

AGREEMENT [2]

This Agreement is made effective as of March 27, 2015, by and between **MEADOWBROOK GOLF GROUP, INC.**, with an address of 5385 Gateway Blvd., Ste. 12, Lakeland, FL 33811 ("Meadowbrook") and **MORGAN'S PUB & GRILL, LLC** with an address of 304 West Brigantine Avenue, Brigantine, NJ 08203 ("Morgan").

BACKGROUND

Meadowbrook and the City of Brigantine (a Municipal Corporation of the State of New Jersey) entered into an agreement in or about October 2007, pursuant to which Meadowbrook manages the Brigantine Municipal Golf Course. That agreement has been amended six times, most recently by a "Sixth Addendum of Management Agreement" dated March 20, 2015. That addendum, among other things, extends the term of the agreement through December 31, 2015.

The agreement grants to Meadowbrook the right to conduct food, banquet, catering restaurant and alcoholic beverage operations in the golf course facility, and Meadowbrook conducts such alcoholic beverage operations there under the authority of a Special State Concessionaire Permit, No 3402-14-833-001, issued by the Director of the Division of Alcoholic Beverage Control.

Section 2(b) of the Sixth Addendum of Management Agreement authorizes Meadowbrook to, among other things, "subcontract the food and beverage facility to an independent beverage operator", and reserves to the City "the right to approve the terms of any such relationship, including the hours of operation ."

Meadowbrook wishes to have Morgan to immediately and exclusively conduct all food, catering, banquet and and restaurant operations in on and about the golf course facility, and to exclusively conduct all alcoholic beverage operations in on and about the golf course facility upon the issuance of a Special State Concessionaire's Permit by the Director of the Division of Alcoholic Beverage Control; and Morgan wishes to conduct such operations.

THEREFORE

IN CONSIDERATION of the mutual promises and agreements set forth in this document, the parties agree as follows:

1. **RECITALS.** The section titled "BACKGROUND" set forth above shall be part of this Agreement.

2. FOOD AND RESTAURANT OPERATIONS.

(a) Meadowbrook hereby grants to Morgan the exclusive right to conduct food, restaurant, banquet and catering operations, in, on and throughout the golf facility, peaceably and without disturbance. These rights include all of the rights concerning such operations that Meadowbrook holds under its agreement with the City of Brigantine, including the rights to sell and deliver food on and to the golf course.

(b) Morgan shall be responsible for all costs of conducting the food and restaurant operations; shall be entitled to retain all profits therefrom; and shall be responsible for funding any losses therefrom. All food and restaurant supplies shall be purchased by Morgan, in Morgan's name, and at Morgan's sole expense. All kitchen staff, cooks, hosts managers and other persons working for or employed in restaurant operations, shall be compensated by Morgan. However, at no cost to Morgan, Morgan may have and make use of all open food and restaurant supplies on-hand at the commencement of this Agreement, and shall purchase from Meadowbrook at a price to be agreed upon, all unopened and salable food and restaurant supplies.

(c) The rights granted to Morgan hereunder by Meadowbrook include: (i) the right to peaceably use all of the furniture, fixtures, equipment, dishes, silverware, smallwares, POS system, fire suppression system, bar equipment and draught systems, (and all other restaurant, dining room, kitchen and bar equipment) located in the golf course facility at the time this Agreement is executed, and (ii) the right to use the parking facilities of the golf course facility for the parking of cars by Morgan's staff, and by patrons. Meadowbrook represents that it has the right to make these items available to Morgan at no additional charge, except that Morgan shall assume responsibility for payment of the dishwasher lease during the term of this Agreement.

3. ALCOHOLIC BEVERAGE OPERATIONS.

(a) Meadowbrook hereby grants to Morgan the exclusive right to conduct alcoholic beverage operations, in, on and throughout its golf facility, peaceably and without disturbance. These rights include all of the rights concerning such operations that Meadowbrook holds under its agreement with the City of Brigantine, including the rights to sell and deliver alcoholic beverages on and to the golf course itself.

(b) Upon the commencement of the term as set forth in Section 4(b) of this Agreement, Morgan shall be responsible for all costs of conducting the alcoholic beverage operations; shall be entitled to retain all profits therefrom; and shall be responsible for funding any losses therefrom. At that time, all alcoholic beverages and restaurant supplies shall be purchased by Morgan, in Morgan's name, and at Morgan's sole expense. All bar staff and other persons working for or employed in alcoholic beverage operations shall then be compensated by Morgan. However, upon the commencement of the term as set forth in Section 4(b), at no cost to Morgan, Morgan may have and make use of all open containers of alcoholic beverages, and shall purchase from Meadowbrook all unopened and salable alcoholic beverages at wholesale invoice cost, less any adjustment for RIPS.

4. TERM.

(a) This Agreement shall, with respect to food, restaurant, banquet and catering operations, commence on April 1, 2015 and shall end on December 31, 2015.

(b) This Agreement shall, with respect to alcoholic beverage operations, commence on the date Morgan is issued a Special State Concessionaire Permit (or Temporary Operating Authority) authorizing it to conduct alcoholic beverage operations at the golf course facility, and shall end on December 31, 2015.

(c) Morgan acknowledges that the agreement between Meadowbrook and the City of Brigantine contains a provision allowing the City to terminate that agreement without cause upon thirty days notice to operator. That agreement also requires the early termination provision to be incorporated into this Agreement. Notwithstanding the provisions of Sections 4(a) and 4(b) of this Agreement, in the event the City gives notice to Meadowbrook that the agreement between them is to be terminated prior to December 31, 2015, then Meadowbrook shall immediately give such written notice to Morgan, and this Agreement shall terminate at the same time as the agreement between Meadowbrook and the City terminates.

5. USE OF PREMISES.

(a) Morgan shall use the golf course facility for food, restaurant, banquet, catering and alcoholic beverage operations, and for no other purpose whatsoever. Morgan shall have use of the entire restaurant and golf course facility for the operations contemplated by this agreement, free from unreasonable interference by Meadowbrook. Morgan and Meadowbrook shall conduct their respective operations in a manner that shall not materially interfere with the operations of the other. No pets or other animals (other than guide or service animals) may be kept in or about the golf course facility.

(b) Morgan shall conduct business under the name "Morgan's Pub & Grill" and will not trade under another name without the prior written approval of Meadowbrook, which approval shall not be unreasonably withheld or delayed.

(c) Morgan will conduct its operations in compliance with all applicable laws.

(d) Morgan will open the whole of the restaurant (and alcoholic beverage business) to the public, fully fixtured, stocked and staffed to reasonably accommodate patron demand, from the commencement of the term throughout the contract term; and will continuously occupy and utilize the restaurant facility in the active conduct of its business in a reputable manner on such days and times as may be reasonably justified by patron demand and agreed upon from time to time by the parties hereto (or required by the City of Brigantine).

(e) Morgan will promptly make application for and diligently prosecute an application for a Special State Concessionaire Permit to allow it to sell alcoholic beverages in the golf course facility. Until Morgan receives authority to so sell alcoholic beverages,

Meadowbrook shall retain (and renew if necessary) its Special State Concessionaire Permit and shall staff, and sell alcoholic beverages within the golf course facility at all legal times that Morgan is open for business.

(f) Meadowbrook shall maintain the building in which the food, beverage, restaurant banquet and alcoholic beverage operations are located, and the areas surrounding the building (including but not limited to parking lots), in good and proper working order.

(g) Morgan shall be permitted to place interior and exterior signage on and about the building in which its food, beverage, restaurant banquet and alcoholic beverage operations are located, and make non-structural repairs and alterations to such areas, to the full extent permitted by the agreement between Meadowbrook and the City of Brigantine.

6. FEES.

(a) In consideration of the rights granted by Meadowbrook hereunder, Morgan shall pay to Meadowbrook:

1. upon the commencement of this Agreement, and upon each anniversary thereof, an annual Service Fee of two thousand dollars;
2. upon the commencement of this Agreement, and on the first day of each month thereafter (for that month) a Contract Service fee of one thousand five hundred dollars.

(b) Payment of such fees shall be made to Meadowbrook, by first class mail, at 5385 Gateway Boulevard, Suite 12, Lakeland, Florida 33811, or such other place as Meadowbrook may designate in writing.

(c) Morgan shall be responsible for payment of a ten percent late fee for any payment made more than ten days after the date it is due.

7. OPERATING COSTS.

(a) In addition to the Contract fee, Morgan shall pay directly to the City of Brigantine, on July 1, 2015 and on the first day of each month thereafter, one thousand dollars, representing its share of electricity, natural gas, water, sewer, telephone, internet and cable; all of which are supplied to the golf course facility under the account of the City of Brigantine, and are billed to the City of Brigantine by its suppliers. The City of Brigantine shall have no liability to Morgan for any interruption in these services not caused by the City.

(b) In addition to the Contract fee, Morgan shall undertake the work below attributable to the area occupied by Morgan, or engage persons to undertake such work below (at Morgan's sole expense), failing which Meadowbrook shall engage persons to do

the work and, in that event, Morgan shall pay, within thirty days of receipt of an invoice, directly to suppliers, such costs as are directly attributable to the area occupied by Morgan:

1. cleaning and janitorial services for the public spaces in the club house, including the men's and women's rest rooms;
2. routine maintenance and minor non-structural repairs made to the building or its systems which cost five hundred dollars or less;
3. supplies used in relation to operating and maintaining the food and beverage operation.

8. **INSURANCE.** During the term of this agreement, Morgan shall obtain and maintain the following insurance applicable to those portions of the golf course facility and building occupied by Morgan:

Liability in an amount not less than one million dollars;
Liquor Liability in an amount of not less than one million dollars;
All risk casualty insurance (fire, theft, vandalism,) for the structure occupied by Morgan's business and the contents thereof and the systems therein;
Worker's Compensation Insurance covering all of Morgan's employees;
Such business owners insurance covering Morgan's business and business assets as Morgan may deem appropriate;

All such policies of insurance, if applicable, shall name Meadowbrook and the City of Brigantine and its officials as an additional insured. Certificates of insurance reflecting such coverage shall be provided to Meadowbrook and to the City of Brigantine upon the commencement of the term of this Agreement, and thereafter at each renewal of such insurance.

9. **TERMINATION.** Notwithstanding any other provision of this Agreement to the contrary, this Agreement may be terminated by written notice, under the following circumstances:

- (A) By either party, immediately, upon the total or substantial destruction or uninhabitability of the facility occupied by Morgan, by fire, other casualty or otherwise;
- (B) By either party, upon thirty days written notice, upon the partial but significant destruction of the property by fire or other casualty;
- (C) As provided in Section 4(c) of this Agreement;
- (D) At the option of Morgan, upon the termination, cessation or suspension of golf operations, or upon the cessation of Meadowbrook's alcoholic beverage operations prior to the issuance of a Special Concessionaire Permit or Temporary Operating Authority allowing Morgan to sell alcoholic beverages.

- (E) After ten day's written notice by one party to the other party of a material breach of this agreement, which breach is not cured within the ten day period (or, if such breach cannot be cured within ten days, the lack of commencement and diligent prosecution of efforts to cure).

10. REMEDIES UPON DEFAULT. Upon default, the parties shall have all remedies as may exist in law and equity. In addition to all remedies that the parties may have at law and equity, Meadowbrook may, at its option upon default by Morgan for nonpayment of fees, terminate this Agreement.

11. ALCOHOLIC BEVERAGE MATTERS.

(a) This agreement contemplates that one or the other of the parties hereto will, at all times, be conducting licensed alcoholic beverage operations in the areas where Morgan is undertaking food, restaurant, banquet and catering operations. Each party hereby agrees and covenants that it will not cause, permit, allow or suffer any action or inaction, by it or its employees or patrons, or by the food servers which, by virtue of its occurrence or non-occurrence on a licensed premises, would constitute a violation of alcoholic beverage law.

(b) Meadowbrook is aware that to facilitate the issuance of a Special State Concessionaire's permit (or Temporary Operating Authority) to Morgan by the Division of Alcoholic Beverage Control, it will need to surrender or remove from the premises (place in pocket) the Special State Concessionaire permit it presently holds. Meadowbrook hereby warrants and represents to the Director of the Division of Alcoholic Beverage Control that it will, and does hereby, surrender or pocket its current permit contemporaneously with the issuance of a Special State Concessionaire's permit (or Temporary Operating Authority) to Morgan.

12. CONSTRUCTION AND GOVERNING LAW. This Agreement shall be governed by the law of, and enforced solely in the courts of, the State of New Jersey, with venue in Atlantic County. It shall be construed in a manner so as to make it consistent with alcoholic beverage law and the material intent of the parties hereto.

13. MODIFICATION. This Agreement may be amended only by a writing signed by the parties. It may not be amended orally.

14. NOTICES. Any notice provided for or concerning this Agreement shall be in writing and shall be deemed sufficiently given when sent by certified or registered mail (return receipt requested) to the party at the address set forth at the beginning of this Agreement, or hand delivered to the party personally.

15. ATTORNEYS FEES. In the event that any action is filed in relation to this Agreement, the unsuccessful party in the action shall pay to the successful party, in addition to the sums that either party may be called on to pay, reasonable attorney's fees.

16. **NONWAIVER.** Waiver by either party of any default, breach or failure of the other under this Agreement in one instance shall not be construed as a waiver of any subsequent or different default, breach or failure.

17. **ENTIRE AGREEMENT.** This Agreement represents the entire agreement and understanding between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party, except to the extent incorporated into or otherwise provided for in this Agreement.

18. **INTERPRETATION.** In interpreting and construing this Agreement, no inference shall be drawn and no presumption shall arise as a result of the party responsible for the drafting of this Agreement.

19. **APPROVAL BY THE CITY OF BRIGANTINE.** The parties acknowledge that the City of Brigantine has reserved the right to approve this Agreement, and such approval may be required this Agreement is effective. Immediately upon its execution, it shall be submitted to the City of Brigantine for such action as the City may wish to take.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ATTEST:

K. E. R. C.
Secretary

MEADOWBROOK GOLF GROUP, INC.

By: R. E. Jackson - President CEO

WITNESS:

Scott N Silver
SCOTT N SILVER

MORGAN'S PUB & GRILL, LLC

By: Mike May