary or prudent for City to perform its governmental functions. In addition, Subtenant shall permit City, and any persons authorized by City, to enter all areas of the Improvements at all times Monday through Friday between 8:00 a.m. and 8:00 p.m., for the purposes of, but not limited to:

1. inspecting the Improvements in order to determine whether Subtenant has complied or is complying with the provisions of this Sublease;
2. carrying out any purpose reasonably necessary, incidental or connected to the performance of City's obligations or exercise of City's rights under this Sublease;
3. making any Repairs or performing any Maintenance or other work on the Improvements as provided in Article 7 above.

Notwithstanding anything to the contrary herein, the City shall have the right to enter the Facility and all areas of the Improvements at any time in the event of an emergency posing an immediate, bona fide threat of danger to the health or safety of any persons, animals, or property.

16.3 Locks and Keys. Subtenant promises to promptly give the City two copies of all keys and alarm security codes necessary to obtain access to the Improvements. Subtenant promises that it will not change the locks or alarm security codes on or for the Improvements without the prior approval of the City. If the City approves Subtenant's request to change any locks or alarm security codes, then upon changing any such locks or alarm security codes Subtenant must promptly provide the City with three copies of the keys for the new locks and the new alarm security codes.

ARTICLE 17

DEFAULT BY TENANT; CITY'S REMEDIES

17.1 Events of Default. Subtenant will commit an "**Event of Default**" under this Sublease if:

17.1.1 Subtenant fails to pay the Rent or to pay any Additional Rent within 10 days of the date the Rent or Additional Rent is due;

17.1.2 Subtenant fails to strictly comply with the provisions regarding Subtenant's use of the Facility under Article 2 of this Sublease;

17.1.3 Subtenant fails to comply with any provision of this Sublease, and Subtenant fails to cure its default on or before 15 days after the City gives written notice to Subtenant of the default;

17.1.4 Subtenant either

- a.** files, or has filed against it, a petition under any federal or state statute of bankruptcy or for arrangement, composition, reorganization or other relief concerning its indebtedness,
- b.** makes an assignment for the benefit of creditors,
- c.** is adjudicated bankrupt or declared insolvent by the decree of a court of competent jurisdiction,
- d.** initiates any proceedings for, or consents to, the appointment of a receiver or similar official of its assets, or if any such proceeding is initiated against it, and any such proceeding or receivership continues unstayed and in effect for a period of sixty (60) days, or
- e.** admits in writing its inability to pay its debts generally as they become due, or
- f.** takes any action in contemplation of any of the foregoing;

17.1.5 Subtenant or any sub-subtenant at any time fails to strictly comply with Applicable Laws in any respect;

17.1.6 Subtenant's status as a non-profit corporation under Section 501(c)(3) of the United States Internal Revenue Code is revoked.

17.2 City's Remedies. If Subtenant commits an Event of Default, then the City may do one or more of the following:

17.2.1 bring legal action to recover all Rent and Additional Rent;

17.2.2 declare the Sublease immediately terminated and upon such termination Subtenant must immediately vacate the Facility and remove Subtenant's property from the Facility in accordance with Article 18 below;

17.2.3. suspend the Sublease and Subtenant's right to use some or all of the Facility;

17.2.4. bring legal action to repossess the Facility;

17.2.5 declare the Rent and all items of Additional Rent for the entire balance of the Term, immediately due and payable, together with all other charges, payments, costs, fees, and expenses payable by Subtenant as though such amounts were payable in advance on the date the Event of Default occurred;

17.2.6 bring legal action against Subtenant to recover damages suffered by City arising out of Subtenant's default;

17.2.7 exercise all rights and remedies available to the City at law or in equity.

17.3 Additional Remedies: Re-Entry; Distraint.

17.3.1 In addition to the City's remedies under Section 17.2 above, if the City terminates this Sublease following an Event of Default by Tenant, the City may enter and re-enter and possess the Facility, and the City may in the City's sole discretion let or re-let some or all of the Facility.

17.3.2 a. Also, if the City terminates this Sublease following an Event of Default, the City may distraint Subtenant's goods on and in the Facility and in the City's sole discretion sell or otherwise dispose of Subtenant's goods.

b. Subtenant expressly waives the benefits of all present and future Applicable Laws exempting any goods on or in the Facility, or elsewhere, from distraint, levy, or sale in any legal proceedings taken by the City to enforce any of City's rights under this Sublease.

17.4 Subtenant Waives Notice. Subtenant expressly waives, so far as permitted by law, the service of any notice of the City's intention to enter or re-enter the Facility provided for in any current or future Applicable Law, or of the City's institution of legal proceedings to that end. Tenant, for itself and all persons claiming by, through or under Tenant, also waives any and all right of redemption, re-entry, or re-possession or to restore the operation of this Sublease in case Subtenant is dispossessed by a judgment or by warrant of any court or judge or in case of entry, re-entry or re-possession by City.

17.5 City Does Not Waive Subtenant's Strict Compliance; No Waiver Except by Writing.

17.5.1 The City will not be deemed to have waived Subtenant's compliance with any provision of this Sublease or any breach of this Sublease by Subtenant or any Event of Default regardless of whether the City **(1)** fails to insist upon Subtenant's strict performance of any provision of this Sublease, **(2)** fails to exercise any right or remedy following an Event of Default, **(3)** accepts full or partial Rent or Additional Rent during the continuance of any breach of this Sublease by Subtenant or during the continuance of any Event of Default.

17.5.2 The City will not waive, alter, or modify any provision of this Sublease applicable to Subtenant or waive any breach of this Sublease by Subtenant or Event of Default except by a written agreement executed by the City. No waiver by the City of any breach of this Sublease by Subtenant or of any Event of Default will affect or alter this Sublease, but each and every provision of this Sublease will continue in full force and effect with respect to any other then-existing or subsequent breach of this Sublease by Subtenant or Event of Default.

17.6 Subtenant Liable for City's Costs. Subtenant is liable for and must promptly pay upon demand all of the City's costs, charges and expenses, including the fees of counsel, agents and others retained by City (or, if City uses its own employees for such services, the amount that City would have paid had it engaged the services of outside counsel or others) incurred by City

in (1) in any litigation that Subtenant causes City to become involved in, and (2) in connection with any action brought by City to enforce any right or remedy against Subtenant following an Event of Default.

17.7 City's Remedies Are Cumulative. The City's rights or remedies under this Sublease are not exclusive of each other. Rather, the City's rights and remedies under this Sublease are cumulative and in addition to every other right and remedy the City may have at law, in equity, or by statute.

17.8 Notice and Subtenant's Right to Cure an Event of Default. Notwithstanding anything otherwise stated herein, Landlord agrees that it shall not exercise any of its remedies as provided in this Article 18 or at law or in equity unless Landlord shall have first given written notice to Subtenant of an Event of Default, and Subtenant, shall have failed, within fifteen (15) days thereafter to cure the Event of Default, or, in the case of an Event of Default not reasonably susceptible of cure within 15 days, to begin the correction of the Event of Default, in which case the City, in its sole discretion, shall determine a reasonable deadline for Subtenant to cure the Event of Default.

ARTICLE 18

SURRENDER OF DEMISED PREMISES; HOLDOVER TENANCY

18.1 Subtenant Must Surrender Facility. On the last date of the Term, or upon the earlier termination of this Sublease, Subtenant must promptly remove its personal property and surrender and deliver up the Facility to the possession and use of City without objection or delay, in good order, condition and repair, free and clear of all lettings and occupancies, and free and clear of all liens and encumbrances and broom clean.

18.2 Subtenant Must Remove Improvements.

18.2.1 Upon the expiration or earlier termination of this Sublease, City will designate in writing to Subtenant those Improvements ("**Designated Improvements**") installed or constructed by Subtenant that Subtenant must remove from the Facility, and Subtenant must then promptly remove those Designated Improvements.

18.2.2 Subtenant may not make any claim against the City for Subtenant's costs or expenses relating to removal of any Designated Improvements, and Subtenant must promptly repair all damage to the Facility caused by Subtenant's removal of the Designated Improvements.

18.2.3 If Subtenant fails to remove any of its personal property or any of the Designated Improvements on or before ninety (90) days from the later of (1) the expiration or termination of this Sublease, or (2) ninety (90) days from the date the City designates the Designated Improvements, whichever is later, then the City may do any or all of the following:

- a.** deem the personal property and the Designated Improvements to have been abandoned by Tenant;

b. retain the personal property and Designated Improvements as the City's own property;

c. dispose of some or all of Subtenant's personal property and Designated Improvements without accountability to Tenant, in such manner as City may see fit, including but not limited to selling such property and Designated Improvements and retaining the proceeds or demolishing and removing such property and Designated Improvements.

18.2.4 If under Section 18.2.3.c above the City elects to remove the Subtenant's personal property or the Designated Improvements from the Facility, Subtenant must promptly reimburse the City for all costs of removal and restoration of the Facility upon demand from City.

18.3 City Not Responsible for Loss or Damage to Property. City will not be responsible for any loss or damage occurring to any property owned by Subtenant or any subtenant.

18.4 Hold Over Tenancy. If, without the execution of a new sublease or a written extension of this Sublease, Subtenant, with or without the consent of City, holds over and continues to occupy, possess, or use the Facility after the expiration of the Term or earlier termination of this Sublease, then Subtenant will be deemed to be occupying the Facility under a month-to-month holdover tenancy, which the City may terminate upon 30-days written notice. During any month-to-month holdover tenancy, Subtenant must occupy the Facility in strict compliance with all the provisions of this Sublease.

18.5 Holdover Provision Survives. Without limiting the generality of Section 22.5 below, the provisions of this Article 18 shall survive the expiration or termination of this Sublease.

ARTICLE 19

MINORITY, WOMAN AND DISABLED BUSINESS ENTERPRISE PARTICIPATION

19.1 Executive Order 02-05. In accordance with Executive Order 02-05, as it may be amended from time to time, the City has established an antidiscrimination policy that relates to the solicitation and inclusion of Minority Business Enterprises ("MBE"), Woman Business Enterprises ("WBE"), and Disabled Business Enterprises ("DSBE") (collectively, "M/W/DSBE") in City contracts. The purpose of Executive Order 02-05 is to ensure that all businesses desiring to do business with the City have an equal opportunity to compete by creating access to the City's procurement process and meaningfully increasing opportunities for the participation by M/W/DSBEs in City contracts at all tiers of contracting, as prime contractors, subcontractors and joint venture partners. In furtherance of this policy, the City will, from time to time, establish participation ranges for City Contracts and City Related Special Projects.

19.2 Non-profit Requirements. As a non-profit, Subtenant is not subject to M/W/DSBE participation ranges, but Subtenant shall demonstrate its compliance with Executive Order 02-05 in the following manner: i) Provide to the Office of Economic Opportunity (“OEO”) annually, a written diversity program identifying the race, gender and ethnic composition of its board of directors, its employment profile, a list of all vendors that the non-profit does business with in its M/W/DSBE procurement program and a statement of the geographic area(s) where its services are most concentrated; and ii) Demonstrate, to the OEO’s satisfaction, that the organization makes appropriate efforts to maintain a diverse workforce and board of directors and operates a fair and effective M/W/DSBE procurement program.

ARTICLE 20

UTILITIES; TAXES

20.1 Utilities. Subtenant must promptly pay all charges and fees when and as they become due for all public utilities and utility service used at the Demised Premises, including but not limited to gas, steam, heat, light, electricity, telephone, sewer rents, water meter and water charges. Subtenant must, at its sole cost and expense, promptly pay all charges and fees when and as they become due for new conduits, cables, or other means of providing or improving utility services to the Facility. Without limiting the requirements set forth above in this Section 20.1, Subtenant shall be solely liable for all late charges, interest, penalties, and fees arising from Subtenant’s failure to promptly pay all charges and fees imposed by any provider of utility service to the Facility. Neither the City nor Landlord is required in any manner to provide utilities or utility service to the Facility and neither the City nor Landlord is liable for any interruption in utilities or utility service to the Facility.

20.2 Taxes. Subtenant must promptly pay all taxes, assessments, levies, operating expenses, license and permit fees, and all other charges or burdens of whatever kind and nature (collectively, “**Assessments**”) related to the Facility or Subtenant’s activities at the Facility. Without limiting the requirements set forth above in this Section 20.2, Subtenant shall be solely liable for all late charges, interest, penalties, and fees arising from Subtenant’s failure to promptly pay all Assessments related to the Facility or Subtenant’s activities at the Facility.

20.3 City Not Obligated to Pay. The City is not obligated at any time during the Term to pay for any utility services of any kind provided to Subtenant or to the Facility or related to Subtenant’s activities at the Facility. The Landlord is not obligated at any time during the Term to pay any Assessments related to Tenant, the Facility, or Subtenant’s activities at the Facility.

ARTICLE 21

CITY’S RIGHT TO ENFORCE SUBLEASE; AMENDMENT; NO IMPLIED CONSENT

21.1 Landlord May Enforce Sublease Strictly. The Landlord may enforce all provisions of this Sublease strictly, regardless of **(1)** any law, usage, or custom to the contrary, **(2)** any conduct of the City in refraining from enforcing any provisions of this Sublease at any time, **(3)** any conduct of the City in refraining from exercising its rights and remedies under this Sublease, and **(4)** any course of conduct between the City and Subtenant. Any such conduct or

custom must not be construed as having created a custom in any way or manner contrary to any specific provision of this Sublease, or as having in any way or manner modified the same.

21.2 Amendment and Modification. This Sublease can only be amended, modified or supplemented by a written agreement signed by both Landlord and Subtenant. This Sublease cannot be amended, modified, or supplemented by any oral representations, whenever made, by any official, commissioner, or employee of City. This Sublease cannot be amended, modified, or supplemented by any course of conduct between the City and/or Landlord, and Subtenant.

21.3 No Implied Consent. The City's failure to respond orally or in writing to any request or offer from Subtenant to modify or waive any of Subtenant's obligations under this Sublease does not constitute the City's consent to Subtenant's request or offer. Subtenant agrees it must strictly and promptly comply with its obligations under this Sublease unless and until its request or offer to modify or waive any provision of this Sublease is explicitly accepted in writing by the City.

ARTICLE 22 **MISCELLANEOUS**

22.1 No Third Party Beneficiaries. Nothing in this Sublease is intended, nor may it be deemed or construed, to confer any benefit or right upon any party other than Landlord and Subtenant.

22.2 Integration Clause; Complete Agreement. This Sublease sets forth all the promises, agreements, conditions, and understandings between Landlord and Subtenant relative to the Facility, the Improvements now existing or in the future constructed on the Facility, and Subtenant's use of the Facility, and there are no promises, agreements, conditions or understandings, either oral or written, between them other than as set forth in this Sublease.

22.3 Captions. The captions, article numbers and paragraph numbers appearing in this Sublease are inserted only as a matter of convenience and may not in any way be construed as defining or limiting the scope or intent of the provisions of this Sublease nor in any way as affecting this Sublease.

22.4 Partial Invalidity. If any provision of this Sublease or the application of any provision of this Sublease to any party or circumstance shall, to any extent, be adjudged invalid or unenforceable by a court of competent jurisdiction, the remainder of this Sublease, or the application of such provision to parties or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such judgment and each provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by law.

22.5 Survival. Any and all provisions set forth in this Sublease that, by its or their nature, would reasonably be expected to be performed after the expiration of the Term or earlier termination of this Sublease, shall survive and be enforceable after the expiration of the Term or earlier termination of this Sublease. Any and all liabilities, actual or contingent, which arise in

connection with this Sublease shall survive the expiration of the Term or termination of this Sublease.

22.6 Governing Law. This Sublease is governed by and must be construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to choice of law provisions.

22.7 Waiver of Jury Trial. Subtenant, so far as permitted by Applicable Laws, expressly waives trial by jury in any action, proceeding, or counterclaim arising out of or in any way connected to this Sublease.

22.8 Venue. All suits or other actions arising from this Sublease must be brought in the Court of Common Pleas for Philadelphia County.

22.9 Interpretation. Landlord and Subtenant agree that the rule of construing or interpreting any ambiguities in an agreement against the drafter of the agreement does not apply to this Sublease.

22.10 No Broker. Subtenant warrants that it has not used the services of any broker or agent in the selection of the Facility for Subtenant's use or in the negotiation of this Sublease. Subtenant shall be solely liable for any and all commission, charges, and fees claimed by any broker in connection with the selection of the Facility for Subtenant's use or in the negotiation of this Sublease.

22.11 Financial Assistance. In accordance with Chapter 17-1400 of the Philadelphia Code, Subtenant represents that no contribution(s) have been made by Subtenant or by any party whose contribution is attributed to the Subtenant, that would render the Subtenant ineligible to apply for or receive Financial Assistance under the provisions of Philadelphia Code Sections 17-1404(1) and 17-1405; and Subtenant agrees to complete the Certifications and Covenants of Recipient Of Financial Assistance attached to this Sublease as **Exhibit "F"**.

ARTICLE 23 **NOTICES**

23.1 Manner of Notice.

23.1.1 All notices, requests, and other communications required under this Sublease ("**Notices**"; each a "**Notice**") must be in writing and must be sent by **(1)** United States registered or certified mail, return receipt requested, postage prepaid, **(2)** hand delivery with receipt obtained, or **(3)** by a nationally recognized overnight courier service providing receipted proof of delivery.

23.1.2 Each Notice must be addressed as set forth below or addressed to such other individual and or address as the party to receive Notice may from time to time designate by Notice to the other party in the manner described above described:

If to Landlord:	General Counsel Philadelphia Authority for Industrial Development
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2600 Centre Square West
Philadelphia, PA 19102

And to: Executive Director
Fairmount Park
One Parkway Building
1515 Arch Street, 10th Floor
Philadelphia, PA 19102

With a copy to: Divisional Deputy City Solicitor – Real Estate Division
City of Philadelphia Law Department
One Parkway Building – 17th Floor
1515 Arch Street
Philadelphia, PA 19102

If to Subtenant: President
Northwestern Stables, Inc.
120 Northwestern Ave.
Philadelphia, PA 19118

23.2 Timing of Notice Received. Notice given under this Sublease shall be deemed to have been received **(1)** in the case of a letter deposited in the United States mail, three business days after the letter is deposited, **(2)** in the case of a hand delivery with receipt obtained, the date indicated on the receipt obtained by the courier, or **(3)** in the case of overnight delivery, on the next business day.

[THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY; SIGNATURE PAGE ATTACHED.]

IN WITNESS OF THE COVENANTS, TERMS, CONDITIONS, AND PROVISIONS SET FORTH ABOVE, Landlord and Subtenant have caused this Sublease to be executed the day and year first written above.

LANDLORD:
PHILADELPHIA AUTHORITY FOR
INDUSTRIAL DEVELOPMENT

By: _____
Name:
Title: President

By: _____
Name:
Title: Secretary/Treasurer

SUBTENANT:
NORTHWESTERN STABLES, INC.

By: _____
Name:
Title: President

By: _____
Name:
Title: Secretary

EXHIBIT A
(to Sublease)

Description of Demised Premises and Improvements

EXHIBIT B
(to Sublease)

Northwestern Stables Management Plan

EXHIBIT C
(to Sublease)

Description of Public Programs

EXHIBIT D
(to Sublease)

Equestrian stable performance and operating requirements

NORTHWESTERN STABLES

(A) Subtenant agrees that during the Term of this Sublease it shall:

(1) Provide all furnishings, fixtures, stall boards, gates, hardware, stable and barn equipment, materials, supplies, personnel and professional services necessary or desirable to manage, maintain and operate the Facility as a first-class equestrian riding and boarding stable and observe the following operating conditions at all times during the continuance of this Sublease:

- (a) Permit no more than one (1) horse in each stall.
- (b) Permit no more horses to occupy, stand upon, or use the stable buildings, outside grounds, paddock area or any other portion of the Facility than there are individual stalls available to shelter each horse.
- (c) Maintain each stall and the stable building and grounds in good order and clean condition and shall provide each horse with adequate water and clean bedding daily.
- (d) Spray the stable, stalls, manure storage facility and grounds as frequently as is necessary to control flies and insects.
- (e) Maintain a minimum of one (1) day's hay and feed at the Facility for each horse occupying the stable.
- (f) Keep the aisles in the stable free and clear at all times of obstruction; the stalls shall be occupied by nothing other than a horse.
- (g) Permit no horse to be tied or tethered to trees, tree limbs, posts, or any other object on the Facility.
- (h) Obtain from the horse's owner evidence of a valid Coggin's test as required by law and a health certificate from the horse's veterinarian certifying the horse is free

of contagion prior to boarding any horse in the stable. Copies of said certificates are to be kept on file at the Facility for as long as the horse is boarded at the stable.

(i) Permit no smoking of any kind within the Facility. Subtenant shall conspicuously post signs to that effect on the Facility.

(j) Provide a complete and proper arrangement for the frequent and adequate sanitary handling and disposal, of all manure caused as a result of the operation of the stable, away from all Improvements. More specifically, Subtenant shall use only the manure holding stall located in the back of the Boarder Barn and under no circumstances shall manure be stored in contact with the exterior walls of the Boarder Barn.

(k) In the event horse trailers are stored at the Facility, they shall be stored in such manner as to be compatible with the appearance of the stable, the Park and the adjacent neighborhood. They shall not block ingress or egress to the facility, stable building, the stable grounds, or the Park service roads, nor shall they detract from the appearance of the Facility, stable, stable grounds, the Park or the adjacent neighborhood. Said trailers shall be relocated and/or removed from the Facility upon request of the Executive Director.

(l) Comply with any and all regulatory agencies having jurisdiction over any phase of its operation or the Park, and further, shall comply with all environmental health guidelines and regulations pertaining to removal and disposal of manure; storage of grain, feed, hay and straw; control of rodents, flies and insects; drainage and watering procedures.

(2) Obtain prior written approval of the Executive Director prior to raising any boarding fees.

(3) make available to the Executive Director, upon the request of the Executive Director, a list containing the name, address and phone number for each owner of each horse or pony which occupies the Facility.

(B) Subtenant may offer for sale to the public ancillary equestrian services, including but not limited to, sales of riding equipment, accessories, miscellaneous related services; provided, however, all such sales are made in full compliance with the terms and conditions of this Sublease and that plans for such sales and services receive the City's specific prior written approval.

(C) Subtenant further agrees that it will NOT:

- (1) Permit any horse or horses to roam at large.
- (2) Leave any horse unattended in any van, trailer or other conveyance parked on the grounds.
- (3) Vend or permit, invite or sponsor vending of food, beverages or merchandise without a written permit from the Executive Director.
- (4) Conduct or sponsor any assembly of riders and/or drivers in excess of seventy-five (75) persons without a written permit from the Executive Director.
- (5) Conduct, sponsor or permit any horse show or special event without a written permit from the Executive Director.
- (6) Rent horses to the public and/or board horses used for rental to the public.
- (7) Use the sub-floor/basement of the Boarder Barn for storage or any other purpose.

EXHIBIT E
(to Sublease)

Master Lease

EXHIBIT F
(to Sublease)

Financial Assistance Disclosure Form

Disclosure Forms

Directions:

1. Please read the following information regarding the completion of these disclosure forms. Please review the definitions prior to completing any form.
2. Date and initial the top of each form after you have completed it and sign the form on the last page.
3. NOTE: There are two different types of campaign contribution disclosure forms: one for those who are applying as individuals and one for those applying as businesses. Only fill out one type of form. (If you have used a consultant with respect to applying for this financial assistance you will have to fill out a campaign contribution disclosure form for them as well.)

Getting Started

There are five sets of disclosure forms enclosed in this packet. You must provide information for each disclosure form. The information you must disclose includes:

1. Any contributions (defined as a provision of money, in-kind assistance, discounts, forbearance or any other valuable thing) made during the two years prior to the application submission date or prior to your receipt of financial assistance in the absence of an application;
2. The name of any consultant(s) you used to help in obtaining this financial assistance and any campaign contributions they have made;
3. Any subcontractors you are planning to use if awarded this financial assistance;
4. Whether a City employee or official asked you to give money, services, or any other thing of value to any individual or entity; and
5. Whether a City employee or official gave you any advice on how to satisfy any minority, women, disabled or disadvantaged business participation goals.

More information on Disclosing Campaign Contributions

Applicants for financial assistance must disclose any contributions they made to:

- A candidate for nomination or election in any public office in the Commonwealth of Pennsylvania
- An incumbent in any public office in the Commonwealth of Pennsylvania
- A political committee or state party in the Commonwealth of Pennsylvania
- A group, committee, or association organized in support of any candidate, office holder, political committee or state party in the Commonwealth of Pennsylvania

The types of contributions that must be disclosed include:

- Any advance or deposit of money, gift, or any other valuable thing given to a candidate or political committee for the purpose of influencing any election in the Commonwealth of Pennsylvania
- The purchase of tickets for events such as dinners, luncheons, rallies and all other fund-raising events
- Granting of rebates or discounts not available to the general public or rebates by television and radio stations and newspapers not extended on an equal basis to all candidates
- Any payments made on behalf of the candidate not made by either the candidate or their committee

Attribution Rules. In addition to disclosing contributions made directly by the applicant, the applicant will be asked to supply information on other types of contributions. The campaign contribution disclosure forms will include questions that specifically ask for information on these other types of contributions. These contributions will be attributed to the individual or business and will be used to determine the applicant's eligibility to receive financial assistance.

Businesses (i.e. corporation, limited liability company, partnership association, joint venture, or any other legal entity) have to disclose contributions made by the following:

- Applicant business
- Parent, subsidiary, or otherwise affiliated entity of the applicant business (“affiliate”)
- An individual or business that is then reimbursed by the applicant business or affiliate
- Officers, directors, controlling shareholders, or partners of the for-profit applicant business or for-profit affiliate
- Political action committee controlled by applicant business or affiliate
- Political action committee controlled by officer, director, controlling shareholder, or partner of the for-profit applicant business or for-profit affiliate

Individuals have to disclose contributions made by the following:

- Applicant individual
- Member of individual's immediate family (i.e., spouse, life partner, or dependent child living at home), when contributions are in excess of \$2500

In addition to direct contributions to candidates, incumbents, or political committees in the Commonwealth of Pennsylvania, applicants are also required to disclose:

1. Contributions not directly given to a candidate, incumbent, or political committee but made with the intent that the contribution will benefit the candidate, incumbent, or political committee;
2. Solicitation of contributions on behalf of a candidate, incumbent, or political committee, including the hosting of or solicitation at fundraising events (required to disclose details regarding the date of event and amount raised); and
3. Contributions not made directly by the individual/business to a candidate, incumbent, or political committee but furnished by the individual / business (as an “intermediary”).

Eligibility Restrictions

If an individual makes contributions totaling over \$2,500 in one calendar year to a candidate for City elective office or to an incumbent, the individual is not eligible to receive financial assistance during that candidate's or incumbent's term of office.

If a business makes contributions totaling over \$10,000 in one calendar year to a candidate for City elective office or to an incumbent, the business is not eligible to receive financial assistance during that candidate's or incumbent's term of office.

Although individuals and businesses have to disclose campaign contributions made during the two years prior to the date they fill out these forms, the eligibility restrictions take into consideration only those contributions made on or after January 1, 2006.

Definitions

Affiliate	A parent, subsidiary, or otherwise affiliated entity of a business
Applicant	An individual or business who has filed an application to be awarded a non-competitively bid contract or financial assistance
Business	A corporation, limited liability company, partnership, association, joint venture or any other legal entity (including non-profit organizations) other than an Individual
Candidate	Any individual who seeks nomination or election to public office, other than a judge of elections or inspector of elections, whether or not such individual is nominated or elected. An individual shall be deemed to be seeking nomination or election to such office if he or she has (1) received a contribution or made an expenditure or has given his consent for any other person or committee to receive a contribution or make an expenditure, for the purpose of influencing his or her nomination or election to such office, whether or not the individual has made known the specific office for which he or she will seek nomination or election at the time the contribution is received or the expenditure is made; or (2) taken the action necessary under the laws of the Commonwealth of Pennsylvania to qualify himself or herself for nomination or election to such office.
Consultant	A person used by an applicant to assist in obtaining the financial assistance through direct or indirect communication by such individual or business with any City agency or Agency or any City or Agency officer or employee, if the communication is undertaken by such individual or business in exchange for, or with the understanding of receiving, payment from the applicant; provided, however, that "Consultant" shall not include a full-time employee of the applicant.
Contributions	The provision of money, in-kind assistance, discounts, forbearance or any other valuable thing, during the two years prior to the deadline for the filing of the application for the contract opportunity or financial assistance, to any of the following: – a candidate for nomination or election to any public office in the Commonwealth of Pennsylvania; – an incumbent in any public office in the Commonwealth; – a political committee or state party in the Commonwealth; or – a group, committee or association organized in support of any candidate, office holder, political committee or state party in the Commonwealth.
Financial Assistance	Any grant, loan, tax incentive, bond financing subsidy for land purchase or otherwise, or other form of assistance that is realized by or provided to a person in the amount of fifty thousand dollars (\$50,000) or more through the authority or approval of the City, including, but not limited to, Tax Increment Financing (TIF) aid, industrial development bonds, use of the power of eminent domain, Community Development Block Grant (CDBG) aid or loans, airport revenue bonds, and Enterprise Zone or similar economic development zone designations (such as Keystone Opportunity Zones, Keystone Opportunity Expansion Zones, Keystone Opportunity Improvement Zones, and Economic Development District Zones), but not including any assistance to which a person is entitled under a law enacted before the individual or business applied for or requested such assistance.
Immediate family	A spouse or life partner residing in the individual's household or minor dependent children
Incumbent	An individual who holds elective office

Intermediary	A person, who, other than in the regular course of business as a postal, delivery or messenger service, delivers a contribution from another individual or business to the recipient of such contribution
Person	An individual, corporation, limited liability company, partnership, association, joint venture, or any other legal entity
Political committee	Any committee, club, association or other group of persons which receives money or makes expenditures for purposes of influencing any election
Solicit a Contribution	Requesting or suggesting that a person make a contribution. The sponsoring or hosting of a fundraising event is considered soliciting a contribution from the attendees of the event. Any contributions raised at such event are counted as a contribution made by the host of the event.

Date: _____

Initials: _____

If Applying as an Individual:
Campaign Contribution Disclosure Form

Please read through the directions and definitions before filling out this disclosure form to make sure that each question is answered appropriately and thoroughly. Note that you must provide information for the two years prior to the application deadline.

	Yes	No
Have you made any contributions?	☐	☐
Have you solicited or served as an intermediary for any contributions?	☐	☐
Has a member of your immediate family made any contributions over and above \$2,500?	☐	☐
Has a member of your immediate family solicited or served as an intermediary for contributions over and above \$2,500?	☐	☐
<i>Check here to certify that no contributions were made.</i>	☐	

Additional information on every contribution must be disclosed.
Please use the table provided on the next page.

Date: _____

Initials: _____

If Applying as an Individual:
Campaign Contribution Disclosure Form

For relationship, indicate whether the contributor was the Individual or Family Member. For Family Members, only disclose contributions that are over and above \$2500.

Name of Contributor	Relationship (to individual or business completing this form)	Name of Recipient	Date of Contribution	Amount of Contribution

Please use additional pages as needed.

Date: _____

Initials: _____

If Applying as a Business:
Campaign Contribution Disclosure Form

Please read through the directions and definitions before filling out this disclosure form to make sure that each question is answered appropriately and thoroughly. Where “non-profit” is an option, indicate whether the business is a non-profit; non-profits are not required to disclose contribution information on these questions. Note that you must provide information for the two years prior to the application deadline.

	Yes	No	Non-Profit
Has the business made any contributions?	☐	☐	
Has the business solicited or served as an intermediary for any contributions?	☐	☐	
Has an officer, director, controlling shareholder, or partner of the business made any contributions?	☐	☐	☐
Has an officer, director, controlling shareholder, or partner of the business solicited or served as an intermediary for any contributions?	☐	☐	☐
Has an affiliate of the business made any contributions?	☐	☐	
Has an affiliate of the business solicited or served as an intermediary for any contributions?	☐	☐	
Has an officer, director, controlling shareholder, or partner of a for-profit affiliate of the business made any contributions?	☐	☐	
Has an officer, director, controlling shareholder, or partner of a for-profit affiliate of the business solicited or served as an intermediary for any contributions?	☐	☐	
Has the business or an affiliate of the business reimbursed another individual or business for a contribution that the individual or business has made?	☐	☐	
Has an officer, director, controlling shareholder, or partner of a for-profit business, or of a for-profit affiliate of the business, reimbursed another individual or business for a contribution that the individual or business has made?	☐	☐	
Has a political committee controlled by the business or by an affiliate of the business made any contributions?	☐	☐	
Has a political committee controlled by an officer, director, controlling shareholder, or partner of the for-profit business, or of a for-profit affiliate of the business, made any contributions?	☐	☐	
Check here to certify that no contributions were made.	☐		

Additional information on every contribution must be disclosed.
Please use the table provided on the next page.

Date: _____

Initials: _____

If Applying as a Business:
Campaign Contribution Disclosure Form

For relationship, indicate whether the contributor was the Business, Affiliate, Controlled Political Committee, Controlling Shareholder, Director, Officer, Parent, Partner, Reimbursed Contributor, Solicited Contributor, Subsidiary, or Other.

Name of Contributor	Relationship (to individual or business completing this form)	Name of Recipient	Date of Contribution	Amount of Contribution

Please use additional pages as needed.

Date: _____

Initials: _____

Use of Consultant Disclosure Form

Please list all consultant(s) used in the year prior to the application deadline and the corresponding information for that consultant in the space provided below.

Please note that a Consultant, for the purposes of the required disclosures, is defined as an individual or business used by an applicant or contractor to assist in obtaining financial assistance through direct or indirect communication by such individual or business with any City agency, , any City or officer or employee, if the communication is undertaken in exchange for, or with the understanding of receiving, payment from the applicant or contractor or any other individual or business (however, "Consultant" shall not include a full-time employee of the Applicant or Contractor).

Check here to certify that no consultant(s) was used in the year prior to the application deadline.	☐
Consultant Name	
Address 1	
Address 2	
City, State, Zip	
Phone	
Amount Paid or to be Paid	
Consultant Name	
Address 1	
Address 2	
City, State, Zip	
Phone	
Amount Paid or to be Paid	
Consultant Name	
Address 1	
Address 2	
City, State, Zip	
Phone	
Amount Paid or to be Paid	
Consultant Name	
Address 1	
Address 2	
City, State, Zip	
Phone	
Amount Paid or to be Paid	

Date: _____

Initials: _____

Consultant: Individual Campaign Contribution Disclosure Form

Use this form if the Consultant used is an Individual. Please read through the directions and definitions before filling out this disclosure form to make sure that each question is answered appropriately and thoroughly. Note that you must provide information for the two years prior to the application deadline.

	Yes	No
Has the Consultant made any contributions?	☐	☐
Has the Consultant solicited or served as an intermediary for any contributions?	☐	☐
Has a member of the Consultant's immediate family made any contributions over and above \$2,500?	☐	☐
Has a member of the Consultant's immediate family solicited or served as an intermediary for contributions over and above \$2,500?	☐	☐
<i>Check here to certify that no contributions were made.</i>	☐	

Additional information on every contribution must be disclosed.
Please use the table provided on the next page.

Date: _____

Initials: _____

Consultant: Individual Campaign Contribution Disclosure Form

Use this form if the Consultant used is an Individual. For relationship, indicate whether the contributor was the Individual or Family Member. For Family Members, only disclose contributions that are over and above \$2500.

Name of Contributor	Relationship to Consultant	Name of Recipient	Date of Contribution	Amount of Contribution

Please use additional pages as needed.

Date: _____

Initials: _____

Consultant: Business Campaign Contribution Disclosure Form

Use this form if the Consultant used is a Business. Please read through the directions and definitions before filling out this disclosure form to make sure that each question is answered appropriately and thoroughly. Where "non-profit" is an option, indicate whether the business is a non-profit; non-profits are not required to disclose contribution information on these questions. Note that you must provide information for the two years prior to the application deadline.

	Yes	No	Non-Profit
Has the Consultant business made any contributions?	☐	☐	
Has the Consultant business solicited or served as an intermediary for any contributions?	☐	☐	
Has an officer, director, controlling shareholder, or partner of the Consultant business made any contributions?	☐	☐	☐
Has an officer, director, controlling shareholder, or partner of the Consultant business solicited or served as an intermediary for any contributions?	☐	☐	☐
Has an affiliate of the Consultant business made any contributions?	☐	☐	
Has an affiliate of the Consultant business solicited or served as an intermediary for any contributions?	☐	☐	
Has an officer, director, controlling shareholder, or partner of a for-profit affiliate of the Consultant business made any contributions?	☐	☐	
Has an officer, director, controlling shareholder, or partner of a for-profit affiliate of the Consultant business solicited or served as an intermediary for any contributions?	☐	☐	
Has the Consultant business or an affiliate of the business reimbursed another individual or business for a contribution that the individual or business has made?	☐	☐	
Has an officer, director, controlling shareholder, or partner of the for-profit Consultant business, or of a for-profit affiliate of the Consultant business, reimbursed another individual or business for a contribution that the individual or business has made?	☐	☐	
Has a political committee controlled by the Consultant business or by an affiliate of the business made any contributions?	☐	☐	
Has a political committee controlled by an officer, director, controlling shareholder, or partner of the for-profit Consultant business, or of a for-profit affiliate of the Consultant business, made any contributions?	☐	☐	
<i>Check here to certify that no contributions were made.</i>	☐		

Additional information on every contribution must be disclosed.
Please use the table provided on the next page.

Date: _____

Initials _____

Consultant: Business Campaign Contribution Disclosure Form

Use this form if the Consultant used is a Business. For relationship, indicate whether the contributor was the Consultant Business, Affiliate, Controlled Political Committee, Controlling Shareholder, Director, Officer, Parent, Partner, Reimbursed Contributor, Solicited Contributor, Subsidiary, or Other.

Name of Contributor	Relationship to Consultant	Name of Recipient	Date of Contribution	Amount of Contribution

Please use additional pages as needed.

Date: _____

Initials _____

Use of Subcontractor Disclosure Form

Please list all subcontractor(s) you are planning to use if awarded this financial assistance by filling out the appropriate information in the space provided below.

Check here to certify that no subcontractor(s) are to be used.	☐
Subcontractor Name	
Address 1	
Address 2	
City, State, Zip	
Phone	
Amount Paid or to be Paid, or Percentage to be Paid	
Subcontractor Name	
Address 1	
Address 2	
City, State, Zip	
Phone	
Amount Paid or to be Paid, or Percentage to be Paid	
Subcontractor Name	
Address 1	
Address 2	
City, State, Zip	
Phone	
Amount Paid or to be Paid, or Percentage to be Paid	
Subcontractor Name	
Address 1	
Address 2	
City, State, Zip	
Phone	
Amount Paid or to be Paid, or Percentage to be Paid	

Date: _____

Initials _____

Employee Request Form

Please list any City employees or officers who have asked you (the Applicant), any officer director, or management employee of the Applicant, or any person representing the Applicant to give money, services, or any other thing of value (other than contributions as defined above) during the two years prior to the application deadline.

Check here to certify that no City employees or officers who have asked you (the Applicant), any officer director, or management employee of the Applicant, or any person representing the Applicant to give money, services, or any other thing of value (other than contributions as defined above) during the two years prior to the application deadline.	☐
Name of Employee/Officer	
Title	
Money Services, or Thing of Value Requested	
Money, Services, or Thing of Value Given (If none, write "none")	
Date Requested	
Date of Payment	
Name of Employee/Officer	
Title	
Money Services, or Thing of Value Requested	
Money, Services, or Thing of Value Given (If none, write "none")	
Date Requested	
Date of Payment	
Name of Employee/Officer	
Title	
Money Services, or Thing of Value Requested	
Money, Services, or Thing of Value Given (If none, write "none")	
Date Requested	
Date of Payment	

Date: _____

Initials _____

Employee Participation Advice Disclosure Form

Please list any City employees or officers who gave you (the Applicant), any officer director, or management employee of the Applicant, or any person representing the Applicant advice that a particular individual or business could be used by the Applicant to satisfy any goals established in the contract or financial assistance agreement for the participation of minority, women, disabled, or disadvantaged business enterprises during the two years prior to the application deadline.

Check here to certify that no City employees or officers gave you (the Applicant), any officer director, or management employee of the Applicant, or any person representing the Applicant advice that a particular individual or business could be used by the Applicant to satisfy any goals established in the contract or financial assistance agreement for the participation of minority, women, disabled, or disadvantaged business enterprises during the two years prior to the application deadline.	☐
Name of Employee/Officer	
Title	
Date of Advice	
Individual or Business Recommended to Satisfy Participation Goals	
Name of Employee/Officer	
Title	
Date of Advice	
Individual or Business Recommended to Satisfy Participation Goals	
Name of Employee/Officer	
Title	
Date of Advice	
Individual or Business Recommended to Satisfy Participation Goals	
Name of Employee/Officer	
Title	
Date of Advice	
Individual or Business Recommended to Satisfy Participation Goals	

Date: _____

Initials _____

Signature

In order for the submission of these disclosure forms to be considered valid, they must be properly signed below by the respondent. Disclosure forms **that are not signed will be rejected**. By signing your name and title in the signature space below, you, as the respondent, signify your intent to sign these disclosure forms. The signatory hereby declares and certifies themselves to be the respondent, declares and certifies that they are properly authorized to execute these disclosure forms, and represents and covenants that all of the information and disclosures provided to the best of their knowledge are true and contain no material misstatements or omissions. Breach of such representation and covenant may render any subsequent provision of financial assistance voidable, and entitle the City (or Agency) to all rights and remedies provided by law or equity.

If these disclosure forms are being submitted by an INDIVIDUAL, PARTNERSHIP, LIMITED LIABILITY COMPANY OR MANAGED LIMITED LIABILITY COMPANY, sign the forms here:

Signature

Date

Name

Title

If these disclosure forms are being submitted by a CORPORATION, sign the forms here, with signatures by (a) President or Vice-President of the corporation AND (b) Secretary, Assistant Secretary, Treasurer or Assistant Treasurer of the corporation. If the disclosure forms are not signed by the above mentioned, you hereby certify that you are authorized pursuant to a certified corporate resolution to sign in place of such officers.

Signature

Date

Name
specify

President/Vice President, if other, please

Signature

Date

Name
Treasurer

Secretary/Asst. Secretary/Treasurer/Asst.

If other, please specify

EXHIBIT G
(to Sublease)

Northwestern Stables, Inc.
Articles of Incorporation/By Laws