

**LEASE AGREEMENT BETWEEN  
CONEJO RECREATION AND PARK DISTRICT  
AND RIDE ON  
A THERAPEUTIC EQUESTRIAN ORGANIZATION**

In accordance with the conditions attached to HPD 77-8, the Conejo Recreation and Park District and Ride On, a 501(c)(3) nonprofit corporation, specializing in therapeutic horsemanship, are committed to the conditions set forth herein stating the rights, responsibilities, and obligations of each party, and are prepared to bind themselves accordingly.

The Agreement is executed July 27, 2000 (addended September 4, 2003), between the Conejo Recreation and Park District, a public entity, hereinafter referred to as District, and Ride On, hereinafter referred to as Lessee.

The parties agree as follows:

1. Intention of the Parties: It is specifically understood by and between the parties hereto that the intent of this lease is to establish and promote a first class therapeutic horseback riding center with a range of programs designed to maximize recreational therapeutic benefit to the constituents of the District and Ride On.
  
2. Description of Premises: The District hereby leases to the Lessee, on the terms and conditions set forth below, a 14.5-acre parcel, A.P.N. 682-24-395, known as Rancho Conejo Equestrian Center, or Walnut Grove Therapeutic Equestrian Center, 401 Ronel Court, Newbury Park, California 91320. Further, Lessee is hereby given license to use the land to provide therapeutic equestrian services and programs in accordance with District regulations, City of Thousand Oaks Zoning and Permitting Authority, laws and regulations of California, the bylaws of Ride On, and regulations governing 501(c)(3) entities.

Lessee is responsible for obtaining any relevant permits from all regulatory agencies.

3. Term: The term of this lease shall be 40 years, commencing upon execution of this lease, and terminating July 27, 2040. This lease is renewable annually on the anniversary date in accordance with conditions set forth below. Due to the extensive capital investment of

Ride On, they will always be in a first position with respect to lease renewal, with the District retaining their rights and responsibilities to control properties and programs, per Public Resource and other California Code requirements. Upon the mutual agreement of both parties, the lease may be extended for an additional 20-year option term. At the first meeting in October of each year, Ride On will deliver an Annual Report to the Board of Directors of the Conejo Recreation and Park District outlining their activities and programs for that year; providing a financial report; and identifying financial, site expansion, and programming goals for the succeeding fiscal year. Also included in the Annual Report will be a description of the District's therapeutic program use of the site.

4. Rent: Upon presentation of the Annual Report to the Board of Directors, Lessee agrees to pay District as rent \$40.00 per year. Also, as consideration for use of the property, Lessee agrees to fund all capital improvements to the premises for all phases of development, and absorb all related maintenance, operations, and utility expenditures except as hereinafter or subsequently agreed to.
5. Use: License is given to the Lessee for the purpose of operating a therapeutic equestrian center, and lessee retains the right to design and implement and control those therapeutic equestrian non-District programs; Lessee will at all times observe and abide by Conejo Recreation and Park District's rules and regulations.

Lessee further agrees that he will cooperate and contract with the District for programming therapeutic horsemanship, sponsored by the District. Each District program will be the subject of mutually agreed upon program parameters, which shall be reasonably negotiated and approved by District staff and Ride On. Should a caretaker's residence be requested, the selection and approval of the caretaker shall be the subject of a separate agreement between Ride On and the caretaker. Prior to execution of that caretaker agreement, the District retains the right to review the agreement and interview the applicant. If the Lessee fails to use the premises for its intended purposes for a period exceeding 120 days subsequent to January 1, 2001, after written notice as hereinafter set forth, excepting acts of God and other matters outside the reasonable control of Lessee, then this lease and license shall terminate, and the Conejo Recreation and Park District will have the unconditional

right to use premises and all improvements thereon. During construction of improvements, the non-use period will be excepted. Lessee agrees that in all Ride On publications referencing these premises, the District will be identified as owner and cooperating partner.

6. Insurance: At all times, the Lessee shall maintain and pay for public liability and fire insurance on premises and improvements in amounts satisfactory to the District, and identified in Lessee's Annual Report. Said issuance shall name the District as additional insured. Lessee will annually sign a Hold Harmless agreement indemnifying District for all activities by them, their patrons, or their assignees on District-leased property, and this document will be presented with the Annual Report.
  
7. Alterations: Any improvements not identified in the Walnut Grove Therapeutic Equestrian Center Concept Plan must receive the District's prior written approval before any work commences. Improvements identified in the Concept Plan, but not yet in place, can be constructed only after written notice to the District regarding intent and schedule. Lessee shall keep the premises free from any liens arising out of any work performed on improvements, and shall provide District with copies of unconditional lien releases upon completion of contract. At no time shall the Lessee represent that they are an agent of the District, but instead represent that they are an independent contractor. All improvements, whether in the Concept Plan or not, shall be in conformance with accepted industry standards and regulations.
  
8. Taxes: The District does not pay any property taxes; the lessee shall be responsible for any possessory interest taxes, or any other tax that may be applicable due to their use of the premises.
  
9. Lessee shall pay prior to delinquency for all utilities, including gas, electricity, sewer, telephone, and all other utility services, including manure removal; the District will pay for 100% of water costs. Lessee shall further be responsible for all security which District and Lessee agree is reasonable.

10. Abandonment and Management of Premises: Lessee shall not vacate or abandon the premises at any time during the term; and Lessee shall at all times operate, maintain, and manage the premises consistent with the use and purposes as hereinabove set forth. The first week of May each year District and Ride On representatives will jointly inspect the premises in order to record maintenance standards, security issues, vandalism, public safety, and all related issues that would normally be the subject of a District park inspection. A record of this inspection shall be jointly prepared and presented with the Annual Report. Maintenance of the facilities shall be consistent with District and community standards for like facilities. Should a disagreement arise regarding those standards, such disagreement shall be adjudicated by the General Manager of the District whose decision shall prevail. If Lessee shall abandon, vacate, or surrender said premises, or be dispossessed by process of law, or otherwise, any personal property not belonging to District shall be removed by Lessee within thirty (30) days, or, at District's option, be deemed to be abandoned and become subject to the control and management of District for all purposes. Any improvements to the premises become the property of the District and shall remain should the Lessee surrender the premises for any reason.
  
11. Removal of Trade Fixtures: Conditioned upon Lessee not being in default of any of the provisions of this lease, Lessee may remove all ranch and equestrian-related equipment which is unattached, movable furniture, trade fixtures, and equipment located on the demised premises by Lessee, and the same shall be removed by Lessee at the expiration or termination of this lease, or any renewal term hereof, provided that the same be removed without damage to the property, and if damage is caused by such removal, Lessee agrees to repair such damage at Lessee's own cost forthwith.
  
12. Non-Liability of District: This lease is made upon the express condition that District is to be free from all liability and claim for damages by reason of any injury to any person or persons, including Lessee, or property of any kind whatsoever and to whomsoever belonging, including Lessee, from any cause or causes whatsoever while in, upon, or any way connected with the same demised premises during the term of this lease, or any extension thereof, or any occupancy hereunder, Lessee hereby covenanting and agreeing to indemnify and save harmless District from all liability, loss, costs, and obligations,

including attorney's fees, on account of, or arising out of, any such injuries or losses, however incurred, and Lessee further agreeing to maintain adequate insurance as herein set forth.

13. Entry by Owner: Lessee shall permit District and its agents to enter into and upon said premises at all reasonable times for the purpose of inspecting the same, or performing work upon premises.
14. Destruction of Premises: If the demised premises are by casualty or other causes rendered unfit and unusable for the purposes intended by the parties for a period exceeding 270 days, and provided Lessee does not within said time commence and diligently proceed to cure said condition, then this lease may be terminated and neither party shall have any further obligations hereunder.
15. Assignment or Subletting: Lessee shall not assign this lease or any interest therein, and shall not sublet the said premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person (the agents and servants of Lessee excepted) to occupy or use the said premises, or any portion thereof in any way that violates the intended use of the premises as herein set forth and as set forth in the District's Rules and Regulations, or policies, without the written consent of District first obtained, and a consent to one assignment, subletting, occupation, or use by another person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation, or use by other person. Any such assignment or subletting without such consent, however, shall be subject to disaffirmance at the option of District. This lease shall not, nor shall any interest therein, be assignable as to the interest of Lessee, by operation of law, without the written consent of District. Either (a) the appointment of a receiver to take possession of all or substantially all of the assets of Lessee; or (b) a general assignment by Lessee for the benefit of creditors; or (c) any action taken or suffered by Lessee under any insolvency or bankruptcy act shall constitute a breach of this lease by Lessee.
16. Remedies of District on Default: In the event of any breach of this lease by Lessee, then District, besides other rights or remedies it may have, shall have the right of re-entry and

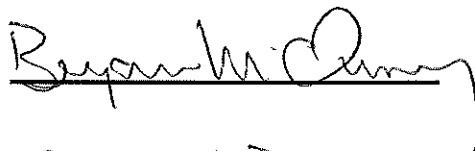
may remove all persons and property from the premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of, Lessee. District shall have the right at District's election upon any breach by Lessee to terminate this lease. Should District, at any time, terminate this lease for any breach, in addition to any other remedy it may have, it may recover from Lessee all damages he may incur by reason of such breach, including the cost of recovery of the premises, and including reasonable attorney's fees therefore, all of which amounts shall be immediately due and payable from Lessee to District.

17. Notices: All notices to be given to Lessee may be given in writing, personally, or by depositing the same in the United States mail, postage prepaid, and addressed to Lessee at Ride On, 401 Ronel Court, Newbury Park, California 91320. All notices to Lessor may be given in writing, or personally, to Conejo Recreation and Park District, 403 West Hillcrest Drive, Thousand Oaks, California 91360. All notices of breach of agreement will be in writing, and the parties have 30 days to respond in writing and/or cure breach.
18. Waiver: The waiver by District of any breach of any term, covenant, or condition herein, shall not be deemed to be a waiver of such term, covenant, or condition thereafter.
19. Binding on Successors: The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, and assigns of all of the parties hereto, and all of the parties hereto shall be jointly and severally liable hereunder.
20. Fees: It is envisioned that Lessee may impose a program fee for use of the premises and programs, and Lessee may charge and retain such fees in accordance with the laws, regulations, and bylaws of their 501(c)(3) covenants and agreements. Should the District deem fees to be beyond those known to be reasonable and/or inconsistent with community standards, and beyond those known to be necessary for a financially prudent implementation of programs and operations, the fee structure shall then become subject to negotiated agreement at the time of submittal of the Annual Report. All fee schedules will be subject to the District's rules, regulations, and policies.

21. Breach and Substitution of New Lessee: In the event of a breach of this lease by Lessee and this lease is thereafter terminated by District, or upon a surrender or abandonment of the lease prior to the expiration of its term, or upon dissolution of Lessee, then for a period of 180 days thereafter, the District will reasonably agree to the substitution of a new Lessee acceptable to District to carry on with the lease for the balance of the lease term. If a substitute Lessee is not available, District will have the unconditional right to use the property and all improvements thereon consistent with the donation conditions of said property and/or fixed assets to District. This paragraph is not to be construed to grant Lessee permission to sublet or assign this lease, but rather is to carry out the intent of the agreement for the preservation of the Walnut Grove Therapeutic Equestrian Center as a therapeutic equestrian venue.
22. Funding: It is specifically understood by and between the parties that Lessee will fund all capital improvement projects identified in the concept plan, and will be responsible for and fund all associated maintenance and operations. In those cases when there is mutual benefit due to mutual programming between Ride On and District, ~~programs~~ a pro rata share of capital and/or maintenance and operations costs will be arranged through a separate agreement. The District will perform weed abatement in accordance with Fuel Modification Zone requirements.

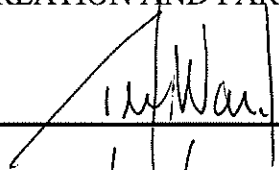
IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year first above-written.

RIDE ON

By: 

Date: 9-25-03

CONEJO RECREATION AND PARK DISTRICT

By: 

Date: 9/15/03