

Addendum to Request for Proposal

Management/Operation of Centerton Golf Course

Pittsgrove Township, Salem County

Issued: September 8, 2008

Reissued: October 28, 2008

Updated: October 28, 2008

Additions are shown in boldfaced and underlined, **thus**; deletions are crossed out ~~thus~~.

AMENDMENT #1

Summary of change: The Operator will be allowed to enter into subcontracts for maintenance and improvements, subject to the approval of the Department of Environmental Protection. Section 4.4.4.8 of the Request for Proposal, and Paragraph 27 of the Draft Operating Agreement (Exhibit C of the RFP) are amended as follows.

Request for Proposal

4.4.4.8 Sub-operator(s)

1. Operator shall not enter into any 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 agreements with outside entities for the operation of a pro shop, and/or a small food and beverage concession,~~ **and maintenance and improvements, including: aeration, topdressing and amending; irrigation; cart maintenance; and improvement with the prior written approval of Department.** If the bidder proposes to utilize a sub-operator/**contractor** to fulfill any of its obligations with respect to **this Agreement**, ~~a pro shop and/or food and beverage concession,~~ the bidder shall be responsible for each sub-operator's/**contractor's** performance, compliance with all terms and conditions of this RFP and the Operating Agreement, and compliance with the requirements of all applicable laws.

The bidder must provide a detailed description of the services to be provided by each proposed sub-operator **and sub-contractor**. The bidder further should provide a detailed resume for each sub-operator's **and sub-contractor's** management, supervisory, and other key personnel that demonstrates knowledge, ability, and experience relevant to the work the sub-operator **or sub-contractor** has been designated to perform.

The bidder should provide documented experience to demonstrate that each sub-operator **and sub-contractor** successfully has performed work on projects of similar size and scope to the work the sub-operator **and sub-contractor** has been designated to perform in the bidder's proposal.

Operating Agreement

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~~ the pro shop, ~~and/or~~ a small-scale food and beverage concession **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 the 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 the Department and any sub-operator **or sub-contractor** have any contractual relationship by virtue of the sub-**operator's/contractor's relationship** to (Winning Bidder). During the Term of this Operating Agreement, Operator shall indemnify the Department and assume all responsibility for all acts/omissions of any sub-operator/**contractor** and for its compliance with respective sub-operating/**contracting** agreement.

NOTE: Before the Operator may allow a sub-operator **or sub-contractor** to begin to operate or use the Golf Course Property with respect to a pro shop or food and beverage concession, **or maintain or improve the Golf Course Property,** both the Operator and sub-operator/**sub-contractor** must sign a sub-operating/**sub-contracting** agreement, which shall be subject to the Department's written approval prior to taking effect.

AMENDMENT #2

Summary of change: The definition of gross revenue is being amended to specifically include lessons, schools, camps, golf outings and events. Section 4.4.5 of the Request for Proposal, and Paragraph 27 of the Draft Operating Agreement (Exhibit C of the RFP) are amended as follows.

Request for Proposal

4.4.5 Monetary Proposal (Part 5)

The bidder must submit all requested monetary proposals. Failure to submit all requested monetary proposals may result in the bidder's proposal being considered

materially non-responsive. Each bidder must hold its price(s) firm through completion of the proposal award process.

Each bidder shall submit two figures as part of its monetary bid:

- i. Annual fee to be paid to the Department; and
- ii. A threshold amount of annual gross revenue, above which the Operator will be required to remit fifteen (15) percent to the Department. (e.g. If the successful bidder submits a threshold gross revenue amount of \$100,000.00, it shall be required to remit 15% of all gross revenues above \$100,000.00 to the Department on an annual basis).

For purposes of this RFP and the Operating Agreement, gross revenue is defined to include all sales at the gross selling price of merchandise and items of every character sold in, upon, or through Centerton Golf Course, by the Operator, or any other person, firm, or corporation, including, but not limited to, all revenues and sales related to the operation of the Centerton Golf Course, pro shop, and any food and beverage concession, and gross charges for all services to customers or patrons, including, but not limited to, greens fees, memberships, and equipment rentals, **lessons, camps, golf outings, and events** performed by the Operator or any other person, firm, or corporation in, upon, or through any part of Centerton Golf Course, and shall include sales and charges for cash and credit, regardless of whether or not the same is collected or uncollected, less all proper credits for returned merchandise, merchandise exchanges and merchandise cancellations, allowances, or discounts, as well as any sales taxes collected by the Operator and remitted to taxing authorities.

Operating Agreement

3. PAYMENTS TO THE DEPARTMENT

A. Operator shall pay to Department an annual Operating Agreement Payment in the amount of _____ Dollars (\$_____) (“Base Payment”) plus an additional payment of fifteen (15) percent of gross revenue in excess of \$_____ (“Variable Payment”). The base payment is payable on the Effective Date of this Operating Agreement, and on the anniversary of the Effective Date for the remainder of the Term. 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. 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 the 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 any food and beverage concession, and gross charges for all services to customers or patrons, including, but not limited to, greens fees, memberships, ~~and~~ equipment rentals, **lessons, camps, golf outings, and events** performed by the 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 the Operator and remitted to taxing authorities with respect to each Term Year.

C. 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.

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

Parvin State Park
701 Almond Road
Pittsgrove, New Jersey 08318-3928

E. 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.

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

AMENDMENT #3

Summary of change: Paragraph 43 of the Draft Operating Agreement (Exhibit C of the RFP) is amended as follows.

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 ~~make all facilities and programs accessible to the disabled in compliance~~ **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.

Responses to Questions Submitted

1. Financial history of Centerton Golf Course for the last 5 years.

Please contact the Office of Leases, 609-633-7575, to obtain this information.

2. What taxes are the responsibility of the management company?

The successful bidder will be responsible for all taxes and assessments levied against the business and property. Please contact the Office of the Tax Assessor, Township of Pittsgrove (856-358-3701), to obtain information regarding local tax assessments.

3. Furniture, Fixtures & Equipment report.

The Department of Environmental Protection (Department or DEP) does not maintain such a report. Questions regarding specific furniture, fixtures and equipment may be addressed to the Office of Leases at 609-633-7575, if not answered below.

The successful bidder should assume that the current operator is removing furniture that is not deemed a fixture. The successful bidder may negotiate with the current operator for the sale of furniture.

The irrigation pipe, controllers, pumping station, computer equipment, and irrigation heads will remain on the property for the use of the successful bidder.

Attached to this document is a list of equipment that the Department of Environmental Protection purchased when it acquired Centerton Golf Course. This equipment will remain on the property for the use of the successful bidder. Other than the equipment set forth in this list, the successful bidder will be responsible for providing

and maintaining all equipment and golf carts. See Paragraph 11 of the Draft Operating Agreement (Exhibit C of the Request for Proposal).

4. What is the condition of the carts and maintenance equipment?

The carts are owned by the current operator and the maintenance equipment is owned or leased by the current operator. The successful bidder should assume that the current operator will be removing all equipment deemed personal property.

5. What type of Accounting/Point of Sale System is used? Is it owned or leased?

The current operator owns an older computer system that is used as a Point of Sale System. The successful bidder should assume that the current operator is removing this computer system.

6. What existing lease agreements are in place? Are they transferable?

The Department of Environmental Protection does not maintain information regarding the lease agreements currently in place. Bidders may contact the current operator, Sway Golf, Inc., 856-358-2220, to obtain information about existing lease agreements.

7. Can we visit the property for evaluation?

Prospective bidders may coordinate visits to the property through the Office of Leases.

8. Can we sell memberships/golf outings?

Memberships and outings are allowed pursuant to Paragraph 7 of the Draft Operating Agreement (Exhibit C of the Request for Proposal).

9. Current list of active members and golf outings listing. Are there any current long-term memberships?

The current management has informed the Department that it has 100 members; 30 full members and 70 weekday members. The current operator also hosts about 20 outings a year with 50-60 participants. The Department does not maintain lists of members and outings.

10. Use of municipal equipment for projects, including capital improvements.

Prospective bidders will have to consult with Pittsgrove Township for the use of municipal equipment. Pursuant to Paragraph 15 of the Draft Operating Agreement (Exhibit C of the Request for Proposal), all improvements are subject to the approval of the Department of Environmental Protection.

11. Is there an “as built” for irrigation system?

Within the past five years, the prior owner of the Golf Course Property installed a new pipe, controllers, and pumping station.

12. Can a subcontractor operation be enlisted for certain golf course maintenance situations/projects (DryJect, Irrigation, Cart Maintenance, Renovation)?

Yes, with the approval of the Department of Environmental Protection. The Department has issued an Addendum to the Request for Proposal to allow such services to be subcontracted.

13. Are revenues derived from lessons, schools, camps or golf outings/events to be included in the definition of Gross Revenue, Section 4.4.5, Monetary Proposal?

Yes. The Department has issued an Addendum to the Request for Proposal to specify that such revenues are included in the definition of Gross Revenue.

14. Has the State, or the current lessee, received bids for repairing any of the items noted in the RFP as needing repair (e.g., the clubhouse roof, the parking lot, etc.).

No.

15. Can the State provide an estimate of insurance for the facility based on the previous year's costs?

The Department does not have information regarding insurance costs.

16. How are capital improvements addressed in agreement and the RFP (Responsibility, Procedures, etc).

Capital improvements are addressed in Paragraph 15 of the Draft Operating Agreement (Exhibit C of the Request for Proposal). All improvements are the responsibility of the Operator, who must receive the Department's approval prior to construction or entering into a contract for construction.

17. Are there any underground storage tanks on the golf course property?

To the best of DEP's knowledge, there are no underground storage tanks on the golf course property.

18. What is the relationship between Centerton Country Club Restaurant (CCCR) and the existing operator of the facility?

Other than the easements that Centerton Country Club Restaurant (CCCR) has on the Golf Course Property, as described in Section 1.2.1 of the Request for Proposal, the Department has no relationship with CCCR. Prospective bidders may contact CCCR or the current operator, Sway Golf, Inc., 856-358-2220 for information.

19. What fees are associated with the Water Registration Permit?

The annual fee for a water registration permit is \$200, due by March 1 of each year.

The Water Use Registration can be transferred to a new operator. All information, regarding the new operator (name, address, responsible person, phone no.), should be submitted to the Bureau of Water Allocation at the Department of Environmental Protection.

20. What is the current irrigation source?

The irrigation water is groundwater. Centerton Golf Club is allowed to divert (withdraw) water for irrigation of the golf course from four (4) wells:

Well 1 (Well Permit No. 3500022642) at 400 gallons per minute (gpm);

Well 2 (Well Permit No. 3500022643) at 400 gpm;

Well 15 (Well Permit No. 3100042137) at 250 gpm;

Well PM (Well Permit No. 3500022644) at 16 gpm.

21. Is the Water Registration Permit Allowance measured annually or over each month? For instance, is the 3.1 million gallons per month measured on a monthly basis or are they measured annually of 37.2 million gallons.

It is measured monthly.

22. Please provide detailed expense breakdown for the past five (5) years broken down by department (i.e., general/administrative, golf operations, course maintenance, marketing, food & beverage, other). If greater detail is available, please provide it.

The Department does not maintain this information. Please contact the Office of Leases, 609-633-7575, to obtain financial information that the Department does have on file.

23. Please provide detailed information on revenue received for the past three years broken down by department (i.e., greens fee, cart fee, retail shop, food & beverage, membership/passes, range, other). If greater detail is available, please provide it.

The Department does not maintain this information. Please contact the Office of Leases, 609-633-7575, to obtain financial information that the Department does have on file.

24. Please provide detailed information on rounds of golf played for the past three (3) years broken down by category.

The Department does not maintain this information. Prospective bidders may contact Sway Golf, Inc., 856-358-2220.

22. We would like a copy of the existing agreement with the current operator.

Please contact the Office of Leases, (609) 633-7575, to obtain this agreement.

23. We would like a list of applied chemicals and fertilizers over past year.

The Department does not maintain this information. Prospective bidders may contact Sway Golf, Inc., 856-358-2220.

24. How is pricing of green fees determined? Does operator determine all fees and rates?

Section 4.4.3.3 of the Request for Proposal and Paragraph 7B of the Operating Agreement allow for the Operator to set 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, subject to the approval of the Department.

25. Please provide all current Sales & Marketing Collateral.

The Department does not maintain this information. Prospective bidders may contact Sway Golf, Inc., 856-358-2220.

26. Please provide a list of maintenance equipment & golf cart listing including age, condition, etc. Are any include or available for future use?

The Operator will be responsible for providing golf carts.

Attached to this document is a list of equipment that the Department of Environmental Protection purchased when it acquired Centerton Golf Course. This equipment will remain on the property for the use of the successful bidder. Other than the equipment set forth in this list, the successful bidder will be responsible for providing

and maintaining all equipment and golf carts. See Paragraph 11 of the Draft Operating Agreement (Exhibit C of the Request for Proposal).

27. What revenue control/accounting system is current in place? Is it available for use by the new operator?

The current operator owns an older computer system that is used as a Point of Sale System. The successful bidder should assume that the current operator is removing this computer system.

28. What are the State's goals that are continuously mentioned in the RFP?

As stated in Section 1.1 of the Request for Proposal, the State's the goal is to continue the safe and efficient operation of the Golf Course Property.

29. Ability to retain current workforce? Provide staffing list including pay rates and benefits.

Centerton Golf Course is currently operated by a third party, not by the State of New Jersey, and is not in the position, therefore to answer this question or provide this information.

30. Can we later set up an LLC for this operation, supplanting the bidding organization?

Yes, subject to the approval of the Department.

31. What type of irrigation computer system is in place?

The Department does not maintain this information. See answer to No. 32 below.

32. What is the manufacturer of the irrigation system?

The current operator has informed the Department that Rainbird is the manufacturer of the irrigation system.

33. Is an "As Built" plan for irrigation system available?

The Department does not maintain this information. Prospective bidders may contact Sway Golf, Inc., 856-358-2220.

34. Identity and contact information for current operator.

Sway Golf, Inc., 856-358-2220.

35. Is property exempt from real estate taxes and will it remain so for new operator?

The property/business is currently assessed by the Township of Pittsgrove for approximately \$30,000 per year, pursuant to a Tax Court order issued in 2007. Please contact the Office of the Tax Assessor, Township of Pittsgrove (856-358-3701), to obtain information regarding future tax assessments.

36. What development opportunities are available? Any plans for future development?

The Department does not have any specific development plans for the property. The Operating Agreement allows for the Operator to submit proposals to the Department for proposals. (See Paragraph 15 of the Operating Agreement, Exhibit C of the Request for Proposal).

37. Provide all records from current or prior operator, for prior 3 years as called for in item 4F of Proposed Operating Agreement.

The Department does not maintain this information. The Operating Agreement attached as Exhibit C to the Request for Proposal, is not the same agreement between the Department and the current operator. Paragraph 4F of the Operating Agreement states that all such information specified in that paragraph may be requested by the Department and must be supplied within 30 days of the request.

38. What are prevailing wage rates for all areas of operation that are required by Item 48 in the Proposed Operating Agreement.

The Prevailing Wage Act, N.J.S.A. 34:11-56.25 et seq., requires the Commissioner of the Department of Labor to establish prevailing wage rates. N.J.S.A. 34:11-56.30. Such rates apply only to "public work," which is defined as ". . . construction, reconstruction, demolition, alteration, custom fabrication, or repair work" done on property owned by the State of New Jersey. N.J.S.A. 34:11-56.26.

39. Are all facilities currently ADA compliant pursuant to item 43C of the Proposed Operating Agreement?

The Operator must be in compliance 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. If compliance with these laws does not require retrofitting or changing existing facilities and programs, the Operator will not be required to do so.

Last updated: 10/28/2008

State-Owned Equipment Available for Use of Successful Bidder

1. 2 JACOBSEN GREENS KINGIV
2. 1 TORO SAND PRO 16 HORSE POWER
3. 1 TORO SAND PRO 8 HORSE POWER
4. 1 JACOBSON F-10 7 GANG BLITZER REELS
5. TORO THATCHER SEEDER 93
6. 2 ECHO WEED WACKERS
7. 1 STIHL POLE SAW (needs work)
8. JACOBSON 3 GANGS MOWER
9. SPOON AEROFIER
10. UNITED BOX BLADE MODEL 672HD
11. FORD AUGER
12. FORD 1100 TRACTOR
13. HESSTON HYDROLIC DUMP BODY

The following State-owned equipment is at Centerton Golf Course, but is not currently functioning:

1. 1 NATIONAL HYDRO 70" TRIPLEX 16 HORSE
2. RYAN GA 30 AERATOR #544875
3. 1 DITCH WITCH
4. F-6 FORD TRACTOR
5. BRUSH HOG FORD 5'
6. PULL BEHIND AEROFIER
7. F-150 FORD PICK-UP