

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

SAMPLE DRAFT OPERATING AGREEMENT

HEAD BOAT/CRUISE BOAT OPERATION

THIS AGREEMENT, made this _____ day of _____, in the year of Two Thousand and Nineteen (2019),

**BETWEEN THE STATE OF NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF PARKS AND FORESTRY
STATE PARK SERVICE
MAIL CODE: 501-04C, P.O. BOX 420
TRENTON, NEW JERSEY 08625-0420**

, hereinafter referred to as Department,

AND **Name**
 Title and/or Entity Designation
 Street Address
 Town, NJ Zip Code

, hereinafter referred to as Operator.

NOW, THEREFORE, Department, in consideration of the payments and covenants hereinafter made, does hereby grant to Operator and Operator hereby agrees to operate a Head Boat/Cruise Boat Vessel at:

Leonardo State Marina (“Marina”)

Operator hereby covenants and agrees to and with Department as follows:

1. SCOPE OF HEAD BOAT/CRUISE BOAT OPERATION

- A. Operator shall be granted the exclusive right to operate a Head Boat/Cruise Boat Vessel (“Vessel”) (hereinafter referred to as the “Vessel Operation”), limited to the structure(s) or area(s) provided by Department for the purposes set forth in this Operating Agreement and specifically designated in Exhibit A (hereinafter referred to as the “Operation Area”).
- B. Operator shall be authorized, as part of the Vessel Operation, to conduct cruises for charter fishing and/or conduct cruises that offer public and private boat charters, corporate outings, seasonal dinner cruises, happy hour and entertainment cruises, and sightseeing tours.
- C. Operator shall be granted, as part of the Vessel Operation, exclusive use of assigned berth #176 and the adjacent parking area, specifically designated in Exhibit A. The dimensions of assigned berth #176 are seventy-five feet (75’) by twenty-three feet (23’). The maximum allowable vessel size shall be seventy-five feet (75’) in length overall, including the pulpit and swim platform, by twenty-two and a half feet (22.5’) beam.
- D. Operator shall be authorized to charter the Vessel. The Vessel operated by Operator for the purposes of this Operating Agreement (“Agreement”) must be approved in writing by Department and the United States Coast Guard, prior to docking the Vessel at the Operation Area. Operator’s Vessel shall be manned, equipped, and operated at all times in accordance with the United States Coast Guard Certificate of Inspection. Operator shall submit a copy of all United States Coast Guard approvals and certificates to Department prior to commencement of use of the approved Vessel. Operator shall be required to maintain valid United States Coast Guard approvals at all times during any Term of this Agreement.

Failure on the part of Operator to obtain written Vessel approval and maintain United States Coast Guard approvals shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9. Operator shall submit to Department, for approval, a written list of prices to charter the Vessel. Operator shall not commence any operations until Department approves the proposed prices in writing. Failure on the part of Operator to obtain written pre-approval of the pricing to charter the Vessel shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.

- E. Operator shall be authorized to sell prepackaged food and non-alcoholic beverages on the Vessel. Operator shall be solely responsible for obtaining all necessary State licenses, inspections, and approvals before selling prepackaged food and non-alcoholic beverages. The sale of prepackaged food and non-alcoholic beverages without all applicable valid and current State licenses, inspections, and approvals for the sale of prepackaged food and non-alcoholic beverages shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9. Permissible types of prepackaged food and non-alcoholic beverages include, but are not limited to, a combination of items in each of the following categories: 1) Prepackaged Food: wrapped or bagged sandwiches, candy, nuts, pretzels, etc., 2) Prepackaged Non-Alcoholic Beverages: bottled or canned soda, water, juice, etc. Operator shall submit to Department a written list of items and prices for all prepackaged food and non-alcoholic beverages for approval, prior to sale. Failure on the part of Operator to obtain written pre-approval of the types and prices of prepackaged food and non-alcoholic beverages shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.
- F. Operator shall be authorized to prepare and sell food and non-alcoholic beverages on the Vessel. Operator shall be solely responsible for obtaining all necessary State licenses, inspections, and approvals before preparing and selling food and non-alcoholic beverages. The preparation and sale of food and non-alcoholic beverages without all applicable valid and current State licenses, inspections, and approvals for the preparation and sale of food and non-alcoholic beverages shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9. Operator shall comply with all rules and regulations promulgated by the New Jersey State Department of Health and any other agency of government with oversight over food preparation and service. Failure on the part of Operator to comply with all such rules and regulations shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9. Operator shall submit to Department a written menu with prices for all prepared food and non-alcoholic beverages for approval, prior to sale. Failure on the part of Operator to obtain written pre-approval of the types and prices of prepared food and non-alcoholic beverages shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.
- G. Operator shall be authorized to sell fishing novelties and equipment on the Vessel. Operator shall submit to Department, a written list of all items and prices for all fishing novelties and equipment for approval, prior to sale. Failure on the part of Operator to obtain Department written pre-approval of the types and prices of fishing novelties and equipment shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.
- H. Operator shall use the Operation Area solely for the purposes set forth above and is strictly prohibited from selling or permitting the sale or consumption of any alcoholic beverages thereon. Operator may request Department approval to sell and allow consumption of alcoholic beverages on the Vessel while out of port. If approved in writing by Department, Operator may sell and allow consumption of alcoholic beverages on the Vessel while out of port only after obtaining the necessary Alcoholic Beverage Commission (ABC) permits and approvals. Operator shall submit a written list of items and prices for all alcoholic beverages for approval, in writing, by Department prior to sale. The sale and consumption of

alcoholic beverages without the required Department-written approvals and ABC permits shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9. Operator is expected to perform under this Agreement regardless of its ability to obtain a liquor license.

- I. Operator shall not install, operate, or allow the installation or operation of vending machines on the Operation Area.
- J. In the event that Operator ceases to operate a Head Boat/Cruise Boat Vessel from the Marina for a period of ten (10) consecutive calendar days without Department written approval, prior to the expiration of this Agreement, Operator relinquishes all rights to the Operation Area, including the assigned berth as delineated in Exhibit A.
- K. Operator's status shall be that of a licensee. Operator, whose term on the Operation Area shall be seasonal in nature, will not, in any way whatsoever, be granted or conveyed any permanent easement, lease, fee, or other interest in the Operation Area.

2. **TERM**

- A. The "Initial Term" of this Agreement shall commence on January 1, 2019 ("Effective Date"). Operator shall operate the Operation Area during the term of this Agreement, beginning on the Effective Date and continuing for a period of five (5) years from the Effective Date until the expiration of this Agreement ("Expiration Date"), unless this Agreement shall end sooner pursuant to any of the terms, covenants, or conditions herein provided or pursuant to law. The term "year" shall mean a period of twelve consecutive months ("year"). Upon expiration of the Initial Term, Operator may request, in writing, and Department may, in its sole discretion, for cause or convenience, terminate or grant a Renewal of this Agreement for an additional period of five (5) years ("Renewal Term"). Department reserves the right to suspend Operator's operations and/or terminate this Agreement for any material breach in accordance with the terms and conditions set forth in Paragraphs 8 and 9. Furthermore, failure on the part of Operator to submit Monthly Reports or Annual Reports, as described in Paragraphs 11 and 12, when due, shall constitute a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.
- B. If Operator wishes to renew this Agreement, it must submit a request, in writing, to the address set forth in Subparagraph 4(C). Any such request must be received no less than twelve (12) months prior to the Expiration Date of the Initial Term of this Agreement. Should Operator fail to submit a written renewal request no less than twelve (12) months prior to the Expiration Date of the Initial Term, this Agreement shall terminate at the conclusion of this Agreement's current Term, in accordance with the terms and conditions set forth in Paragraph 9.

3. **EFFECTIVE DATE**

- A. For the purposes of this Agreement, the Effective Date of the Agreement's Initial Term shall commence on January 1, 2019.
- B. For the purposes of this Agreement, the Effective Date for the commencement of the Renewal Term, if any, shall be January 1, 2024, unless this Agreement shall end sooner pursuant to any of the terms, covenants, or conditions herein provided or pursuant to law. Operator shall not be authorized to operate the Vessel until the following has occurred:
 - (i) The Renewal Agreement is signed on behalf of Operator and Department;
 - (ii) Department dates the Renewal Agreement and forwards a copy to Operator;
 - (iii) The required Certificate(s) of Insurance under this Agreement is or are received by Department;

- (iv) Department has approved, in writing, the proposed types and prices of prepared and prepackaged food and non-alcoholic beverages, fishing equipment/novelties, alcoholic beverages, and/or for the charter of the Vessel; and
- (v) Mandatory Compliance and Performance Evaluation Meeting #1 has been scheduled and/or completed with Department, as described in Paragraph 17.

4. PAYMENTS AND INCREASE

- A. **TERM FEE:** Operator shall pay Department an annual Term Fee of Nine Thousand Seven Hundred (\$9,700.00) Dollars in accordance with the Payment Schedule set forth in Exhibit B as consideration for the Vessel Operation, license and privilege granted herein.
- B. **VARIABLE FEE:** Operator shall pay a minimum Variable Fee of One (\$1.00) Dollar per person for each patron of the Vessel Operation, as set forth in Exhibit B. The Variable Fee shall be paid with the submission of the Monthly Report identified in Paragraph 11.
- C. All payments shall be submitted by check made payable to “**Treasurer - State of New Jersey**” and be received on or before the scheduled payment date to:

Department of Environmental Protection
Natural and Historic Resources
Office of Leases & Concessions
PO Box 420, Mail Code: 501-04C
Trenton, New Jersey 08625-0420

- D. If Operator fails to pay said compensation at such time and in such manner as specified herein and in Exhibit B, such failure shall constitute a material breach of this Agreement subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.
- E. Department may, at its discretion, require Operator to make all payments for the Initial Term of this Agreement by certified or cashier’s check only.
- F. All late payments shall be assessed a monthly penalty of five (5%) percent of the total amount due. A late payment shall be any payment received after the tenth (10th) calendar day of each month.
- G. In the event any check for payment is returned to Department, all future payments must be made by certified or cashier’s check only.
- H. Beginning on the third (3rd) year of the Initial Term of this Agreement, if any, the Term Fee shall be increased by three (3%) percent, continuing annually for each of any remaining years of the Initial Term and the Renewal Term. Beginning on the third (3rd) year of this Agreement’s Initial Term and Renewal Term, Department may also increase the Term Fee and/or Variable Fee pursuant to a Compensation Analysis performed in accordance with Paragraph 5. The Term Fee and/or Variable Fee for any following years will be calculated by Department and shall be rounded up to the closest dollar.

5. COMPENSATION ANALYSIS

- A. **Initial Term:** A Compensation Analysis may be performed during the second (2nd) year of this Agreement’s Initial Term. At such time, based on the reported Total Gross Revenue, performance of the Vessel Operation, and/or Department’s existing rates for similarly-performing operations, Department may choose to increase the Term Fee and/or Variable Fee, for the following years of the Initial Term, if any.
- B. **Renewal Term:** A Compensation Analysis may be performed during the second (2nd) year of the Agreement’s Renewal Term. At such time, based on the reported Total Gross Revenue, performance of the Vessel Operation, and/or Department’s existing rates for

similarly-performing operations, Department may choose to increase the Term Fee and/or Variable Fee, for the following years of the Renewal Term, if any.

6. HOURS OF OPERATION AND LIMITATIONS

- A. During the Initial Term of this Agreement, the Vessel shall open and operate from the Effective Date of the Agreement's Initial Term, continuing for a period of five (5) years ("Period of Operation").
- B. During the Renewal Term of this Agreement, if any, the Vessel shall open and operate from the Effective Date of the Agreement's Renewal Term, continuing for a period of five (5) years ("Period of Operation").
- C. The Vessel shall operate during specified hours set in accordance with an operating schedule pre-approved in writing by Department, prior to commencement of the Period of Operation for the Initial Term and the Renewal Term ("Operating Hours"). Operating Hours shall be submitted to and approved in writing by Department before any proposed Operating Hours can become effective. Operating Hours shall remain in effect unless otherwise modified and re-approved in writing by Department. The Vessel must be prepped, fully operational, and capable of serving patrons during the Period of Operation and during scheduled Operating Hours. Department reserves the right to have Operator complete a daily attendance log at a location determined by Department.
- D. Failure on the part of Operator to open for business as scheduled shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9. The Marina Superintendent shall be the sole authority to determine whether an area of the Marina affecting the Vessel Operation will be closed due to inclement weather or otherwise. Department is not responsible to Operator for any loss or damage caused by such determination.
- E. Operator shall be responsible for adequate staffing and operating the Vessel during Operating Hours, as scheduled. Failure on the part of Operator to open and operate the Vessel during Operating Hours shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.
- F. Operator shall be accessible by phone during Operating Hours, as established pursuant to Subparagraph 6(C), and during Standard Business Hours (9 a.m. to 5 p.m.), at a number to be provided to Department and made publicly available at the Operation Area and in any advertisement of the Vessel Operation. Failure on the part of Operator to be accessible by phone during Operating Hours and Standard Business Hours shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.
- G. Operator shall also provide Department with a private number where Operator can be reached at any time.

7. ALTERNATE HOURS OF OPERATION

Operator may request authorization to change or modify pre-approved Operating Hours. All requests to change or modify pre-approved Operating Hours must be submitted electronically to both the Marina Superintendent and the Office of Leases and Concessions, at the addresses set forth in Subparagraph 10(B) ten (10) calendar days in advance of the proposed effective date. Operator shall not implement any changes in Operating Hours without written authorization from the Marina Superintendent.

8. SUSPENSION OF OPERATIONS

Operator shall, at the direction of Department, immediately suspend, delay or interrupt Operator's operation of all or any part of the Operation Area for such period of time as Department may determine to be appropriate to protect the Operation Area 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 Agreement on its part to be performed. Operator hereby waives any claim, and Department shall not be liable to any party claiming through Operator, for damages, payment abatement, or compensation as a result of Department's actions under this Paragraph or this Agreement. Department's suspension of Operator's operations shall be in addition to any other right or remedy available by law or in equity.

9. TERMINATION

- A. Operator shall exercise direct and personal supervision of the operation of the Operation Area designated by Department in Exhibit A. Failure to exercise such supervision and/or the existence of any condition at the Marina or in the operation of the Vessel which Department determines to be in violation of the terms and conditions of this Agreement shall be considered to be a material breach in which event Department may terminate this Agreement by written notice sent by regular and certified mail return receipt requested. Upon receipt of written notice of termination for violation, Operator shall have such period of time as provided therein to cure such violation. If such violation is not cured within the period designated in said notice, termination shall, in the sole discretion of Department, be effective at the conclusion of the designated period.
- B. Without limiting the scope of Subparagraph A of this Paragraph, this Agreement shall automatically terminate in the event of Operator's failure to pay, when due, any compensation or other sums or assessments to be paid by Operator under this Agreement and the continuation of such failure to pay for a period of five (5) calendar days after Operator's receipt of written notice thereof from Department.
- C. Department expressly reserves the right to terminate this Agreement without notice in cases of emergency or where there exists or may exist risk to public health, safety, or welfare as determined by Department in its sole discretion.
- D. Notwithstanding any provision or language to the contrary, Department may terminate this Agreement, in whole or in part, solely for the convenience of the State, by ninety (90) calendar days written notice to Operator sent by regular and certified mail return receipt requested. Upon receipt of such notice, Operator may choose for such termination to become effective immediately, or may instead continue to operate the Vessel in accordance with the terms and conditions of this Agreement for a period not to exceed ninety (90) calendar days after receipt of the notice or until the end of the current Agreement year, whichever occurs sooner.
- E. Operator may terminate this Agreement by ninety (90) calendar days written notice to Department sent by regular and certified mail return receipt requested. Upon receipt of such notice, Department may choose for such termination to become effective immediately. Otherwise, Operator shall continue to operate the Vessel in accordance with the terms and conditions of this Agreement for a period not to exceed ninety (90) calendar days after receipt of the notice, until the end of the current Agreement year, or upon selection by Department of a new Operator, whichever occurs sooner.
- F. If at any time during the Initial Term or Renewal Term of this Agreement, Operator shall make any assignment for the benefit of creditors or be decreed insolvent or bankrupt according to law, or if a receiver shall be appointed for Operator, then Department may terminate this Agreement immediately by notice served upon the Operator and the assignee, receiver, trustee or other person in charge, but such termination shall not release or discharge any payment or obligation then owed by Operator to Department hereunder.
- G. Termination of this Agreement by either Department or Operator, as herein provided, shall not release or discharge any payment obligation or liability owed by one to the other under the terms and conditions of this Agreement as of the date of such termination.
- H. Upon the expiration or termination of this Agreement, Department may at once re-enter and remove any and all persons occupying the Operation Area. If Operator fails to remove any property lawfully belonging to and removable by Operator upon the expiration or

termination of this Agreement, Department may appropriate same to its own use without allowing any compensation therefor, or may remove same at the expense of Operator. In the event that Operator removes any personal property, Operator hereby covenants to pay any and all damages which may be caused to the property of Department by this removal.

- I. Any Department-initiated termination of this Agreement for cause or convenience pursuant to this Paragraph shall be considered sufficient grounds for Department, at its sole discretion, to terminate, upon thirty (30) calendar days written notice to Operator, any and all other Operating Agreements between Department and Operator. Any Department-initiated termination for cause or convenience of another Operating Agreement between Department and Operator shall be considered sufficient grounds for Department, at its sole discretion, to terminate this Agreement, upon thirty (30) calendar days written notice to Operator.

10. **ELECTRONIC SUBMISSIONS**

Operator must have the capacity to send and receive electronic submissions and communications as a pre-condition and continuing requirement of this Agreement. For purposes of this Agreement, "Electronic Submissions" shall only include the transmission of documents by email. Operator shall comply with the following terms and conditions:

- A. Operator shall electronically submit all reports, including, but not limited to, Monthly Reports and Annual Reports as described in Paragraphs 11 and 12, by email to: OfficeofLeases@dep.nj.gov. Failure on the part of Operator to submit reports electronically shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.
- B. Operator shall electronically submit all requests to change or modify pre-approved Operating Hours as described in Subparagraph 6(C), to the Marina Superintendent and the Office of Leases and Concessions by email to: Maggie.Mitchell@dep.nj.gov and OfficeofLeases@dep.nj.gov. Failure on the part of Operator to submit all requests to change or modify Operating Hours electronically shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.
- C. Operator shall maintain and monitor on a daily basis an active email address, designated for this Agreement and report any change to the email address during any Term of this Agreement. Failure on the part of Operator to maintain and monitor the active email address, designated for this Agreement, shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.

11. **MONTHLY REPORT**

- A. A Monthly Report shall be submitted within ten (10) calendar days of the end of each calendar month of the Period of Operation. Each Monthly Report shall be signed, dated, and certified by Operator, Operator's Bookkeeper, or Accountant, and contain a Statement of Total Gross Receipts, excluding New Jersey State Sales Tax, derived by Operator from the Vessel Operation during the previous month. Each Monthly Report shall be based on the daily "Z" tapes or Point-of-Service (POS) device equivalent for that same month showing each day's sales activity, the number of days the Vessel operated, total number of trips, total number of patrons per trip, and total number of patrons serviced during that same month. Failure on the part of Operator to provide the Monthly Report, when due, shall constitute a material breach of this Agreement subject to Suspension of Operations and/or Termination, in accordance with the terms and conditions set forth in Paragraphs 8 and 9. Operator shall provide Department with any additional written clarification and/or information necessary to confirm the accuracy of any or all of Operator's Monthly Reports.
- B. The signed, dated and certified Monthly Report, along with the Variable Fee identified in Subparagraph 4(B), must be submitted, in the Department-approved format, within ten (10) calendar days of the end of each calendar month of the Period of Operation.

12. ANNUAL REPORT

- A. Operator shall submit to Department, no later than February 1st following each year this Agreement is in effect, an Annual Financial Statement (“Annual Report”) for the prior year of operation. Each Annual Report shall be prepared, signed, dated, and certified by a Certified Public Accountant (CPA) licensed to practice accounting in the State of New Jersey with a CPA’s highest level of assurance and verification and substantiation procedures consistent with generally accepted accounting principles. Each Annual Report shall contain the following: Total Number of Patrons Served, Total Gross Revenue, New Jersey State Sales Tax, Operating Expenses, and Net Profit from State Park Vessel Operations. Failure on the part of Operator to submit the Annual Report, when due, shall constitute a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9. Operator shall provide Department with any additional clarification and/or information necessary to confirm the accuracy of Operator’s Annual Report.
- B. The signed, dated and certified Annual Report must be submitted in the Department-approved format no later than February 1st following each year this Agreement is in effect.

13. RECORDS AND AUDIT

- A. Operator shall maintain complete, accurate, and detailed accounting records of all transactions pertaining to the Vessel Operation covered by this Agreement that will enable Operator and a CPA to prepare financial statements in accordance with generally accepted accounting principles. Operator shall make such records available to any authorized representative of Department upon request, as often as it is deemed necessary by Department, to determine the effectiveness of the financial management system and internal procedures that have been established by Operator, and to ensure compliance with the terms and conditions of this Agreement and that the financial statements and reports present fairly the results of Operator’s operations pursuant to this Agreement. Failure to do so shall be a material breach of this Agreement. Said records shall be maintained and made available to Department and the State of New Jersey for a period of seven (7) years after the termination or expiration of this Agreement.
- B. Operator shall utilize a cash register as part of the Vessel Operation. Operator may request Department approval to also or alternatively utilize a Point of Service (POS) device. If approved in writing by Department, Operator may then utilize a POS device as part of the Vessel Operation. Any use of a POS device as part of the Vessel Operation without the required prior Department-written approval shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the Terms and Conditions set forth in Paragraphs 8 and 9.
- C. All sales shall be recorded by means of cash registers or Department-approved POS devices that publicly display the amount of each sale and automatically issue a customer receipt or certify the amount recorded on a sales slip. Said cash registers or Department-approved POS devices shall, in all cases, have locked-in sales totals and transactions counters that constantly accumulate and that cannot, in either case, be reset. In addition, such cash registers must have a tape located within the register upon which transaction numbers and sales details are imprinted. Beginning and ending cash register or Department-approved POS device readings shall be recorded on a daily basis. In the event of technical or electrical failure of the cash register or Department-approved POS device, Operator shall record all transactions by hand and issue a sequentially pre-numbered customer receipt in like manner. Failure to have a working cash register or Department-approved POS device shall be a material breach of this Agreement subject to immediate Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.

Each cash register or Department-approved POS device must have the following:

- Dual Tape/Readable tape (customer must be offered a receipt)
- Customer Display
- Continuous grand total

Each cash register must have the following:

- Cumulative “Z” counter
- Current printed date on detail tape

14. DAILY RECEIPTS

- A. Under this Agreement, Operator shall be required to maintain a daily record of all gross receipts derived from the Vessel Operation. This record shall be available at all times. Operator shall, upon request by Department, provide a breakdown and accounting of all sales activity for each day. Failure on the part of Operator to maintain daily receipts shall constitute a material breach of this Agreement subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.
- B. All cash, credit and debit payments received by Operator shall be deposited into a single bank account maintained at a bank located within the State of New Jersey and maintained solely for the subject Vessel Operation, through which all financial transactions (including, but not limited to, deposits, withdrawals, and purchases) must pass.

15. PRICES

Prices to charter the Vessel, as well as for prepared and prepackaged food and non-alcoholic beverages, fishing equipment/novelty items, and/or alcoholic beverages shall be submitted to and approved by Department in writing before any proposed price can become effective. Proposed prices to be charged must be submitted in writing to Department and approved, in writing, by Department prior to commencement of any Period of Operation. All prices shall remain in effect unless otherwise modified and re-approved in writing by Department. All changes in pricing will require the submission of a new price list for all items and services (not just those being changed) and a written justification for each item Operator is requesting Department’s approval to change or modify. No price changes are to take effect without the written pre-approval of Department. All prices shall be properly displayed in prominent places at all times. Price signage must be professional in appearance, neat, and made of weather-proof materials.

16. STAFF

- A. Operator shall engage a sufficient number of reliable, competent, and qualified staff of legal age to operate the Vessel within the terms and conditions of this Agreement. If Department determines that Operator has not provided a sufficient number of reliable, competent, and qualified staff of legal age for the Vessel Operation, Operator shall, immediately upon receipt of email or written notification from Department, correct the staffing deficiencies described in said notice. If the deficiencies described in said notice are not corrected by Operator immediately upon receipt of email or written notification, Department reserves the right to do the following: (1) suspend the Vessel Operation, pending correction of the deficiencies, in accordance with the terms and conditions set forth in Paragraph 8; (2) obtain the service of reliable, competent, and qualified staff of legal age to operate the Vessel for Operator for the remainder of the then current Period of Operation; or (3) terminate this Agreement in accordance with the terms and conditions set forth in Paragraph 9. Operator shall compensate any staff obtained by Department for the remainder of the then current Period of Operation and shall reimburse Department for all costs incurred by Department in obtaining appropriate staff. Operator shall not be entitled to any payment abatement due to any suspension or other action taken by Department under this Paragraph, and Department shall not be liable to Operator, or any party claiming through Operator, for any claim, liability, or damages resulting from said action by Department.
- B. All employees must wear uniform apparel and name tags to identify and distinguish them as employees of the Vessel Operation. The type of uniform apparel and identification shall be pre-approved by the Marina Superintendent, prior to the start of each year of this Agreement. Failure on the part of Operator to comply with the uniform requirement shall be a material breach of this Agreement subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.

17. COMPLIANCE AND PERFORMANCE EVALUATION

Two (2) Mandatory Compliance and Performance Evaluation Meetings shall be conducted during each year of this Agreement. Additional meetings may be scheduled at the discretion of Department to ensure Operator's effectiveness and compliance. The meetings shall review all aspects of the Vessel Operation, ensuring that quality public services are being provided on a continuing basis in accordance with the Bid Specifications and this Agreement, that operational problems/concerns are addressed on a timely basis, and that all terms and conditions are clearly understood. The meetings shall be held on site with Department-designated State Park Service staff representative(s), the on-site operating manager, and a management/supervisory representative of Operator's firm. A report form shall be utilized to document the meeting, and to identify any deficiencies and the corrective action required. A copy of the completed report form shall be provided to the on-site operating manager or the management/supervisory representative of Operator's firm and shall be attached to and made a part of this Agreement. The Mandatory Compliance and Performance Evaluation Meetings shall be held as follows:

- Meeting #1 - For the first (1st) year of the Initial Term: within thirty (30) calendar days of commencement of the Vessel Operation; and

For the following year(s) of the Initial Term and Renewal Term, if any: On or before May 1st.
- Meeting #2 - On or before October 1st.

18. EQUIPMENT

- A. Operator shall be solely responsible for maintaining all State-owned equipment installed or located on the Operation Area for use by Operator. Department shall not be responsible for the damage, loss, or maintenance of any equipment installed by Operator. Operator shall obtain written approval from Department prior to installation of any of Operator's equipment on the Operation Area.
- B. In the event Department determines it is deemed necessary, Operator shall be required to place a minimum of one (1) Portable Toilet Unit (which will be handicap accessible) on the Operation Area during each Period of Operation of this Agreement. Operator will be responsible for the cost to clean and maintain the Unit. Operator may, at the discretion of Department, provide an alternative restroom facility in lieu of the Portable Toilet Unit. Operator's use of an alternative restroom facility to meet the requirements of this Subparagraph shall require the written pre-approval of Department.
- C. The storage of supplies, goods, or equipment is only permitted at the Operation Area, as designated in Exhibit A. Operator shall not be authorized to store any supplies, goods or equipment related to the operation of the Vessel outside any Term of this Agreement. Department shall not be responsible or liable for any loss or theft of supplies, goods or equipment.
- D. Department shall not be responsible for any damages or loss of goods or services resulting from equipment failure. Operator shall obtain insurance coverage pursuant to Paragraph 34 for possible losses including, but not limited to, equipment failure, vandalism or weather event.

19. REPAIR

Operator shall promptly make all necessary repairs to the Department-Designated Parking Area set forth in Exhibit A, at Operator's sole cost and expense. All repairs of damage to the Department-Designated Parking Area shall restore the affected property to the appearance, condition, and utility of said property immediately prior to the damage. Operator shall not make any repairs to the Operation Area without first obtaining the prior written approval of Department.

20. MAINTENANCE OF OPERATION AREA

- A. The Operation Area shall be provided in “as in” condition. Any obligation of Department, if any, to repair or maintain the Operation Area is contingent upon the availability of funds, as specified in Paragraph 21.
- B. Operator shall preserve and maintain the Operation Area in good and clean condition, reasonable wear and tear excepted. Operator is solely responsible for the maintenance and cleanliness of the Operation Area.
- C. Upon the expiration of each Term or termination of this Agreement, Operator shall deliver up peaceable possession of the Operation Area to Department in as good and clean condition as the Operation Area was made available at the commencement of the Agreement, reasonable wear and tear excepted. In the event that Operator does not deliver up possession as herein provided, Department may restore the Operation Area to such condition, and the cost thereof shall be paid by Operator to Department within ten (10) calendar days of Department’s written demand for payment.

21. AVAILABILITY OF FUNDS

Operator expressly acknowledges that the Operation Area is provided “as is,” and any obligation of Department to repair or maintain the Operation Area is contingent upon the availability of appropriated funds and receipt of revenues from which such repair or maintenance can be funded. Department shall have no obligation for such repair or maintenance unless and until such funds are appropriated each fiscal year to Department by the State Legislature and made available through receipt of revenues.

22. NON-INTERFERENCE WITH STATE MARINA OPERATION

Operator shall conduct all of its operations under this Agreement so as not to interfere with, impair, or prevent maintenance and operation of the Marina by Department, or interfere with or impair the safe and quiet use and enjoyment thereof by the public, neighboring residence, and berth holders. Operator shall coordinate with Department all activities which could adversely affect Department’s maintenance and operation of the Marina and/or the safe and quiet use and enjoyment thereof by the public, neighboring residence, and berth holders and shall implement all measures reasonably required by Department to minimize such adverse effects. Operator shall, upon notice from Department and within the time period prescribed in said notice, take all such action as may be required by Department to eliminate any such interference or impairment occasioned by the Vessel Operation. Failure to complete any such action within the time prescribed in said notice shall constitute grounds for Suspension of Operations and/or Termination of this Agreement in accordance with the terms and conditions set forth in Paragraphs 8 and 9.

23. INSPECTION

Operator shall make the Operation Area available for inspection at any time by any authorized representative of Department to assure compliance with the terms and conditions of this Agreement.

24. GARBAGE DISPOSAL, RECYCLING, AND BIODEGRADABLE MATERIALS

- A. Operator shall, at its sole cost and expense, be responsible for maintaining the cleanliness of the Vessel and Operation Area. Operator shall ensure placement of all garbage and trash generated by the Vessel Operation in designated containers and that said containers are emptied daily, or as more frequently required by Department. Operator shall be responsible for the collection and prompt removal of all trash from the Vessel and Operation Area to a dumpster provided by Operator. Disposal costs from this latter location shall be borne by Operator. Operator shall provide such additional trash containers as may be required to keep the Vessel and immediate Operation Area clean at all times. The type of trash containers provided by Operator shall be approved by Department prior to use.
- B. Prior to commencement of the Vessel Operation, Operator shall, at its sole cost and expense, install one (1) dumpster container and four (4) sided enclosure privacy fence

with locking gates to store all trash from the Vessel Operation, at a location within the Marina designated by Department. The four (4) sided enclosure privacy fence with locking gates shall be a minimum of six (6') feet in height and shall enclose the dumpster to screen it from view and discourage unauthorized dumping. Operator shall submit to Department for approval, a written description, including but not limited to, the size and color of the proposed dumpster and privacy fence with locking gates. Operator shall not purchase and/or install the dumpster and privacy fence with locking gates without first obtaining the prior written approval from Department. Operator shall be solely responsible for maintaining the dumpster, fence, gates and enclosed area in good repair and a clean and neat appearance.

- C. Operator shall comply with any and all county and local recycling requirements.
- D. Any wrappings, containers, bowls, plates, cartons, or cups that are not intended for reuse must be composed of biodegradable material. Biodegradable material is defined as follows: MATERIAL CAPABLE OF BEING BROKEN DOWN FROM A COMPLEX MOLECULAR STRUCTURE INTO SIMPLER GASSES AND ORGANIC COMPOUNDS BY LIVING MICROORGANISMS.
- E. No glass containers of any kind shall be used to dispense any food and/or beverages.
- F. Disposal of fish waste into Marina waters shall be prohibited. Operator shall, at its sole cost and expense, comply with all rules and regulations set by Leonardo State Marina pertaining to fish cleaning and the proper disposal of fish waste generated by the Vessel Operation.

25. UTILITIES

Operator shall be responsible for the payment of any and all utility charges related to the Vessel Operation for each Term of this Agreement. The Marina Superintendent shall determine if utility charges for the Vessel Operation can be segregated from an area outside of the Operation Area in the Marina. If the utility charges can be segregated, Operator shall be solely responsible for the transfer of such utility meter(s) to an account in its name. If the utility charges cannot be segregated, a utility payment shall be made by Operator to Department as additional compensation in addition to the Payments under Paragraph 4. Such utility payment shall be made by separate check, made payable to "**Treasurer – State of New Jersey**". For the first (1st) year of the Initial Term of this Agreement, such utility payment shall be Three Hundred (\$300.00) Dollars and shall be paid upon return of a Operator-signed Agreement. Such utility payment for any remaining years of the Initial Term and Renewal Term of this Agreement shall be determined annually by Department. Operator's failure to provide such payment, if required, shall result in the non-execution of this Agreement or Renewal Agreement by Department, as applicable, or shall constitute a material breach of this Agreement subject to Suspension of Operations and/or Termination, in accordance with the terms and conditions set forth in Paragraphs 8 and 9.

26. TAXES

- A. All taxes and property tax assessments, if any, arising out of the Vessel Operation and the use and occupancy of the Operation Area shall be the sole responsibility of Operator and shall be promptly paid by Operator when due, regardless of whether such tax or assessment is assessed within or outside a Term of this Agreement. Operator shall provide to Department copies of all tax or assessment notices received from any government agency, municipality or county. Payment shall remain a continuing obligation of Operator after any Term of this Agreement and/or the expiration or termination of this Agreement, and Department is authorized to make a demand for payment and take any and all steps to ensure payment. Operator shall furnish to Department, within ten (10) calendar days of demand therefor, proof of the payment of any such tax or assessment. Operator's failure to timely pay any tax or assessment or otherwise comply with this Subparagraph shall constitute a material breach of this Agreement subject to Suspension of Operations and/or Termination, in accordance with the terms and conditions set forth in Paragraphs 8 and 9.
- B. Operator and its subcontractor, if any, and each of their affiliates shall, for any and all Term(s) of this Agreement, collect and remit to the Director of the Division of Taxation in

the Department of the Treasury the use tax due pursuant to the “Sales and Use Tax Act,” P.L.1966, c. 30 (N.J.S.A. 54:32B-1 et. seq.) on all of their sales of tangible personal property delivered into this State. Any questions in this regard can be directed to the Division of Revenue at <https://www.state.nj.us/treasury/revenue/revencode.shtml>.

27. ADVERTISEMENT AND PROMOTION

- A. Operator shall not advertise in any manner or form on or about the Operation Area or any other part of the Marina, except by means of such signs or forms of advertising as first shall be approved, in writing, by Department.
- B. Operator shall, in all promotion and advertisement of the Vessel Operation and/or any scheduled event(s) at or pertaining to the Vessel Operation, include that the Marina is administered by the State of New Jersey, Department of Environmental Protection, Division of Parks and Forestry, State Park Service.
- C. Prior to the implementation of any and all promotion and advertisement of the Vessel Operation and/or any scheduled event(s) at or pertaining to the Vessel Operation, Operator shall submit, and obtain Department’s written approval of, all such promotion(s) and advertisement(s).

28. CONSTRUCTION AND IMPROVEMENTS

Operator shall not affix, alter, or erect any permanent or temporary equipment, structures, buildings, or additions to the Operation Area without first obtaining the prior written approval of Department.

29. REPORT OF INJURY

Any injury that shall occur to Operator, its officers, servants, agents, employees, contractors, or invitees requiring medical intervention of which Operator is notified, shall be reported to Department immediately by calling 1-877-WARN DEP (1-877-927-6337) and also reported in writing to the addresses set forth in Paragraph 48 within one (1) calendar day of the incident.

30. NEW JERSEY CONFLICT OF INTEREST LAW

The New Jersey Conflict of Interest Law, N.J.S.A. 52:13D-12 et seq. and Executive Order 189 (1988), prohibit certain actions by persons or entities which provide goods or services to any State Agency. Specifically:

- A. No Operator shall pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, gift, gratuity, or other thing of value of any kind to any State officer or employee or special State officer or employee, as defined by N.J.S.A. 52:13D-13b. and e., in the Department of the Treasury or any other agency with which such Operator transacts or offers or proposes to transact business, or to any member of the immediate family, as defined by N.J.S.A. 52:13D-13i., of any such officer or employee, or any partnership, firm, or corporation with which they are employed or associated, or in which such officer has an interest within the meaning of N.J.S.A. 52:13D-13g.
- B. The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any State officer or employee or special State officer or employee from any Operator shall be reported, in writing forthwith by Operator to the Attorney General and the Executive Commission on Ethical Standards.
- C. No Operator may, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such Operator to, any State officer or employee or special State officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to any State agency or any instrumentality thereof, or with any person,

firm or entity with which he is employed or associated or in which he has an interest within the meaning of N.J.S.A. 52:13D-13g. Any relationships subject to this provision shall be reported in writing forthwith to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the State officer or employee or special State officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.

- D. No Operator shall influence, or attempt to influence or cause to be influenced, any State officer or employee or special State officer or employee in his official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee.
- E. No Operator shall cause or influence, or attempt to cause or influence, any State officer or employee or special State officer or employee to use, or attempt to use, his official position to secure unwarranted privileges or advantages for Operator or any other person.
- F. The provisions cited above in Subparagraphs 30(A) through 30(E) shall not be construed to prohibit a State officer or employee or special State officer or employee from receiving gifts from or contracting with Operator under the same terms and conditions as are offered or made available to members of the general public subject to any guidelines the Executive Commission on Ethical Standards may promulgate.

31. SOLICITATION

Operator shall warrant that no person has been employed directly or indirectly to solicit or secure this Agreement in violation of the provision of Section 10, Chapter 48 of the Laws of 1954, N.J.S.A. 52:34-15, and that the Laws of the State of New Jersey relating to the procurement or performance of this Agreement have not been violated and shall not be 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. INDEPENDENT PRINCIPAL

Operator's status shall be that of an independent principal and not as an agent or employee of Department.

33. INDEMNIFICATION

- A. Operator shall, for itself, its successors, and assigns, assume all risk and liabilities arising out of the management, maintenance, and operation of the Vessel and covenants to defend, protect, indemnify, and save harmless Department and each and every of its officers, agents, servants, employees, successors, and assignees and hereby releases Department and each and every of its officers, agents, servants, employees, successors, and assignees from and against any and all such liabilities, losses, damages, costs, expenses (including all attorneys' fees and expenses), causes of action, suits, claims, demands, or judgments of any nature arising from the following:
 - (i) any injury to, or the death of, any person caused in whole or in part by any negligent act or omission of Operator, or anyone directly or indirectly employed by [it], *regardless of whether it is caused in part by the Department*, or its officers, agents, servants, employees, successors, and assignees;
 - (ii) any injury to, or the death of, any person in, on, or about, or any damage to property which occurs in, on, or about the Operation Area or upon any sidewalk, walkway, or patio within the Operation Area or in any manner growing out of or connected with the use, non-use, condition, or occupancy of the Operation Area, or the construction or repair of any improvements of the Operation Area;

- (iii) any act, error, or omission of Operator, its officers, agents, servants, employees, contractors, invitees, and anyone claiming by or through Operator in the performance of this Agreement;
 - (iv) violation of any term or condition of this Agreement by Operator, its officers, agents, servants, employees, contractors, invitees, and anyone claiming by or through Operator in the performance of this Agreement; and
 - (v) violation by Operator, its officers, agents, servants, employees, contractors, invitees, and anyone claiming by or through Operator in the performance of this Agreement of any contracts and agreements of record concerning the Operation Area and restrictions of record or any law, ordinance, or regulation affecting the Operation Area or any part thereof or the ownership, occupancy, or use thereof.
- B. Department shall, as soon as practicable after a claim has been made against it, give written notice thereof to Operator, along with full and complete particulars of the claim. If suit is brought against Department or any of its officers, agents, servants, and/or employees, Department shall expeditiously forward or have forwarded to Operator every demand, complaint, notice, summons, pleading, or other document received by or then in the possession of Department or its representatives.
- C. It is expressly agreed and understood that any approval by Department of Operator's operation of the Operation Area shall not operate to limit the obligations of Operator assumed pursuant to this Agreement.
- D. Operator's liability pursuant to this Paragraph shall continue after the termination or expiration of this Agreement with respect to any liability, loss, cost, expense (including all attorneys' fees and expenses), damage, cause of action, suit, claim, demand, or judgment resulting from actions or inactions occurring prior to such termination or expiration.
- E. Operator's indemnification obligations are not limited by, but are in addition to, the insurance obligations contained in this Agreement.

34. INSURANCE

- A. Operator shall, at its sole cost and expense, obtain and maintain at all times during each Term of this Agreement, insurance of the types and in the amounts hereinafter provided:
- (i) Protection and Indemnity Insurance as broad as that provided by the standard basic, unamended, and unendorsed occurrence coverage forms currently in use in the State of New Jersey, which shall not be circumscribed by any endorsement limiting the breadth of coverage. Limits of liability shall be maintained at a maximum level of Five Million (\$5,000,000) Dollars per occurrence for bodily injury and property damage and a Ten Million (\$10,000,000) Dollars annual aggregate (Maximum required limits subject to change pending size of proposed Vessel). This can be accomplished with a combination of Protection and Indemnity and Commercial Umbrella policies; and
 - (ii) Property insurance to cover loss or damage on a "Special Causes of Loss" form of coverage against fire, water, wind, storm, loss, theft, and damage on the Vessel and/or any structures on the Operation Area 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 Operation Area. Said insurance shall be in an amount not less than the full value of such structures, fixtures, equipment, property, and contents. The value of said structures, fixtures, equipment, property, 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; and

- (iii) Worker's Compensation Insurance applicable to the Laws of the State of New Jersey and Employer's Liability Insurance with limits of not less than One Million (\$1,000,000) Dollars Bodily Injury By Accident (Each Accident) and One Million (\$1,000,000) Dollars Bodily Injury By Disease (Each Employee) with an aggregate limit of One Million (\$1,000,000) Dollars Bodily Injury By Disease (Policy Limit); and
 - (iv) Comprehensive Automobile Liability Insurance, which shall be written to cover any automobile or trailer used by Operator. Limits of liability to cover bodily injury and property damage shall not be less than One Million (\$1,000,000) Dollars per person or per accident. Coverage must include hired and non-owned vehicles. A MCS-90 certificate shall be filed with the State of New Jersey if hazardous materials or waste will be transported during operation of the Vessel; and
 - (v) Such other insurance and in such amounts as may from time to time be reasonably required by Department.
- B. All insurance coverage required to be maintained by Operator in accordance with this Agreement shall be issued by an insurance company with an A- VIII or better rating by A.M. Best & Company authorized and approved to do business in New Jersey. All policies except for Worker's Compensation shall name the State of New Jersey Department of Environmental Protection as an additional insured and include the blanket additional insured endorsement or its equivalent. The certificate(s) of insurance shall identify the Agreement Number assigned to this Agreement and the location(s) of the Operation Area in the Description of Operations box and shall list the State of New Jersey, Department of Environmental Protection, Natural and Historic Resources, Office of Leases & Concessions, P.O. Box 420, Mail Code: 501-04C, Trenton, New Jersey 08625-0420 in the Certificate Holder box.
- C. When Operator returns this Agreement or any subsequent Renewal Agreement, signed by Operator, to Department for signature, Operator shall provide Department with all current and valid certificate(s) of insurance evidencing that Operator has obtained all insurance coverage in accordance with this Agreement. Failure to provide a certificate(s) of insurance at the time of Operator's return of this Agreement or any subsequent Renewal Agreement shall result in the non-execution of this Agreement or subsequent Renewal Agreement by Department, as applicable. Operator also shall provide Department with a valid certificate(s) of renewal of the insurance within thirty (30) calendar days of the expiration of the policies 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 Agreement. Operator also shall, upon request, provide Department with copies of each policy required under this Agreement, certified by the agency or underwriter to be true copies of the policies provided by Operator.
- D. Operator expressly understands and agrees that any insurance protection required by this Agreement shall in no way limit Operator's indemnification obligations assumed in this Agreement and shall not be construed to relieve Operator from liability in excess of such insurance coverage, nor shall it preclude Department from taking such other actions as are available to it under any provision of this Agreement and as otherwise provided for at law or in equity.
- E. In the event that: (i) Operator fails or refuses to renew any of its insurance policies or to provide Department with timely certificate(s) of insurance showing that Operator is maintaining insurance coverage in full force and effect to the extent required by this Agreement, or (ii) any policy is canceled, terminated, or modified so that the insurance does not meet the requirements of this Agreement, Department shall consider Operator to be in material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.

- F. The limits of insurance policies described in this Paragraph shall be reviewed by Department and Operator from time to time. Operator shall increase the limits of said policies to meet changed circumstances including, but not limited to, changes in the relevant U.S. Bureau of Labor Statistics Consumer Price Index and changes indicated by the course of plaintiffs' verdicts in personal injury actions.

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

- A. For each Term of this Agreement, Operator shall obtain, pay for, maintain, and comply with all licenses, permits, certifications, authorizations, approvals, or any other documents required by all applicable government agency having jurisdiction over the Operation Area or the conduct of Operator's operations thereon. Operator shall provide Department with written evidence that such applicable licenses, permits, authorizations, or other required documents have been obtained prior to commencement of the activity or operation covered by the license, permit, authorization, or other documentation. No operation shall begin until Operator has provided such written evidence to Department.
- B. Operator shall, at its sole cost and expense, comply with all duly promulgated and applicable federal and State statutes, laws, rules, ordinances, regulations, and orders affecting the conduct of the Vessel Operation described in this Agreement; specifically, but not limited to, all U.S. Coast Guard regulations now or hereafter in effect, as well as N.J.A.C. 7:2-13, State Marinas, of which an unofficial, courtesy copy is attached as Exhibit C.
- C. Operator shall comply with the requirements of all insurance policies required by this Agreement.
- D. If Operator:
- (i) receives a notice of failure to comply with the insurance required by this Agreement;
 - (ii) is issued a summons or any notice of violation of any license, permit, certification, authorization, approval, or any similar instruments required by any governmental authority having jurisdiction necessary to maintain and operate the Vessel in accordance with the provisions of this Agreement; or
 - (iii) is issued a summons for violation of any duly promulgated and applicable federal, State, county, municipal, and other governmental statutes, laws, rules, ordinances, regulations, or orders affecting the Vessel Operation or any part thereof,

Operator shall immediately forward a copy of the notice of non-compliance, summons, or notice of violation to Department, and Operator shall have such amount of time to correct said violation as is prescribed in the notice or summons. If such violation is not cured within the prescribed period or any extension thereof, it shall be deemed a material breach of this Agreement, and Department may suspend Operator's operation of all or the affected portion of the Operation Area in accordance with the terms and conditions set forth in Paragraph 8, and/or terminate this Agreement in accordance with the terms and conditions set forth in Paragraph 9.

- E. Operator shall indemnify Department against all liabilities, claims, losses, damages, costs, expenses (including all attorneys' fees and expenses), causes of action, suits, demands, judgments, or payments of any kind arising from Operator's failure or omission to comply with any such insurance policy, license, permit, certification, authorization, approval, or any applicable federal or State statute, law, rule, ordinance, regulation, or order.

36. SERVICE PERFORMANCE WITHIN U.S.

Operator agrees, in accordance with Executive Order 129 (2004) and N.J.S.A. 52:34-13.2 (P.L. 2005, c. 92), that all services performed under this Agreement or any subcontract awarded under this Agreement shall be performed within the United States. In the event that

all services performed under this Agreement or any subcontract awarded under this Agreement shall not be performed within the United States, Operator shall send Department a letter that states with specificity the reasons why the services cannot be so performed. Any such letter shall require review and approval pursuant to N.J.S.A. 52:34-14.2 prior to execution of this Agreement or the delivery of the services which will not be performed within the United States. Unless previously approved by Department, a shift to performance of services outside the United States during any Term of this Agreement shall be deemed a material breach, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.

37. PUBLIC USE

Operator's operation and this Agreement shall not be construed so as to affect the privileges accorded to the public's use of the Marina.

38. NO DISCRIMINATION

- A. Operator shall comply with all provisions of the Americans with Disabilities Act (ADA), P.L. 101-336, in accordance with 42 U.S.C. 12101, et seq.
- B. Operator shall not discriminate, and shall abide by all anti-discrimination laws, including Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d-2000d-4; the discrimination and affirmative action provisions of N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4; the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 et seq.; and all rules and regulations promulgated pursuant thereto.
- C. Specifically, Operator shall not unlawfully discriminate: 1) against any person, employee, or applicant for employment, or 2) in allowing access to and use of the Operation Area.

39. AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT REQUIREMENTS

- A. Pursuant to N.J.A.C. 17:27-3.5, Operator agrees that:
 - (i) Operator or its subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Operator will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that all employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Operator agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the public agency compliance officer setting forth provisions of this nondiscrimination clause;
 - (ii) Operator or its subcontractor, where applicable, shall, in all solicitations or advertisements for employees placed by or on behalf of Operator, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex;
 - (iii) Operator or its subcontractor, where applicable, shall send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union of Operator's commitments under this chapter and shall post copies of the

notice in conspicuous places available to employees and applicants for employment; and

- (iv) Operator or its subcontractor, where applicable, agrees to comply with all regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time, and codified at N.J.A.C. 17:27-1.1 et seq.

B. Further, pursuant to N.J.A.C. 17:27-3.7, Operator agrees that:

- (i) Operator and its subcontractor, if any, agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2.
- (ii) Operator and its subcontractor, if any, agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.
- (iii) Operator and its subcontractor, if any, agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.
- (iv) In conforming with the targeted employment goals, Operator and its subcontractor, if any, agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

40. PAYMENT ABATEMENT

Operator acknowledges that the Marina is subject to unscheduled closures for reasons of health, public welfare, public safety, and government closures. Payment abatements will not be given if Operator is unable to operate the Operation Area for any reason.

41. FINAL DECISION

Operator covenants that the decision of the Commissioner of Department, relative to the performance of the terms and conditions of this Agreement, shall be final and conclusive.

42. CORPORATION

- A. For any Operator that presents itself or represents itself as a corporation operating or doing business in the State of New Jersey, all papers of incorporation, including authorized agents for receipt of legal documents, shall be provided to Department, along with renewals, changes, or any other documents that in any way affect the current or future status of Operator as a legal corporation.
- B. Operator shall adopt the required corporate or partnership resolution, as applicable, authorizing the execution of this Agreement by Operator. Operator shall submit a copy of said resolution to Department prior to execution of this Agreement by Department.

43. SUBCONTRACTING

- A. Operator may not subcontract without the prior written consent of Department. Such consent, if granted, shall not relieve Operator of any of its responsibilities under this Agreement, nor shall it create privity of contract between Department and any subcontractor. If Operator uses a subcontractor to fulfill any of its obligations, Operator shall be responsible for the subcontractor's performance, compliance with all of the terms and conditions of this Agreement, and compliance with the requirements of all applicable laws. Any subcontracting without the prior written consent of Department shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.
- B. If subcontracting is approved pursuant to Subparagraph 43(A), Operator shall provide, on a monthly and cumulative basis, a breakdown in accordance with the budget submitted, of all monies paid to any small business, minority or woman-owned subcontractor(s). This breakdown shall be sent to the Chief of Operations, Division of Revenue, P.O. Box 628, Trenton, NJ 08646.

44. NO CONTRACTUAL RELATIONSHIP BETWEEN SUBCONTRACTORS AND DEPARTMENT

Nothing contained in any Agreement documents, including the Bid Specifications and Operator's bid or proposal for this Agreement, shall be construed as creating any contractual relationship between any subcontractor and Department.

45. ASSIGNMENT OF AGREEMENT OR SALE OF INTERESTS

Operator shall not assign this Agreement or sell controlling interest in the Vessel Operation without prior written approval from Department. Any attempt to assign or sell controlling interest without prior written approval from Department shall be a material breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.

46. PAY TO PLAY RESTRICTIONS AND CONTRIBUTION DISCLOSURE

- A. In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the negotiation and award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, the Legislature has enacted P.L. 2005, c. 51 (codified at N.J.S.A. 19:44A-20.13 to -20.25) (Chapter 51) on March 22, 2005, effective retroactive to October 15, 2004, superseding the terms of Executive Order 134 (2004). In addition, on September 24, 2008, Executive Order 117 was issued and made effective on November 15, 2008 (EO 117) which set forth additional limitations on the ability of executive branch agencies to contract with business entities that have made or solicited certain contributions.

Chapter 51 and EO 117 restrict business entities which agree to certain contracts or agreements with the State from making or soliciting certain contributions. Compliance with Chapter 51 and EO 117 is a material term and condition of the Bid Specifications and Agreement, and binding upon the parties thereto upon the entry of all applicable contracts.

Thus, pursuant to the requirements of Chapter 51 and EO 117, it shall be a material breach of the terms of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9, for Operator to do any of the following during any Term of this Agreement:

- (i) make or solicit a contribution in violation of Chapter 51 or EO 117;
- (ii) knowingly conceal or misrepresent a contribution given or received;
- (iii) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution;

- (iv) make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or of Lieutenant Governor, or to any State, county, or municipal party committee, or any legislative leadership committee;
 - (v) engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by Operator itself, would subject Operator to the restrictions of Chapter 51 or EO 117;
 - (vi) fund contributions made by third parties, including consultants, attorneys, family members, and employees;
 - (vii) engage in any exchange or contributions to circumvent the intent of Chapter 51 or EO 117; or
 - (viii) directly or indirectly, through or by any other person or means, do any act which would subject Operator to the restrictions of Chapter 51 or EO 117. It is Operator's continuing obligation to report any contributions it makes during any and all Term(s) of this Agreement.
- B. Operator is required, on a continuing basis, to report any contributions and solicitations Operator makes during any Term of this Agreement at the time any such contribution or solicitation is made. Failure to do so is a breach of this Agreement, subject to Suspension of Operations and/or Termination in accordance with the terms and conditions set forth in Paragraphs 8 and 9.
- C. Operator shall 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 2) if Operator receives contracts in excess of Fifty Thousand (\$50,000.00) dollars from public entities 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.

47. ENTIRE AGREEMENT

- A. This Agreement represents the entire agreement between Department and Operator, and all negotiations, oral agreements, and understandings are merged herein. This Agreement may be amended, supplemented, changed, modified, or altered only upon mutual agreement of Department and Operator, and an amendment, in writing, executed by either the Assistant Commissioner, Natural and Historic Resources or the Director of the Division of Parks and Forestry.
- B. This Agreement shall be construed as if it were drafted by both Parties hereto, and both Parties waive all statutory and common law presumptions which would serve to have the document construed in favor of, or against, any Party as the drafter hereof. This Agreement contains the entire understanding of the Parties hereto and represents full and final settlement of and resolution of the matter set forth herein. There are no representations, warranties, covenants or undertakings other than those expressly set forth herein.

48. SUBMISSIONS, APPROVALS, AND NOTICES

Department and Operator agree that all submissions, approvals, and notices which may be required under this Agreement shall be forwarded by email or fax, regular and certified mail return receipt requested and addressed as follows:

To Department:	Department of Environmental Protection Natural and Historic Resources Office of Leases & Concessions PO Box 420, Mail Code: 501-04C
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Trenton, New Jersey 08625-0420
Fax: (609) 984-0836
Email: OfficeofLeases@dep.nj.gov

Copy to Marina Superintendent: Leonardo State Marina
102 Concord Avenue
Leonardo, NJ 07737
Fax: (732) 291-0638
Email: Maggie.Mitchell@dep.nj.gov

To Operator: **Name**
Title and/or Entity Designation
Street Address
Town, NJ Zip Code
Email:

Either Department or Operator may, at any time, change such address(es) by mailing, to the address(es) of the other, above, a notice of the change at least ten (10) calendar days prior to the effective date of such change.

49. RECEIPT OF WRITTEN NOTICE

Department and Operator agree that the receipt of a written notice is considered five (5) calendar days after the date on the said written notice.

50. WAIVER OF TRIAL

It is mutually agreed between Department and Operator that they hereby waive trial by jury in any action, proceeding, or counterclaim brought by either against the other on any matters whatsoever arising out of or in any way connected with this Agreement or the relationship of Department and Operator, Operator’s use or occupancy of the Operation Area, and/or any claim of injury or damage thereto or arising therefrom.

51. WAIVER

Failure by Department to complain of any act or omission on the part of the other, no matter how long same may continue, shall not be deemed a waiver by Department of any of its rights hereunder. No waiver by Department at any time, express or implied, of breach of any provision of this Agreement shall be deemed a 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 Department 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 that Department may have under this Agreement or by operation of law, either at law or in equity, by reason of a breach by the other, shall be distinct, separate, and cumulative and shall not be deemed inconsistent with any other right or remedy, and any two (2) or more or all of such rights and remedies may be exercised at the same time. Acceptance by Department of any of the benefits of this Agreement with knowledge of any breach thereof by the other shall not be deemed a waiver by the entity receiving the benefit of any rights or remedies to which it is entitled hereunder or by law. Operator expressly acknowledges that any waiver on the part of Department may only be effectuated in writing through the Office of the Assistant Commissioner for Natural and Historic Resources.

52. SUPERSEDES

This Agreement supersedes and cancels all prior agreements covering the Operation Area; however, any and all continuing obligations arising under prior agreements shall survive.

53. SUCCESSION AND BINDING AGREEMENT

Except as otherwise set forth herein, all of the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assignees of Department and Operator and binding on a Trustee in bankruptcy.

54. HEADINGS

The article, paragraph, and subparagraph headings throughout this 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 Agreement.

55. GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the Laws of the State of New Jersey.

56. SEVERABILITY

In case any term or provision of this contract shall be held invalid, illegal, or unenforceable, in whole or in part, neither the validity of any remaining part nor the validity of any other term or provision shall in any way be affected by such holding.

57. CLAIMS

All claims asserted against Department by Operator shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1.1, et seq. and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

58. ASSIGNMENT OF ANTITRUST CLAIM(S)

- A. Operator recognizes that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the ultimate purchaser. Therefore, and as consideration for executing this Agreement, Operator, acting herein by and through its duly authorized agent, hereby conveys, sells, assigns, and transfers to the State of New Jersey, for itself and on behalf of its political subdivisions and public agencies, all right, title and interest to all claims and causes of action it may now or hereafter acquire under the antitrust laws of the United States or the State of New Jersey, relating to the particular goods and services purchased or acquired by the State of New Jersey or any of its political subdivisions or public agencies pursuant to this Agreement.
- B. In connection with this assignment, the following are the express obligations of Operator:
- (i) It shall take no action that will in any way diminish the value of the rights conveyed or assigned hereunder.
 - (ii) It shall advise the Attorney General of New Jersey in advance of its intention to commence any action on its own behalf regarding any such claim or cause(s) of action, and immediately upon becoming aware of the fact that an action has been commenced on its behalf by some other person(s) of the pendency of such action.
 - (iii) It shall notify the defendants in any antitrust suit of the within assignment at the earliest practicable opportunity after Operator has initiated an action on its own behalf or becomes aware that such an action has been filed on its behalf by another person. A copy of such notice shall be sent to the Attorney General of New Jersey.
 - (iv) It is understood and agreed that in the event any payment under any such claim or cause of action is made to Operator, it shall promptly pay over to the State of New Jersey the allotted share thereof, if any, assigned to the State hereunder.

59. PREFERENCE FOR WOOD, PAPER PRODUCTS DERIVED FROM SUSTAINABLY-MANAGED FORESTS OR PROCUREMENT SYSTEMS

Pursuant to N.J.S.A. 52:32-45, any bid that calls for the use of wood or paper products derived from sustainably managed forests or procurement systems shall receive preference, whenever possible, where relevant. Accordingly, Department shall give such preference when entering into or renewing this Agreement, whenever possible, where relevant.

60. LIST OF EXHIBITS

Exhibit A: Operation Area
Exhibit B: Payment Schedule
Exhibit C: N.J.A.C. 7:2-13, State Marinas

61. AUTHORITY

By the signatures below, the parties hereto execute this Agreement and confirm that they are mutually bound by and fully authorized and empowered to enter into and bind their organization by all provisions contained herein.

SAMPLE

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement the day and year first above written.

**STATE OF NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

By: _____

Ray Bukowski, Assistant Commissioner
Natural and Historic Resources

Date: _____

OPERATOR

By: _____

Witness

By: _____

_____, Operator

Date: _____

Date: _____

**THIS AGREEMENT HAS BEEN
REVIEWED AND APPROVED AS TO
FORM BY:**

**GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY**

By: _____

Deputy Attorney General

Date: _____