STATE OF NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF PARKS AND FORESTRY

OPERATING AGREEMENT

THIS AGREEMENT, made the day of in the year Two Thousand and Eleven (2011).

BETWEEN

The State of New Jersey
Department of Environmental Protection
Division of Parks and Forestry
MAIL CODE 501-04C
P.O. Box 420
Trenton, NJ 08625-0420

Hereafter referred to as Department,

AND

Hereafter referred to as Operator.

WHEREAS, Department is the Owner of Cream Ridge Golf Course ("Golf Course Property") hereinafter described; and

WHEREAS, pursuant to the Request for Proposal issued on **August 3, 2011** by Department for a Golf Course Operator for Cream Ridge Golf Course, (the "RFP"), a copy of which is attached hereto and incorporated by reference as Exhibit A, Operator wishes to enter into this Operating Agreement to operate the Golf Course Property, as more particularly described below; and

WHEREAS, Department, subject to the terms set forth in the RFP, is willing and authorized pursuant to N.J.S.A. 13:1L-6 to enter into this Operating Agreement under the provisions, covenants, terms, and conditions hereinafter described, which shall be consistent with the terms set forth in Operator's proposal submitted in response to the RFP ("Bid Proposal"), a copy of which Bid Proposal is attached hereto and incorporated by reference as Exhibit B; and

NOW THEREFORE, this Operating Agreement is made and entered into by and between Department, its successors and assigns, and Operator and its successors and assigns. This Operating Agreement shall bind, and inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.

THE PARTIES HERETO, for themselves, their heirs, distributes, executors, administrators, legal representatives, successors, and assigns, for good and valuable consideration, the exchange, receipt, and sufficiency of which is hereby acknowledged, hereby covenant and agree as follows.

1. GOLF COURSE PROPERTY

Department hereby allows Operator to operate that certain Golf Course Property (as hereinafter described) for the Term of this Operating Agreement (as hereinafter described), together with all appurtenances thereto.

The Golf Course Property consists of approximately 143 acres and is designated as Block 40, Lots 1.01 and 1.06, on the Tax Map of Upper Freehold Township, Monmouth County, New Jersey is attached hereto and incorporated by reference as Exhibit C, excluding the structures and areas currently leased by a third party tenant as part of the operation of a restaurant/banquet facility known as the Greens Café. A lease for Greens Café ("Greens Café Lease") attached hereto and incorporated by reference as Exhibit D, with A & Ku Enterprises, Inc. ("Greens Café Tenant"), was assigned to the Department in 2006. The lease, including all amendments, gives Greens Café Tenant the exclusive right to dispense food, alcoholic and non-alcoholic beverages from the existing restaurant, take-out area, banquet room (including outdoor patio), outdoor pavilion (food and non-alcoholic beverages only), and mobile food/beverage carts on the Golf Course Property and for all golf outings held on the Golf Course Property. The Greens Café Lease went into effect in March 2003, was assigned to the Department in 2006 and if all renewal options are exercised, will expire on December 31, 2018. The Golf Course Property includes an eighteen-hole golf course and driving range together with any buildings, structures, parking lots and improvements located on the land and premise.

It is expressly understood that this Operating Agreement does not in any way whatsoever grant or convey any permanent easement, lease, fee or other interest in the Golf Course Property to Operator.

Easements on Golf Course Property

Two easements have been granted to Monmouth County for Bridge U95 along Walnford Road and Bridge U37 on the easterly side of Holmes Mill Road. The Golf Course Property is also subject to any utility easement along the public roads.

2. TERM

A. The Term of this Operating Agreement shall begin **January 1, 2012** ("Effective Date"), at which time this Operating Agreement shall take full force and effect. Operator shall operate the Golf Course Property during the Term of this Operating Agreement beginning on the Effective Date and continuing for a period of six (6) years (the "Initial Term") from that date until the expiration of the Operating Agreement ("Expiration Date"), unless the Operating Agreement shall end sooner pursuant to any of the terms, covenants, or conditions, herein provided or pursuant to law. Department may terminate this Operating Agreement during the Term of the Operating Agreement in accordance with the termination provisions as contained herein, in the RFP, or in accordance with applicable law. In the event of such termination, after expiration of the notice period, Operator shall not be permitted to enter the Golf Course Property without accompaniment of a representative of Department.

B. Provided that no event of default has occurred and is continuing, and provided that Operator has received financing for and begun the improvements described in Section 1.3.12 of the RFP attached hereto and incorporated by reference as Exhibit A ("Capital Improvements"), and has received Department's approval for such improvements pursuant to this Agreement, during the Initial Term, Operator may request that the term of this Operating Agreement be renewed for an additional fourteen (14) year period (the "Renewal Term") by giving Department written notice of Operator's request to renew no less than one hundred and eighty (180) days prior to the expiration of the Initial Term of this Operating Agreement,. Department reserves the right to disapprove renewal of this Operating Agreement if Department determines that: (1) Operator has not received financing for and begun the Capital Improvements during the Initial Term; (2) Operator has not satisfactorily complied with the terms, covenants, or conditions herein provided or pursuant to law; (3) continuation of this Operating Agreement is not consistent with reasonably anticipated plans for development or use of the Golf Course Property by Department; or (4) if the Department determines

renewal of this Operating Agreement is not otherwise in the public interest. In the event that Operator's request for renewal is not approved by Department on or before sixty (60) days prior to the scheduled expiration date of this Operating Agreement, said request shall be deemed to have been denied, and this Operating Agreement shall expire as herein provided. The Initial Term and the Renewal Term are hereinafter collectively referred to as the "Term." Operator shall not continue operation of the Golf Course Property beyond the expiration of the Renewal Term except upon execution of a new Operating Agreement or as provided for in Paragraph 34 hereof.

C. Operator shall assume full operation of the Golf Course Property within 30 days of the Effective Date of this Agreement.

3. PAYMENTS TO THE DEPARTMENT

A. Operator shall pay to Department an annual Operating Agreement Payment in the amount of _____ ("Base Payment") plus an additional payment of fifteen (15) percent of gross revenue in excess of _____ ("Variable Payment"). The Base Payment is payable in monthly installments in the amount of _____. Each installment shall be due on the first day of each month and shall be paid without penalty on or before the tenth day of each month for which said installment is due. If the Effective Date occurs on any date other than the first of the month, this payment for a portion of a month shall be pro-rated. The Variable Payment for the First Term Year shall be due March 31 of the Second Term Year and on March 31 of every year for the prior Term Year thereafter for the remainder of the Term.

B. The Base Payment shall increase annually by three (3) percent, beginning on the first anniversary of the Effective Date.

C. For purposes of calculating the annual Variable Payment, gross revenue shall be defined to include all sales at the gross selling price of merchandise and items of every character sold in, upon, or through any part of the Golf Course Property by Operator, or any other person, firm, or corporation, including, but not limited to, all revenues and sales related to the operation of the golf course, pro shop, and gross charges for all services to customers or patrons, including, but not limited to, greens fees, memberships, equipment rentals, lessons, camps, golf outings, and events performed by Operator or any other person, firm or corporation, in, upon, or through any part of the Golf Course Property, and shall include sales and charges for cash and credit regardless of whether or not the same is collected or uncollected, less only all proper credits for returned merchandise, merchandise exchanges and merchandise cancellations, allowances or discounts as well as any sales taxes collected by Operator and remitted to taxing authorities with respect to each Term Year. Gross revenue shall not include the value of any gift certificates or memberships sold prior to the Effective Date but redeemed after the Effective Date.

D. On or before February 28 of each Term Year, and on or before the February 28 after this Operating Agreement has terminated, Operator shall provide Department with a financial report prepared by a Certified Public Accountant licensed to practice accounting in the State of New Jersey setting forth Operator's gross revenue for the previous Term Year ending December 31 and the results of the Audit or Special Report required by Paragraph 4 of this Operating Agreement ("Report"). Based on this Report, Operator's Variable Payment owed to Department for the previous Term Year shall be determined.

E. All Operating Agreement Payments shall be paid by check made payable to "Treasurer-State of New Jersey" and sent to:

Department of Environmental Protection
Administrator, Office of Leases
MAIL CODE 501-04C
P.O. Box 420
Trenton, NJ 08625-0420

F. Any Operating Agreement Payment not made on or before the date provided in Subparagraph 3A hereof shall be considered past due. All past due amounts shall be assessed a

monthly penalty of one and one-half percent (1 1/2%) of the total amount due calculated on the tenth (10th) day of each month.

G. In the event any check for payment is returned to Department, all future compensations shall be made by Certified or Cashier Checks only.

4. RECORDS, MEETINGS, AND AUDIT

A. Operator shall maintain complete and adequate financial records that will allow Operator to prepare financial statements in accordance with generally accepted accounting principles. Operator shall retain such records for at least six (6) years from the expiration or termination of this Operating Agreement. Such records shall be made available for audit during normal business hours by an authorized representative of Department to determine the adequacy of Operator's financial management systems and internal control systems established to meet the terms and conditions of this Operating Agreement and that the financial statements are fairly presented in accordance with generally accepted accounting principles. The results of any audit by Department shall be final and binding on Operator, including but not limited to Department's determinations with respect to revenue reporting and payment by Operator.

B. Operator shall prepare and compile, or oversee the preparation and compilation of, and submit to Department a quarterly financial report itemizing the following, on a monthly basis:

I. Financial Summary

a. Revenue, including but not limited to:

i. Total number of rounds of golf broken down by type of fee (weekday, senior, weekend, etc.)
ii. green fees revenue broken down by type of fee
iii. rental revenue broken out by item (power carts, hand carts, golf clubs, etc.)
iv. pro-shop sales broken down by categories (golf balls, golf clubs, clothing, etc.)
v. revenue generated from golf lessons
vi. association and/or membership revenue (handicap fees, association fees, memberships etc.)
vii. driving range revenue broken out by number of baskets
viii. tournament revenue
ix. sales tax collected

b. Expenses, including but not limited to:

i. expenses associated with pro-shop and office operations
ii. expenses associated maintenance and repairs of golf course
iii. labor costs broken down by department (maintenance, pro-shop, office), further broken out by permanent (key personnel) and seasonal employees
iv. unanticipated expenses
v. Capital Improvements

II. Brief summary of:

a. golf course maintenance and any issues related to the operation of the golf course
b. sales and marketing efforts
c. review on progress of Capital Improvements

C. On or before December 1 of each year the Operator shall provide a detailed Operating Budget for the upcoming calendar year.

D. Operator shall, or on or before February 28 of each year, conduct and provide Department with a complete audit of its gross revenue for the prior calendar year ending December 31 prepared by a Certified Public Accountant licensed to practice accounting in the State of New Jersey ("Audit"). In the alternative, Operator may provide a special report as prescribed in Statement on Auditing Standards No. 62 prepared by a Certified Public Accountant licensed to practice accounting in New Jersey to fulfill this requirement ("Special Report").

E. Operator, its contractors, and subcontractors, shall provide Department, through an authorized representative, reasonable access to and the right to examine all records, books, papers, or documents reasonably related to Operator's operation of any part of the Golf Course Property and any project, services, and work being performed pursuant to any contract or subcontract. Proper facilities shall be furnished for access and inspection. Department has the right to request, and Operator agrees to provide free of charge, all information and copies of all records.

F. Operator shall confer with Department and attend meetings with Department officials and other persons as reasonably requested by Department to discuss matters relating to the operation and management of the Golf Course Property. Operator shall promptly notify Department of any issues, problems, or concerns that arise between Operator and the Greens Café Tenant. The Operator shall defer to Department to address any issues, problems, or concerns raised by Operator concerning the Greens Café Tenant.

G. All data, technical information, materials gathered, originated, developed, prepared, used, or obtained in the performance of the Operating Agreement, including but not limited to all reports, surveys, plans, charts, literature, brochures, mailings, records (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and printouts, notes and memoranda, written procedures, and documents, regardless of the state of completion, which are prepared for or are a result of the services required under the Operating Agreement, shall be and remain the property of Department and shall be delivered to Department upon thirty (30) days' notice by Department.

5. ADDITIONAL PAYMENTS (SELF HELP)

If Department incurs any expense by reason of the breach of this Operating Agreement by Operator or Operator's failure to perform any obligation of Operator hereunder, Operator shall be liable for payment of such reasonable expense, including reasonable attorney's fees and costs, which shall be deemed an Additional Operating Agreement Payment and be added to and become a part of the next payment of Base Payment due to be paid by Operator.

6. PURPOSE

Operator agrees to operate the Golf Course Property for its intended purpose in the manner set forth in the RFP and Operator's Bid Proposal, and Operator may not operate or use the Golf Course Property for any other purpose, without the prior written consent of Department, which may be given in Department's sole discretion.

7. GOLF COURSE MANAGEMENT

During the term of this Operating Agreement, Operator shall have full control over the day-to-day operations of the golf course, including but not limited to handling the collection and deposit of all money, hiring and supervision of all employees, and purchasing of all goods and services consistent with the operation of a public golf facility. Operator also shall be responsible for handling disputes with third parties, collecting and paying appropriate taxes, obtaining all appropriate permits, and providing accountability to the DEP for its activities.

A. Alcoholic Beverages

i. Operator shall not allow course visitors to bring alcoholic beverages on the Golf Course Property. Visitors may purchase alcoholic beverages from the tenant or concessionaire of Greens Café if such beverages are sold.

ii. Operator shall cooperate with Greens Café Tenant in the placement of the following signage in the specified locations, which Greens Café Tenant is required to post:

(1) A sign stating "**No food or beverages permitted on the golf course unless purchased from the Greens Café or at the take-out area**" shall be posted by Greens Café Tenant in the following locations: within a visible distance from the first tee; in the hall between the pro shop and Greens Cafe; in the pro shop; and near the take-out window.

(2) A sign stating "**The Greens Café and Cream Ridge Golf Course would like to remind you that due to State law the golf course is not a BYOB and NO alcoholic beverages or coolers are permitted in golf bags or on the golf carts. Thank you**." shall be posted by Greens Café Tenant in the parking lot and on the golf course (first and tenth tees).

B. Fees

All fees for public admission to the Golf Course Property, including greens fees, membership fees, or any other fees associated with access to and use of the Golf Course Property shall be submitted to Department and approved by Department before such fees become effective. When submitting proposed fees to Department, Operator shall be required to show that the proposed fees are comparable to fees charged by similar public golf courses within fifty (50) miles. Department shall be reasonable in considering such approval. Operator's first fee schedule, attached hereto and incorporated by reference as Exhibit E, is hereby accepted and approved by Department.

C. Reservations Systems and Tournaments

All reservations systems and tournament procedures established by Operator are subject to the review and approval of Department, which shall be reasonable in considering such approval.

8. CONDITION OF GOLF COURSE PROPERTY

Operator has inspected the Golf Course Property and accepts it in "as is" condition and without representation or warranty of any kind by Department including, without limitation, any representations or warranty of fitness for a particular purpose.

9. SECURITY

Operator shall, at its sole cost and expense, be responsible for security of the Golf Course Property and any Improvements thereon. Department has no obligation to Operator for security of the Golf Course Property and shall not be responsible to Operator, its agents, employees, or invitees (express or implied) for personal injury, death and/or loss, damage or destruction of Improvements, supplies, equipment, or personal property on the Golf Course Property.

10. MAINTENANCE, REPAIR, AND UTILITIES

A. Operator shall be solely responsible for the maintenance of the Golf Course Property and buildings, structures, and improvements thereon, including structural repairs, the installation and repair of all utility systems, the cost of all utility services, and the irrigation system, including all of the equipment and components of the system, including sprinkler heads. Operator shall deliver the Golf Course Property to Department upon expiration or termination of this Operating Agreement in at least as good condition as it was delivered at the commencement of the term.

B. Operator shall, at its sole cost and expense, keep and maintain the Golf Course Property, including any improvements constructed or located thereon in good repair and condition and shall promptly make all structural, nonstructural, ordinary, and extraordinary repairs of every

kind which may be required to be made upon or in connection with the Golf Course Property, any improvements thereon or any part thereof in order to keep and maintain the Golf Course Property, and any improvements thereon to keep and maintain the Golf Course Property in good repair and condition. Operator shall be required to maintain the golf course within the limits of the Water Allocation Permit as described herein.

C. Operator shall, at its sole cost and expense, keep and maintain the Golf Course Property, including any improvements constructed or located thereon, clean, neat, and well maintained.

D. Operator shall, at its sole cost and expense, install, maintain, repair, and replace utility systems and pay for the cost of utility services as provided below.

i. Water: Operator shall be responsible for all water service on Golf Course Property.

ii. Gas, propane and oil: Operator shall be responsible for all gas, propane, and oil services on Golf Course Property.

iii. Heat/Air Conditioning: Operator shall be responsible for all heating/air conditioning services on Golf Course Property.

iv. Telephone and other communication services: Operator shall be responsible for all telephone and communications services on Golf Course Property excluding telephone and communications services to Tenants premises.

v. Electricity: Operator shall be responsible for all electric service on Golf Course Property.

vi. Sewer and septic: Operator shall be responsible for all sewer and septic services related to Golf Course Property.

vii. Until such time that the meters may be separated, the Greens Café Tenant will reimburse Operator when due fifty percent (50%) of the charges for septic, gas and electric which are or may be assessed or imposed upon the premises or which are or may be charged to the Operator by the suppliers thereof during the term hereof. If not paid, such charges shall be added to and become payable as additional rent by Greens Café Tenant to Department under the Greens Café lease with the installment of rent next due or within 30 days of demand therefore, whichever occurs sooner and applied to Operator as an abatement of its monthly base payment.

E. Operator shall keep the Golf Course Property free of trash and be responsible for the collection, disposal, and recycling of all garbage, rubbish, and other waste from the Golf Course Property. Operator shall participate in and comply with all recycling programs in effect for the county and municipality in which the Golf Course Property is located.

F. Operator shall not make or allow any physical change in the natural condition of the Golf Course Property, including but not limited to the cutting or removal of trees or shrubs, without first submitting plans and specifications therefore to Department and obtaining Department's written approval thereof. Department's approval shall not relieve Operator of its obligation to obtain and maintain all licenses, permits, and approvals required by the appropriate Federal and/or State governmental agency having jurisdiction over the activity to be undertaken.

H. Operator shall comply with the turf cultivation and management practices established by the United States Golf Association. Operator shall maintain the turf for playing conditions. Turf maintenance shall include, but not be limited to, the following: general cleanliness; landscaping; mowing/trimming; irrigation within the limits of the Water Allocation Permit as described herein; fertilization; general erosion repairs; and other related tasks necessary to maintain acceptable playing conditions on the golf course.

I. Operator shall be responsible for and ensure that all golf course patrons, sub-operators, licensees, and permittees are satisfying all obligations to maintain and repair areas occupied by them as required under any sub-operating agreement or other applicable instrument.

J. Operator is responsible for removal of snow and ice in the parking lots. Operator shall be solely responsible for the first two (2) removals of each season. Pursuant to the Greens Café Lease, the Greens Café Tenant shall pay a reasonable fee to Operator for subsequent snow removals.

10.1 Canada Geese Population Management

The Division authorizes the Operator to manage the population of Canada Geese on the Golf Course Property in accordance with federal regulation and guidelines set forth in the Division's Goose Management Program. Management activities shall include addling eggs, and removing and destroying nests. Operator will be required to annually report to the Division all activities related to management of population of wild geese on the form attached hereto as the Special State Canada Goose Permit – Annual Report. A copy of the Division's policy and the Special State Canada Goose Permit – Annual Report, are attached and incorporated by reference as **Exhibit F**.

11. GOLF CARTS AND OTHER EQUIPMENT

A. Operator shall be responsible for providing and maintaining all equipment and golf carts necessary for the successful management and operation of the golf course. Department and Operator acknowledge that Operator may in the ordinary course of its business enter into leases for equipment used for the operation of Operator's business at the Golf Course Property. Operator shall provide Department with at least five (5) business days prior written notice of the material terms and conditions of any such equipment leases prior to entering into same.

B. Operator shall provide a golf cart to the Greens Café Tenant, without cost, for the purpose of transporting trash. The Greens Café Tenant shall be responsible for the maintenance and repair of the golf cart, and in the event of any damages to same, the Greens Café Tenant shall pay for repairs. The Greens Café Tenant will be responsible to train individuals on the proper operation of the golf cart.

12. WATER ALLOCATION

A. Water allocation is regulated on the Golf Course Property pursuant to a Water Allocation Permit (#2186P) issued by Department, Bureau of Water Allocation. The permit allows for water diversion from the following sources:

1. Groundwater: Well Permit No. 4800045: 700gpm
2. Surface Water: Pond: 500gpm

The total diversion from the above sources shall not exceed 10 million gallons per month at a maximum rate of 500gpm and the total diversion from the above sources shall not exceed 30 million gallons per year. Operator of the Golf Course Property shall be responsible for following specific and general conditions required for the operation of the Water Allocation Permit. The permit has an expiration date of June 30, 2013.

B. Operator shall pay all costs and fees associated with the Water Allocation Permit and permit renewal and shall submit all monitoring reports and documentation to DEP as may be required under the permit.

C. The Operator will be required to have all flow meters calibrated before

April 1, 2012 and supply the Department with the results. Thereafter, the flow meters will are required to be calibrated every five (5) years.

12.1 Septic System

The septic tank is 1,500 gallons and is pumped out into the existing drain field. The Operator will be responsible for maintenance and repairs of the septic system and drain field.

13. PRO SHOP

Operator may operate a pro shop on the Golf Course Property. Sales at the shop may include, but are not limited to, merchandise, golf equipment, cart rentals, and equipment rentals.

14. FOOD AND BEVERAGE

A. Operator acknowledges that the Greens Café Tenant has the exclusive right to sell and dispense food and non-alcoholic beverages in the existing restaurant/café, banquet/facilities (including outdoor patio), outdoor pavilion, mobile food/beverage carts and for any golf outings held on Golf Course Property. The Greens Café Tenant has also been granted an Annual State Permit License to sell alcoholic beverages in the restaurant, banquet room and on the patio in open containers for immediate consumption. Greens Café Tenant has also been granted exclusive rights to distribute and sell malt alcoholic beverages on the Golf Course Property in plastic containers from a beverage cart as long as it receives all appropriate permits and licenses from the New Jersey Division on Alcoholic Beverage Control. Upon expiration or termination of the Greens Café Lease, future tenants or concessionaires of the Greens Café may have similar exclusive rights for the sale of food and beverages.

B. Operator shall not sell or dispense food or beverages (alcoholic and non-alcoholic) on the Golf Course Property. Golf outing groups are prohibited from bringing their own food or beverages on the Golf Course Property, with the exception noted in (i) below. Outside catering vendors are prohibited from operating on the Golf Course Property.

i. Wawa has traditionally held a corporate outing on the Golf Course Property bringing its own food and non-alcoholic beverages to the outing. For this annual outing, the Department and Greens Café Tenant have allowed an exception to the Greens Café Tenant's exclusive right to serve food and non-alcoholic beverages on the Golf Course Property in exchange for the golf course operator compensating the Greens Café Tenant Two Hundred Fifty Dollars ($250.00) for each day the outing was held. Operator will have the option of continuing to allow the Wawa event under these terms or any such terms it negotiates with Greens Café Tenant or future Greens Café tenants or concessionaires.

C. The Operator may maintain and is entitled to all proceeds from a soda machine outside the Clubhouse and the Greens Café Tenant may maintain and is entitled to all proceeds from a soda machine inside the Clubhouse.

D. When the current Greens Café Lease expires or is terminated, the Department will publicly bid a new lease or concession agreement, but Operator will have the right of first refusal to enter into an agreement with the Department to operate Greens Café. The minimum rent, or concession fee, will be set at an amount equal to or higher than the current rent paid for Greens Café.

15. RENOVATIONS AND IMPROVEMENTS

A. Operator shall not enter into any contract for or commence any restoration, preservation, renovation, or improvement project including, but not limited to, capital improvement

projects, the construction or placement of any non-permanent building, structure, or utility or any change in the natural condition of the Golf Course Property (collectively "Improvements") without first submitting to Department, and obtaining Department's written approval of, an Improvement Plan for the proposed Improvement. The Improvement Plan shall include but not be limited to: (a) a description (including plans and specifications when deemed appropriate by Department) of each Improvement; (b) a schedule for initiation and completion of each Improvement; (c) a statement whether each Improvement will be performed by Operator or a contractor; and (d) such additional information that Department may reasonably require to determine whether to approve the proposed Improvement.

B. Department's approval shall be based upon Department's determination that Operator is capable of completing the proposed Improvement, that the intended use and character of the proposed Improvement is consistent with the purposes of this Operating Agreement, is compatible with the natural condition of the Golf Course Property, is consistent with the terms of the grant and or statutory funding source under which Department acquired the Golf Course Property, and will not pose a threat to public health and safety. As approved by Department, said Improvement Plan shall become a part of this Operating Agreement by reference, and Operator shall not modify or deviate therefrom without first obtaining Department's express written approval.

C. All Improvement Plans submitted to Department by Operator under this Paragraph are for the purpose of assisting Department in determining whether to approve the proposed Improvement under the criteria for approval set forth in Subparagraph B of this Paragraph. Department's approval of any such plan through the Division of Parks & Forestry shall not be construed to relieve Operator of its responsibility to obtain and maintain all licenses, certificates, permits, and approvals now or subsequently required by Federal, State, and local authorities for the construction and use of the Improvement. Operator shall, prior to the commencement of any Improvement, apply for and obtain all Federal, State, and local licenses, certificates, permits, and approvals required for construction of the proposed Improvement. Upon the issuance of said licenses, certificates, permits, and approvals, Operator shall submit copies of same to Department and then commence the Improvement project in accordance with the approved Improvement Plan. All construction shall be done in a good and workmanlike manner in accordance with the approved Improvement Plan and all requisite licenses, certificates, permits, approvals, and any other requirements of Federal, State, or local authorities having jurisdiction.

D. Approval by Department of design plans, specifications, and reports submitted by Operator in accordance with this Operating Agreement shall not in any way relieve Operator of responsibility for the technical accuracy thereof. Operator is responsible for the professional quality, technical accuracy, timely completion, and coordination of all designs, drawings, specifications, and reports furnished under this Operating Agreement. Operator shall, at its sole cost and expense, correct or revise any errors, omissions, or other deficiencies in its designs, drawings, specifications, and reports. Approval or acceptance thereof by Department shall not be construed as a waiver of any rights of Department under this Operating Agreement or any cause of action arising out of the performance of this Operating Agreement.

E. Department reserves the right to approve the location, type of structure, and/or physical alteration involved in any Improvement and to require that Improvements be constructed or placed in such a manner that they may be removed with minimum damage to the Golf Course Property.

F. Upon compliance with this Paragraph, Operator may enter into contracts for the performance of construction of an Improvement, provided that in no such event shall Operator's obligations under this Operating Agreement be deemed to be diminished thereby. Nothing contained in any such contracts shall be construed as creating any contractual relationship between any contractor, subcontractor, and Department.

G. Operator shall, at its sole cost and expense, provide all necessary construction management for each Improvement. Department may, at its sole cost and expense, monitor

Operator's construction management.

H. For any Improvement undertaken as a single project and involving an estimated cost aggregating more than Twenty Thousand ($20,000.00) Dollars, Operator shall, at the request of Department: (i) provide to Department, as security for the satisfactory completion of the construction of the project in form and substance satisfactory to Department, a corporate surety bond of a corporate surety company satisfactory to Department in the amount of 100% of the cost of construction of the project naming Department and Operator as co-obligee; and (ii) provide to Department a labor and material payment bond of a corporate surety company satisfactory to Department and meeting the requirements of N.J.S.A. 2A:44-143 providing for the prompt payment for materials, supplies, labor, services and equipment, naming Department and Operator as co-obligee in form and substance satisfactory to Department.

I. Before commencement of construction, Operator shall deliver to Department certificates of insurance showing that Operator and/or its contractors and subcontractors have obtained insurance coverage during construction as follows: (i) Completed Value Builder's Risk insurance with standard fire and extended coverage and, to the extent that insurance against any additional risk is obtainable at standard rates, "all-risk" extended coverage endorsement; (ii) Contingent Liability and Comprehensive General Public Liability insurance with a Contractual Liability endorsement (including insurance with respect to owned or operated motor vehicles) with aggregate limits of not less than One Million Dollars ($1,000,000.00) with respect to bodily injury, death, or property damage for any one accident; and (iii) Worker’s Compensation applicable to the Laws of the State of New Jersey and Employer's Liability Insurance with limits of not less than One Hundred Thousand ($100,000.00) Dollars per occurrence for bodily injury liability and One Hundred Thousand ($100,000.00) Dollars occupational disease per employee with an aggregate limit of Five Hundred Thousand ($500,000.00) Dollars occupational disease. The insurance policies described in (i) and (ii) above shall name Department as an additional insured. The certificates of insurance shall provide for thirty (30) days notice, in writing, to Department prior to any cancellations, expiration, or non-renewal during the term the insurance is required to be maintained in accordance with this Operating Agreement. Operator also shall provide Department with valid certificates of renewal of the insurance upon the expiration of the policies.

J. All Improvements undertaken or made without Department's written approval and/or for which Operator cannot document to the satisfaction of Department that the Improvement was completed in accordance with the requirements of all Federal, State, and local agencies having jurisdiction shall be removed by Operator on Department's demand. Operator shall, at Operator's sole cost and expense, repair any damage to the Golf Course Property caused by Operator's construction and/or removal of any unauthorized or unacceptable Improvement.

K. Upon completion of any Improvement, Operator shall, as a condition precedent to Department's acceptance and Operator's use and operation thereof as part of the Golf Course Property, deliver to Department: (i) copies of all permanent certificates of occupancy necessary for use and occupancy of the Improvement; (ii) copies of final and complete waivers by Operator's general contractor and its subcontractors of their rights to file or assert a mechanic's lien against any part of the Golf Course Property or Improvement or any work performed; and (iii) one complete set of reproducible "as-built" or record drawings of the Improvement.

L. All Improvements hereafter constructed on the Golf Course Property by Operator shall be the property of Department. Upon the expiration or termination of this Operating Agreement, Operator shall turn over use and operation thereof to Department free of any liens or encumbrances and without payment of any compensation therefor by Department to Operator.

16. STAFF

A. Operator shall engage a sufficient number of reliable, competent, and qualified staff of legal age for operation and management of the Golf Course Property, to provide security for the Golf Course Property and to meet the needs of the public. Operator shall submit a staffing plan to

Department and obtain Department's written approval thereof. Operator shall provide Department with a written list of the names, addresses, and telephone numbers of all employees and shall update said list regularly so that Department has a list of all current employees. If Department determines that Operator has not provided a sufficient number of reliable, competent, and qualified staff of legal age for the operation and management of a Golf Course Property covered by this Operating Agreement, Operator shall, immediately upon receipt of written notification from Department, correct the staffing deficiencies described in said notice.

B. If it becomes necessary for Operator to substitute any management or supervisory staff ("key personnel"), Operator will identify the substitute personnel and the work to be performed. Operator must provide detailed justification documenting the necessity of the substitution. Resumes must be submitted evidencing that the individual proposed as a substitution has qualifications and experience equal to or greater than the individual originally proposed or currently assigned. Operator shall forward a request to substitute key personnel to Department for consideration and approval. No substitute key personnel are authorized to commence work until Operator has received written approval to proceed from Department.

17. COMPLIANCE WITH LAWS, LICENSES, PERMITS, AND INSURANCE POLICIES

A. Operator shall obtain, maintain and comply with all necessary licenses, permits, and approvals required by the appropriate Federal, State, and local authorities for the improvement, maintenance, and use of the Golf Course Property in accordance with this Operating Agreement. Department agrees to cooperate fully with Operator in obtaining same. Operator shall provide Department with satisfactory written evidence that all such licenses, permits, and approvals have been obtained prior to the commencement of improvement, maintenance and use of the Golf Course Property. Operator also shall provide Department with satisfactory documentation that all such licenses, permits, and approvals have been renewed as may be required so that Department is at all times in possession of adequate documentation that Operator has obtained and is maintaining such licenses, permits, and approvals.

B. Operator shall, at its sole cost and expense, comply and shall cause the Golf Course Property to comply with all duly promulgated and applicable Federal, State, and local laws, ordinances, rules, and orders affecting the Golf Course Property, or any part thereof, or the use thereof, including but not limited to laws and regulations pertaining to pesticide storage and application, water allocation, and those which require the making of any structural or extraordinary changes thereto, whether or not any such laws, ordinances, rules, or orders may involve a change of policy on the part of the governmental body enacting the same.

C. Operator shall comply with the requirements of all policies of insurance required by this Operating Agreement which at any time may be in force with respect to the Golf Course Property.

D. If Operator is issued:

(i) A notice of failure to comply with any policy of insurance required by this Operating Agreement;

(ii) A summons or any notice of violation of any license, permit, certification, authorization, approval, or any other similar instrument(s) required by any Federal, State, or local authority having jurisdiction necessary to improve, maintain, and use the Golf Course Property in accordance with the provisions hereof; or

(iii) A summons or any notice of violation of any duly promulgated and applicable Federal, State, or local laws, ordinances, rules, and orders affecting the Golf Course Property, any part thereof, or the use thereof,

Operator immediately shall forward a copy of the notice or summons to Department and Operator shall have such period of time to correct said violation as is prescribed in the summons or notice.

18. TAXES AND ASSESSMENTS

Until such time as the Greens Café Lease expires or is terminated, the Operator will be required to pay all property taxes assessed on the Golf Course Property and Greens Café. The Department will annually abate the Operating Agreement Payment by the amount of assessed property taxes attributable to Greens Café and the associated banquet facility. Once the Greens Café lease expires or is terminated, any property taxes assessed on the Greens Café and banquet facility will be the responsibility of the new tenant or concessionaire of the Greens Café (which could be the Operator if Operator exercises its right of first refusal to run Greens Café pursuant to Paragraph 14D herein.) Operator immediately shall forward a copy of any notice of such tax payment to Department and any notice of assessment, tax bill, or any other notice, correspondence or document relating to local property taxation of the Golf Course Property and Greens Café to the Department.

19. OPERATOR'S OBLIGATIONS

Operator, at its sole cost and expense, shall be responsible for preparation and compilation of Plans, Reports, Documents, and financial reports, and Operator shall attend meetings as reasonably required by Department. Operator shall be responsible for compliance with all other obligations specified as Operator's in the RFP, attached hereto as Exhibit A.

20. ACCESS TO GOLF COURSE PROPERTY

During the Term of this Operating Agreement, as the owner of the Golf Course Property, the State, retains the unfettered right to enter the Golf Course Property for any reason or no reason at all.

21. SIGNAGE, ADVERTISING, AND NEWS RELEASES

Operator shall not post or allow any signs or advertisements of any description to be painted or posted on the Golf Course Property, any of the buildings or structures on the Golf Course Property, and/or on any other property or improvement comprising part of the State Park, unless specifically approved by Department in writing. Operator shall not use Department's/State's name, logos, images, or any data or results arising from the Operating Agreement as part of any commercial advertising without first obtaining the written consent of Department. Operator shall not be permitted to change or profit from the name of the golf course by, for example, selling or licensing naming rights to the Golf Course Property. Operator shall not change the name of the Golf Course Property without the prior written consent of Department. Operator shall not issue news releases pertaining to any aspect of the services being provided under the Operating Agreement without the prior written consent of Department.

22. DAMAGE TO PROPERTY

A. Operator shall, at Operator's sole cost and expense, repair any damage caused by Operator, its employees, agents, contractors, or invitees to the Golf Course Property within the period of time prescribed by Department in a written demand. In the event that Operator fails to so repair after written demand by Department, Department may, at its option and subject to the availability of funds from insurance coverage or appropriated therefore, elect to make said repairs, and the cost thereof shall be paid by Operator to Department within fifteen (15) days after demand therefore.

B. In the event of damage or destruction of the Golf Course Property, in whole or in part, by fire, explosion, the elements, or otherwise during the term of this Operating Agreement,

Department may, in its discretion, terminate this Operating Agreement from the date of such damage and destruction or, subject to the availability of funds from insurance coverage or appropriated therefore, cause such damage or destruction to be repaired.

C. All repairs by Operator of damage to the Golf Course Property shall restore the affected property to the appearance, condition, and utility of said property immediately prior to the damage or destruction. All repairs shall be completed in accordance with plans and specifications submitted to and approved by Department under Paragraph 15 of this Operating Agreement to the same extent as though said repair is an Improvement.

D. This Operating Agreement shall not be construed to require or obligate Department to cause any damage to or destruction of the Golf Course Property to be repaired for the benefit of Operator. Department shall not be liable to Operator for any loss occasioned by the damage to or destruction of the Golf Course Property and/or Department's declaration that this Operating Agreement is terminated.

23. DEVELOPMENT OF STATE PARK

Any other provision herein contained to the contrary notwithstanding, in the event that Department gives Operator written notice that Department requires all or any part of the Golf Course Property for development or use for any public purpose, Operator shall, within the period set forth in said notice and without any compensation therefore by Department to Operator, abandon use of the Golf Course Property or part thereof designated by Department within the notice period.

24. INDEMNIFICATION

A. Operator shall, for itself, its successors, and assigns, assume all risks and liabilities arising out of Operator's use, operation, maintenance, and improvement of the Golf Course Property. Operator covenants to defend, protect, indemnify, and save harmless Department and hereby releases Department and each of its officers, agents, employees, successors, and assignees from and against any and all such liabilities, losses, damages, costs, expenses (including reasonable attorney's fees and expenses), causes of action, suits, claims, demands, or judgments of every nature arising from or claimed to arise, in whole or in part, in any manner out of, be occasioned by, or result from:

(i) Any injury to, or the death of, any person in or on, or any damage to property which occurs in, on or about the Golf Course Property, any Improvements thereon or upon any sidewalk or walkway within the Golf Course Property or in any manner growing out of or connected with the use, non-use, condition, or occupancy of the Golf Course Property, Improvements, or any part thereof, and construction or repair of any Improvements on the Golf Course Property;

(ii) Violation of any agreement or condition of this Operating Agreement by Operator, its agents, employees, contractors, express or implied invitees, or anyone claiming by or through Operator;

(iii) Violation by Operator of any contracts, agreements, or restrictions of record concerning the Golf Course Property;

(iv) Failure or omission to comply with any insurance policy required under this Operating Agreement or any Federal, State, or local law, ordinance, rule, or order affecting the Golf Course Property or Operator's use thereof; and

(v) Any act, error, or omission by Operator, its agents,

employees, contractors, express or implied invitees, or anyone claiming by or through Operator in the performance of this Operating Agreement.

B. Operator agrees that any contract with its contractors and consultants shall require such contractors and consultants to defend, indemnify, protect, and save harmless Department and release Operator and Department and their officials and employees from and against any suits, claims, demands, or damages of whatever kind or nature arising out of or claimed to arise out of in whole or in part any negligent act, error, or omission of the contractor, consultant, or their agents, subcontractors, servants, and employees in the performance of any work or professional services on or for the benefit of the Golf Course Property.

C. Department and Operator shall, as soon as practicable after a claim has been made against either of them, give written notice thereof to the other, along with full and complete particulars of the claim. If the suit is brought against Department, Operator, or any of its agents, servants, or employees, it shall expeditiously forward or have forwarded to the other every demand, complaint, notice, summons, pleading, or other process received by or then in their possession or the possession of its representatives.

D. It is expressly agreed and understood that any approval by Department of the work performed or reports, plans, and specifications provided by Operator shall not operate to limit the obligations of Operator assumed pursuant to this Operating Agreement.

E. Operator's liability pursuant to this paragraph shall continue after the termination or expiration of this Operating Agreement with regard to causes of action arising or claimed to arise prior to the termination or expiration hereof and/or obligations of Operator under this Operating Agreement which survive such termination or expiration.

F. This indemnification is not limited by, but is in addition to, the insurance obligations contained in this Operating Agreement.

G. The provisions of this indemnification clause shall in no way limit the obligations assumed by Operator under this Operating Agreement, nor shall they be construed to relieve Operator from any liability or to preclude Department from taking any other actions available to it under any provisions of this Operating Agreement or at law or in equity.

H. All claims asserted against Department by Operator shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq. and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. Nothing in the Operating Agreement shall be construed as a waiver by Department of any warranty, expressed or implied, or any remedy at law or in equity.

25. INSURANCE

A. Operator shall, at Operator's sole cost and expense, obtain and maintain at all times during the term of this Operating Agreement, insurance for any damages imposed by law and assumed under this Operating Agreement of the types and in the amounts hereinafter provided:

(i) Comprehensive General Liability policy as broad as the standard coverage form currently in use in the State of New Jersey which shall not be circumscribed by any endorsements limiting the breadth of coverage. The policy shall include an endorsement (broad form) for contractual liability. Limits of liability shall be maintained at the level of One Million ($1,000,000.00) Dollars per occurrence as a combined single limit for bodily injury and property damage liability;

(ii) Property insurance to cover loss or damage on an "all risk" of physical loss form of coverage against fire, water, wind, storm, loss, theft, and

damage on any structures on the Golf Course Property and all fixtures, equipment, and other property attached thereto and/or physically incorporated therein and the contents owned by Operator and located in or on the Golf Course Property. Said insurance shall be in an amount not less than the full value of such structures, fixtures, equipment, and contents. The value of said structures, fixtures, equipment, and contents shall be determined by Operator using whatever procedures Operator considers appropriate. Said policy shall be written so as to provide that the insurer waives all right of subrogation against Department in connection with any loss or damage covered by the policy;

(iii) Worker's Compensation applicable to the laws of the State of New Jersey and Employer's Liability Insurance with limits of not less than One Hundred Thousand ($100,000.00) Dollars per occurrence for bodily injury liability and One Hundred Thousand ($100,000.00) Dollars occupational disease per employee with an aggregate limit of Five Hundred Thousand ($500,000.00) Dollars occupational disease; and

(iv) Such other insurance and in such amounts as may from time to time be reasonably required by Department.

B. Operator shall require any person providing any service and/or conducting any activity on the Golf Course Property, as part of Operator's operation thereof, to secure and maintain in force at all times during the provision of any service and/or conduct of any activity thereon, as part of Operator's operation of the Premises, insurance coverage of the types and in at least the minimum amounts required under subparagraph A of this paragraph.

C. All policies of insurance shall provide that the proceeds thereof shall be payable to Department and Operator as their respective interests may appear. All insurance coverage required to be maintained by Operator in accordance with this Operating Agreement shall be issued by an insurance company authorized and approved to conduct business in the State of New Jersey and shall name the State of New Jersey, Department of Environmental Protection as an additional insured.

D. When Operator returns this Operating Agreement, signed by Operator, to Department for signature, Operator shall provide Department with a certificate of insurance evidencing that Operator has obtained all insurance coverage in accordance with this Operating Agreement. A copy of the certificate of insurance shall be attached hereto and incorporated by reference as Exhibit G. Failure to provide a certificate of insurance at the time of Operator's execution of this Operating Agreement shall render this Operating Agreement null and void. The certificate of insurance shall provide for thirty (30) days notice, in writing, to Department prior to any cancellations, expiration, or non-renewal during the term the insurance is required to be maintained in accordance with this Operating Agreement. Operator also shall provide Department with valid certificates of renewal of the insurance upon the expiration of the polices so that Department is continuously in possession of current documentation that Operator has obtained and is maintaining in full force and effect all insurance required under this Operating Agreement. Operator also shall, upon request, provide Department with copies of each policy required under this Operating Agreement certified by the agency or underwriter to be true copies of the policies provided by Operator. Operator shall not allow any contractor or subcontractor to engage in any activity on the Premises without first submitting to Department a current certificate of insurance showing that the contractor or subcontractor has obtained insurance coverage in accordance with the requirements of this Operating Agreement. Operator shall deliver the certificates to Department's address as provided in Paragraph 35 of this Operating Agreement.

E. Operator expressly understands and agrees that any insurance protection required by this Operating Agreement shall in no way limit Operator's indemnification obligations assumed in this Operating Agreement and shall not be construed to relieve Operator from liability in excess of

such coverage, nor shall it preclude Department from taking such other actions as are available to it under any provision of this Operating Agreement and as otherwise provided for at law or in equity.

F. The limits of insurance policies described in this Paragraph shall be reviewed by Department and Operator every two (2) years. Operator shall increase the limits of said policies to meet changed circumstances including, but not limited to, changes in the United States Consumer Price Index and changes indicated by the course of plaintiffs' verdicts in personal injury actions.

26. ASSIGNMENT

A. Operator shall not assign or transfer this Operating Agreement, or Operator's responsibilities under this Operating Agreement or the operations authorized hereunder, nor sell or otherwise assign or transfer a controlling interest in such operations (hereinafter collectively referred to as an "Assignment") without the prior written approval of Department.

27. SUB-OPERATORS

A. Operator shall not enter into sub-operating or sub-contractor agreements with outside entities for the performance of any of its obligations under this Operating Agreement, except that Operator may enter into sub-operating and sub-contractor agreements with outside entities for the operation of a pro shop and maintenance and improvements, including: aeration, topdressing and amending; irrigation; cart maintenance; and improvement projects, with the prior written approval of Department. Before Operator may allow a sub-operator or sub-contractor to begin to operate or use the Golf Course Property in such a way, both Operator and the sub-operator/contractor must sign a sub-operating/contracting agreement, which shall be subject to Department's written approval prior to taking effect. In no event will Department and any sub-operator or sub-contractor have any contractual relationship by virtue of the sub-operator's/contractor's relationship to Operator. During the Term of this Operating Agreement, Operator shall indemnify Department and assume all responsibility for all acts/omissions of any sub-operator/contractor and for its compliance with respective sub-operating/contracting agreement.

28. BANKRUPTCY

In the event Operator enters into proceedings relating to bankruptcy, whether voluntary or involuntary, Operator agrees to furnish written notification of the bankruptcy to Department with a copy to the Attorney General's Office. This notification shall be furnished within five (5) days of the initiation of the proceedings relating to the bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and the name(s), addresses, and telephone numbers of the attorney or firm handling the bankruptcy. This obligation remains in effect until final payment is made under this Operating Agreement.

29. TERMINATION, EXPIRATION, AND SUSPENSION OF OPERATIONS

A. Operator shall comply with the terms and conditions of this Operating Agreement. Failure to comply and/or the existence of any condition which Department determines to be in violation of the terms and conditions hereof shall be considered to be a material breach, in which event Department may, in addition to any other right or remedy provided for by law or in equity, terminate this Operating Agreement as follows:

(i) In the event of Operator's failure to (a) obtain and maintain all the insurance coverage required to be obtained and maintained under this Operating Agreement or to provide Department with certificates of insurance documenting that Operator has obtained and is maintaining such insurance coverage; (b) provide Department with current certificates of insurance showing that its contractors or subcontractors have obtained and are maintaining insurance coverage in accordance with the requirements of this

Operating Agreement; or (c) pay when due any payments or other sums required to be paid by Operator hereunder; or (d) correct any violation described in a notice or summons issued to Operator under Paragraph 17 of this Operating Agreement, and a continuation of such failure under (a), (b), (c), or (d) above for a period of ten (10) days after Operator's receipt of written notice thereof from Department served by certified mail, return receipt requested, termination shall, in the discretion of Department, be effective at the conclusion thereof; or

(ii) In the event of Operator's failure to perform or comply with any of the other covenants, agreements, and conditions herein contained and a continuation of such failure for a period of thirty (30) days after Operator's receipt of written notice thereof from Department served by certified mail, return receipt requested, termination shall, in the discretion of Department, be effective at the conclusion thereof.

B. Operator shall have the right to terminate this Operating Agreement upon ninety (90) days written notice served upon Department by certified mail, return receipt requested. Said notice shall include a comprehensive explanation and justification of Operator's reasons for not continuing operations under this Operating Agreement. Within forty-five (45) days after receipt of Operator's notice, Department and Operator shall determine whether the reasons for termination can be resolved to their mutual satisfaction. In the event that Operator and Department determine that said reasons cannot be resolved, termination shall become effective ninety (90) days after Department's receipt of the notice.

C. Termination of this Operating Agreement by either party as herein provided shall not release or discharge any payment, obligation, or liability owed to the other party under the terms and conditions of this Operating Agreement as of the date of such termination.

D. Upon expiration or other termination or cancellation of this Operating Agreement, Operator shall quit and surrender operation of the Golf Course Property and leave the Golf Course Property in a broom clean condition, without fraud or delay, and in good order, condition, and repair, reasonable wear and tear excepted. If Operator shall fail to remove any personal property lawfully belonging to and removable by Operator within the time prescribed by any notice of termination or before the stated expiration of this Operating Agreement, Department may remove same at the expense of Operator. Operator hereby covenants to pay any and all damages which may be caused to the Golf Course Property by the removal of structures and personal property. Operator's obligation to observe or perform this covenant shall survive the expiration or other termination of the Term of this Operating Agreement. Operator shall not remove any permanent fixtures upon expiration or other termination or cancellation of this Operating Agreement.

E. Upon the expiration or termination of this Operating Agreement, Operator shall pay to Department without demand or notice the sum of the following:

(i) All payments accrued to the date of such expiration or termination and, in the event of termination, the unpaid rent for the term or until Department establishes a new operator at the Golf Course Property, if sooner. If Department contracts with a new operator at the Golf Course Property for less than Operator's payments to Department, Operator shall pay the difference until the end of the term. If Department contracts with a new operator at the Golf Course Property for more than Operator's payments to Department, Operator is not entitled to the excess; and

(ii) The cost of making all restoration, renovation, improvement, and repairs required to be made by Operator hereunder and of performing all covenants of Operator relating to the conditions of the Golf Course Property, including any improvements thereon during the term and upon expiration or sooner

termination of this Operating Agreement, is to be deemed prima facie to be the cost estimated by an architect or contractor selected by Department or the amounts actually expended or incurred thereafter by Department.

F. Operator shall, at the direction of Department, immediately suspend, delay, or interrupt Operator's operation of all or any part of the Golf Course Property for such period of time as Department may determine to be appropriate to protect the Golf Course Property and/or public health, safety, and welfare due to the occurrence of hazardous work conditions, emergency conditions, and/or any other cause including, but not limited to, Operator's failure to perform any of the covenants, agreements, and conditions contained in this Operating Agreement, provided that Department has determined that the continuance of the operation of the Golf Course Property may detrimentally impact the Golf Course Property and/or the health, safety, and welfare of persons on site. Operator hereby waives any claim, and Department shall not be liable to any party claiming through Operator, for damages, rent abatement, or compensation as a result of Department's actions under this Paragraph. Department's suspension of Operator's operations shall be in addition to any other right or remedy available by law or in equity.

G. Upon expiration or termination of this Operating Agreement, Operator shall remit payment to the Department for the total amount of unredeemed gift certificates it sold for the Golf Course Property, and the deposits it received for golf outings and events that will occur after expiration or termination of this Agreement. If the Operator offers golf memberships (‘Memberships”) that extend beyond the expiration or termination of this Operating Agreement, the Operator shall compensate the Department for the pro-rata value of the membership fees upon expiration or termination of this Agreement.

30. CREATION OF LIENS OR ENCUMBRANCES BY OPERATOR

A. Operator shall have no power to do any act or make any contract which may create or be the foundation for any lien, mortgage, or other encumbrance upon any interest of Department in the Golf Course Property or in the buildings or Improvements thereon; it being agreed that should Operator cause any alterations, rebuilding, replacements, changes, additions, improvements, or repairs to be made to the Golf Course Property or the buildings or Future Improvements thereon or labor performed or material furnished therein, thereon, or thereto, neither Department nor the Golf Course Property shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished, but all such alterations, rebuilding, replacements, changes, additions, improvements, repairs, labor, and material, shall be made, furnished, and performed at Operator's expense, and Operator shall be solely and wholly responsible to the contractors, laborers, and materialmen furnishing and performing such labor and material.

B. If, because of any act or omission (or alleged act or omission) of Operator, any mechanic's or other lien, charge, or order for the payment of money shall be filed against the Golf Course Property, any buildings, or any Improvements thereon, or against Department (whether or not such lien, charge, or order is valid or enforceable as such), Operator shall, at its own cost and expense, cause the same to be cancelled and discharged of record or bonded within ten (10) days after notice to Operator of the filing thereof.

C. Operator shall, upon completion of any improvement(s), provide Department with a signed copy of any and all lien(s), which shall indicate that all contractors have been paid and all lien(s) have been discharged.

31. SOLICITATION

Operator warrants that no person has been employed directly or indirectly to solicit or secure this Operating Agreement in violation of the provisions of N.J.S.A. 52:34-19 and that the laws of the State of New Jersey relating to the procurement and performance of this Operating Agreement have not been violated by any conduct of Operator, including the paying or giving directly or

indirectly of any fee, commission, compensation, gift, gratuity, or consideration of any kind to any State employee, officer, or official.

32. AMENDMENTS

The parties hereto agree that this Operating Agreement may be amended, supplemented, changed, modified, or altered upon mutual agreement of the parties hereto made in writing. This Operating Agreement cannot be modified or amended by conduct or course of dealings.

33. ENTIRE AGREEMENT

The parties hereto agree that this Operating Agreement represents the entire agreement between the parties; all negotiations, oral agreements, and understandings are merged herein.

34. CONTINUATION OF TERMS

If Department permits Operator to continue operating the Golf Course Property after expiration of this Operating Agreement without having executed a new written agreement with Department, Operator shall operate the Golf Course Property subject to all terms, covenants, and conditions contained in this Operating Agreement. Such continuation of operations by Operator shall not constitute a renewal or extension of this Operating Agreement.

35. NOTICES

The parties hereto agree that all submissions, approvals, and notices which may be required under this Operating Agreement shall be forwarded by certified mail, return receipt requested, and addressed as follows:

Department: State of New Jersey
Department of Environmental Protection
Office of Leases
MAIL CODE 501-04C
P.O. Box 420
Trenton, NJ 08625-0420

Operator:

36. FLOOD HAZARD ZONE

Department and Operator acknowledge that the Golf Course Property is located within a flood hazard zone. Department shall not be responsible to Operator, its agents, employees, or express or implied invitees for loss, damage, or destruction of improvements or personal property on the Golf Course Property as the result of flooding.

37. SUPERSEDES

This Operating Agreement supersedes and cancels all previous agreements covering the Golf Course Property.

38. INDEPENDENT PRINCIPAL

Operator shall, at all times, act as an independent principal and not as an agent or employee of Department. Operator agrees not to enter into any agreement or commitment on Department's behalf.

39. WAIVER

Failure of either party to complain of any act or omission on the part of the other party, no matter how long same may continue, shall not be deemed a waiver by said party of any of its rights hereunder. No waiver by either party at any time, express or implied, of breach of any provision of this Operating Agreement shall be deemed waiver of breach of any other provision or a consent to any subsequent breach of the same or any other provision. The consent to or approval of any action on any one occasion by either party hereto shall not be deemed a consent to or approval of any other action on the same or any subsequent occasion. Any and all rights and remedies which either party may have under this Operating Agreement or by operation of law, either at law or in equity, by reason of a breach by the other party shall be distinct, separate, and cumulative and shall not be deemed inconsistent with any other right or remedy, and any two or more or all of such rights and remedies may be exercised at the same time. Acceptance by either party of any of the benefits of this Operating Agreement, with knowledge of any breach thereof by the other party, shall not be deemed a waiver by the party receiving the benefit of any rights or remedies to which it is entitled hereunder or by law.

40. SUCCESSION AND BINDING AGREEMENT

Except as otherwise set forth herein, all of the terms and provisions of this Operating Agreement shall be binding upon and shall insure to the benefit of the successors and assignees of Department and Operator's heirs, executors, administrators, and assigns.

41. SEVERABILITY

If any term or provision of this Operating Agreement, or the application thereof to any person or circumstance shall, to any extent, be determined to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Operating Agreement, or the application of such term and provision of this Operating Agreement, shall be valid and enforced to the fullest extent permitted by law.

42. HEADINGS

The article, paragraph, and subparagraph headings throughout this Operating Agreement are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Operating Agreement.

43. NO DISCRIMINATION - AMERICANS WITH DISABILITIES ACT

A. Operator shall not discriminate against any person, employee, or applicant for employment because of age, national origin, race, creed, color, disability, sex, or sexual preference. This provision shall include, but not be limited to, the following: employment; upgrading; demotion; transfer; recruitment; recruitment advertising; rates of pay or other forms of compensation; layoff or termination; and selection for training, including apprenticeship.

B. Operator shall not discriminate on the basis of age, national origin, residence, race, creed, color, disability, sex, or sexual preference in allowing the public access to and use of the Golf Course Property.

C. Operator shall comply with the Architectural Barriers Act of 1968, 42 U.S.C.A. 4151 et seq., Title VI Civil Rights Act, Section 504, Americans With Disabilities Act, 42 U.S.C.A. 12101 et seq., and the New Jersey Barrier Free Subcode, N.J.A.C. 5:23-7 et seq., all as are now in effect and subsequently amended.

44. GOVERNING LAW

Department and Operator hereby agree that jurisdiction of any action hereunder shall lie in a

court of competent jurisdiction in the County of Mercer, State of New Jersey. This Operating Agreement shall be governed by and interpreted in accordance with the laws of the State of New Jersey.

45. NO THIRD PARTY BENEFICIARIES

There shall be no third party beneficiaries of this Operating Agreement, and no person, firm, or entity not a party to this Operating Agreement shall be entitled to claim any right, benefit, or presumption from or estoppel by this Operating Agreement.

46. NEGOTIATED DOCUMENT

Each and every provision of this Operating Agreement has been independently, separately, and freely negotiated by the parties as if this Operating Agreement were drafted by all parties hereto. The parties therefore waive any statutory or common law presumption which would serve to have this document construed in favor of or against any party as the drafter hereof.

47. PAY TO PLAY

A. This Operating Agreement is subject to the provisions of P.L. 2005, c. 51 (N.J.S.A. 19:44A-20.13 et seq.), and compliance with said statute shall be a material term and condition of this Operating Agreement.

B. Operator is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC) pursuant to N.J.S.A. 19:44A-20.27 (P.L. 2005, c. 271, section 3) if Operator received contracts in excess of Fifty Thousand ($50,000.00) Dollars from a public entity in a calendar year. It is Operator's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

48. PREVAILING WAGE ACT

Without limiting the scope of any other provision of this Operating Agreement, Operator agrees to comply with the New Jersey Prevailing Wage Act, P.L. 1963, Chapter 150. Operator also agrees to comply with 42 USC, Section 9604 (g) (1). If any conflict exists between the New Jersey Prevailing Wage Law and Section 9604 (g) (1), Operator must comply with the Federal requirements.

Operator's signature on this Operating Agreement is a guarantee that Operator or any contractors Operator may employ to perform work required under this Operating Agreement have not been suspended or debarred by the Commissioner, Department of Labor for violation of the Prevailing Wage Act, P.L. 1963, Chapter 150.

49. CORPORATE RESOLUTION

Operator shall adopt a resolution authorizing the execution of this Operating Agreement by Operator for the purposes and subject to the terms and conditions herein provided. When Operator returns this Operating Agreement, signed by Operator, to Department for signature, a certified copy of said resolution shall be attached hereto as Exhibit H and incorporated by reference.

50. ATTACHMENTS

The following are attached to and made part of this Operating Agreement:

Exhibit A – Request for Proposal

Exhibit B – Bid Proposal

Exhibit C – Tax Map of Upper Freehold Township, Monmouth County, New Jersey

Exhibit D –Greens Café Lease

Exhibit E – Operator's first fee schedule

Exhibit F – Division of Parks and Forestry Goose Management Program Policy, and Special State Canada Goose Permit - Annual Report

Exhibit G – Certificate of Insurance

Exhibit H – Corporate Resolution

IN WITNESS WHEREOF, the said parties have duly executed these presents the days and year first obtain written.

STATE OF NEW JERSEY
Department of Environmental Protection

By:_____
Amy Cradic, Assistant Commissioner
Natural and Historic Resources

Date:_____

ATTEST:

By:_____

Date:_____

OPERATOR

By:_____

Date:_____

ATTEST:

By:_____

Date:_____

By:_____

Date:_____

ATTEST:

By:_____

Date:_____

This Operating Agreement has been reviewed
and approved as to form by:

Attorney General
State of New Jersey

By:_____

Deputy Attorney General

Date: _____