

# United States Department of the Interior

NATIONAL PARK SERVICE

Gateway National Recreation Area  
210 New York Ave., Staten Island, N.Y. 10305

IN REPLY REFER TO:  
C3823 (GATE-BMD)

May 18, 2016

Via Electronic Mail

Collette Flat  
Business Administrator  
Monmouth County Vocational School District  
4000 Kozloski Road  
Freehold, New Jersey 07728

Dear Ms. Flat,

This Letter of Intent ("LOI") establishes the terms and conditions of the negotiations for a Proposed Lease/Agreement of Buildings 23 and 56, located in Fort Hancock, in the Sandy Hook Unit of Gateway National Recreation Area, between the National Park Service ("NPS") and Monmouth County Vocational School District (MCVSD), a public entity authorized in accordance with The State of New Jersey Department of Education, whose principal place of business and address is 4000 Kozloski Road, Freehold, New Jersey 07728.

NPS and MCVSD agree to enter into good faith negotiations for:

1. A proposed Lease or corresponding Agreement (the "Proposed Lease/Agreement") by MCVSD of the following property at Gateway National Recreation Area (GATE):

- Building 23 located in Fort Hancock, a National Landmark District, in the Sandy Hook Unit.
- Building 56 located in Fort Hancock, a National Landmark District, in the Sandy Hook Unit.

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

- Corresponding ingress and egress
- Non-exclusive use of nearby common parking area/s

collectively known as the Premises ("Premises").

2. During the term of this LOI, also known as the "feasibility period", NPS and MCVSD will address all matters necessary to achieving execution of the Proposed Lease/Agreement, including, without limitation, the fair market value rent for the premises governed by the Proposed Lease/Agreement, applicable common area charges or fees, the scope of activities MCVSD will be allowed to conduct on the premises governed by the Proposed Lease/Agreement, and other terms and conditions of the Proposed Lease/Agreement. All requirements of 36 CFR Part 18 shall apply to the negotiations of all terms and conditions. Costs incurred by the Lessee with respect to completed Improvements may be used to offset Annual Rent for the Premises and will be applied toward the Annual Rent as agreed upon by the Lessor and Lessee.

3. During the term of this LOI, MCVSD will undertake activity necessary to determine the location of existing utilities, and other activities necessary to conduct due diligence as it relates to the Proposed Lease/Agreement. MCVSD shall ensure that the safety, functioning and appearance of the Premises and the convenience and safety of other persons are not adversely affected by the activities of MCVSD, its employees, contractors, consultants or other agents.

4. During the term of this LOI, MCVSD will be allowed access to:

- Building 23 located in Fort Hancock, a National Landmark District, in the Sandy Hook Unit.
- Building 56 located in Fort Hancock, a National Landmark District, in the Sandy Hook Unit.

During the term of this LOI, MCVSD will also have the non-exclusive right to enjoy:

- Corresponding ingress and egress
- Non-exclusive use of nearby common parking area/s

during normal business hours for the purpose of conducting activities necessary for MCVSD to undertake due diligence. NPS represents and warrants to MCVSD that no other authorizations are necessary in connection with MCVSD's access to, and the activities undertaken at, the Premises pursuant to this LOI.

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

6. MCVSD shall make a thorough, independent examination of the Premises and all matters relevant to MCVSD's decision to enter into the Proposed Lease/Agreement such that MCVSD will be thoroughly familiar with all aspects of the Premises and satisfied that they are in an acceptable condition and meet MCVSD's needs.

7. This agreement is made upon the express condition that the United States, its agents and employees shall be free from all liabilities and claims for damages and/or suits for or by reason of any injury, injuries, or death to any person or persons or property of any kind whatsoever, whether to the person or property of MCVSD, its agents or employees, or third parties, from any cause or causes whatsoever while in or upon said premises or any part thereof during the term of this agreement or occasioned by any occupancy or use of said premises or any activity carried on by the MCVSD in connection herewith, and the MCVSD hereby covenants and agrees to indemnify, defend, save and hold harmless from and against, and reimburse the United States, the NPS, its employees, successors, agents, and assigns from all liabilities, charges, expenses and costs on account of or by reason of any such injuries, deaths, liabilities, claims, suits or losses however occurring or damages growing out of the same.

8. During the term of this LOI, MCVSD shall not be obligated to insure the premises but shall require any of its third party contractors to insure same as follows: MCVSD shall cause such contractors to carry commercial general liability insurance against claims occasioned by the action or omissions of such contractors in carrying out the activities and operations authorized under this LOI. The policy shall be in the amount of not less than \$3,000,000 per occurrence and \$ 5,000,000 aggregate and underwritten by a United States company naming the United States of America as additionally insured. MCVSD agrees to provide the Superintendent with a Certificate of Insurance with the proper endorsements prior to such contractors gaining access to the Premises.

- a. Required coverage shall include Commercial General Liability insurance with a combined single limit of \$3,000,000 per occurrence and annual aggregate of \$5,000,000 for bodily injury and property damage, including coverage for contractual liability, independent contractors, broad form property damage, products/completed operations and explosion, collapse and underground.
- b. Certificates of insurance shall evidence the above required insurance, showing the United States of America as an additional insured and shall provide that insurance is primary in regards to NPS as an additional insured; and any other insurance maintained by NPS is excess and not contributory with the insurance required here. At or prior to expiration, renewal certificates of insurance shall be provided to NPS.
- c. All policies providing the required insurance and any renewals shall be issued by one or more companies of recognized responsibility licensed to do business in the state in which the Park is located with a financial rating of at least a Class A- (or equivalent) status, as rated in the most recent edition of Best's Insurance Reports (or equivalent) or as otherwise acceptable to the NPS and must have a Best's Financial Size Category of at least VIII according to the most recent edition of Best's Key Rating Guide (Property-Casualty edition).
- d. All insurance policies shall provide that such policies shall not be cancelled or terminated without thirty (30) days prior written notice to the NPS.

- e. NPS assumes no risk and responsibility for any inadequacy of insurance or any failure of insurers. No approval by the NPS of any insurer, or the terms or conditions of any policy, or any coverage or amount of insurance, or any deductible amount shall be construed as a representation by the NPS of the solvency of the insurer or the sufficiency of any policy or any coverage or amount of insurance or deductible.
  - f. MCVSD and MCVSD's Agents shall not do anything, nor permit anything to be done, in or about the Premises or on adjacent or nearby property that would invalidate or be in conflict with the provisions of any fire or other insurance policies covering the Premises or result in a refusal by insurance companies of good standing to insure the Premises in the amounts required under this section.
9. MCVSD is only conducting due diligence at the Premises and will not be occupying same for any purpose. Therefore, MCVSD shall not be obligated to pay NPS any consideration, except for reimbursement costs in connection with administrative costs, the cost of park services and management necessary in connection with MCVSD's activities. Nothing shall prevent NPS from recovering reasonable costs incurred in connection with any activity undertaken by MCVSD in furtherance of this project.
10. During the term of this LOI, MCVSD shall cut no timber or remove any other landscape features such as shrubs or bushes, conduct no mining or drilling operations; remove no sand, gravel or similar substances from the ground; commit no waste of any kind; or in any manner change the contour or condition of the Premises without the express written consent of the NPS.
11. The obligation of NPS to execute the Proposed Lease/Agreement for the Premises is subject to all NPS determinations required by 36 CFR Part 18 and to NPS determinations that MCVSD has achieved the following goals prior to execution of the Proposed Lease/Agreement: provide evidence of financial capability to pay rent and maintain the Premises, provide evidence of managerial competence to operate and manage MCVSDs business activities and responsibilities under the Proposed Lease/Agreement, provide evidence of proposed compliance with and expected completion of identified outstanding health and safety issues.
12. During the feasibility period, NPS will coordinate with the Department of the Interior (DOI), Office of Valuation Services (OVS) to obtain a third party appraisal or a market study to determine the fair market value rent considering any restrictions that are particular to the proposed use of the Premises as a facility fit for use by the Marine Academy of Science and Technology or educational institution as applicable. The OVS must review and approve the final appraisal report as applicable. OVS review and consultation services will be coordinated through the Business Management Division at Gateway National Recreation Area. The appraisal or market study and any information identified therein shall be the property of NPS.
13. Throughout the feasibility period, the NPS and MCVSD shall hold periodic status meetings regarding the status of the lease and other due diligence activities. The NPS shall

promptly notify MCVSD of any concerns it has regarding the progress of the MCVSD's due diligence activities or negotiation of the Proposed Lease/Agreement.

14. In the event that at the end of the feasibility period, notwithstanding NPS's efforts to negotiate the Proposed Lease/Agreement with MCVSD, such Proposed Lease/Agreement has not been executed by both parties prior to the expiration of the term of this LOI or in the event that either party exercises its right to terminate this LOI, this LOI shall terminate. In the event of any such termination, the parties, hereto irrevocably waive and relinquish any and all claims, causes of action and/or rights to any other monetary compensation or equitable relief of any nature against the other (the term "other" shall include, without limitation, the respective officers, employees, and/or agents of NPS and MCVSD), in any manner arising out of the circumstances of this LOI, including, without limitation, its solicitation, negotiation, execution and related administrative actions, of any nature whatsoever, excepting any costs identified by NPS as recoverable in connection with MCVSD's due diligence at the Premises. Also, in the event of any such termination, MCVSD will be prohibited from undertaking further due diligence activities at the Premises in the absence of any other governing instrument.

15. In the event of expiration or termination of this LOI, MCVSD shall assign and deliver to the Lessor any and all rights to all architectural, engineering and other plans, drawings, specifications and studies relating to the Premises. In order to assure NPS that it will have the legal right to use such plans, drawings, specifications and the like if NPS becomes entitled to such items, MCVSD shall include in its agreements with the architects, engineers and other professionals who prepared such items and who have any proprietary rights with respect to such items (including the rights to use thereof in connection with the Premises) provisions whereby NPS and MCVSD shall have the right to use such plans and other materials in connection with the Premises.

16. This LOI may be terminated at the discretion of the Superintendent upon 24 hours' notice, or without notice if damage to resources, visitors or facilities occurs or is threatened, notwithstanding any other term or condition of this LOI to the contrary. In the event of any such termination, MCVSD will be prohibited from further access to or due diligence at the Premises.

17. No compensation of any nature shall be due MCVSD or NPS in the event that the good faith negotiations called for by this LOI fail to result in the execution of the Proposed Lease/Agreement for the Premises or in the event this LOI expires or is terminated in accordance with its terms, excepting any costs identified above by NPS as recoverable in connection with MCVSD's due diligence activities related to or taking place at the Premises. In the event of any such expiration due to failed negotiations or termination in accordance with Paragraph 16 above, MCVSD will be prohibited from undertaking further due diligence activities at the Premises.

18. Any notice, consent or other communication required or allowed under this LOI shall be in writing and shall be delivered by hand, sent by courier, sent by prepaid registered or certified mail with return receipt requested, and shall be deemed to have been given on the earliest of (a) receipt, (b) one business day after delivery to a courier for overnight expedited delivery service,

or (c) five (5) business days after the date deposited in the United States mail, registered or certified, with postage prepaid and return receipt requested (provided that such return receipt must indicate receipt at the address specified), and addressed as appropriate to the following addresses (or to such other or further addresses as the parties may designate by notice given in accordance with this Section):

If to the NPS:  
Superintendent  
Gateway National Recreation Area  
210 New York Avenue  
Staten Island, NY 10305

If to MCVSD:  
Collette Flat  
Business Administrator  
4000 Kozloski Road  
Freehold, New Jersey 07728

19. This LOI is effective from the date of the last signature affixed below and constitutes the entire agreement between NPS and MCVSD with respect to the Proposed Lease/Agreement of the Premises and supersedes all prior offers or negotiations, whether oral or written. This LOI may not be amended or modified except by an instrument in writing signed by NPS and MCVSD.

20. This LOI shall expire 180 days from the effective date unless extended by written agreement of NPS and MCVSD. Either party may terminate this LOI and the negotiations for the Proposed Lease/Agreement at any time in its discretion by written notice to the other party within five (5) days of the full execution of this LOI.

If these terms and conditions are acceptable to you, please so indicate by signing below.

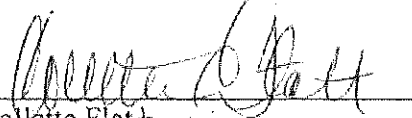
Sincerely,

  
\_\_\_\_\_  
Michael A. Caldwell  
Regional Director  
Northeast Region

6/16/16  
\_\_\_\_\_  
Date

**Agreed:**

Monmouth County Vocational School District

By:   
\_\_\_\_\_  
Collette Flat  
Business Administrator

6/3/16  
\_\_\_\_\_  
Date