

IDENTIFICATION OF THE PARTIES
UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
LAKE BERRYESSA RECREATION AREA
CONCESSION CONTRACT

PENSUS LAKE BERRYESSA PROPERTIES LLC
MARINAS, LODGING, FOOD & BEVERAGE, RETAIL SALES AND
ASSOCIATED FACILITIES AND SERVICES

AT

LAKE BERRYESSA

Concession Contract No. 10-LC-20-0184

BUSINESS OFFICE
Pensus LBP
2929 N. 44th Street Suite 228
Phoenix, Arizona 85018
David Maule-Ffinch

Doing Business As: Pensus Lake Berryessa Properties LLC

Covering the Period APR 28, 2010 through December 31, 2040

IDENTIFICATION OF THE PARTIES

THIS Concession Contract is made and entered into by and between the United States of America, acting through the Regional Director, Mid Pacific Region, Bureau of Reclamation, hereinafter referred to as “Reclamation” or “Contracting Officer” and the Pensus Lake Berryessa Properties LLC, a limited liability company organized and existing under the laws of the State of California, hereinafter referred to as the “Concession Contractor.”

WITNESSETH

WHEREAS, Reclamation has determined that certain facilities and services are appropriate for the public use and enjoyment at six of the concession areas located at Lake Berryessa, and the Concession Contractor is willing to provide such facilities and services; and

WHEREAS, Reclamation is willing to allow the Concession Contractor a reasonable opportunity to realize a profit on the operations conducted within those six concession areas, commensurate with the capital invested and the obligations assumed; and

WHEREAS, the Concession Contractor's facilities and services will not be inconsistent with the requirements of Reclamation's Solano Project and will not interfere with the operation and responsibility of any and all entities associated with that Project; and

WHEREAS, Reclamation desires the Concession Contractor to provide the facilities and services referred to above at reasonable rates under the supervision and regulation of Reclamation; and

WHEREAS, Reclamation desires the Concession Contractor to provide the facilities and services referred to above in a manner that demonstrates sound environmental management, stewardship, and leadership; and

WHEREAS, it is the intent of Reclamation and the Concession Contractor to provide quality facilities for the provision of visitor services and to provide the Concession Contractor both a reasonable opportunity to realize a profit during the term of the Concession Contract and a reasonable expectation, should the Concession Contractor not continue as the operator following the expiration or termination of this Concession Contract, to be compensated at fair market value for the Concession Contractor Improvements; and

WHEREAS, it is the intent of Reclamation and the Concession Contractor to ensure the continuity of visitor services and adequate maintenance of facilities referred to throughout this Concession Contract to serve the public use and enjoyment at six of the concession areas located at Lake Berryessa; that assessments of the current conditions and remaining life expectancy of the Concession Contractor Improvements (including assessments of whether the Concession Contractor Improvements continue to meet present and projected future recreational needs) will be periodically recorded and documented throughout the life of the Concession Contract; and, that any changes to the Visitor Services Plan Record of Decision (VSP ROD) dated June 2, 2006 (which represents Reclamation's formal determination of the future recreation operation and use at Lake Berryessa at the time of this Concession Contract) shall be based on factual considerations and statistical analysis, such as the utilization of the facilities by the public, a public record, and a public process; and

WHEREAS, Reclamation recognizes that the Concession Contractor will require third party construction and permanent financing or refinancing for construction and operation of the facilities to be developed pursuant to the Contract, and that certain reasonable assurances will be required by commercial lenders in order for the Concession Contractor to obtain such financing;

NOW, THEREFORE, pursuant to the Reclamation Act of 1902, as amended and supplemented including Title VI of the Act of October 27, 1974, Pub. L. No. 93-493, Reclamation's Concession Management Policy, Directives and Standards; applicable Reclamation Guidelines, and all authorities and policies specific to Lake Berryessa, Reclamation and the Concession Contractor agree as follows:

DEFINITIONS

The following terms as used in this Concession Contract and the exhibits to this Concession Contract are defined as set forth below. Definitions apply to both the singular and the plural forms of the defined terms.

Applicable Laws – Federal, State and local laws governing the development, operation and maintenance of recreation facilities and services at Lake Berryessa, including, but not limited to, the rules, regulations, requirements, and policies promulgated under those laws, whether now in force or amended, enacted or promulgated in the future.

Assignment – Designation of Government land and facilities by the Government for the use of the Concession Contractor in providing contractually required services during the term of this contract. Such designation will continue until contract expiration, termination, or until otherwise withdrawn by the Government. This designation does not transfer ownership of the subject property.

Best Management Practices – Policies and practices that apply the most current and advanced means and technologies available to the Concession Contractor to undertake and maintain a superior level of environmental performance reasonable in light of the circumstances of the operations conducted under this Concession Contract. Best Management Practices are expected to change from time to time as technology evolves.

Change Order – A written agreement between the Construction Supervisor and the contractor or consultant that changes the concession construction or improvement contract documents or scope of project work as agreed upon contractually.

Concession Contractor Improvement(s) – Fixed Assets provided by the Concession Contractor pursuant to the terms of this Concession Contract with the written approval of Reclamation for the purposes of this Concession Contract (including any improvements made to Reclamation Improvements and improvements made from funds in the Reserve Account for Facilities Improvement (RAFI)), during the term of this Concession Contract, including buildings, Structures, Fixtures, equipment, and other improvements affixed to the assigned lands in such a manner as to be a part of the realty. Concession Contractor Improvements constructed affixed to the lands assigned to the Concession Contractor do not include any interest in the land upon which the improvements are located. Additionally, a Concession Contractor Improvement does not include any interest in Personal Property of any kind including, but not limited to, vehicles, boats, barges, park models or other objects, regardless of size, unless an item of Personal Property becomes a Fixture as defined in this Concession Contract. Concession Contractor Improvements exclude site preparation work such as grading, cutting and filling of soil or rock.

Construction Cost – The total of the incurred Eligible Direct Costs and Eligible Indirect Costs necessary for constructing or installing the capital improvements that are capitalized by the Concession Contractor in accordance with generally accepted accounting principles (GAAP).

Construction Supervisor – A Concession Contractor employee designated to administer and coordinate construction projects, ensuring the quality of work and compliance with project design specifications.

Consumer Price Index (CPI) – The national “Consumer Price Index for All Urban Consumers” published by the U.S. Department of Labor, Bureau of Labor Statistics, Series Identification number CUUR0000SA0 All items, 1982-84=100. If this index ceases to be published, Reclamation will designate another regularly published cost-of-living index approximating the national CPI.

Contracting Officer – Regional Director of the Mid-Pacific Region as delegated by the Commissioner.

Day or Days – Shall mean calendar days, unless the Contract specifically refers to business days which shall exclude weekends and federally recognized holidays.

Depreciation – The allocation of the cost of an asset over time for accounting or tax purposes to account for the decline in the value of an asset due to wear and tear or obsolescence. The method for calculating the depreciation may conform to generally accepted accounting principles (GAAP) or the Internal Revenue Service (IRS) requirements, whichever is appropriate to the application.

Exhibit or Exhibits – Shall mean the various exhibits that are attached to this Concession Contract, each of which is hereby made a part of this Concession Contract.

Federal Estate – The Federal land and water areas of the Solano Project that are under the primary jurisdiction of the Department of the Interior, Bureau of Reclamation.

Fixed Assets – Are any Structures, Fixtures, or capital improvements permanently attached to the Federal Estate.

Fixtures – Manufactured items of property of an independent form and utility, necessary for the basic functioning of a Structure that are affixed to and considered to be part of the Structure as real property once installed. Fixtures do not include building materials until incorporated into a Structure (e.g., wallboards, flooring, concrete, cinder blocks, steel beams, studs, window frames, windows, rafters, roofing, framing, siding, lumber, insulation, wallpaper, and paint). Because of their special circumstances, floating docks (but not other types of floating property) that may be constructed by the Concession Contractor pursuant to the terms of this Concession Contract are considered to be Fixtures.

Franchise Fee – A payment to the Government that is considered a direct return to the Government upon consideration of the value to the Concession Contractor of the use, rights, and privileges granted by this Concession Contract. Such value shall be based upon a reasonable opportunity for net profit in relation to capital invested and the obligations of this Concession Contract.

Gross Revenues – The total amount received or realized by, or accruing to, the Concession Contractor from all sales for cash or credit, of services, accommodations, materials, and other merchandise made pursuant to the rights granted by this Concession Contract, supplemental surcharge revenues, commissions earned on contracts or agreements with other persons or companies operating in the area, including gross revenues earned from electronic media sales, all charges for in-room telephone or computer access, and all monies actually received by the Concession Contractor from coin operated devices whether provided by the Concession Contractor or by others. The Concession Contractor is authorized to deduct from gross revenues to the extent such items are included in gross revenues:

- Returns, Refunds and Allowances
- Intra-company earnings for charges to other departments of the operation (e.g., gross income from laundry services is counted once, regardless of cost allocation).
- Cash discounts on sales or purchases.
- Sales to employees for meals, lodging and transportation incidental to work.
- Sales of Native Handicrafts.
- Interest on money loaned or in bank accounts.
- Income from investments.
- Income from any subsidiary companies not arising from business conducted in conjunction with this Concession Contract.
- Incidental sales of property acquired for resale and not for use under this contract.
- Sales and excise taxes that are added as separate charges to sales prices, gasoline taxes, fishing license fees, and postages stamps, provided that the amount excluded shall not exceed the amount actually due or paid Government agencies.

Improvements – An addition to real property that increases its value or utility or that enhances its appearance.

Improvement Management Plan – A written document as described in Exhibit H presenting a management plan for all real property improvements, including construction, repair, and maintenance projects.

Intangible Assets – An asset without physical form, such as a contract right that may be owned that provides the owner with value.

Loss Payable Clause – A condition of an insurance policy whereby the company is directed by the insured to pay to some other person designated in the policy any loss that may be due.

Personal Property – All tangible assets not affixed to the land. Personal Property includes but is not limited to: vehicles, boats, barges, park models, or other objects, regardless of size, unless an item of Personal Property becomes a Fixed Asset as defined in this Concession Contract. Any structure that is identified as a cabin in the Concession Facility Improvement Program, regardless of whether pre-fabricated or built on-site, and that is placed on a solid concrete foundation or slab, is not considered Personal Property.

Reclamation Improvements – Government owned real property improvement existing on the date hereof or hereafter constructed by or on behalf of Reclamation upon or affixed to the lands assigned to the Concession Contractor, including buildings, Structures, Fixtures, equipment, and other improvements affixed to or resting upon the assigned lands in such a manner as to be a part of the realty.

Secretary – The Secretary of the Interior or his/her authorized representatives.

Structure – A building, a dock, or other improvement affixed to the land so as to be part of the real estate. A Structure may include both constructed infrastructure (e.g., water, power, and sewer lines) and constructed site improvements (e.g., paved roads, retaining walls, sidewalks, paved driveways, and paved parking areas) that are permanently affixed to the land so as to be part of the real estate and that are in direct support of the use of a building, dock, or other improvement.

Interior furnishings that are not Fixtures are not part of a Structure. Structure excludes site preparation work such as grading, cutting and filling of soil or rock.

Substantial Completion – The condition of a Concession Contractor Improvement construction project when the project is ready for use and/or occupancy as set forth in Exhibit H of this Concession Contract.

SECTION 1 – TERMS AND CONDITIONS OF CONCESSION CONTRACT

A. TERM OF CONCESSION CONTRACT AND OPTIONAL TERM

This Concession Contract No. 10-LC-20-0184 herein and hereafter referred to as the “Concession Contract,” shall be effective as of APR 28, 2010 until its expiration on December 31, 2040.

By mutual agreement, Reclamation and the Concession Contractor will have the option of adding one consecutive 10-year term until December 31, 2050. If the Concession Contractor desires to add the option term, Reclamation shall be notified in writing of the Concession Contractor’s desire to add the option term within 60 days after receipt of the commercial services plan described in Section 5.A.2. Reclamation shall authorize the option if requested unless it determines that the option term would be inconsistent with Applicable Laws or would not be appropriate based upon the consideration of relevant factors, including but not limited to (a) the useful life and condition of the Concession Contractor Improvements and present and future recreational needs as determined by the commercial services plan; (b) the Concession Contractor’s past compliance with contract terms, and (c) Solano Project operational constraints and/or modifications.

B. SUSPENSION, REVOCATION, AND TERMINATION

In the interest of preserving continuity of recreation services to the public, issues of default, suspension, or revocation will be limited to the extent practicable to the individual facility or concession area concerned.

1. Suspension. Reclamation may direct the Concession Contractor to temporarily suspend its operations under this Concession Contract in whole or in part, as deemed necessary by Reclamation, to protect area visitors or to protect, conserve, and preserve area resources. This Concession Contract may also be suspended in whole or in part as deemed necessary by Reclamation for Concession Contract violations that include, but are not limited to, contract noncompliance, operational deficiency, health and safety, and noncompliance with environmental regulations. No compensation of any nature shall be due the Concession Contractor by Reclamation in the event of a suspension of operations, including, but not limited to, compensation for losses based on lost income, profit, wages, or the necessity to make expenditures as a result of the suspension.
2. Revocation. Reclamation may revoke the Concession Contractor’s authorization to operate a concession area or facility if Reclamation determines that the Concession Contractor has materially breached any requirement of this Concession Contract with specific respect to that concession area. Any such revocation shall not be considered a termination of the Concession Contract as a whole and neither shall such revocation prevent the parties’ implementation of the Concession Contract with respect to all other concession areas. Any such revocation shall be effectuated by providing written notice to the Concession Contractor. After notice of revocation is received, the Concession Contractor will follow, with regard to the revoked concession area only, all Concession Contract provisions related to a contract termination, including, but not limited to: Section 1.B.4, Section 1.D, Section 3.F.1, Section 3.F.3, Section 4.I, Section 4.J, Section 5, Section 6.B.1, Section 7.A, Exhibit D, and Exhibit K, Section D.

With respect to each individual concession area, a breach of contract resulting in revocation may include, but is not limited to, a material failure to implement the following requirements:

- Maintain and operate visitor services to the satisfaction of Reclamation.
- Provide ‘Required’ visitor services pursuant to this Concession Contract by successfully accomplishing the Concession Facility Improvement Program (CFIP).
- Prepare and comply with the Maintenance Plan.
- Prepare and comply with the Operating Plan.
- Pay the established franchise fee.
- Pay into the reserve account for facilities improvement (RAFI) as agreed.
- Prepare and comply with the Environmental Management Program (EMP).
- Prepare and comply with the Risk Management Program (RMP).
- Expend funds from the RAFI in an appropriate and timely manner.
- If a Supplemental Surcharge is collected on all services and goods not subject to Transient Occupancy Tax (TOT) and fuel sales, establish an account for these revenues and use and administer the funds as outlined in the Concession Contract.
- Comply with applicable laws, regulations and codes.
- Apply the conditions of the Contract when assigning, selling, or transferring responsibilities of this concession contract to a third party.
- Correct deficiencies identified during the Concessions Review Program.

Uncured violations that affect more than one concession area may be grounds for termination of the Concession Contract.

3. Termination for Cause. Reclamation may terminate the entire Concession Contract by written notice to the Concession Contractor in the event of any of the following defaults by the Concession Contractor:
 - a) The material failure of the Concession Contractor to promptly correct any condition at any concession area which, in Reclamation’s determination through a thorough analysis and documentation, poses an immediate threat to the safety of persons or property; or
 - b) The material failure of the Concession Contractor on more than one occasion to comply, after reasonable notice from Reclamation to the Concession Contractor, with lawful

directives and notices from Reclamation that affect more than one concession area under the Concession Contract; or

- c) The material failure of the Concession Contractor on more than one occasion to comply, after reasonable notice from Reclamation to the Concession Contractor on more than one concession area, with any laws, rules or regulations which are applicable to all of the concession areas; or
 - d) The filing by the Concession Contractor of any of the following, if the Contracting Officer determines that such filing or assignment renders the Concession Contractor unable to materially perform its obligations under the terms of the Concession Contract: any petition seeking relief under any provision of the Bankruptcy Act or successive legislation; an assignment by the Concession Contractor for the benefit of creditors; or a petition or other proceeding against the Concession Contractor for the appointment of a trustee, receiver, or liquidator; or
 - e) Multiple events identified in section 1.B.2, resulting in the revocation of the Concession Contractor's authorization to operate at two or more concession areas.
4. Opportunity for Cure. Unless specifically noted elsewhere in this Contract, in the event of any breach of this Concession Contract, Reclamation will provide the Concession Contractor an opportunity to cure by providing written notice to the Concession Contractor of the breach. Reclamation will provide notice of a breach of this Concession Contract within 3 business days to any third-party lender approved pursuant to section 1.G.2. In the event of a monetary breach, Reclamation will give the Concession Contractor a 15-day period to cure the breach. If the breach is not cured within that period, Reclamation may, as applicable, terminate this Concession Contract in whole for default pursuant to section 1.B.3 of the Contract or revoke individual concession area authority pursuant to section 1.B.2. In the event of a non-monetary breach, if Reclamation considers that the nature of the breach so permits, Reclamation will give the Concession Contractor 30 days to cure the breach or to prepare a plan to cure the breach that is approved by the Contracting Officer and 30 days to implement the plan over a period of time unless the breach involves immediate danger to persons or property or immediate threat to the environment, in which case Reclamation shall give reasonable notice under the circumstances. If the breach is not cured within this specified period of time, Reclamation may, as applicable, terminate this Concession Contract for default pursuant to section 1.B.3 of the Contract or revoke individual concession area authority pursuant to section 1.B.2.
5. Dispute Resolution. Reclamation and the Concession Contractor will endeavor to resolve any disputes with respect to whether a default or other issues that may potentially lead to revocation, termination or suspension exists, through informal negotiations and discussions. In the event that such negotiations and discussions fail to achieve resolution, either party may request that the parties engage either in mediation or in a formal, non-binding arbitration process.

In the event non-binding arbitration is requested by either party, each party shall select one member for the arbitration panel and, together, these two members will select the third (neutral) panel member. The expenses of the arbitration will be borne equally by the

Concession Contractor and Reclamation. The panel will treat each party equally and fairly. Recommendations must be made by a majority of the panel members but they will not be binding on either the Concession Contractor or Reclamation.

Reclamation's Regional Director shall make the final decision regarding any such dispute. The Concession Contractor may appeal the Regional Director's decision to the appropriate authority in accordance with 43 Code of Federal Regulations (CFR) Part 430 and other Applicable Laws.

Pending the Regional Director's decision, there will be no contract termination or suspension of operations, except suspension as deemed necessary by Reclamation to avoid imminent harm to area visitors or resources.

If the Regional Director revokes, terminates, or suspends operations at a concession area or portions thereof, then if practicable, given the reason for the termination or revocation and the condition of the Concession Contractor Improvements, Reclamation will endeavor to continue operations on an interim basis in accordance with Section 1.E.

6. Termination by Mutual Agreement. This Concession Contract may be terminated at any time by the written mutual agreement of the parties.

C. NOTICE OF BANKRUPTCY OR INSOLVENCY

The Concession Contractor must give Reclamation immediate notice (within 5 business days) after the Concession Contractor files any petition seeking relief under any provision of the Bankruptcy Act or its successive legislation; the Concession Contractor makes any assignment for the benefit of creditors; or any petition or other proceeding is filed against the Concession Contractor for the appointment of a trustee, receiver, or liquidator. For purposes of the bankruptcy statutes, the parties agree that this agreement is an executory contract exempt from inclusion in assets of the Concession Contractor pursuant to 11 United States Code (U.S.C.) 365.

D. REQUIREMENTS IN THE EVENT OF TERMINATION OR EXPIRATION

In the event of termination of this Concession Contract, any compensation due the Concession Contractor for such termination or expiration shall be as described in Section 5 of this Concession Contract. No other compensation of any nature shall be due the Concession Contractor in the event of a termination or expiration of this Concession Contract, including, but not limited to, compensation for losses based on lost income, profit, or the necessity to make expenditures as a result of the termination, bankruptcy, or expiration.

E. INTERIM OPERATION

To avoid interruption of service to the public upon the termination or expiration of the Concession Contract or revocation of authority to operate a concession area under Section 1.B.2, Reclamation may select an interim operator if a new contract is not in place at the time this Contract expires or is terminated or authorization is revoked. Reclamation may select the Concession Contractor as the interim operator if the Concession Contractor is performing in a satisfactory manner.

If, upon such termination, expiration or revocation, to avoid interruption of service to the public, Reclamation selects a third party and not the existing Concession Contractor as an interim operator, or Reclamation chooses to directly operate, Reclamation may require and the Concession Contractor shall consent to the use by another operator or Reclamation of Intangible Assets and other property and data, including, but not limited to, telephone and website reservation systems, operation manuals, vendor lists and customer lists and such tangible Personal Property on the premises as is necessary to avoid interruption of services to the public.

If, upon such termination, expiration or revocation, Reclamation selects a third party and not the existing Concession Contractor as an interim operator, or Reclamation chooses to directly operate, Reclamation may request, and the Concession Contractor will permit, the use, by another operator, of designated Concession Contractor Improvements needed to provide specific uninterrupted services to the public. Such use will be for a period of time not to exceed 1 year from the date of any contract termination or expiration, or revocation of authorization. Reclamation will make such request as soon as possible in the event of a termination or revocation. The other operator or Reclamation shall pay the Concession Contractor a fee (“Usage Fee”) for use of such property, prorated for the period of use, in the amount of 1 percent (1%) per month of original cost. The other operator or Reclamation will be required to maintain these improvements in the same condition in which it assumed operation of them, less reasonable wear and tear.

F. NO RIGHT OF RENEWAL PREFERENCE

This Concession Contract does not include a preferential right of renewal.

G. CONTRACT SALE OR TRANSFER OF INTERESTS

1. The Concession Contractor shall not transfer, assign, sell, or otherwise convey (such transactions collectively referred to as “assignments”) its interest or part of its interest under this Concession Contract, the concession operation, or Concession Contractor Improvements within the concession areas to another party without prior notification of intent and written approval of the assignment by Reclamation. The Concession Contractor must complete and submit all transactional information as required by Reclamation before any consideration will be given to the approval of an assignment of all or any portion of a concession operation. A proposed assignment is subject to the same evaluation process utilized for a new concession contract; a process, including, but not limited to, an assessment of financial health, concession management experience and a review of any past delinquencies regarding contracts with the United States. Reclamation may choose not to approve a proposed assignment or may place such conditions on any approval that Reclamation considers necessary to protect the public. Before the approval of an assignment, the terms and conditions of this Concession Contract are subject to reasonable changes that are consistent with the purpose and objectives of this Concession Contract and current Reclamation policy, at the discretion of Reclamation.
2. The Concession Contractor may not encumber, pledge, mortgage or otherwise provide as a security interest for any purpose (such transactions collectively referred to as “encumbrances”) its interest or part of its interest under this Concession Contract, the concession operation, or Concession Contractor Improvements within the concession areas to another party without Reclamation approval. The Concession Contractor will provide notification of intent and a written explanation of the purposes of the encumbrance to Reclamation. Reclamation will

approve an encumbrance if it determines that the encumbrance does not purport to provide the creditor any rights beyond those provided by the Concession Contract; the encumbrance does not purport to permit a creditor, assignee of a creditor, receiver appointed pending foreclosure, or purchaser at a foreclosure sale, in the event of default, foreclosure, or otherwise, to begin operations under the Concession Contract or through a designated operator unless and until Reclamation determines that the proposed operator is qualified to operate the concession facilities; and the encumbrance would not have an adverse impact on the protection, conservation or preservation of area resources or the health and safety of area visitors, and such approval shall not be unreasonably withheld. To the extent that there is more than one lender for Concession Contractor Improvements in a concession area, Reclamation will promptly after a foreclosure subdivide the concession area in an appropriate fashion to allow the new operator to separately operate the foreclosed Contractor Improvements with access to utilities and roads. Upon a subdivision, operations under the subdivided concession area will continue to be subject to the provisions of this Concession Contract.

3. Failure by the Concession Contractor to comply with Applicable Laws is a material breach of this Concession Contract for which Reclamation may terminate this Concession Contract for default. Reclamation shall not be obliged to recognize any right of any person or entity to an interest in this Concession Contract of any nature, including, but not limited to, operating rights under this Concession Contract, if obtained in violation of Applicable Laws.

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SECTION 2 – SERVICES AND OPERATIONS

A. SERVICES TO BE PROVIDED

During the term of this Concession Contract, Reclamation requires the Concession Contractor to provide the services listed as ‘Required (Base)’, as shown in the “Lake Berryessa Development Plan” below and listed in Exhibit H, Table H-1 to the public within the six concession areas. Those services listed as ‘Authorized’ are not required but are permitted in accordance with an accepted Concession Facilities Improvement Program (CFIP). Required and Authorized services include those improvements and amenities required to support public use of the services, including but not limited to parking lots, trailhead staging areas, restrooms, drinking fountains, lighting, recycling centers and refuse containers, etc. Additional details on the CFIP necessary to accomplish many of the eventual operations are set forth in Section 4.G. (CFIP) of this Concession Contract and Exhibit H (Improvement Project Procedures) to this Concession Contract. Improvements and services shall comply with the Reclamation Recreation Facility Design Guidelines, currently located at <http://www.usbr.gov/pmts/architecture/recfac/> unless deviations are approved by the area manager in accordance with the Improvement Project Procedures of Exhibit H.

LAKE BERRYESSA DEVELOPMENT PLAN

	Markley Cove (Mahogany Bay)		Steele Park (Lupine Shores)		Spanish Flat (Foothill Pines)	
Improvements and Services	Required (Base)	Authorized	Required (Base)	Authorized	Required (Base)	Authorized
Lodging:						
Higher End Lodging	0	0	25	55	0	0
Mid-Market Lodging	0	0	0	0	0	0
Economy Lodging – maid only	10	20	0	0	30	70
Total Lodging	10	20	25	55	30	70
Retail:						
Retail/Convenience/Boutique	1	1	1	1	1	1
Total Retail	1	1	1	1	1	1
Restaurants:						
Resort-based Restaurants	0	0	1	1	0	0
Land Non-Resort Restaurants	0	1	0	0	0	0
Marina based Restaurants	0	1	0	0	1	1
Total Restaurants	0	2	1	1	1	1
Camp Sites:						
Partial/Full Service	0	10	0	10	75	25
Total Campsites	0	10	0	10	75	25
RV Sites:						
Partial/Full Service	0	0	31	0	45	30
Total RV Sites	0	0	31	0	45	30
Marina/Boat Storage:						
Wet Slips	200	0	0	0	200	150
Surface Dry/Stack Storage	120	120	0	240	120	120
Total Boat Storage	320	240	0	240	320	270
Houseboat Rentals	0	0	0	0	35	0
Courtesy Slips	0	20	10	10	20	0
Tour Boat Dock	0	1	1	0	1	0
Launch Ramp	1	0	1	0	1	0
Amenities						
Resort Spa/Fitness Center	0	0	0	1	0	0
Marinas Member Station (Restroom/Shower/Laundry)	1	0	0	0	1	0
RV/Camping Comfort Station (Restroom/Shower/Laundry)	0	0	1	0	2	2
RV/Camping/Swimming (Pool/Cabana/Clubhouse)	0	0	0	0	0	1
Resort Swimming Pool/Cabana	0	0	0	1	0	0
Fish Cleaning Station	1	0	1	0	1	0
BBQ Area	0	1	0	0	0	1
Conference Center	0	0	0	1	0	0
Fuel Dock-double pumps	1	0	0	0	1	0
Pump outs	1	1	0	1	1	1
On land fuel station	0	0	0	1	0	1
Boat maintenance facility	0	1	0	0	0	1

LAKE BERRYESSA DEVELOPMENT PLAN CONTINUED

	Berryessa Resort (Blue Oaks)		Rancho Monticello (Manzanita Canyon)		Putah Creek (Chaparral Cove)		PENSUS	
Improvements and Services	Required (Base)	Auth- orized	Required (Base)	Auth- orized	Required (Base)	Auth- orized	Total of new required develop- ment	Total of new authorized develop- ment
Lodging:								
Higher End Lodging	0	0	0	0	0	0	25	55
Mid-Market Lodging	0	200	200	400	0	0	200	600
Economy Lodging – maid only	0	0	0	0	0	200	40	290
Total Lodging	0	200	200	400	0	200	265	945
Retail:								
Retail/Convenience/Boutique	1	1	1	1	1	1	6	6
Total Retail	1	1	1	1	1	1	6	6
Restaurants:								
Resort-based Restaurants	0	1	1	1	1	0	3	3
Land Non-Resort Restaurants	0	0	0	0	0	0	0	1
Marina based Restaurants	1	0	0	0	0	0	2	2
Total Restaurants	1	1	1	1	1	1	5	6
Camp Sites:								
Partial/Full Service	0	50	40	20	200	100	315	215
Total Campsites	0	50	40	20	200	100	315	215
RV Sites:								
Partial/Full Service	0	30	0	125	100	50	176	235
Total RV Sites	0	30	0	125	100	50	176	235
Marina/Boat Storage:								
Wet Slips	350	150	0	0	0	0	750	300
Surface Dry/Stack Storage	120	120	0	0	0	240	360	840
Total Boat Storage	470	270	0	0	0	240	1,110	1140
Houseboat Rentals	35	0	0	0	0	0	70	0
Courtesy Slips	10	10	10	10	10	10	60	60
Tour Boat Dock	1	0	1	0	1	0	5	1
Launch Ramp	1	0	1	0	1	0	6	0
Amenities								
Resort Spa/Fitness Center	0	0	0	1	0	0	0	2
Marinas Member Comfort Station (Restroom/Shower/Laundry)	1	0	0	0	0	0	3	0
RV/Camping Comfort Station (Restroom/Shower/Laundry)	0	2	1	2	2	6	6	12
RV/Camping/Swimming (Pool/Cabana/Clubhouse)	0	0	0	0	0	1	0	2
Resort Swimming Pool/Cabana	0	1	0	1	0	0	0	3
Fish Cleaning Station	1	0	1	0	1	0	6	0
BBQ Area	0	1	0	0	0	0	0	3
Conference Center	0	0	0	1	0	0	0	2
Fuel Dock-double pumps	1	0	1	0	1	0	5	0
Pump outs	1	1	0	0	0	0	3	4
On land fuel station	0	0	0	0	0	0	0	2
Boat maintenance facility	0	1	0	0	0	0	0	3

During the term of this Concession Contract, the Concession Contractor is not authorized to provide any services not identified in this Concession Contract, except as an amendment to this Concession Contract and signed by Reclamation. In providing these required and authorized services, the Concession Contractor must not permit any visitor, person, or organization to occupy or use the subject services for an extended period of time so as to preclude use by others.

The Concession Contractor shall provide security personnel certified by the state of California. During peak periods additional security personnel may be required by the Concession Contractor.

The Concession Contractor is authorized to provide only those services and improvements as identified in this section, Section 4.G, or Exhibit H, Table H-1 by type and schedule. Any eventual decision by Reclamation to add additional services will consider the impact on the operations of other concession contractors at Lake Berryessa to assure compliance with the requirements in the 2006 Visitor Services Plan Record of Decision (VSP ROD) wherein it discusses “lake-wide integration of government operations and commercial operations in the best interest of the visiting public.”

The VSP ROD specifies the types of facilities that may be developed within each of three geographic locations at each concession area. The locations correspond with elevations above mean sea level (MSL) related to critical reservoir operations. Any facilities constructed by the Concession Contractor must be appropriate for the intended elevation range, and comply with requirements specified in items 1-3 below. Specifically, elevation 440’ MSL represents the top of the active conservation pool for water supply and water quality purposes, and elevation 440’ - 455’ MSL is the reservoir surcharge capacity for flood control purposes. Locations are described in terms of elevations above MSL and reservoir capacity allocations for the Solano Project. In summary:

1. **From elevation 440’ to elevation 455’ MSL.** Reserved for day-use facilities (marina facilities, swimming areas, picnic sites) and the following non-permanent overnight use facilities: park models approved for short-term occupancy, RV and travel trailer sites, campgrounds, and tent camping. Picnic tables, BBQ grills, restrooms, and other supporting infrastructure for these facilities must be flood- proofed. Flood-proofing includes, but is not limited to, sealed openings, removable utilities, flotation devices, and anchoring. Park models must be removed during the off-season or in anticipation of high-water events. Retail stores and food and beverage facilities may be located at elevations 440’-455’ MSL but only where certified by Reclamation as flood-proof in accordance with reservoir operation requirements, health and safety codes, and other requirements. Flood-proofing for these facilities includes, but is not limited to, stilts, lifts, floating barges, or other features that safely elevate the Structure above elevation 455’ MSL.
2. **From elevation 455’ MSL to the Federal Property Line.** Hotels, motels, conference facilities, cabins, cottages, and lodges must be located above the reservoir surcharge area (455’ MSL and above). This is consistent with project operational requirements for flood control, water supply, and water quality, and promotes compliance with health and safety code requirements. In addition, the following overnight use facilities and supporting infrastructure may be located at or above elevation 455’ MSL: park models approved for short-term occupancy, RV and travel trailer sites, campgrounds, tent camping, and picnic sites.

3. **From elevation 455' MSL plus 100 Linear Foot (LF) Buffer to the Federal Property Line.** Aeration ponds and sewage system infrastructure other than pipelines, lift stations, and other appurtenant devices – must be located above elevation 455' MSL plus 100 LF buffer. All other facilities identified in paragraphs A.1 and A.2 above may also be located above this level. The 100 LF buffer preserves space at each concession area for short-term occupancy facilities consistent with the VSP ROD.

In the provision of the general oversight and management of the facilities and services permitted in this contract, the Concession Contractor will ensure that members of the public who may rent moorage slips do not use such slips or the watercraft stored there for any commercial activities such as fishing, touring, water skiing, time share, rental boat, etc. All agreements with slip customers will include a clause indicating that if such commercial activities are discovered to be occurring from their assigned slip that their rental agreement will be immediately canceled, no refunds will be given, and they will be required to remove their watercraft within 48 hours.

Allowing any long-term exclusive use or unauthorized extended period use shall be considered a material breach of this Concession Contract for which Reclamation may terminate this Concession Contract and/or seek monetary damages or other legal relief. Exclusive use is any use which excludes other appropriate public recreational use or users for extended periods of time.

The Concession Contractor will participate in the regional trail development program by constructing a clear, delineated trail located within the six concession areas that connects to the regional trail as it enters and exits the concession area. The trail within the concession areas may utilize the road system and pass through/by amenity areas, such as stores, restaurants, comfort stations, etc.

The Concession Contractor is prohibited from permitting the conduct of any commercial activities within the concession areas by an outside party that is not an employee of the Concession Contractor in the conduct of required services. An example of this would be a person that rents a boat slip from the Concession Contractor and uses that boat in the conduct of a business as a paid fishing guide. If an external business has a written authorization from Reclamation to conduct activities, such as a fishing guide, it is permissible for the Concession Contractor to allow such authorized person(s) to launch at the concession launch ramp. Furthermore Concession Contractors may not allow advertising through signs or marketing handouts for any business intending to provide services to Lake Berryessa visitors or planning to use Reclamation land at Lake Berryessa unless they receive written authorization from Reclamation to permit such advertising and business activities.

B. SCOPE OF SERVICES AND OPERATING PLAN

Reclamation reserves the right to determine and control the nature, type, and quality of the services provided and merchandise sold at the concession areas as described in this Concession Contract. All such services and merchandise will be compatible with the intent of the Concession Contract and questions of applicability or requests for variance shall be forwarded to the Contracting Officer for consideration. Approvals must be in writing.

The Concession Contractor shall provide, operate, and maintain the required visitor services and any support facilities and services in accordance with this Concession Contract to such an extent

and in a manner considered satisfactory, pursuant to the Concession Review Program, by Reclamation.

The Concession Contractor shall comply with all conditions set forth in the main body and Exhibit G of this Concession Contract and the Operating Plan which shall be submitted for Reclamation area manager approval within 60-days of the effective date of this Concession Contract. Once approved by Reclamation, the Concession Contractor shall implement the operating plan. The initial operating plan shall conform closely to the Concession Contractor's commitments and content in its original Prospectus proposal. The Concession Contractor shall prepare and submit a single Operating Plan, but may include subparts for each concession area.

The area manager in his/her discretion, after consultation with the Concession Contractor, may make reasonable modifications to the initial Operating Plan from time to time that are in furtherance of the purposes of this Concession Contract and are not inconsistent with the terms and conditions of the main body and Exhibit G of this Concession Contract.

C. LEGAL, REGULATORY, AND POLICY COMPLIANCE

This Concession Contract, the operations hereunder by the Concession Contractor, and its administration by Reclamation shall be in accordance with all applicable federal, state and local laws, rules, regulations, and policies. The Concession Contractor shall operate and maintain its facilities in safe working order and shall ensure compliance with all applicable federal, state, and local laws, rules, regulations, policies, and directive and standards affecting such works. Certain Applicable Laws relating to nondiscrimination in employment and providing accessible facilities and services to the public are further described in Exhibit A of this Concession Contract.

The Concession Contractor shall give Reclamation immediate written notice of any known violation of Applicable Laws by its employees, agents, or contractors, and, at its sole cost and expense, must promptly rectify any such violation. Failure to notify Reclamation will be a breach of the contract and can be reason for Reclamation to terminate the contract.

D. RATES FOR GOODS AND SERVICES

Rates for all goods and services shall be reasonable and appropriate for the type and quality of the goods and services provided and must be approved by Reclamation. Rate change requests should reflect changes in rates for comparable goods and services provided by the private sector operating in a competitive environment under similar operating conditions. Should Reclamation not approve a rate change request for any of the Concession Contractor's goods or services, based upon this comparability approach, the Concession Contractor is required to continue using the currently approved rates. If the Concession Contractor disagrees with Reclamation's determination, it may request reconsideration upon submission of additional support information or may be required to resubmit a modified proposal.

Reclamation may choose to accept the Concession Contractor's proposed rates; however, if Reclamation does not accept the Concession Contractor's proposed rates, Reclamation's decision is final and non-challengeable.

The Concession Contractor shall require its employees to observe strict impartiality as to rates and services in all circumstances.

The Concession Contractor will provide Federal employees conducting official business with rates that are no greater than the Federal Per Diem rates for lodging, essential transportation, and other specified services necessary for conducting official business in accordance with Reclamation guidelines and policy. Complimentary or reduced rates and charges shall otherwise not be provided to Federal employees by the Concession Contractor, except to the extent that they are equally available to the general public. The Concession Contractor shall prominently post all rates and charges for goods and services provided to the visiting public.

E. NONDISCRIMINATION OF SERVICE TO VISITORS

Concession Contractor employees shall not discriminate when setting rates or providing services to visitors. The Concession Contractor shall comply with all Applicable Laws and regulations, whether now in force or made effective after the execution of this Concession Contract, relating to nondiscrimination in providing services to the public and accessible facilities and services, including, but not limited to, those set forth in Exhibit A.

F. CONCESSION CONTRACTOR EMPLOYEES

The Concession Contractor shall provide all personnel necessary to provide the visitor services required by this Concession Contract.

The Concession Contractor shall comply with all Applicable Laws relating to employment and employment conditions, including, but not limited to, those set forth in Exhibit A.

The Concession Contractor shall require and ensure that its employees are hospitable and exercise courtesy and consideration in their relations with the public. The Concession Contractor will require its employees who come in direct contact with the public to wear a uniform by which they can be identified as employees of the Concession Contractor. Concession Contractor uniforms must be consistent in style and color and approved by Reclamation.

The Concession Contractor shall review the conduct of any of its employees whose action or activities are considered by the Concession Contractor or Reclamation to be contrary to the proper administration of the area and protection of visitor safety and enjoyment and shall immediately take such actions as are necessary to correct the problem.

In the initial hiring efforts of employees for this contract the Concession Contractor will, to the full extent allowable under applicable law, give priority consideration to employees of the outgoing concession contractor that have properly applied for positions. This effort does not require that these employees are to be considered for the same position or even the same type of position.

G. CONCESSION CONTRACTOR EMPLOYMENT CONDITIONS

The Concession Contractor shall comply with Applicable Laws relating to employment of workers, nondiscrimination in employment, and providing accessible facilities and services including, but not limited to, those set forth in attached Exhibit A.

The Concession Contractor shall establish pre-employment screening, hiring, training, employment, termination, and other policies and procedures for the purpose of providing visitor services through its employees in an efficient and effective manner and for the purpose of maintaining a healthful, law abiding, and safe working environment for its employees. The Concession Contractor shall conduct appropriate background reviews of applicants to whom an offer of employment may be extended to ensure that they conform to the hiring policies established by the Concession Contractor.

The Concession Contractor shall maintain, to the greatest extent possible, a drug-free environment, both in the workplace and in any Concession Contractor employee housing, within the concession areas. The Concession Contractor shall publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and in the concession areas and specifying the actions that will be taken against employees for violating this prohibition. In addition, the Concession Contractor shall establish a drug-free awareness program to inform employees about the danger of drug abuse in the workplace, the availability of drug counseling, rehabilitation and employee assistance programs, and the Concession Contractor's policy of maintaining a drug-free environment both in the workplace and in the concession areas.

The Concession Contractor shall conduct educational programs for its employees to deter substance abuse and alcohol abuse. Those employees who are in safety sensitive positions as determined by or consistent with Federal, State, or local health, law enforcement, or other appropriate agency, will be required to participate in periodic drug testing. The Concession Contractor will promptly report illegal drug use to Reclamation, should it occur. It is the responsibility of the Concession Contractor to structure a drug testing program that ensures, to the greatest extent possible, a drug-free workplace. The Concession Contractor shall provide Reclamation with a written summary of drug testing activity, if any, on an annual basis.

The drug awareness and management responsibility of the Concession Contractor may be exercised through an external agreement with individuals, companies, or agencies qualified to provide such assistance.

If the Concession Contractor provides employee housing within the concession areas, the Concession Contractor's charges to its employees for this housing must be reasonable. Housing provided to Concession Contractor employees must be owned by the Concession Contractor. Suitable long-term contractor owned housing does not include mobile homes or other similar units/structures. Reclamation reserves the right to approve all employee housing units. Concession Contractors may however provide an employee RV site area separate and apart from the visitor/public use areas for privately owned employee RVs in which the employee may reside. Under no circumstances may the Concession Contractor allow the employee or his/her RV to remain on site if the employee is no longer employed by the Concession Contractor. The Concession Contractor's Operation Plan will detail employee housing requirements, subject to Reclamation approval.

H. CONCESSIONS REVIEW PROGRAM

The Concession Contractor shall be evaluated by Reclamation under the Concessions Review Program as prescribed in Exhibit D – Concessions Review Program Standards. The Concessions Review Program consists of four separate evaluations: (1) Operations and Facilities Evaluation, (2) Public Health Service Inspection, (3) Safety and Environmental Evaluation, and (4) Contract Compliance Evaluation. The Operation and Facilities Evaluation shall be conducted semiannually with at least one occurring during the high public visitation season. All other evaluations shall be conducted as Reclamation may desire and as identified in the Operation Plan. An external Reclamation review (evaluation) will be conducted every 5 years in accordance with Section 4.D (27)(b) of Exhibit L, and shall include an assessment of the current condition and remaining life expectancy of the Concession Contractor Improvements and an assessment of whether the Concession Contractor Improvements continue to meet present and projected future recreational needs, similar in nature to the assessments that Reclamation conducts in its commercial services plan process. A year end annual overall rating will be assigned as required under the Concessions Review Program.

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SECTION 3 – PROTECTION AND INTERPRETATION OF AREA RESOURCES

A. ENVIRONMENTAL MANAGEMENT OBJECTIVES

The Concession Contractor shall meet the following environmental management objectives in the conduct of its operations under this Concession Contract:

1. The Concession Contractor, including its employees, agents, and contractors, shall comply with all Applicable Laws pertaining to the protection of the public, employees, and natural and cultural resources within the concession areas.
2. The Concession Contractor shall incorporate Best Management Practices in its operation, construction, maintenance, acquisition, provision of visitor services, and other activities under this Concession Contract.
3. The design, construction, and operation of the facilities and the provision of services under this Concession Contract shall be performed in a manner that prevents, identifies, and reduces pollution at the source. The Concession Contractor shall comply with all Applicable Laws and Reclamation policies and instructions promulgated and enacted during the term of this Concession Contract concerning any hazardous materials that will be used, produced, transported, stored, or disposed of on or in lands, water, or facilities owned by the United States of America or administered by Reclamation.
4. The Concession Contractor may not knowingly allow contamination of lands, water, or facilities within the concession areas by hazardous materials, thermal pollution, refuse, garbage, sewage effluent, industrial or commercial waste, petroleum products, mine tailings, mineral salts, pesticides, pesticide containers, or any other pollutants, including, but not limited to, misuse of pesticides.
5. The Concession Contractor's operation, maintenance, acquisition, and purchasing activities will, to the extent practical, promote the use of environmentally preferable products, including materials and supplies with recycled content, and will avoid or minimize the quantity of toxic and hazardous materials entering the waste stream.
6. The Concession Contractor shall immediately report to the Contracting Officer any event that may or does result in pollution or contamination adversely affecting lands, water, or facilities within the concession areas.
7. The Concession Contractor will become ISO 14001 certified no later than one year from the effective date of this Concession Contract and maintain such certification for the life of this Concession Contract. The ISO 14001 certification represents a level of commitment to the environment regarding efforts to 1) minimize harmful effects on the environment caused by its business activities; and 2) achieve continual improvement of its environmental performance. Additional information regarding this certification and program description can be seen at: <http://www.iso.org/iso/en/prods-services/otherpubs/iso14000/index.html>.

8. The Concession Contractor is financially and managerially responsible for accomplishing, either independently or through a third party, all required NEPA compliance efforts in advance of new Concession Contractor Improvements or other projects where such compliance is necessary. Reclamation, as the ultimate party responsible for assuring proper NEPA compliance, will provide prompt agency review of all compliance work in advance of providing approval to begin any construction projects.

B. ENVIRONMENTAL MANAGEMENT PROGRAM

1. The Concession Contractor shall submit an Environmental Management Plan (EMP) for Reclamation area manager approval within 60 days of the execution of this Concession Contract. Once approved by Reclamation, the Concession Contractor shall implement and fully comply with the EMP. The EMP shall conform closely to the Concession Contractor's commitments and content in its original Prospectus proposal.
2. Any proposed revisions to the EMP shall be submitted to Reclamation annually for approval.

C. ENVIRONMENTAL EVALUATION

The Concession Contractor shall be evaluated by Reclamation on its environmental performance under this Concession Contract including, without limitation, compliance with the approved EMP and on the following criteria, as a part of the Safety and Environmental Evaluation element of the Concession Review Program referred to in Section 2.H:

1. Hazardous wastes are properly identified and managed.
2. An Oil and Hazardous Substance Spill Contingency Plan is in place; all employees are trained in first response procedures; Reclamation and appropriate regulatory authorities are notified of any spill or release of a hazardous substance.
3. A hazardous waste minimization strategy is in place, reporting requirements are met, and progress is being made toward reduction goals.
4. Areas of contamination caused by or attributable to the Concession Contractor are cleaned up to the satisfaction of Reclamation and regulatory authorities.
5. Hazardous material inventories and use records are maintained and provided to Reclamation. Hazardous materials are stored and handled in a manner that minimizes the potential for spill or release.
6. A solid waste minimization strategy is in place, waste generation information is provided to Reclamation, and progress is being made toward waste reduction goals.
7. An affirmative procurement program is in place to ensure that, where available, products containing recycled material or materials that are environmentally preferable are preferentially acquired (Green Procurement).

8. The Concession Contractor will conserve energy and improve energy efficiency of operations being implemented. Every effort will be made to ensure that environmentally safe and sustainable energy sources are used. A program to reduce overall energy consumption is documented and actively pursued.
9. The goals and objectives of the area's water conservation program are being met.
10. Prior written approval has been obtained from Reclamation for implementation of any pesticide, herbicide, or vector control action.
11. Sight, sound, and odor impacts to the environment and visitor experience are avoided when possible.
12. Care is exercised to avoid introduction of nonnative biota except as approved by the Contracting Officer.
13. The Concession Contractor conducts recurring training for staff concerning the critical importance of pollution prevention and spill report procedures, emergency incident and spill response, water and energy conservation, and the Concession Contractor's role in stewardship of concession area lands and waters. Training of employees in emergency and spill response includes field exercises done in coordination with Reclamation.
14. Employee incentive system is in place to reward employees for innovative or exemplary contributions toward prevention of pollution and to allocate some of the savings gained in energy and water conservation programs back to staff members who produce those gains.
15. Planning and design for facilities are coordinated with the Contracting Officer, including application of sustainable design principles and Reclamation reviews and approvals including, but not limited to, procedures imposed by Federal, State, county, or municipal regulations (e.g., National Environmental Policy Act, Historic Preservation Act (Section 106) and fire and safety and building codes).
16. Required environmental protection and pollution prevention facilities are in place or are in the process of being acquired, designed, or constructed with due diligence. Construction is conducted in a manner that prevents or minimizes pollutant emissions or discharges and protects public health and the environment.

D. ENVIRONMENTAL DATA, REPORTS, NOTIFICATIONS, AND APPROVALS

1. **Inventory of Hazardous Substances and Inventory of Waste Streams** – The Concession Contractor shall submit to the Contracting Officer, at least annually, an inventory of Federal Occupational Safety and Health Administration (OSHA) designated hazardous chemicals used and stored in the concession areas by the Concession Contractor. The Contracting Officer may prohibit the use of any OSHA hazardous chemical by the Concession Contractor in operations under this Concession Contract. The Concession Contractor shall obtain the Contracting Officer's approval before using any extremely hazardous substance, as defined in the Emergency Planning and Community Right to Know Act of 1986, in operations under this Concession Contract. The Concession Contractor shall also submit to the Contracting Officer, at least annually, an inventory of

all waste streams generated by the Concession Contractor under this Concession Contract. Such inventory shall include any documents, reports, monitoring data, manifests, or other documentation required by Applicable Laws regarding waste streams.

2. **Reports** – The Concession Contractor shall submit to the Contracting Officer copies of all documents, reports, monitoring data, manifests, and other documentation required under Applicable Laws to be submitted to environmental regulatory agencies. The Concession Contractor shall also submit to the Contracting Officer any environmental plans for which coordination with area operations are necessary and appropriate, as determined by the Contracting Officer in accordance with Applicable Laws. The Concession Contractor shall submit a quarterly report on the amount of toxic chemicals entering the waste stream from concession facilities.
3. **Notification of Releases** – The Concession Contractor shall give the Contracting Officer immediate written notice of any discharge, release, or threatened release (as these terms are defined by Applicable Laws) within or in the vicinity of the concession areas, (whether solid, semisolid, liquid, or gaseous in nature) of any hazardous or toxic substance, material, or waste of any kind, including, without limitation, building materials such as asbestos, or any contaminant, pollutant, petroleum, petroleum product, or petroleum byproduct.
4. **Notice of Violation** – The Concession Contractor shall notify the Contracting Officer immediately of any actual or proposed notice of violation of any Applicable Laws issued by other regulatory agencies arising out of the activities of the Concession Contractor, its agents, or employees.
5. **Communication with Regulatory Agencies** – The Concession Contractor shall provide to the Contracting Officer timely written advance notice of communications, meetings, audits, inspections, hearings, and other proceedings, between regulatory agencies and the Concession Contractor related to compliance with Applicable Laws concerning operations under this Concession Contract. The Concession Contractor shall also provide to the Contracting Officer any written materials prepared or received by the Concession Contractor in advance of or subsequent to any such communications. The Concession Contractor shall allow the Contracting Officer to participate in any such communications. The Concession Contractor shall notify the Contracting Officer immediately following any unplanned communications between regulatory agencies and the Concession Contractor.

E. CORRECTIVE ACTION

The Concession Contractor, at its sole cost and expense, shall promptly control and contain any discharge, release, or threatened release, or any threatened or actual violation, arising in connection with the Concession Contractor's operations under this Concession Contract, including, but not limited to, payment of any fines or penalties imposed by appropriate agencies. Following the prompt control or containment of any release, discharge, or violation, the Concession Contractor shall take all response actions necessary to remediate the release, discharge, or violation and to protect human health and the environment.

Even if not specifically required by Applicable Laws, the Concession Contractor shall comply with directives of the Contracting Officer to clean up or remove any materials, products, or

byproducts used, handled, stored, disposed of, or transported onto or into the concession areas by the Concession Contractor to ensure that the concession areas remain in good condition.

F. INDEMNIFICATION AND COST RECOVERY FOR ENVIRONMENTAL ACTIVITIES

1. In accordance with Section 7 (Insurance and Indemnification) of this Concession Contract, the Concession Contractor shall indemnify the United States from all losses, claims, damages, environmental injuries, expenses, response costs, allegations or judgments (including, without limitation, fines and penalties), and expenses (including, without limitation, attorney's fees and expert's fees) arising out of the activities of the Concession Contractor, its employees, agents, and contractors pursuant to this section. Such indemnification shall not apply to any environmental condition or violations of environmental laws which exists at the time possession of the concession areas is delivered to Concession Contractor. Such indemnification shall survive termination or expiration of this Concession Contract.

Reclamation shall be responsible for performing, or causing prior concession contractors to promptly perform, a clean-up of any environmental conditions and correcting any environmental law violations that predate the Concession Contractor's operations at the concession area.

2. If the Concession Contractor does not promptly contain and remediate an unauthorized discharge or release arising out of the activities of the Concession Contractor, its employees, agents, and contractors, as set forth in this section, or correct any environmental self-assessment finding of noncompliance, in full compliance with Applicable Laws, the Contracting Officer may, in its sole discretion and after notice to the Concession Contractor, take any such action consistent with Applicable Laws as the Contracting Officer deems necessary to abate, mitigate, remediate, or otherwise respond to such release or discharge or take corrective action on the environmental self-assessment finding. The Concession Contractor shall be liable for and shall pay to Reclamation any costs incurred by Reclamation associated with such action, upon demand. Nothing in this section shall preclude the Concession Contractor from seeking to recover costs from a responsible third party.
3. Any intentional violation of any of the provisions of this section shall constitute grounds for initiation of the procedure for immediate termination of the Concession Contract and shall make the Concession Contractor liable for the cost of full and complete remediation or restoration of any Federal resources or facilities that are adversely affected as a result of the violation.
4. Reclamation shall not be responsible for any omissions or inadequacies of insurance coverage and amounts in the event the insurance purchased by the Concession Contractor proves to be inadequate or otherwise insufficient for any reason whatsoever.

G. WEED AND PEST MANAGEMENT

1. The Concession Contractor shall be responsible for managing weeds and other pests on all authorized land and in all facilities assigned for use in conducting operations under the

Concession Contract. Plants and animals that are native to Lake Berryessa may not be removed or harmed except with the prior written approval of Reclamation.

2. Each application of a pesticide, herbicide, rodenticide, or other plant or animal infestation control means beyond excluding entry to infested areas must be approved by Reclamation. Requests should be made at least 30 days in advance. Reclamation will seek to expedite the review of requests addressing an “immediate need” in recognition of the potential impacts to the public and the Concession Contractor’s business. At all times, the Concession Contractor will be responsible for complying with all training, operational, and licensing requirements under Applicable Laws and manufacturers’ guidelines.
3. The Concession Contractor may obtain approval from Reclamation in advance of an actual infestation by submitting, in conjunction with a licensed or certified applicator, a request detailing actions that would address likely future problems and detailing any legal and customary preventative measures. After Reclamation pre-approval is obtained, Reclamation need only be notified 24 hours in advance of the actual chemical application or control action. Reclamation may rescind its approval at any time.

H. HAZARDOUS MATERIALS

1. **Handling/Storing Hazardous Materials** – The Concession Contractor shall maintain health and safety standards and take necessary mitigative and corrective measures to ensure healthy working and living environments in all assigned buildings and improvements. The Concession Contractor shall store, handle, and use hazardous materials in a manner that protects workers from harmful exposure, minimizes the potential for spills and releases, and reduces the use of these materials to diminish the subsequent generation of hazardous waste.

Hazardous materials shall be handled in accordance with subpart Z of 29 C.F.R. Parts 1910 and 1926. Examples of hazardous materials requiring special management controls include asbestos, radon, and lead-based paint. The Concession Contractor shall obtain Reclamation approval before using chemicals, pesticides, and toxic materials. Applications and methods of use shall conform to Federal, State, and local laws and applicable codes, policies, and guidelines.

2. **Hazardous Materials-Related Training** – The Concession Contractor shall provide training to all employees in accordance with 29 C.F.R. 1910.120 (First Responder for Hazardous Materials Incidents) and 29 C.F.R. 1910.1200 (Hazard Communication). The Concession Contractor shall comply with all Federal, State, and local laws and regulations pertaining to hazardous materials.
3. **Hazardous Waste Minimization and the Use of Environmentally Preferable Products** – The Concession Contractor shall attempt to minimize the use of hazardous materials in its operations, thus diminishing the amount of hazardous waste generated over time. The Concession Contractor shall seek to use fewer toxic materials and, instead, will use products that are environmentally preferable as a general means to minimize hazardous waste. If the Concession Contractor generates more than 100 kilograms per month of hazardous waste, the Concession Contractor must provide Reclamation with a Hazardous Waste Minimization Plan. To track any trends for waste generated, the Concession

Contractor must provide information on all hazardous waste management (recycling and disposal) to Reclamation quarterly.

I. SOLID WASTE MINIMIZATION

The Concession Contractor shall provide Reclamation with a written solid waste minimization plan that is consistent with Napa County and Reclamation policies and practices. Special consideration should be given to the type of packaging and containers that are used in products offered for sale to visitors. If the Concession Contractor collects and hauls its solid waste, the Concession Contractor shall provide Reclamation information quarterly regarding the amount of solid waste generated and the amount of material recycled.

J. DRAINAGE AND STORMWATER POLLUTION PREVENTION

1. The Concession Contractor shall implement Best Management Practices to prevent the degradation of water quality in stormwater and other runoff from facilities within the concession areas. Erosion controls must be implemented at construction sites with disturbed soils exposed. Water from vehicle and equipment washing must be contained and oil/water separation must occur before appropriate discharge. Any improvements to drainage systems must be made in accordance with Federal, State, and local regulations and with prior Reclamation approval.
2. The Concession Contractor shall ensure proper drainage control to protect landscapes, native vegetation, Structures, facilities, improvements, and equipment while maintaining natural drainage patterns to the greatest extent possible.

K. RECYCLING AND CONSERVATION

1. The Concession Contractor shall implement a source reduction program designed to minimize concession use of disposable products in its operations. Polystyrene and plastics shall be used as little as possible (and then only polystyrene not containing chlorofluorocarbon). Where disposable products are needed, products that have the least impact on the environment shall be used.
2. The Concession Contractor shall implement a recycling program that fully supports the efforts of Reclamation to conserve resources. Products to be recycled include, but are not limited to, paper, newsprint, cardboard, bimetals, plastics, aluminum, glass, waste oil, antifreeze, and batteries.

The Concession Contractor shall provide recycling bins in all public areas. The Concession Contractor is responsible for emptying these bins as needed and for ensuring that these recovered materials are delivered or picked up for recycling.

Any beverage container deposits collected in excess of related operating expenses shall be used for environmental projects as approved in writing by the Contracting Officer. An accounting of the beverage container deposits collected and distributed will be provided to Reclamation on an annual basis.

3. The Concession Contractor will implement water and energy conservation measures for each of its operations. As new technologies are developed, the Concession Contractor will explore the possibility of integrating them into existing operations where there is potential for increased efficiency, reduced water or energy consumption, or reduced impacts on the environment.

L. WASTEWATER TREATMENT

1. The Concession Contractor shall ensure that all wastewater systems are operated in accordance with all Applicable Laws and environmental requirements, including Federal, State, and local laws and applicable codes, policies, and guidelines.

For wastewater that will be discharged into surface water, the wastewater treatment facility must comply with the effluent limitation requirements established in Public Law 92-500 (Clean Water Act) and be permitted in accordance with the National Pollutant Discharge Elimination System, as administered by the Environmental Protection Agency.

All new wastewater treatment facilities must be designed in accordance with the best practicable wastewater treatment technology and be based on sound engineering standards such as those established by the American Society of Civil Engineers or the Recommended Standards for Wastewater Facilities (10 States Standards) prepared by the Great Lakes-Upper Mississippi River Board of State and Provincial Public Health and Environmental Managers.

When wastewater system modifications or new construction are proposed, the Concession Contractor will submit plans and specifications to Reclamation for approval and obtain necessary permits.

2. All new vault toilets (if any) will incorporate the U.S. Forest Service Sweet Smelling Toilet design features or similar features from other sources. Vault toilets shall be pumped as necessary. All toilets will be cleaned and re-supplied as often as necessary to maintain a high degree of sanitation. Adequate sanitation facilities will be required for remote area activities such as river rafting, horseback riding, backpacking, and similar activities.
3. Septic tanks (if any) will be inspected annually by the Concession Contractor to determine the amount of accumulated scum and sludge. Records of septic tank measurements, inspections, and pumping will be available for review by Reclamation. Septic tank risers will be provided for inspection holes to facilitate inspection and pumping. Septic tanks will be pumped when the scum or sludge levels in the tank dictate (generally every 3-5 years). The bottom of the scum should never be closer than 3 inches to the bottom of the outlet device, and the top of the sludge layer should never be less than 8 inches from the bottom of the outlet device. Records of septic tank measurements, inspections, and pumping should be maintained and be available for review by Reclamation.

Septic tank drain fields will be surveyed annually during a high-use period to identify system failures such as odors and surfacing wastewater. The drain field should be kept

clear of trees and bushes, which may send roots into the drain field piping system causing clogging and premature failure. Additives to enhance bacterial growth in septic tank systems are generally not recommended.

4. Personnel who routinely come into contact with sewage or who work in or inspect wastewater treatment facilities, ponds, etc., must have current immunizations. Wastewater treatment plant personnel shall not eat, drink, or smoke when performing maintenance or inspecting equipment that may be contaminated with sewage. Workers cleaning up wastewater spills will wear coveralls, rubber boots, and rubber gloves. On completion of cleanup, workers shall remove clothing and place in plastic bag for laundering, take a hot shower using sufficient soap and water, and rinse rubber boots, gloves, and other protective equipment with 100 parts per million disinfectant solution of hypochlorite.
5. In the event of a wastewater leak or spill deemed “major” by the regulating agency, Reclamation and the regulatory agency will be notified immediately. Facilities and equipment contaminated with sewage as a result of leaks, spills, and sewage system backflow will be thoroughly washed down with water and detergent which must be contained and disposed of in accordance with applicable rules, regulations and policies.
6. Ponds should be monitored at least every 2 weeks for liquid coloration, presence of septic odors, properly operating aerators, material floating on the surface, insect breeding, and vegetation growth. The dikes should be free of rodent burrows. Vegetation on the dikes and at the waterline should be controlled. All ponds should be signed and fenced in such a manner as to exclude unauthorized entry. An all-weather road should be constructed for each pond.

M. PROTECTION OF HISTORIC, CULTURAL, AND ARCHEOLOGICAL RESOURCES

The Concession Contractor shall ensure that any protected sites and archeological resources within the concession areas are not disturbed or damaged by the Concession Contractor’s operations, including the Concession Contractor’s employees, agents, and contractors, except in accordance with Applicable Laws and only with the prior approval of Reclamation. Discoveries of any archeological resources by the Concession Contractor shall be promptly reported to the Contracting Officer. The Concession Contractor shall cease work or other disturbance that may impact any protected site or archeological resource until the Contracting Officer grants approval, upon such terms and conditions as the Contracting Officer deems necessary, to continue such work or other disturbance.

N. INTERPRETATION OF AREA RESOURCES

The Concession Contractor shall provide all required services in a manner that is consistent with and supportive of the interpretive themes, goals, and objectives of Reclamation at Lake Berryessa. The Concession Contractor must develop a concession area interpretive program in conjunction with Reclamation that interprets the overall themes approved by Reclamation to enhance visitor enjoyment of the area.

Reclamation reserves the right to enter into agreements with cooperating associations for supplemental services that are deemed by Reclamation to be part of and appropriate to the

concession area's interpretive program. The proposed content of any interpretive programs, exhibits, or displays shall be submitted to Reclamation for review and written approval before being offered to the concession area visitors.

The Concession Contractor is required to develop interpretive materials and a means to educate visitors about environmental programs or initiatives implemented by the Concession Contractor and to support educational efforts through such actions as developing printed material (menus, marketing, correspondence, etc.), using outdoor signs, and, as appropriate, formal programs. Reclamation will provide assistance in regard to appropriate education and training for concession employees with this interpretive responsibility.

The proposed content in any interpretive programs, exhibits, displays, correspondence, marketing, or signs shall support the interpretive themes and objectives of the area as reflected in area planning documents, mission statements, or other interpretive documents and be submitted to Reclamation for review and written approval before being offered to concession area visitors. (See Exhibit G, Section E)

O. RISK MANAGEMENT PROGRAM

The Concession Contractor shall provide a safe and healthful environment for all employees and visitors. The Concession Contractor shall submit a Risk Management Plan (RMP) for Reclamation area manager approval within 60-days of the effective date of this Concession Contract. Once approved by Reclamation, the Concession Contractor shall implement and fully comply with the RMP. The RMP shall conform closely to the Concession Contractor's commitments and content in its original Prospectus proposal.

The Concession Contractor's RMP shall include the following performance standards. The Concession Contractor will be evaluated, based on compliance with these standards, in the Concessions Review Program referred to in Section 2.H.

1. Policy written and available to staff – The RMP shall state the Concession Contractor's commitment to provide a safe and healthy environment for employees and visitors. At a minimum, it will address procedures to identify and correct safety deficiencies and measures to ensure safety awareness and training in hazards recognition. The RMP will outline accountability and responsibility for managers, supervisors, and employees. The RMP will be distributed to employees or will be posted conspicuously. The scope and complexity of the program is commensurate with the size and type of operations and services being provided. Long-range goals and objectives to achieve a safe, healthful environment will be formulated.
2. Safety and health official is designated – The person with primary responsibility for managing the Concession Contractor's RMP will be clearly identified in the RMP, and this person's responsibilities and authority will be clearly stated. Sufficient documentation will be provided to verify that the designated safety and health official has carried out his or her assigned responsibilities; such documentation may include inspection reports, records of training sessions conducted or attended, accident or incident reports and follow-ups, and analysis of accident trends.

3. Management and staff will be held accountable for compliance – Supervisors will be assigned the responsibility to conduct routine safety inspections of the assigned work areas, job sites, etc. Procedures to evaluate all employees on compliance with the Concession Contractor’s RMP will be identified. Employees will be encouraged to report unsafe or unhealthy working conditions.
4. Sufficient funds and resources will be allocated to support the RMP – Adequate funds or other resources will be set aside to cover the needs for staff, training, personal protective equipment, safety literature, etc., commensurate with the size and complexity of the concession operation.
5. Annual goals and objectives will be established – Specific goals and objectives will be established annually for achieving a safer and more healthful work environment. These may be based on needs identified in prior reporting periods (e.g., specific goals for reducing back injuries; expanding safety segments of general orientation training for seasonal wait staff, housekeepers, and maintenance workers; and purchasing and using an expanded safety videotape library).
6. Program administration will be developed – Summary of accidents and injuries listing total number and total lost-days will be reported to Reclamation annually. Employees (and employee unions) will be involved in the program through committees, suggestion programs, or other systems for reporting workplace hazards.

Safety and health information will be available to all permanent and seasonal employees. OSHA “right to know” posters (OSHA 2203) will be prominently displayed in areas frequented by staff.

7. An inspection schedule must be developed – A schedule for inspecting all facilities, equipment, and public use areas must be developed. The frequency and timing of inspections for all facilities and equipment will be identified and will be commensurate with the complexity or seasonality of the operation. Any facilities or equipment requiring specialized safety inspections (e.g., docks and marinas) will be identified, and a schedule will be established in accordance with the manufacturer’s recommendations, governing or professional organization recommendations, etc. Inspections will be conducted according to the established schedule.
8. Inspections must be conducted as scheduled or required – Procedures for documenting inspections, reporting hazards, etc., must be established in the RMP. Inspections will be conducted as required in the RMP.
9. Inspections will be conducted by people trained and capable of recognizing and evaluating hazards – Inspectors will be identified in the RMP. Inspectors will have the knowledge, skills, and abilities to recognize, evaluate, and make recommendations for corrective actions. Inspectors will be familiar with the operation to be inspected and typical problems that might be associated with it. Inspectors will understand and follow the established procedures for documenting and reporting hazards. Inspectors will follow up to ensure that hazards will be abated within time limits specified in the RMP.

10. Inspection records must be kept for a minimum of 3 years – Inspection records must be kept for a minimum of 3 years and must be made available to the Contracting Officer upon request. Such records must include the following information: date of inspection, names of facility/building, identified deficiencies/hazards, classification of deficiencies, abatement date or action plan to correct deficiencies, and name of person conducting inspection.
11. Imminent danger deficiencies must be abated or action plans developed within time limits established by Reclamation – Such deficiencies must be abated immediately. An example is a dangling power line. Abatement methods include correction of the deficiency or other action to reduce risk temporarily to staff and visitors. If abatement cannot be immediately achieved, the facility or service must be closed.
12. Serious hazard deficiencies must be abated or action plans developed within time limits – Such deficiencies must be abated within approximately 15 days or other reasonable time frame as established by the Concession Contractor and approved by Reclamation. Abatement methods include correction of the deficiency or other action to reduce risk temporarily to staff and visitors. If abatement cannot be achieved within the established timeframe, the facility or service must be closed.
13. Non-serious hazard deficiencies must be abated or action plans developed within time limits established by Reclamation – Non-serious hazards must be abated within 45 days or a reasonable time frame as established by the Concession Contractor and approved by Reclamation. Abatement methods include correction of the deficiency or other action to reduce risk temporarily to staff and visitors.
14. A documented plan must be in place for reporting and investigating employee and visitor accidents/incidents – Accident/incident reporting and investigating procedures must be documented. Such procedures must include, but are not limited to, the types of accidents to be reported, the forms to be used to properly document accidents/incidents, the person(s) responsible for reporting and/or investigating accidents/incidents and for completing the forms, and required timeframes for reporting and documenting accidents/incidents. Corrective action must be taken to reduce or eliminate recurrence of accidents. Records must be maintained verifying that accidents were reported and documented as required by Reclamation, OSHA, Office of Workers' Compensation, etc.
15. All reportable accidents must be reported to Reclamation – A plan must be developed outlining procedures for accident reporting. Employees must be aware of these procedures. Reportable accidents/incidents include any fatalities, visitor incidents with likelihood of a tort claim against the United States, and fires. Employees must be aware of the type of accidents/ incidents that must be reported to Reclamation. Such records should include the date the accident/incident was reported, to whom, and by whom.
16. Activity-related hazards must be communicated – Activity related hazards (e.g., safety orientation for use of rental craft and horseback rides) must be effectively communicated to concession visitors.
17. Resource-related hazards must be communicated – Resource hazards that exist within the scope of the concession operation (e.g., falling rocks, wild animals, Lyme disease,

rattlesnakes, trail conditions, and water hazards) must be effectively communicated to concession area visitors and staff.

18. Training plans for supervisors and employees must meet the requirements set forth in RMP – Training plans and accomplished training for supervisors must be established. A plan must be established identifying the training requirements for all supervisors. Required subject matter and required training courses must be identified and provided in the RMP. All accomplished training must be documented.
19. Training plans and accomplished training for employees must be established – A plan must be established identifying the training requirements for all employees. The plan will include safety training that is appropriate to the job being performed, as well as general safety information. Required subject matter and required training courses will be identified and provided. All accomplished training must be documented.
20. Procedures must be documented for all probable occurrences – An emergency action plan must be developed that identifies occurrences that will require specific procedures to be followed in the interest of life safety and property protection (e.g., earthquakes, floods, fires, bomb threats, and hazardous material spills or releases).
21. Plans must be coordinated with Reclamation – The Concession Contractor must coordinate all emergency action plans with Reclamation. The Contracting Officer will approve the plans. The plans will be reviewed annually and updated as necessary.
22. Plans will be distributed to employees or posted conspicuously – Employees must be familiar with emergency action plans and must be aware of their individual responsibilities in implementing such plans.

The Concession Contractor will be evaluated by Reclamation according to the schedule indicated in Exhibit G. This will constitute the safety portion of the Safety and Environmental Evaluation referred to in Section 2.H. The evaluation will be based on a review of the Concession Contractor's safety program and will evaluate Concession Contractor compliance with the performance standards throughout this contract and its exhibits. The Concession Contractor shall provide Reclamation access to its records, including any annual statistical information that may be required by the Contracting Officer. As part of the evaluation, Reclamation personnel may conduct random on-site reviews of facilities and equipment to evaluate the effectiveness of the Concession Contractor's own inspection program.

P. FUEL STORAGE

The Concession Contractor shall be responsible for compliance with all applicable Federal, State, and local laws and regulations pertaining to fuel storage. The Concession Contractor must provide the Contracting Officer with copies of all reports and correspondence to, or required by, any regulatory agency pertaining to fuel storage. If any leak detection testing indicates a possible release or leak from a fuel storage and delivery system within the concession areas, Reclamation must be notified immediately by the Concession Contractor; the Concession Contractor will be responsible for fulfilling all reporting, monitoring, and remediation requirements associated with such leak or release.

Reclamation must approve all plans for any work involving fuel storage and delivery systems, tracer probes, and monitoring wells within the concession areas, the removal of contaminated soil, and groundwater remediation work. Emergency work performed pursuant to Section 3, paragraph E must be performed immediately.

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SECTION 4 – LAND AND FACILITIES USED IN THE OPERATION

A. ASSIGNMENT OF LAND AND FACILITIES

Reclamation hereby authorizes the use of the following land and concession facilities by the Concession Contractor for the purposes of this Concession Contract:

1. The parcels of land on which the Concession Contractor shall implement this Concession Contract are described in Exhibit B.
2. The Concession Contractor may be assigned temporary use of existing facilities on a case-by-case basis, consistent with prevailing legal requirements. Specific terms and conditions of such use will be addressed by separate agreement.

Reclamation shall have the right, at any time, to enter upon the lands used by the Concession Contractor for any purpose deemed reasonably necessary for the administration of Reclamation lands or Reclamation's implementation of this Concession Contract.

Reclamation may, from time to time, amend Exhibit B to reflect changes in the description of the land and facilities assigned for the use of Concession Contractor until contract expiration or rescission of the assignment.

B. RESCISSIONS OF CONCESSION FACILITIES ASSIGNMENTS

Reclamation may rescind all or portions of these concession lands and facilities Assignments at any time during the term of this Concession Contract if any of the following apply:

- The rescission is necessary for project purposes, for complying with applicable laws, for the purpose of conserving, preserving, or protecting Lake Berryessa resources or visitor enjoyment or safety.
- The Concession Contractor's permission to use the assigned concession lands and facilities have been terminated or suspended by Reclamation.
- The assigned government and assigned concession facilities or land is no longer necessary for the concession operation.
- The assigned government land is required for project purposes.

Exhibit E describes those temporary rescissions of lands and/or facilities which have been made as of the effective date of this Concession Contract. Reclamation may amend Exhibit E as necessary to reflect changes in rescissions.

C. CONCESSION CONTRACTOR IMPROVEMENTS

The Concession Contractor may construct or install upon lands assigned to the Concession Contractor under this Concession Contract only those Concession Contractor Improvements that are determined by Reclamation to be necessary and appropriate for the conduct by the Concession Contractor of the services required under this Concession Contract. Construction or installation of Concession Contractor Improvements and associated expenditures may occur only after the written approval by Reclamation of their location, plans, and specifications. Reclamation may prescribe the form and content of the application and the procedures for such approvals. The desirability of any project, as well as the location, plans, and specifications thereof, will be reviewed in accordance with Applicable Laws and Reclamation Manual Policy and Directives and Standards in Exhibit L. The Concession Contractor may not remove, dismantle, or demolish Concession Contractor Improvements without the prior approval of Reclamation.

Any salvage resulting from the authorized removal, severance, or demolition of Concession Contractor Improvements remains the property of the Concession Contractor; however any salvage resulting from the removal, severance, or demolition of Concession Contractor Improvements that have been abandoned by the Concession Contractor shall become the property of the United States.

In the event that a Concession Contractor Improvement is removed, abandoned, demolished, or substantially destroyed and no other improvement is constructed on the site, the Concession Contractor, at its expense, shall promptly, upon the request of Reclamation, restore the site as nearly as practicable to its original condition.

Any monetary interest of the Concession Contractor in improvements assigned to the Concession Contractor shall not be construed to include or imply any authority, privilege, or right to operate or engage in any business or other activity. The use or enjoyment of any such improvements shall be wholly subject to the Applicable Laws and regulations and provisions of this Concession Contract.

D. PERSONAL PROPERTY

The Concession Contractor shall provide all tangible personal property, including but not limited to removable equipment, vehicles, vessels, furniture, and goods necessary for its operations under this Concession Contract. Such Personal Property shall not be considered Concession Contractor Improvements, and the Concession Contractor shall not be entitled to any reimbursement or other means of compensation for such personal property.

The Concession Contractor is generally not permitted to market personal property, other than approved merchandise, on the Federal Estate. The use of "For Sale" signs or similar signage is strictly prohibited. The Concession Contractor may market its personal property through off-site means and sell its personal property contingent upon immediate removal from the Federal Estate. The Concession Contractor may, however, sell its personal property to a subsequent concession contractor once a succeeding contract is awarded without the need to remove the items from the Federal Estate.

E. CONDITION OF CONCESSION FACILITIES

The Concession Contractor has inspected the concession facilities, is thoroughly acquainted with their condition, and accepts the concession facilities “as is,” subject to Reclamation’s obligations under section 3.F.1 of this Concession Contract.

F. UTILITIES

If Reclamation does not provide utilities to the Concession Contractor, the Concession Contractor shall, with the written approval of Reclamation and under any requirements that Reclamation shall prescribe, secure necessary utilities at its own expense from sources outside the Lake Berryessa area or shall install the utilities within the concession areas with the written permission of Reclamation, subject to the following conditions:

Any water deemed necessary for the operation of the concession areas must be acquired by the Concession Contractor in cooperation with Reclamation at the Concession Contractor’s expense in accordance with applicable State procedures and law.

If requested by Reclamation, the Concession Contractor must provide to Reclamation any utility service provided by the Concession Contractor for its operations to such extent as will not unreasonably restrict anticipated use by the Concession Contractor. Unless otherwise agreed by the Concession Contractor and Reclamation in writing, the rate per unit charged Reclamation for such service shall be approximately the average cost per unit of the Concession Contractor providing such service for its own operations.

The Concession Contractor is obligated to pay any special assessments required by the State or County.

G. CONCESSION FACILITIES IMPROVEMENT PROGRAM

The Concession Contractor shall undertake and complete an improvement program, hereinafter “Concession Facilities Improvement Program” or “CFIP” that benefits the public, costing not less than \$76,250,000 dollars (present worth value in 2010) as adjusted in the year of actual construction based on the Consumer Price Index. Each construction project will reflect the adjusted total project cost in the approved project statement as revised required in Exhibit H. The CFIP shall consist of a list of the Concession Contractor Improvements for each concession area as set forth in Exhibit H.

For the purposes of this Contract, each concession area will have an independent CFIP, the total amount of which shall equal the total minimum CFIP for all the concession areas being administered by the Concession Contractor pursuant to this Concession Contract. The individual concession area amounts are approximately:

Mahogany Bay (Formerly Markley Cove Resort)	\$9,000,000
Lupine Shores Resort – (Formerly Steele Park Resort)	\$6,500,000
Foothill Pines Resort – (Formerly Spanish Flat Resort)	\$15,500,000
Blue Oaks Resort – (Formerly Lake Berryessa Marina)	\$26,000,000

Manzanita Canyon Resort – (Formerly Rancho Monticello) \$17,500,000
Chaparral Cove Resort – (Formerly Putah Creek Resort) \$1,750,000

TOTAL MINIMUM CONTRACT CFIP \$76,250,000

The Concession Contractor shall undertake construction under each CFIP in accordance with the schedules set forth therein and in a manner that demonstrates to the satisfaction of Reclamation that the Concession Contractor is reasonably carrying forward the CFIP in good faith. No construction may begin until the Concession Contractor receives written approval from Reclamation of plans and specifications in accordance with Exhibit H. Only the Concession Contractor and its construction contractors may commence construction of improvements and may not authorize anyone else, including visitors, to construct anything. During the period of construction, the Concession Contractor shall provide Reclamation with such evidence or documentation as may be satisfactory to Reclamation to demonstrate that the CFIP is being duly carried forward.

The Concession Contractor shall use best efforts to complete all required Concession Contractor Improvements and make them available for public use on or before 2023. Reclamation shall extend this date in circumstances where Reclamation determines that the delay resulted from events beyond the control of the Concession Contractor, including but not limited to, acts of nature, shortages of materials, site availability (including removal and restoration of conditions within the responsibility of Reclamation), and inability to obtain required permits for construction and operation. Beginning in 2018 and every 5 years thereafter, the Concession Contractor shall provide Reclamation a 5-year CFIP schedule to identify and or adjust the Reclamation-authorized Concession Contractor Improvements beyond the initial 5 years identified in Exhibit H.

At the discretion of Reclamation, the Concession Contractor may be relieved in whole or in part of any or all of the obligations specified in the CFIP for designated periods when Reclamation determines that documented circumstances beyond the Concession Contractor's control or Reclamation's control warrant such relief.

The Concession Contractor is authorized to build only those Concession Contractor Improvements that are identified in the CFIP by type and schedule. In the event the Concession Contractor desires to construct additional Concession Contractor Improvements beyond those identified in the CFIP, the Concession Contractor shall develop a proposal for Reclamation's review and consideration. Any eventual decision by Reclamation regarding the Concession Contractor's construction of such additional improvements will consider the impact of such improvements on the operations of other concession contractors at Lake Berryessa to assure compliance with the requirements in the 2006 Visitor Services Plan Record of Decision wherein it discusses "lake-wide integration of government operations and commercial operations in the best interest of the visiting public."

In order to facilitate the Concession Contractor's ability to obtain third-party financing with respect to one or more Concession Contractor Improvements under the CFIP, Reclamation will respond to requests from potential third party lenders designated by the Concession Contractor for appropriate estoppel certificates and/or other reasonable assurances on a timely basis, to the extent consistent with this Concession Contract and Applicable Laws.

H. MAINTENANCE PLAN AND MAINTENANCE OBLIGATION

The Concession Contractor shall be solely responsible for the physical maintenance, repairs, housekeeping, grounds keeping, and landscaping of all concession facilities used in operations under this Concession Contract, to the satisfaction of Reclamation.

For these purposes, the Concession Contractor shall undertake appropriate inspections and shall establish and revise, as necessary, a Maintenance Plan consisting of specific maintenance requirements for each concession area that shall be adhered to by the Concession Contractor. The Concession Contractor shall submit a single Maintenance Plan, which may include subparts for each concession area, for Reclamation area manager approval within 60 days of the effective date of this Concession Contract. Once approved by Reclamation, the Concession Contractor shall implement and fully comply with the maintenance plan. The initial Maintenance Plan shall conform closely to the Concession Contractor's commitments and content in its original Prospectus proposal.

The maintenance plan requirements are located in Exhibit F. The maintenance plan shall be evaluated and updated by the Concession Contractor annually if necessary and submitted to Reclamation area manager for approval. Reclamation may make reasonable modifications to the Maintenance Plan from time to time after consultation with the Concession Contractor. Such modifications shall be in furtherance of the purposes of this Concession Contract and shall not be inconsistent with the terms and conditions of this Concession Contract.

I. RESERVE ACCOUNT FOR FACILITIES IMPROVEMENT

The Concession Contractor shall establish and manage a "Reserve Account for Facilities Improvement" (RAFI) for each concession area which is to contain funds that shall be used to carry out, on a project basis, in accordance with Exhibits C, D, E, H, and K, improvements, construction, and repair and maintenance of concession facilities that are nonrecurring within a 7-year timeframe. Such projects may include repair or replacement of foundations, building frames, window frames, roof sheathing, sub-floors, and drainage and the rehabilitation of building systems such as electrical, plumbing, built-in heating, air conditioning, and similar projects including projects directed by Reclamation. No such projects may commence and no associated expenditures may be made until the Concession Contractor receives written approval from Reclamation. Projects paid for with RAFI funds will not include routine, operational maintenance of facilities or housekeeping, landscaping, and grounds-keeping activities.

Nothing in this section shall lessen the responsibility of the Concession Contractor to carry out the maintenance and repair of concession facilities or housekeeping and grounds-keeping activities as required by this Concession Contract from Concession Contractor funds exclusive of the funds contained in the RAFI. Each quarter, the Concession Contractor shall submit quarterly RAFI activity reports to Reclamation (Exhibit K) for each concession area. Each year, the Concession Contractor shall include in its annual financial report submitted to Reclamation a reserve account annual reconciliation as detailed in Exhibit J of this Concession Contract.

The Concession Contractor shall establish an interest-bearing banking account to receive deposits for the RAFI. RAFI deposits shall be made quarterly by the Concession Contractor as a percentage of the Concession Contractor's gross receipts. For reporting purposes to Reclamation,

financial records must show both the individual accounts for each concession area and the total RAFI deposits and expenditures for the Concession Contract as a whole.

The Concession Contractor shall establish and deposit into a RAFI, within 15 days after the effective date of this Concession Contract, a sum equal to \$2,000 (Two Thousand Dollars) for each of the six concession area RAFI accounts. This amount will serve as an initial working balance and will offset amounts due in the initial quarterly payments until an amount equal to this initial amount has been covered.

The Concession Contractor shall deposit into the RAFI accounts, within 30 days after the last day of each quarter of Concession Contractor operations, a total sum equal to 3 percent (3%) of the Concession Contractor's gross receipts for the previous quarter. If the Concession Contractor fails to make timely deposits to the RAFI or fails to deposit the initial required balance, Reclamation may terminate this Concession Contract for default.

The balance in the RAFI accounts shall be available exclusively for funding projects in accordance with the RAFI's purpose. For all expenditures made for each project from the RAFI, the Concession Contractor shall maintain auditable records including invoices, billings, canceled checks, and other documentation satisfactory to Reclamation. Failure to expend RAFI funds when directed and as scheduled by Reclamation shall be considered as a material breach of this Concession Contract which may result in contract termination.

The Concession Contractor should maintain the value of the improvement with RAFI funds.

RAFI funds are intended to provide a dependable source of funds to help assure that the Concession Contractor and any applicable Reclamation Improvements are maintained at a satisfactory level. Since the RAFI funds themselves and improvements made with the funds protect the Concession Contractor Improvements' value, the Concession Contractor will, to the extent that RAFI funds are not adequate for all the necessary RAFI projects, utilize its own funds for such necessary projects as determined by Reclamation.

Any RAFI funds not duly expended by the Concession Contractor by the end of this Concession Contract shall be the property of the Concession Contractor unless there are approved or otherwise Reclamation required RAFI projects previously identified for completion in advance of contract expiration that have not been accomplished. In this case, those projects' estimated costs will be transferred from the remaining RAFI account to the next concession contractor for application to those projects. If the Concession Contractor is also the succeeding concession contractor, then the RAFI funds that are unexpended during the term of this Concession Contract will apply to the initial RAFI funding established in the next contract less the estimated costs of uncompleted but required projects.

In the event of termination of this Concession Contract for any reason, or expiration of this Concession Contract, any unexpended RAFI funds shall become the property of the Concession Contractor.

J. SUPPLEMENTAL SURCHARGE

Reclamation anticipates that during the term of this Concession Contract, the Concession Contractor may find it necessary to pay additional costs for ongoing, additional services and fund utility infrastructure construction to be provided or required by Napa County and/or other state or local government entities or agencies that are necessitated by the use, rights and privileges granted under this Concession Contract, which are not presently identifiable, and the Concession Contractor agrees to pay such costs deemed appropriate and approved by Reclamation. Such fees, charges, and assessments (“charges”) and required actions may include, but are not limited to, charges for the installation, modification, and or expansion of water and sewer systems, emergency and fire services, law enforcement services, road improvements, environmental and water quality compliance actions, and other activities.

Reclamation has determined that such costs may be a necessary expense of this Concession Contract and as such, the Concession Contractor may collect additional revenues during the term of this Concession Contract to offset such costs. The Concession Contractor may begin to collect a supplemental 5 percent (5%) surcharge within 90 days of the effective date of this Concession Contract, with prior notification to Reclamation, on all goods it sells (excluding gasoline and diesel fuel) and on all services it provides for which it is not required to pay a Transient Occupancy Tax as defined by applicable county ordinance.

For each concession area, the Concession Contractor shall deposit all Supplemental Surcharge funds it collects in a separate, interest bearing, federally insured, Supplemental Surcharge Account (Account) as part of its gross revenue to be maintained by the Concession Contractor. Surcharge funds will not be commingled with other accounts established under this Concession Contract or with any other Concession Contractor funds. For reporting purposes to Reclamation, financial records must show both the individual Accounts for each concession area and the total supplemental surcharge deposits and expenditures for the Concession Contract as a whole. The Concession Contractor will directly pay the applicable entity or government agency for any services provided to or charges or required actions levied on the Concession Contractor deemed appropriate and approved by Reclamation in consultation with the authorized government or agency representative.

The amount of the Supplemental Surcharge shall be reviewed every 3 years to determine whether it should be increased or decreased to enable the Concession Contractor to collect the appropriate amount of funds needed to pay for the services or charges or required actions as defined above. At each 3-year review, the Concession Contractor shall provide a 3-year projection for all sales for which the surcharge applies, and any known or proposed required payments for charges and ongoing and additional services or required actions. The Concession Contractor will propose to Reclamation for approval the appropriate rate for the surcharge necessary to cover such expenses. After the 3-year review, any funds over \$10,000 left in any Supplemental Surcharge Account in excess of known or expected services or charges or required actions shall be deposited in the RAFI account for the particular concession area established in section 4.I. and treated as RAFI.

In the event of termination or expiration of the Concession Contract, any Supplemental Surcharge funds that remain after all valid obligations have been met shall first be deposited into the RAFI account for the particular concession area and then be disbursed under the RAFI account closeout process, outlined in subsection 4.I, along with other funds in the RAFI account. If, however, at the expiration of the Concession Contract, the Concession Contractor is also the succeeding

concession contractor and the succeeding contract includes a supplemental surcharge, then the surcharge funds that are unexpended during the term of this Concession Contract will apply to the initial surcharge funding requirement established in the next contract, after accounting for the cost of any payments still required at the time of expiration. If excess funds still remain, they will be transferred to the RAFI account for disbursement as noted above.

The financial reporting for the Account will be performed in accordance with Section 8 and Exhibit J of this Concession Contract.

K. ANIMALS

Livestock breeding or grazing, farm animals, domestic fowl, or feral animals or fowl are prohibited within the concession areas. In the event that certain animals are necessary for the operation of the concession, the Contracting Officer will be informed in writing of the purpose, type, and number of species before requesting approval by Reclamation. All feral or abandoned animals are prohibited and shall be the responsibility of the Concession Contractor to properly remove such animals.

The Concession Contractor is required to accommodate visitors with service animals, and is permitted to accommodate visitors with domestic pets or livestock provided that adequate, safe, and sanitary corrals and pens are provided. To protect the health and safety of the animals, employees, and visitors, animals will not be allowed to freely roam the concession areas or the Federal estate.

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SECTION 5 – OWNERSHIP AND DISPOSITION OF FACILITIES

A. DISPOSITION OF CONCESSION CONTRACTOR IMPROVEMENTS UPON EXPIRATION OF THE CONTRACT

1. All Concession Contractor Improvements within the concession areas shall be considered the property of the Concession Contractor, with any such improvements subject to disposition under the terms of this Contract. Any permanent additions or modifications to these Concession Contractor Improvements approved by Reclamation shall likewise be considered the property of the Concession Contractor.
2. The Visitor Services Plan Record of Decision (VSP ROD) dated June 2, 2006, represents Reclamation's present commercial services plan and formal determination of the future recreation operation and use at Lake Berryessa. The VSP ROD will remain in effect unless or until amended, supplemented, modified or superseded by a successor commercial services planning process or equivalent which, at a minimum, will include (a) an evaluation of the current business model for recreation services at each concession area and whether Reclamation expects this model to continue beyond the term of the current contract; and (b) a systematic facilities assessment to determine the current condition and remaining life expectancy of all Concession Contractor Improvements. The commercial services planning process will include public involvement, financial feasibility evaluation, and environmental analysis, and factual and statistical analysis such as the utilization of the facilities by the public. Reclamation will initiate a successor commercial services plan or equivalent for Lake Berryessa concession operations in year 20 of the Contract. The final approved commercial services plan will be provided to the Concession Contractor within 30 days of completion.

The commercial services plan may be periodically reviewed and revised by Reclamation as needed. Any revisions to the commercial services plan will be made available to the Concession Contractor within 30 days of such revision and no less than 24 months prior to this Contract's expiration, and Reclamation will notify the Concession Contractor in writing at this time regarding Reclamation's commercial services plan determination whether visitor services will continue at the concession area after the expiration of this Contract. Additionally, assuming a decision to continue visitor services at the concession area, Reclamation's notification will also state whether Reclamation intends to operate visitor services through a concession contract, by direct government management, or through some other means.

Until the successor commercial services plan is completed, future direction for the operation of the concessions authorized under this Concession Contract will be determined in accordance with Reclamation's 2006 Visitor Services Plan, as may be amended from time to time in compliance with applicable procedural requirements. Upon expiration of this Concession Contract, the Concession Contractor Improvements that are appropriate under the then existing commercial services plan and in operation at the time of such expiration shall be retained for future public use and enjoyment at the Lake Berryessa concession areas within the scope of this Contract. Should the Concession Contractor not continue as the operator following the expiration of this Contract, Reclamation will require

any new incoming concession contractor to purchase those facilities at fair market value as stipulated by section 5.A.8.

3. Should Reclamation's commercial services plan determine that any operations at the concession areas should be discontinued, the Concession Contractor should begin planning for the removal of Concession Contractor Improvements.
 - i. A removal plan must then be submitted to Reclamation for approval no later than 18-months prior to the expiration of this Contract.
 - ii. After September 30 of the Contract's year of expiration (*e.g.*, September 30, 2040 if the contract is expiring December 31, 2040), Reclamation may require changes to the services offered at the area in order to facilitate orderly removal. (By way of example, a marina fueling station or restaurant may need to be closed after the summer season to facilitate the completion of the removal process by the final contract expiration date.)
4. If Reclamation's commercial services plan determines that concession operations will generally continue at the area, the notification letter discussed in (2) above will also disclose what Concession Contractor Improvements Reclamation intends to keep operational at the site. Potentially, due to disrepair, changes in recreation demands, safety concerns, or Solano Project operational needs, some facilities may be designated for removal from an area that will still continue to be operated as a concession area. For any such Concession Contractor Improvement designated for removal, the removal provisions of (3) above shall apply to that improvement.
5. For Concession Contractor Improvements designated for removal, the Concession Contractor shall remove these improvements in accordance with the Reclamation-approved removal plan and the provisions of (3)(i) and (3)(ii) shall apply. No federal compensation will be provided for such improvements, but, assuming timely removal, the Concession Contractor retains all rights to utilize these improvements at another location and/or to collect all proceeds associated with their sale or salvage. Concession Contractor Improvements designated for removal but not timely removed by the Concession Contractor in accordance with the Reclamation-approved removal plan shall be deemed to be abandoned by the Concession Contractor and will be subject to disposition or disposal by Reclamation. The Contractor agrees to pay all expenses associated with such disposition or disposal by Reclamation unless the parties specifically agree otherwise in writing.
6. Regarding Concession Contractor Improvements and/or associated personal property, Reclamation will give due consideration to an offer from the Contractor conveying the improvements to Reclamation. If such an agreement is reached, then the Contractor would likely not be responsible for any costs associated with the disposition or disposal of the conveyed improvements, subject to the actual terms of that separate agreement.
7. Facilities designated for retention will be appraised in accordance with Department of the Interior appraisal policy and succeeding standards and manuals. All Department of the Interior appraisals and any third-party appraisal shall conform to Uniform Standards of Professional Appraisal Practices (USPAP) and Uniform Appraisal Standards for Federal

Land Acquisitions (UASFLA) or any other standards that may become applicable in the future pursuant to the Department of the Interior's appraisal policy or as otherwise provided by statute. Any disputes over appraised values will be addressed through Department of the Interior processes, including arbitration as authorized, and all Applicable Laws.

Should relevant changes be made to the Department of the Interior appraisal policies, Reclamation will alert the Concession Contractor to such changes. Further, should a public process occur to change these policies, Reclamation will seek to notify the Concession Contractor in a timely manner so that the Concession Contractor can participate in such process. At a minimum, Reclamation and the Concession Contractor agree to meet and confer in 2012 (and every 5 years thereafter) to review and discuss then-current Departmental appraisal policies and the availability of alternative means of Concession Contractor Improvement valuation standards, processes and procedures. By mutual agreement, Reclamation and the Concession Contractor may amend this Contract to incorporate alternative means of valuation and binding arbitration if those means are legally authorized.

8. If Reclamation determines that the area is to continue under a concession contract, the value of Concession Contractor Improvements designated for retention, as determined pursuant to section 5.A.7 of this Contract, will be incorporated into the bidding process. All potential bidders will be informed in the prospectus (or similar pre-bidding documents) that payment of such value to the outgoing Concession Contractor is a required element of an acceptable bid, and the successor contractor will be required to pay the outgoing Concession Contractor such value as a condition to award of the contract. Reclamation will endeavor to complete the contract award process no later than the expiration date of this contract.
9. If Reclamation determines that the area is to continue as a recreation area but under direct government management, Reclamation will, subject to the availability of appropriations and applicable law, endeavor to purchase the Concession Contractor Improvements designated for retention from the Concession Contractor at the value determined in accordance with section 5.A.7 of this Contract. Reclamation may not take ownership of or operate the Concession Contractor Improvements in order to continue the area as a recreation area under direct government management without payment to the Concession Contractor of just compensation, as determined pursuant to section 5.A.7 of this Contract.
10. In the absence of continuing concession operations at the site by either commercial contractor or the government after termination or expiration and subject to the mutual agreement of the Parties at that future time, the Concession Contractor may quitclaim the facilities to the United States rather than (a) bear the cost of removing facilities and/or (b) restoring the site to original condition.

B. UPON TERMINATION OR REVOCATION

The procedures set forth in this section 5.B shall govern in the event that, as the result of the termination of this Concession Contract under Section 1.B.3 or the revocation of the Concession Contractor's authorization to operate a concession area or facility (other than by expiration) under Section 1.B.2, the Concession Contractor shall cease to be authorized by Reclamation to conduct

operations under this Contract in the case of a termination or with respect to any or all concession areas or Concession Contractor Improvements in the case of a revocation.

1. The Concession Contractor shall convey to a person or entity designated by Reclamation (including Reclamation if appropriate) the interest it has under the terms of this Concession Contract in the affected Concession Contractor Improvements that remain in accordance with the then existing commercial services plan; and Reclamation shall apply the terms and conditions of this Concession Contract, including 5.A.8, 5.A.9 and 5.A.10, so that if a new concession contractor is chosen or if Reclamation has determined to directly manage the area, the Concession Contractor will be paid the fair market value determined pursuant to section 5.A.7 of this Contract for such interest in those Improvements. Reclamation will not take ownership of or operate the relevant Concession Contractor Improvements in order to continue visitor services at the area(s) under long-term direct government management without payment to the Concession Contractor of compensation as determined pursuant to section 5.A.7 of this Contract.
2. The Concession Contractor will, at its own expense, remove Concession Contractor Improvements, if any, not in accordance with the then existing commercial services plan, and its Personal Property, at the affected concession area(s) within one hundred twenty (120) calendar days after a notice of decision by the Regional Director of termination or revocation is sent by Reclamation to Concession Contractor, unless otherwise agreed to in writing by the parties. Concession Contractor Improvements not in accordance with the then existing commercial services plan and Personal Property required to be removed but not removed by the Concession Contractor within one hundred twenty (120) calendar days after a notice of decision of the Regional Director of termination or revocation is sent by Reclamation to the Concession Contractor shall be deemed to have been abandoned by the Concession Contractor and will be subject to disposition or disposal by Reclamation, unless otherwise agreed to in writing by the parties. The Concession Contractor agrees to pay all expenses associated with such disposition or disposal by Reclamation, unless otherwise agreed to in writing by the parties. Reclamation will give due consideration to an offer from the Contractor to convey the Improvements to Reclamation. If such an agreement is reached, then the Contractor would likely not be responsible for any costs associated with the disposition or disposal of the conveyed Improvements, subject to the actual terms of that separate agreement.

C. DISPOSITION OF PERSONAL PROPERTY

No compensation is due to the Concession Contractor from Reclamation or a successor concession contractor for any Concession Contractor Personal Property that is used in association with this contract. The Concession Contractor may, however, independently offer to sell Personal Property to a succeeding contractor or Reclamation.

In the instance of a regularly scheduled expiration, the Concession Contractor will have all Personal Property removed and all restoration accomplished, at the Concession Contractor's expense, in advance of the last day of the Contract term, unless otherwise authorized in writing by Reclamation.

D. DISPOSAL COSTS

All property of the Concession Contractor not removed from the area in accordance with the terms of this Concession Contract shall be considered abandoned property. Such abandoned property shall be subject to disposition or disposal by Reclamation, and the Concession Contractor agrees to pay the costs of this disposition or disposal. A failure by the Concession Contractor to pay such costs will result in the full amount being offset, to the full extent allowable under applicable law, against any other payments owed by the United States to the Concession Contractor or its parent company or other related entities.

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SECTION 6 – FEES

A. FRANCHISE FEE

For the term of this Concession Contract, the Concession Contractor shall pay to Reclamation, for the use, rights, and privileges granted under this Concession Contract, a Franchise Fee. The Franchise Fee shall be equal to:

One percent (1.0%) of the Concession Contractor's Gross Revenues subject to franchise fees for the year.

The Franchise Fee is a direct return to the Federal Government and is a fair and equitable charge levied by the Government for the use, rights, and privileges granted under this Concession Contract. The Franchise Fee shall be credited to the U.S. Treasury in accordance with Reclamation directives and standards in Exhibit L.

B. PAYMENTS DUE

1. The Franchise Fee shall be due on a quarterly basis at the end of each quarter (Qtr 1: Jan – Mar, Qtr 2: Apr – Jun, Qtr 3: Jul – Sept, Qtr 4: Oct – Dec) and shall be paid by the Concession Contractor in such a manner that Reclamation shall receive payment within 30 days after the last day of each quarter. Quarterly reporting procedures will be provided upon award of this Concession Contract.

The Concession Contractor shall pay any additional Franchise Fee amounts due within 30 days after the end of the Concession Contractor's fiscal year as a result of adjustments to Gross Revenues determined at the time of submission of the Concession Contractor's annual financial report. Overpayments shall be offset against the following year's fees. In the event of termination, bankruptcy, or expiration of this Concession Contract, overpayments will first be credited against any money due and owing the Government, and the remainder, if any, will be returned to the Concession Contractor.

2. The Concession Contractor may use either the Treasury Financial Communications System and shall electronically deposit all payments, or the Concession Contractor may mail all payments directly to the following address:

US Bureau of Reclamation – Mid Pacific
PO Box 301502
Los Angeles, CA 90030-1502

Additionally, the Concession Contractor shall send all reports to the Lake Berryessa Concession Office, Concession Manager, by fax and mail. The fax number is (707) 966-0409. The mailing address is 5520 Knoxville Road, Napa, CA 94558.

C. INTEREST AND PENALTY

An interest charge and penalty will be assessed on overdue amounts for each quarter, or portion thereof, that payment is delayed beyond the 30 day period provided for above. The percent of interest charged will be equal to the current value of funds rate to the U.S. Treasury as published annually in the Federal Register by the U.S. Treasury. In addition, an administrative charge of \$53.00 and a penalty charge of 6 percent (6%) per annum will be assessed after any payment is 90 days delinquent. If Contractor fails to submit quarterly financial reports within 30 days of quarter end, an estimate of revenue due to the U.S. Government will be developed and a bill for collection will be sent to the Contractor. Unless full payment is received within 90 days from the due date specified in the Contract, the Concession Contractor will be in breach of the Contract and the Contract may be terminated after the 15-day period to cure the breach.

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SECTION 7 – INSURANCE AND INDEMNIFICATION

A. INDEMNIFICATION

The Concession Contractor agrees to assume liability for and does hereby agree to save, hold harmless, protect, defend, and indemnify the United States of America, its agents, and its employees from and against any and all liabilities, obligations, losses, damages or judgments, including but not limited to, penalties and fines, claims, actions, suits, costs and expenses (including but not limited to attorney’s fees and expert’s fees) of any kind and nature whatsoever on account of fire or other peril, bodily injury, death, or property damage, or claims for bodily injury, death, or property damage of any nature whatsoever and by whomsoever made, in any way connected with or arising out of the activities of the Concession Contractor, its employees, agents, subcontractors, or contractors under this Concession Contract. This indemnification shall survive the termination, bankruptcy, or expiration of this Concession Contract.

B. INSURANCE IN GENERAL

The Concession Contractor shall obtain and maintain during the entire term of this Concession Contract, at its sole cost and expense, the types and amounts of insurance coverage necessary to fulfill the obligations of this Concession Contract and Exhibit I subject to the approval of Reclamation. The initial insurance requirements are set forth below and in Exhibit I. Any changes or additional requirements that Reclamation determines necessary must be reasonable and consistent with the types and coverage amounts of insurance a prudent businessperson would purchase in similar circumstances. Before signing the Concession Contract, the Concession Contractor shall report to Reclamation, and Reclamation shall review and approve, the types and amounts of insurance coverage to be purchased by the Concession Contractor. The Concession Contractor shall purchase such insurance to be effective as of the date of signing the Concession Contract.

Reclamation will not be responsible for any omissions or inadequacies of insurance coverage and amounts in the event the insurance purchased by the Concession Contractor proves to be inadequate or otherwise insufficient for any reason whatsoever.

C. CERTIFICATE OF INSURANCE AND CERTIFICATE OF ENDORSEMENT

The Concession Contractor shall, at the time insurance is first purchased and annually thereafter, provide Reclamation with a Certificate of Insurance that accurately details the conditions of the policy as evidence of compliance with this section. The Concession Contractor shall provide Reclamation immediate written notice of any material change in the Concession Contractor’s insurance program hereunder, including without limitation, cancellation of any required insurance coverage. Furthermore, the Concession Contractor will provide Reclamation with a Certificate of Insurance and Certificate of Endorsement (COE) through the insurance company. The insurance company’s COE will provide Reclamation with notice of policy change or cancellation. Reclamation will be an “additional Named Insured” on all insurance policies.

D. COMMERCIAL PUBLIC LIABILITY

The Concession Contractor shall acquire commercial general liability insurance against claims arising out of or resulting from the acts or omissions of the Concession Contractor or its employees, agents, or contractors in carrying out the activities and operations required or authorized under this Concession Contract. This insurance shall be in the amount commensurate with the degree of risk and the scope and size of the activities required under this Concession Contract, as more specifically set forth in Exhibit I. Furthermore, the commercial general liability package shall provide no less than the coverage and limits described in Exhibit I. All liability policies shall specify that the insurance company shall have no right of subrogation against the United States of America and shall provide that the United States of America is named an additional insured.

From time to time, Reclamation may, at Reclamation's discretion, modify Exhibit I to revise the minimum required limits or to require additional types of insurance, provided that any additional requirements must be reasonable and consistent with the types of insurance a prudent businessperson would purchase in similar circumstances.

E. PROPERTY INSURANCE

In the event of damage or destruction, the Concession Contractor will repair or replace those concession facilities, real property and the Personal Property used by the Concession Contractor in the performance of the Concession Contractor's obligations under this Concession Contract.

For this purpose, the Concession Contractor shall obtain fire and extended insurance coverage on concession facilities for all or part of their replacement cost, as specified in Exhibit I. The minimum amounts of such insurance coverage currently in effect are set forth in Exhibit I. This exhibit will be revised at least every 3 years or sooner if there is to be a substantial increase in the minimum amount of coverage to be obtained.

Commercial property insurance shall provide for the Concession Contractor and the United States of America to be named insured as their interests may appear.

In the event of loss, the Concession Contractor shall use all proceeds of such insurance to repair, rebuild, restore, or replace concession facilities and Personal Property used in the Concession Contractor's operations under this Concession Contract as directed by Reclamation. Policies may not contain provisions limiting insurance proceeds to in situ replacement. The Concession Contractor shall not be relieved of its obligations because insurance proceeds are not sufficient to repair or replace damaged or destroyed property.

Insurance policies that cover concession facilities shall contain a Loss Payable Clause approved by Reclamation that requires insurance proceeds to be paid directly to the Concession Contractor without requiring endorsement by the United States. The use of insurance proceeds for repair or replacement of concession facilities will not alter their character as properties of the United States. Notwithstanding any provision of this Concession Contract to the contrary, the Concession

Contractor shall gain no ownership or other compensable interest as a result of the use of these insurance proceeds.

The commercial property package shall include the coverage and amounts described in Exhibit I.

F. BONDS

During the term of this Concession Contract, Reclamation may require the Concession Contractor to furnish appropriate forms of bonding or securities to reasonably ensure faithful performance of the Concession Contractor's obligations under this Concession Contract. Examples of when a bond may be reasonably required include but are not limited to the following: a number of inter-related projects that individually would not require a bond but are significant in total, projects required to protect public health and safety, and projects critical to the continuity of recreation services to the public. Prior to exercising this provision, Reclamation will provide the Concession Contractor an opportunity to provide input on both the scope and subject matter of such reasonable bonds.

The Concession Contractor may be required to have any construction contractor hired by it to furnish a performance bond or other assurance acceptable to Reclamation in connection with the construction of improvements over one million dollars, including but not limited to projects undertaken under the CFIP or using funds from the RAFI. To the extent the construction contractor provides a performance bond and adequate surety is provided to Reclamation, then no other construction bonding shall be required.

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SECTION 8 – ACCOUNTING RECORDS AND REPORTS

A. ANNUAL FINANCIAL REPORTS AND ACCOUNTING SYSTEM

The Concession Contractor shall maintain a financial accounting system under which its accounts can be readily identified with its system of accounts classification. Such an accounting system shall be capable of providing the information required by this Concession Contract, including, but not limited to, the Concession Contractor's RAFI and the Supplemental Surcharge obligations. The Concession Contractor's system of accounts classification shall use, without exception and without modification unless approved by Reclamation, the Concession Contractor annual financial reports provided in Exhibit J to this Concession Contract.

The Concession Contractor shall follow Generally Accepted Accounting Principles (GAAP) in recording financial transactions and in reporting results to the authorized officer. An income-tax basis of accounting following, Statement of Auditing Standards (SAS) No. 62, entitled "Special Reports", may be substituted for a GAAP based system with prior approval by Reclamation. The minimum acceptable accounting system shall include:

1. Systematic internal controls and recording by kind of business the gross receipts derived from all sources of business conducted under this authorization. Receipts should be recorded daily, and if possible, deposited into a bank account without reduction by disbursements. Receipt entries shall be supported by source documents such as cash register tapes, sale invoices, rental records, and cash accounts from other sources.
2. A permanent record of investments in facilities (depreciation schedule) current source documents for acquisition costs of capital items.
3. Preparation and maintenance of such special records and accounts as may be specified by the authorized officer.
4. Bank accounts will be maintained separately for the businesses conducted under this permit and not commingled with those for other businesses of the Concession Contractor.
5. The holder shall retain the above records and keep them available for audit for 5 years after the end of the year involved.

The Concession Contractor must use the accrual accounting method. If annual gross revenues do not exceed \$250,000, the Concession Contractor's financial statements and Annual Financial Reports (AFR) may be prepared and submitted without a review or audit opinion of an independent certified public accountant (CPA), unless otherwise directed by Reclamation.

If annual gross revenues exceed \$250,000 but not \$1,000,000, the required AFR Schedules and any financial statements must be reviewed by an independent CPA in accordance with the standards and procedures as are applicable for the year of the review promulgated by the AICPA.

If the annual gross revenues of the Concession Contractor exceed \$1,000,000, the required AFR Schedules and financial statements must be audited by an independent CPA in accordance with the

standards and procedures as are applicable for the year of the audit promulgated by the American Institute of Certified Public Accountants (AICPA).

In computing net profits for any purposes of this Concession Contract, the Concession Contractor shall keep its accounts in such manner that there can be no diversion or concealment of profits or expenses in the operations authorized under this Concession Contract by means of arrangements for the procurement of equipment, merchandise, supplies, or services from sources controlled by or under common ownership with the Concession Contractor or by any other device including, but not limited to, management fees.

The Concession Contractor shall submit annually, as soon as possible but not later than 120 days after the last day of its fiscal year, a financial statement for the preceding fiscal year or portion of a year, as prescribed by Reclamation in the Financial Report in Exhibit J. The Concession Contractor shall use the format prescribed in Exhibit J.

B. BALANCE SHEET

Within 90 days after the execution of this Concession Contract or its effective date, whichever is later, the Concession Contractor shall submit to Reclamation a balance sheet as shown in Schedule B of Exhibit J as of the beginning date of the term of this Concession Contract. If the Concession Contractor is a going concern before the effective date of this Concession Contract, the balance sheet shall be reviewed or audited by an independent CPA, as determined by the annual gross revenues (see Part A above).

C. OTHER REPORTING REQUIREMENTS

The following describes certain other reports required under this Concession Contract:

1. Reserve Account Reconciliation

The RAFI reconciliation shall be received by Reclamation within 30 days after the last day of each reporting quarter that the Concession Contractor operates. The Concession Contractor is required to utilize the quarterly RAFI activity report form in Exhibit K without alteration and without modification. The Concession Contractor shall submit annually, not later than 120 days after the end of the Concession Contractor's fiscal year, a statement reflecting total activity in any of the concession area established RAFI accounts for the preceding fiscal year. The Concession Contractor is required to utilize the Reserve Account Annual Reconciliation Schedule provided in Schedule N in Exhibit J, without alteration and without modification.

2. Supplemental Surcharge Reconciliation

The Supplemental Surcharge reconciliation shall be received by Reclamation within 30 days after the last day of each reporting quarter that the Concession Contractor operates. The Concession Contractor is required to utilize the Supplemental Surcharge report (Schedule Q) in Exhibit J without alteration and without modification unless Reclamation agrees to otherwise. The Concession Contractor shall submit annually, not later than 120 days after the end of the Concession Contractor's fiscal year, a statement reflecting total activity in the Supplemental Surcharge account for the preceding fiscal year utilizing reports in Exhibit J. (Schedules R and S)

3. Insurance Certification

The Concession Contractor shall submit insurance certification as specified in Section 7 of this Concession Contract and including, but not limited to, Exhibit I, and as otherwise required by Reclamation under the terms of this Concession Contract.

4. Environmental and Risk Management Reporting

The Concession Contractor shall submit environmental and risk management reports as specified in Section 3 of this Concession Contract and as otherwise required by Reclamation under the terms of this Concession Contract.

5. Miscellaneous Reports and Data

Reclamation, from time to time, may require the Concession Contractor to submit other reports and data regarding its performance under the Concession Contract or otherwise, including, but not limited to, data Reclamation requires to complete its Recreational Use Data Report and the Concession Use Data Report.

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SECTION 9 – GENERAL PROVISIONS

A. ACCESS TO RECORDS

The United States Government, or any of their duly authorized representatives, shall have access to the records of the Concession Contractor as provided by the terms of Applicable Laws. For the purpose of administering this Concession Contract (including ascertaining that fees paid were correct and evaluating the propriety of the fee base), the Concession Contractor agrees to make all of the financial records and supporting documents to the business activities available for analysis by qualified representatives of the Bureau of Reclamation. Financial information so obtained shall be treated as confidential to the extent allowable by law.

B. PUBLIC RELEASE OF INFORMATION

Information submitted to Reclamation by the Concession Contractor pursuant to this Concession Contract is subject to public release by Reclamation to the extent provided by Applicable Laws.

C. NO SUB-CONCESSIONS

Sub-concessions or other third party agreements, including management agreements, for the provision of visitor services required under this Concession Contract are not permitted.

D. NON-ENTITLEMENT FOR FEDERAL PROCUREMENT PROCESS OR SERVICE

The Concession Contractor is not entitled to be awarded or to have negotiating rights to any Federal procurement or service contract by virtue of any provision of this Concession Contract.

E. PAYMENT OF TAXES

All taxes or assessments of any nature that may be lawfully imposed by any State or its political subdivisions upon the property or business of the Concession Contractor shall be paid promptly by the Concession Contractor.

F. POLITICAL INFLUENCE AND CONFLICT OF INTEREST

No member or employee of the judicial, legislative, or executive branches of the United States Government shall be admitted to any share or part of this Concession Contract or to any benefit that may arise from this Concession Contract, but this restriction shall not be construed to extend to this Concession Contract if made with a corporation or company for its general benefit.

G. DEBARMENT AND SUSPENSION

This Concession Contract is subject to the provisions of 43 CFR; Subtitles A and B, concerning non-procurement debarment and suspension. Reclamation may recommend that the Concession Contractor be debarred or suspended in accordance with the requirements and procedures described in those regulations as they are in effect now or may be revised in the future.

H. AMENDMENTS

This Concession Contract contains the sole and entire agreement of the parties. No oral representations of any nature form the basis of or may amend this Concession Contract. This Concession Contract may be amended only in very unusual circumstances when agreed to in writing by Reclamation and the Concession Contractor.

I. THIRD PARTIES

This Concession Contract does not grant rights or benefits of any nature to any third party.

J. VALIDITY OF PROVISIONS

The invalidity of a specific provision of this Concession Contract shall not affect the validity of the remaining provisions of this Concession Contract.

K. WAIVERS

A waiver of any term of this Concession Contract or the waiver of any breach of any of the terms of this Concession Contract shall not be deemed a waiver or elimination of such terms or of any subsequent breach of the same type or of any other term of the Concession Contract. The subsequent acceptance of any payment of money or other performance required by this Concession Contract shall not be deemed to be a waiver of any preceding breach of any term of the Concession Contract.

L. CORRUPTION AND FRAUD

Claims against Reclamation (to the extent subject to 28 U.S.C. 2514) arising from this Concession Contract shall be forfeited to Reclamation by any person who corruptly practices or attempts to practice any fraud against the United States in the proof, statement, establishment, or allowance thereof within the meaning of 28 U.S.C. 2514.

M. THE ANTIDEFICIENCY ACT

The expenditure or advance of any money or the performance of any obligation of the United States under this contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Concession Contractor from any obligations under this contract. No liability shall accrue to the United States in case funds are not appropriated or allotted.

N. REQUIRED REPORTS, DOCUMENTS, AND DATA

The Concession Contractor shall supply to Reclamation all reports, documents, and data required by this Concession Contract in accordance with Reclamation Manual Policy and Directives and Standards.

O. CORRESPONDENCE PROCEDURES

All correspondence and notices required by this Concession Contract shall be in writing and shall be served on the parties at the following addresses. The mailing of a notice by registered or certified mail, return receipt requested, shall be sufficient service. Notices sent to Reclamation and the Concession Contractor shall be sent to the following address:

Reclamation:	Central California Area Office
Site name:	Lake Berryessa
Address:	7794 Folsom Dam Road Folsom, CA 95630
Attention:	Area Manager
Concession Contractor:	Pensus Lake Berryessa Properties LLC
Address:	Pensus LBP 2929 N. 44 th Street Suite 228 Phoenix, Arizona 85018
Attention:	David Maule-Finch

P. SEVERABILITY

Each provision of this Contract shall be interpreted in such a manner as to be valid under applicable law, but if any provision of this Contract shall be deemed or determined by competent authority to be invalid or prohibited hereunder, such provision shall be ineffective and void only to the extent of such invalidity or prohibition, but shall not be deemed ineffective or invalid as to the remainder of such provision or any other remaining provisions, or of the use authorization as a whole.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Concession Contract as of the 28th day of April, 2010.

CONCESSION CONTRACTOR

By:

Title: PRESIDENT, CEO

Company Name: PENGUS LAKE BERRYESSA PROPERTIES LLC.

UNITED STATES OF AMERICA

By:

Donald H. Hahn
Regional Director
Bureau of Reclamation

EXHIBITS TO THE CONTRACT

- Exhibit A Nondiscrimination and Accessibility
- Exhibit B Area of Operation and Assigned Land.....
- Exhibit C Construction of Concession Contractor Improvements
- Exhibit D Concession Review Program Standards.....
- Exhibit E Temporarily Rescinded Lands
- Exhibit F Maintenance Plan
- Exhibit G Operating Plan.....
- Exhibit H Improvement Project Procedures
- Exhibit I Insurance Requirements
- Exhibit J Annual Financial Report
- Exhibit K Reserve Account for Facilities Improvement
- Exhibit L Reclamation Manual Directives and Standards

Exhibit A

NONDISCRIMINATION AND ACCESSIBILITY

SECTION 1 – REQUIREMENTS RELATING TO EMPLOYMENT AND SERVICE TO THE PUBLIC

A. EMPLOYMENT

During the performance of this Concession Contract, the Concession Contractor agrees to the following:

1. The Concession Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin, or disabling condition. The Concession Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, national origin, or disabling condition. Such action 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. The Concession Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Secretary of the Interior setting forth the provision of this nondiscrimination clause.
2. The Concession Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Concession Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, national origin, or disabling condition.
3. The Concession Contractor will send a notice to each labor union or representative of workers with which the Concession Contractor has a collective bargaining agreement or other contract or understanding. The notice will be provided by the Secretary of Labor, advising the labor union or workers' representative of the Concession Contractor's commitments under Section 202 of Executive order (E.O.) No. 11246 of September 24, 1965, as amended by E.O. No. 11375 of October 13, 1967, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. Within 120 days of the commencement of a contract, every Government contractor holding a contract that generates gross receipts that exceed \$50,000 and having 50 or more employees shall prepare and maintain an Affirmative Action Program Plan at each establishment that shall set forth the contractor's policies,

practices, and procedures in accordance with the Affirmative Action Program requirement.

5. The Affirmative Action Program Plan is to be filed by the Concession Contractor with the Office of Federal Contract Compliance Programs (OFCCP). The Affirmative Action Program Plan will be deemed to have been accepted by the Government at the time the appropriate OFCCP field, area, regional, or national office has accepted such plan unless, within 45 days thereafter, the director of the OFCCP has disapproved such plan.
6. The Concession Contractor will comply with all provisions of E.O. No. 11246 of September 24, 1965, as amended by E.O. No. 11375 of October 13, 1967, and of the rules, regulations, and relevant orders of the Secretary of Labor.
7. The Concession Contractor will furnish all information and reports required by E.O. No. 11246 of September 24, 1965, as amended by E.O. No. 11375 of October 13, 1967, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to the Concession Contractor's books, records, and accounts by the Secretary of the Interior and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
8. In the event of the Concession Contractor's noncompliance with the nondiscrimination clauses of this Concession Contract or with any of such rules, regulations, or orders, this Concession Contract may be canceled, terminated, or suspended in whole or in part, and the Concession Contractor may be declared ineligible for further Government concession contracts in accordance with procedures authorized in E.O. No. 11246 of September 24, 1965, as amended by E.O. No. 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in E.O. No. 11246 of September 24, 1965, as amended by E.O. No. 11375 of October 13, 1967, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
9. The Concession Contractor will include the provisions of paragraphs (1) through (7) in every purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of E.O. No. 11246 of September 24, 1965, as amended by E.O. No. 11375 of October 13, 1967, so that such provisions will be binding upon each vendor. The Concession Contractor will take such action with respect to any purchase order as the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance, provided, however, that in the event the Concession Contractor becomes involved in, or is threatened with, litigation with a vendor as a result of such direction by the Secretary of Labor, the Concession Contractor may request the United States to enter into such litigation to protect the interests of the United States.

B. CONSTRUCTION, REPAIR, AND SIMILAR CONTRACTS

The preceding provisions A(1) through A(8) governing performance of work under this Concession Contract, as set out in Section 202 of E.O. No. 11246 of September 24, 1965, as amended by E.O. No. 11375 of October 13, 1967, shall be applicable to this Concession Contract and shall be included in all contracts executed by the Concession Contractor for the performance of concession, repair, and similar work contemplated by this Concession Contract.

C. FACILITIES

1. Definitions as used herein:

- Concession Contractor shall mean the Concession Contractor and its employees, agents, and contractors and the successors in interest of the Concession Contractor.
- Facility shall mean any and all services, facilities, privileges, accommodations, or activities available to the general public and permitted by this agreement.

2. The Concession Contractor is prohibited from:

- Publicizing facilities operated hereunder in any manner that would directly or inferentially reflect upon or question the acceptability of any person because of race, color, religion, sex, age, national origin, or disabling condition.
- Discriminating by segregation or other means against any person.

SECTION 2 – ACCESSIBILITY

Title V, Section 504, of the Rehabilitation Act of 1973, as amended in 1978, prohibits discrimination on the basis of disability in federally assisted and conducted programs, services, or activities. No qualified person with a disability (one who meets all program eligibility requirements with or without reasonable program modification) shall, because a Concession Contractor's facilities are inaccessible to or unusable by persons with disabilities, be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program, service, or activity receiving Federal financial assistance or conducted by any executive agency or by the U.S. Postal Service.

A. DISCRIMINATION PROHIBITED

The Concession Contractor, in providing any aid, benefit, or service, may not directly or through contractual, licensing, or other arrangements, on the basis of disability:

1. Deny a qualified person with a disability the opportunity to participate in or benefit from the aid, benefit, or service.
2. Afford a qualified person with a disability an opportunity to participate in or benefit from the aid, benefit, or service that is not equal to that afforded others.
3. Provide a qualified person with a disability with an aid, benefit, or service that is not as effective as that provided to others.
4. Provide different or separate aids, benefits, or services to persons with disabilities or to any class of persons with disabilities unless such action is necessary to provide qualified persons with disabilities with aid, benefits, or services that are as effective as those provided to others.
5. Aid or perpetuate discrimination against a qualified person with a disability by providing significant assistance to an agency, organization, or person that discriminates on the basis of disability in providing any aid, benefit, or service to beneficiaries of the recipient's program.
6. Deny a qualified person with a disability the opportunity to participate as a member of planning or advisory boards.
7. Otherwise limit a qualified person with a disability in the enjoyment of any right, privilege, advantage, or opportunity enjoyed by others receiving an aid, benefit, or service.

B. EXISTING FACILITIES

The Concession Contractor shall operate each program or activity so that the program or activity, when viewed in its entirety, is readily accessible to and usable by persons with disabilities. This paragraph may not require the Concession Contractor to make each of

its existing facilities or every part of a facility accessible to and usable by persons with disabilities. Unless it can be demonstrated that providing the necessary structural access will result in an undue burden or a fundamental alteration in the nature of the program, alternative methods of access such as redirecting persons to another accessible facility must be effective and provide an equal opportunity to not otherwise limit a qualified person with a disability in the enjoyment of any right, privilege, advantage, or opportunity enjoyed by others receiving an aid, benefit, or service. Three major criteria for analyzing this effectiveness and equal opportunity, on a case by case basis, are: the distance one must travel to the accessible facility, unique features of the inaccessible facility as opposed to the accessible facility, and coverage of the inaccessible facility by the Architectural Barriers Act facility design standards.

Exhibit B

AREA OF OPERATION AND ASSIGNED LAND

A. LEGAL DESCRIPTION OF AREA OF OPERATION

The Federal estate is authorized for use by the Concession Contractor for the purposes of this concessions contract. The following legal descriptions of the concession areas assigned to **Pensus Lake Berryessa Properties LLC** identifies the only areas within Lake Berryessa where it is authorized to conduct business. **Pensus Lake Berryessa Properties LLC** is not permitted to conduct any aspects of its business, except the provision of authorized tours, transportation, or other activities specifically authorized in writing by Reclamation, in any area not within the boundaries of the following described lands.

1. Mahoghany Bay (Markley Cove)

TRACT ONE: A tract of land in Section 31, Township 8 North, Range 2 West, M.D.B.&M., in the County of Napa, State of California; said tract of land being portions of lands described in the Grant Deed from Harry H. Palmer and Minnie F. Palmer to the United States of America recorded August 26, 1953 in Book 421 at page 322 of the Official Records of said county and in the Grant Deed from Dora Belle Bryant to the United States of America recorded July 20, 1954 in Book 448 at page 78 of the Official Records of said county, and described as follows:

Beginning at a point in the northwesterly right-of-way boundary of the relocated State Sign Route No. 128, Legislative Route No. 6, around Lake Berryessa, as said right-of-way is described in indenture between the United States of America and the State of California dated January 6, 1960 and recorded January 25, 1960 in Volume 606 at page 287 of the Official Records of said county; said point of beginning being the northerly terminus of the course recited as North 30° 21' East 303.7 feet in said indenture; said point of beginning also being the southeasterly terminus of that certain course recited as North 29° 09' West 1214.0 feet in said grant deed from Dora Belle Bryant; thence along the boundary line described in said grant deed North 29° 09' West 1214.0 feet; thence leaving said boundary line North 40° 01' East 454.1 feet; thence North 35° 01' West 829.2 feet; thence North 06° 59' East 323.9 feet; thence North 52° 56' East 789.4 feet; thence North 08° 08' East 116.0 feet; thence North 74° 47' East 537.2 feet; thence North 00° 45' West 1,911.3 feet to the north quarter corner of said Section 31; thence South 56° 41' East 1975.0 feet, more or less, to a point in the northwesterly right-of-way boundary of said relocated State Sign Route No. 128; said point being the southerly terminus of that certain course recited as North 27° 04' East 399.5 feet in said indenture; thence along said northwesterly right-of-way boundary the following Twelve (12) courses: (1) thence South 51° 51' West 715.9 feet; (2) thence South 18° 52' East 452.3 feet to the beginning of a non-tangent curve concave to the northwest having a radius of 1425 feet, a radial line through said beginning of curve bears South 62° 55' 30" East; (3) thence southwesterly 161.9 feet along said curve through a central angle of 6° 30' 30"; (4) thence South 33° 35' West 465.1 feet; (5) thence South 77° 37' West 208.6 feet; (6) thence South 43° 31' West 609.1 feet; (7) thence South 23° 21' West 703.5 feet; (8) thence South 56° 25' East 100.0 feet to the beginning of a non-tangent curve concave to the southeast having a radius of 1600 feet, a radial line through said beginning of curve bears North 56° 25' West; (9) thence southwesterly 397.9 feet along said curve through a central angle of 14° 15'; (10) thence South 19° 20' West 212.6 feet; (11) thence South 46° 49' West 225.7 feet; and (12) thence South 05° 51' West 674.5 feet to the point of beginning.

2. **Lupine Shores (Steele Park)**

Beginning at a point in the center of former State Highway No 37, now a county road; said point North 07 degrees 21 minutes East 883.9 feet from the south quarter corner of Section 33, Township Eight (8), North, Range Three (3) West of the Mount Diablo Meridian; running thence from said point of beginning South 07 degrees 21 minutes West to the southwesterly boundary of said State Highway No. 37; thence northerly along said last mentioned boundary to the center of the channel of Steele Creek; thence down the center of the channel of Steele Creek to the first crossing elevation 350 near the junction of Capell Creek; thence northerly and easterly along the 350 foot contour 12,300 feet, more or less, to the center of a large draw entering Monticello Reservoir from the East and South; thence easterly along the center of said draw to a point on the boundary of a parcel of land acquired by the United States of America for Monticello Reservoir; thence along the boundary of said United States of America parcel as follows: North 64 degrees 22 minutes West 1363.8 feet, South 30 degrees 49 minutes West 388.2 feet to the South quarter corner of Section 21, Township Eight (8) North, Range Three (3) West, Mount Diablo Meridian; thence South 01 degrees 19 minutes East 2789.1 feet, South 30 degrees 11 minutes East 726.8 feet, South 07 degrees 14 minutes West 3452.5 feet, South 37 degrees 32 minutes East 704.2 feet, South 07 degrees 21 minutes East 1116.6 feet South 36 degrees 26 minutes East 1639.6 feet, South 26 degrees 46 minutes East 1259.3 feet and south 66 degrees 30 minutes West 465.7 feet to the centerline of former State Highway No. 37; thence northwesterly along said centerline to the point of beginning.

3. **Foothill Pines (Spanish Flat)**

Beginning at a point on the westerly boundary of the land acquired by the United States of America for Monticello Reservoir, now known as Lake Berryessa, said point is North 59° 38' East 1434.8 feet from the northwest corner of Section Twenty (20), township Eight (8) North, range Three (3) West, Mount Diablo Meridian; running thence from said point of beginning North 22° 46' West along said westerly boundary 200.0 feet; thence leaving said boundary North 67° ___' East 600.00 feet; thence North 88° 30' West 730. Feet to the first crossing of elevation 350; thence southerly along the 350 foot contour to a point that is South 56° 00' East 1400.0 feet and South 78° 25' East 400.0 feet, more or less, from the intersection of the northerly boundary of Section Twenty nine (29), township Eight (8) North, Range Three (3) West of the mount Diablo Meridian with the westerly boundary of said land of the United States of America; thence North 56° 00' West 1400.0 feet; thence North 78° 15' West 400.0 feet more or less to the aforesaid intersection of the northerly boundary of Section 29 with the westerly boundary of said land of the United States of America; said intersection is North 89° 55' East 2959.5 feet from the northwest corner of said Section 29; thence along the aforesaid westerly boundary of land of the United States of America as follows: North 12° 39' West 1649.7 feet, North 27° 43' West 3103.5 feet, North ___ 56' East 527.1 feet; South 56° 37' East 1090.3 feet; North 61° 44' East of 75.6 feet and North 28° 15' West 1742.7 feet to the point of beginning.

4. **Blue Oaks (Lake Berryessa Marina)**

Beginning at a point on the westerly boundary of the parcel of land acquired by the United States of America for the Monticello Reservoir, now known as Lake Berryessa; said point is North 72 degrees 39 feet East 3753.0 feet from post L.P. 10 of the Rancho Las Putas as shown on the Plat of said Rancho, filed September 24, 1867 in the Office of the County Recorder, Napa County; running thence from said point of beginning North 61 degrees 32 feet East 1850 feet, more or less to the first crossing of elevation 350; thence southeasterly along the 350 foot contour to the center of Smittle Creek; thence southwesterly along the center of Smittle Creek to an angle point in the aforesaid westerly boundary of the land of the United States of America; said point is North 62 degrees 54 feet West 1616.7 feet from post L.P. 8 of the Rancho Las Putas; thence North 04 degrees 56 feet East 2383.8 feet along said westerly boundary to a point; said point is South 28 degrees 28 feet East 711.2

feet from the point of beginning; thence North 28 degrees 28 feet West 711.2 feet along said westerly boundary to the point of beginning.

5. Manzanita Canyon (Rancho Monticello)

Beginning at a point on the westerly boundary of the parcel of land acquired by the United States of America for the Monticello Reservoir, now known as Lake Berryessa; said point is North 05° 58' East 1981.0 feet from post L.P. 13 of the Rancho Las Putas as shown on the Plat of said Rancho, filed September 24, 1867 in the Office of the County Recorder, Napa County; running thence from said point of beginning North 25° 47' West 50.0 feet, more or less along said westerly boundary to the center of a draw; thence northeasterly along the center of said draw to the first crossing of elevation 350; thence southeasterly along the 350 foot contour to a point that is North 61° 32' East 1550 feet, more or less from a point on the aforesaid westerly boundary of the land of the United States of America; said last mentioned point is North 66° 33' East 3696.9 feet from post L.P. 10 of the Rancho Las Putas; thence South 61° 32' West 1550 feet, more or less to said westerly boundary; thence along said boundary as follows: North 28° 28' West 1050.0 feet, North 57° 52' West 3046.4 feet, and North 22° 00' West 3283.8 feet to a point; said point is South 84° 01' East 1533.4 feet from the Point of Beginning; thence North 84° 01' West along said westerly boundary 1533.4 feet to the point of beginning.

6. Chaparral Cove (Putah Creek)

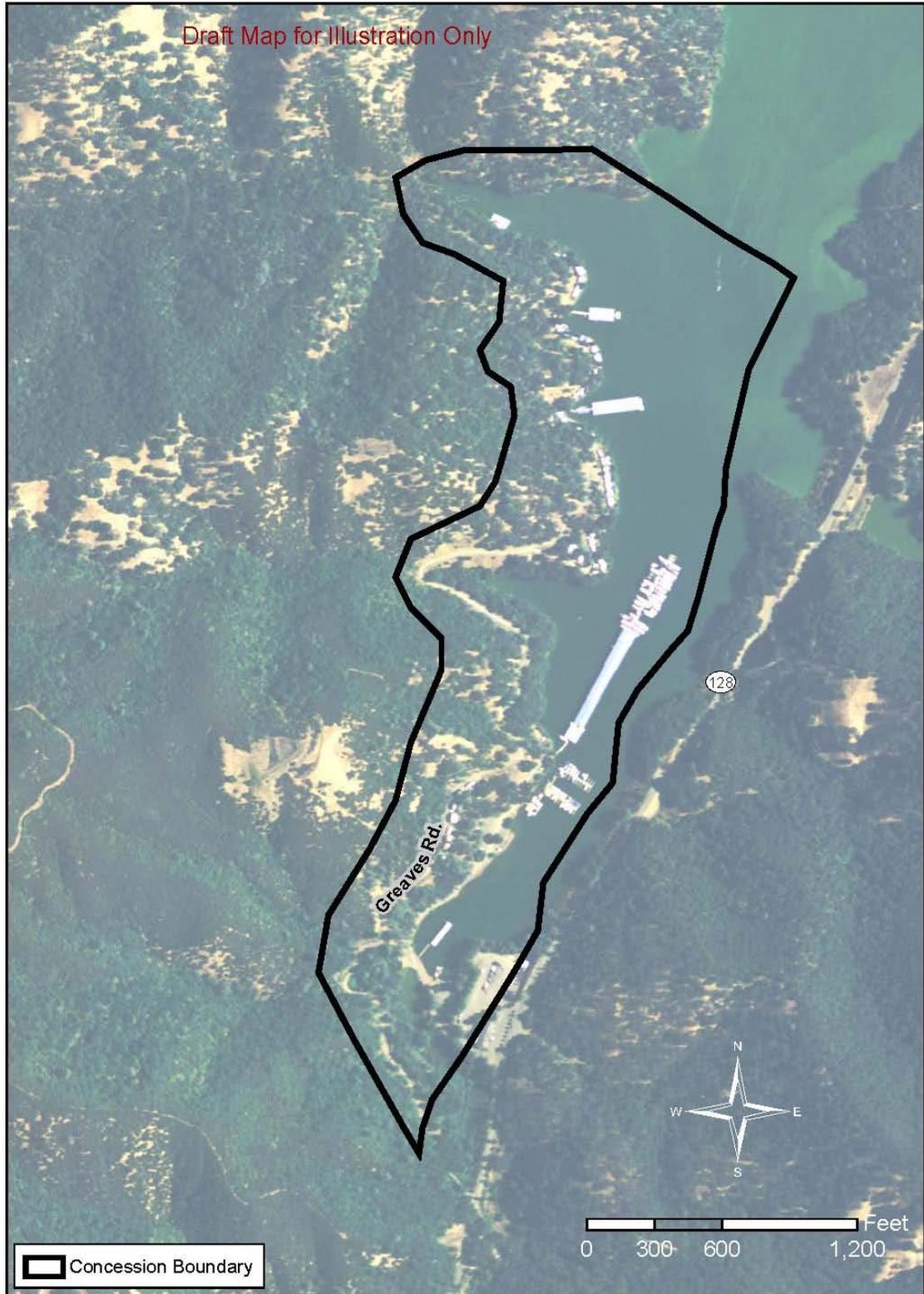
Beginning at the east quarter (E 1/4) corner of section 16, thence Township 9 North, Range 4 West, Mount Diablo Meridian; running thence from said point of beginning North 00 degrees 21 minutes East along the westerly boundary of the Rancho Las Putah 1650 feet more or less to the centerline of Putah Creek; thence easterly along the centerline of Putah Creek to its confluence with the centerline of Pope Creek; thence westerly along the centerline Of said Pope Creek to the center line of the County Road known as the Knoxville Road; thence Northerly along the centerline of said road to the centerline of the relocated County Road town as the Pope Canyon Road; thence westerly along the centerline of said Pope Canyon Road to the Bureau of Reclamation right-of-way line; thence northerly along said right-of-way line 250 feet more or less to the Easterly boundary of said section 16; thence along said Easterly boundary North 00 degrees 21 minutes East 1700 feet more or less to the point of beginning. EXCLUDING THEREFROM the above mentioned County Road.

B. MAPS OF ASSIGNED LAND

The lands legally described in the preceding section A and assigned for the use of the Concession Contractor is further indicated on the following map(s). The boundaries displayed on the following pages are approximate boundaries based upon the preceding legal description.

MAHOGANY BAY (MARKLEY COVE) CONCESSIONS LAND BOUNDARY MAP

Markley Cove Resort Boundary



LUPINE SHORES (STEELE PARK) CONCESSIONS LAND BOUNDARY MAP

Steele Park Resort Boundary



FOOTHILL PINES (SPANISH FLAT) CONCESSIONS LAND BOUNDARY MAP

Spanish Flat Resort Boundary



BLUE OAKS (LAKE BERRYESSA MARINA) CONCESSIONS LAND BOUNDARY MAP

Berryessa Marina Resort Boundary



MANZANITA CANYON (RANCHO MONTICELLO) CONCESSIONS LAND BOUNDARY MAP

Rancho Monticello Resort Boundary



CHAPPARRAL COVE (PUTAH CREEK) CONCESSIONS LAND BOUNDARY MAP

Putah Creek Resort Boundary



EXHIBIT C

CONSTRUCTION OF CONCESSION CONTRACTOR IMPROVEMENTS

This exhibit to this Concession Contract establishes certain terms and conditions of the Concession Contract regarding the nature, scope, and applicable conditions of the Concession Contractor's construction projects.

A. AUTHORIZING THE CONSTRUCTION OF A CONCESSION CONTRACTOR IMPROVEMENT

Reclamation may authorize or require the Concession Contractor to construct Concession Contractor Improvements on area lands only in accordance with the terms and conditions of this Concession Contract and as necessary for the conduct, by the Concession Contractor, of authorized or required visitor services. Any Concession Contractor Improvements owned by the Concession Contractor outside area lands, whether used by the Concession Contractor in the conduct of operating the concession or not, are not covered by this Concession Contract.

B. REQUIREMENTS FOR BEGINNING TO CONSTRUCT A CONCESSION CONTRACT IMPROVEMENT

Please see Exhibit H.

C. REQUIREMENTS AFTER SUBSTANTIAL COMPLETION OF A CONCESSION CONTRACTOR IMPROVEMENT

Please see Exhibit H.

D. DETERMINING CONSTRUCTION COSTS

After receiving the detailed construction report from the Concession Contractor, Reclamation will review the report and other information, as appropriate, to determine if the reported construction cost is consistent with the construction cost approved by Reclamation in advance of the construction.

Exhibit D

Concessions Review Program Standards

CONCESSIONS REVIEW PROGRAM

The primary goal of the Concessions Review Program is to ensure that Concession Contractors provide safe, sanitary, and high quality visitor services and facilities. The Concessions Review Program comprises four separate evaluations: (1) operation and facilities evaluation, (2) public health service evaluation, (3) safety and environmental evaluation, and (4) contract compliance evaluation.

Inspection responsibilities are allocated between local and non-local Bureau of Reclamation (Reclamation) staff and public health inspectors to capitalize on the respective skills and objectivity of each set of reviewers and, therefore, to conduct the most accurate and efficient evaluations possible. In addition, reviewers normally have specialized training in conducting the safety and environmental evaluation and the contract compliance evaluation. The operation and facilities evaluation will be conducted semiannually by staff from the local area office. External inspections will be conducted by non-local or external staff every 5 years. The safety and environmental evaluations will be conducted by Reclamation reviewers who are staff members who have been trained to conduct such evaluations. Private contractors may also be used for technical reviews. The evaluation rating year begins no later than October 1 and ends no later than September 30. The standards and forms used to evaluate the Concession Contract can be found at: <http://www.usbr.gov/recreation/publications/RCMG.pdf> CHAPTER 8 – CONCESSIONS REVIEW PROGRAM.

DEFICIENCIES

Failure to correct deficiencies identified during the: (1) operation and facilities evaluation, (2) public health service evaluation, (3) safety and environmental evaluation, and (4) contract compliance evaluation within the allotted cure period may be considered as breach of contract and grounds for Reclamation curing the deficiencies and invoicing the Concession Contractor; suspending some or all of the concession operations; or termination of the Concession Contract.

In the event the Concession Contractor should fail to promptly make such repairs or maintain its facilities after 30 days written notice by Reclamation, Reclamation may enter and make such repairs or perform such maintenance at the expense of the Concession Contractor, and the Concession Contractor shall, upon receipt of an itemized statement, reimburse Reclamation for all such costs.

CONTRACT COMPLIANCE EVALUATION

The purpose of the contract compliance evaluation is to determine whether the Concession Contractor is adhering to the terms and conditions of the Concession Contract.

The contract compliance evaluation will be conducted annually by Reclamation.

The review will include inspection of the concession facilities, operations, reporting, and investment and fee payment records to determine whether the Concession Contractor is in compliance with each of the items on the forms. If the Concession Contractor has been in compliance with all of the elements for the entire period since the last evaluation, the Concession Contractor should receive a “satisfactory” rating. However, if the Concession Contractor has failed to comply with any item, especially for an extended period of time, that will be grounds for assigning a “marginal” or “unsatisfactory” rating. Each item for which the Concession Contractor is found not to be in compliance will be documented.

Exhibit E

TEMPORARILY RESCINDED LANDS

Pursuant to Section 4.B. of the Concession Contract, the following Government lands and/or facilities are temporarily rescinded from use by the Concession Contractor. This rescission is necessary for the purpose of conserving, preserving, or protecting Lake Berryessa resources or visitor enjoyment or safety. Upon written notification by Reclamation to revoke the rescission for each location, the Concession Contractor may commence use of the area in accordance with approved CFIP.

Concession Area (former name)	Description	Acres
Lake Berryessa Marina	Peninsula	2.152
Putah Creek	Underground Storage Tank Remediation Area	1.836
Steele Park	Underground Storage Tank Remediation Area	1.162

Descriptions of the rescinded lands and maps showing approximate locations follow.

LAKE BERRYESSA MARINA TEMPORARY RESCISSION AREA

The approximate area rescinded is described as follows:

An area with a starting point at the East edge of the existing launch ramp, extending to the furthest Eastern end of the peninsula, surrounding the width and length of the peninsula to a point due North from the starting point. Total area is approximately 93,750 square ft. or 2.152 acres.



PUTAH CREEK TEMPORARY RESCISSION AREA

The approximate area rescinded is described as follows:

An area with boundaries at a point starting at the Northwest corner of the previous lounge/office building, extending East to the waterline, and perpendicular from the same starting point extending South to the waterline. Total area is approximately 87,500 square ft. or 1.836 acres.



STEELE PARK TEMPORARY RESCISSION AREA

The approximate area rescinded is described as follows:

An area with a starting point at the Southwest edge of the launch ramp, extending South approximately 225 feet along the shoreline, then extending East approximately 225 feet, and from that point, extending North 225 feet and then West 225 feet to the starting point. Total area is approximately 50,625 square ft or 1.162 acres.



Exhibit F

Maintenance Plan

A. Maintenance Plan Required	F-1
B. Standards for Concession Reviews	F-1
C. Terms Used in this Exhibit	F-1
D. Annual Maintenance Inspections	F-2
E. Concession Contractor's Responsibilities.....	F-2
1. Improvements Assigned to the Concession Contractor	F-2
2. Hazardous Material	F-5
3. Signs.....	F-6
4. Litter, Garbage and Recycling	F-6
5. Grounds and Landscaping.....	F-7
6. Roads, Trails, Parking Areas, and Walkways.....	F-8
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8. Campground and Recreational Vehicle (RV) Sites	F-9
9. Firewood	F-10
10. Utilities.....	F-10
F. Reclamation Responsibilities.....	F-12
1. Improvements Assigned to the Concession Contractor	F-12
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G. Signature Block to be Used in Final Plan	F-13

Requirements for Concession Contractor's Maintenance Plan

A. MAINTENANCE PLAN REQUIRED

In accordance with § 4.H, the Concession Contractor shall submit a Maintenance Plan for Reclamation approval and then follow the plan once approved. Reclamation will review the plan annually in consultation with the concession Contractor and may make revisions if necessary. In the event of any conflict between the main body of the Concession Contract and this exhibit, the terms of the main body shall prevail.

B. STANDARDS FOR CONCESSION REVIEWS

Exhibit D of this Concession Contract (Concession Review Program Standards) provides general directions, expectations, and standards related to the review of concession operations. A review of operations and maintenance activities will be a part of any review process. This Exhibit F further defines the maintenance relationship between the Concession Contractor and Reclamation, and compliance with the terms of the Maintenance Plan will be evaluated during the concession review process.

C. TERMS USED IN THIS MAINTENANCE PLAN

Exterior: Refers to structures, the foundations, exterior walls and surfaces, roofs, porches, stairways, and other structural attachments. This includes all equipment, walkways, trails, parking lots, and other improvements, as well as the lands, landscapes, and utilities within the assigned area of responsibility.

Interior: Refers to the area of structures inside the external walls and under the roof, including doors and window frames. This also includes all equipment, appurtenances, improvements, and utility systems that penetrate the walls, roof, or foundation.

Maintenance: The preservation and upkeep of real or personal property in a condition as near as is practicable to the originally constructed condition or its subsequently improved condition. "Maintenance" includes reoccurring repair and rehabilitation of designated areas, facilities, infrastructure, equipment, and their component parts—up to and including replacement if necessary—to provide a safe, sanitary, and aesthetically pleasing environment for area visitors and employees. This does not include those improvement projects identified to be addressed with RAFI funds.

Operations: Refers to all aspects of activity by the Concession Contractor authorized under the contract. Operations include all services provided to the public and all nonpublic actions necessary to support those authorized services.

Repair: The act of correcting an unsatisfactory physical condition. Replacement is an aspect of repair and may be a necessary or economically sound approach to repairs. Repair is an aspect of

maintenance, and the objective of repair is the same as the objective of the general act of maintenance as defined above.

D. ANNUAL MAINTENANCE INSPECTIONS

Reclamation and the Concession Contractor shall conduct an annual joint inspection or review of Government and Concession Contractor improvements assigned to the Concession Contractor to determine what maintenance work is necessary and if the facilities comply with applicable Federal and State laws, regulations, guidelines, rules, codes, and policies. This review shall take place on a schedule to be established by Reclamation in consultation with the Concession Contractor. This review may be performed separate or in conjunction with the Concessions Review Program.

Based on the annual review, deficiencies noted on periodic evaluations and needs identified by Concession Contractor staff, the Concession Contractor shall prepare a list of maintenance needs and an annual maintenance program proposal. The Concession Contractor will submit the list and proposal for Reclamation approval by December 1 of each year. This program will list specific projects and the manner by which the Concession Contractor intends to execute its maintenance responsibilities during the following year.

E. CONCESSION CONTRACTOR'S RESPONSIBILITIES

The following sections identify the responsibilities of the Concession Contractor.

1. Improvements Assigned to the Concession Contractor

The Concession Contractor shall maintain and repair government and Concession Contractor improvements assigned to the Concession Contractor except as noted under "F (Reclamation Responsibilities)" below.

The Concession Contractor's maintenance responsibilities include, but are not limited to, lands, landscaping, and drainage structures; all improvements resting on the lands (buildings, walkways, trails, parking areas, pavement markings, fences, curbing, culverts, etc.); underground and aboveground storage tanks and associated mitigation, if needed; auto, bus, and heavy equipment maintenance areas (fuels and fluids management, used oil and lubricants, and used antifreeze, filters, and batteries); intrusion and fire alarm systems; interior and exterior lighting systems; fire suppression systems; utility and utility distribution systems; structural elements and surfaces (roofing, flooring, windows, doors, porches, etc., including hazard abatement); heating and cooling systems; and all installed fixtures and miscellaneous equipment.

The Concession Contractor will carry out general preventive and reoccurring maintenance and emergency repair in a timely manner to ensure that all improvements assigned to the Concession Contractor achieve the basic goals described by the Concessions Review Program and applicable codes and guidelines.

If the Concession Contractor proposes to undertake work that will result in a modification to assigned improvements (both Concession Contractor and Government improvements), new or changed services, or new construction, the Concession Contractor will submit a written request to Reclamation and obtain written approval before undertaking the work. All plans submitted must be prepared in accordance with Exhibit H of the Concession Contract.

Written notification and approval are also required for projects that change the nature or appearance of any facility in a historic structure or a historic district. This does not apply to routine work that does not change the nature, appearance, or value of a facility.

The Concession Contractor shall comply with all applicable Federal, State, and local codes, including, but not limited to, the Uniform Building Code, the Uniform Federal Accessibility Standards, the Uniform Plumbing Code, the National Electric Code, and the National Fire Protection Association's (NFPA) Life Safety Codes, unless the area manager has provided a written exception.

- a. Painting: To maintain the appearance of the structures, exterior painting shall be performed on a 7-year cycle or more often if needed to provide adequate protection to the structure. Interior painting shall be performed on a 5-year cycle or more often if needed to maintain a good appearance.

Reclamation must provide advance written approval for lengthening intervals or changing paint color. Latex paint (with low content of volatile organic compounds) must be used unless, because of the historic context or use context of the area to be painted, approval is granted by Reclamation for use of an oil-based product. All exterior paint colors must blend in with the natural landscape.

- b. Interior Systems: The Concession Contractor shall maintain lighting and heating, ventilation and air conditioning (HVAC) systems. The Concession Contractor shall clean and inspect all HVAC systems, chimneys, fireplaces, stoves, and exhaust ducts before each operating season.
- c. Utility Systems: The Concession Contractor shall operate, repair, and replace all interior and exterior utility systems within Concession Contractor land assignments as described herein or shown and described on land assignment maps.
- d. Food Service Equipment: All equipment used in food service operations, including but not limited to dishwashers, refrigerators, freezers, and serving tables, will comply with safety, public health, and sanitation codes.
- e. Safety Equipment: The Concession Contractor will comply with all applicable Federal, State, and local codes and provide and maintain safety devices, fire detection and suppression equipment, and such appurtenances as are necessary for the protection of employees and the public, including assigned Concession Contractor and Government improvements.

f. Fire Equipment: The Concession Contractor is responsible for all hose boxes, fire hose, standpipes, and extinguishers within their area of responsibility and shall inspect the equipment on a regular basis to ensure proper working order and compliance with the NFPA Life Safety Code.

g. Roof Replacement: As roof materials are replaced, fire retardant materials will be used to maximize the fire protection provided to structures assigned to the Concession Contractor.

h. Historic Structures (Historic Items): Certain assigned Concession Contractor and Government improvements may be eligible for nomination to, the National Register of Historic Places.

The Concession Contractor shall submit plans for all proposed work or actions affecting these resources to Reclamation to ensure compliance with laws, policies, and guidelines, including the National Historic Preservation Act of 1966, as amended. This applies to any undertaking that may affect a historic structure, historic district, cultural landscape, archeological site, or historic object or furnishing. The Concession Contractor must document proposed actions using report forms that are available from Reclamation. Reclamation representatives will provide guidance to the Concession Contractor on the preparation of the report forms if requested. Reclamation cultural resources staff at the area and regional level, the State Historic Preservation Officer, and the Advisory Council on Historic Preservation will review the proposed project. Reclamation approval is required before undertaking the proposed action.

i. Winter Closures: The Concession Contractor shall provide winterization, as needed in unoccupied buildings to avoid damage to structures. The Concession Contractor assumes sole responsibility for actions needed to correct damage that results from inadequate preventive measures.

j. Concession Contractor Housing: The Concession Contractor will carry out general maintenance and repair of employee housing structures on a timely basis to ensure that employee housing achieves the basic goals described in the Concessions Review Program. Heating systems shall be inspected and cleaned on a reoccurring basis and before initial occupancy. The Concession Contractor shall monitor employee housing for compliance with fire, health and safety codes, and Reclamation policies and guidelines.

k. Underground and Aboveground Fuel Storage Tanks: The Concession Contractor shall monitor, test, maintain, repair, upgrade, and replace as necessary assigned underground or above ground fuel storage tanks and mitigate any soil or groundwater contamination in accordance with Federal, State, and local regulations. Written notification and approval by Reclamation is required before initiating work.

2. Hazardous Material

The Concession Contractor shall maintain health and safety standards and take necessary mitigative and corrective measures to ensure healthy working and living environments in all assigned buildings and improvements. The Concession Contractor shall store, handle, and use hazardous materials in a manner that protects workers from harmful exposure, minimizes the potential for spills and releases, and reduces the use of these materials in order to diminish the subsequent generation of hazardous waste.

Hazardous materials shall be handled in accordance with Occupational Safety and Health Administration 29 CFR, 1910 and 1926. Examples of hazardous materials requiring special management controls include asbestos, radon, and lead-based paint. The Concession Contractor shall obtain Reclamation approval before using chemicals, pesticides, and toxic materials. Applications and methods of use shall conform to Federal, State, and local laws and to applicable codes, policies, and guidelines.

a. **Emergency Planning and Community Right-to-Know:** Consistent with Executive Order 12856, Federal Compliance with Right-to-Know Laws and Pollution Prevention Requirements, the Concession Contractor shall provide Reclamation with information regarding hazardous materials inventory (on-site storage) and hazardous materials usage. Reclamation will require hazardous materials storage and use information, even if the Concession Contractor operates under the regulatory thresholds governing applicability of Emergency Planning and Community Right-to-Know Act regulations. Executive Order 12856 requires Reclamation to report the cumulative storage and usage of hazardous materials by both Federal and non-Federal entities. Reporting to Reclamation does not exempt the Concession Contractor from any requirements to make notices and reports as required under this statute or any other Federal, State, or local statute or regulation. Hazardous materials storage and use information shall be provided to Reclamation quarterly. Reclamation reserves the right to prohibit the use of certain hazardous materials within the area in the interest of protecting health and safety and natural or cultural resources.

b. **Hazardous Materials-Related Training:** The Concession Contractor shall provide training to all employees in accordance with 29 CFR 1910.120 (First Responder for Hazardous Materials Incidents) and 29 CFR 1910.1200 (Hazard Communication). The Concession Contractor shall comply with all Federal, State, and local laws and regulations pertaining to hazardous materials.

c. **Hazardous Waste Minimization and the Use of Environmentally Preferable Products:** The Concession Contractor shall attempt to minimize the use of hazardous materials in its operations with the purpose of diminishing the amount of hazardous waste generated over time. Under Executive order (E.O.) 12856, Federal Compliance with Right-to-Know Laws and Pollution Prevention Requirements, Reclamation is required to reduce the hazardous waste generation. The E.O. directs Federal agencies to pass this same requirement on to the Concession Contractor. The

Concession Contractor shall seek to use less toxic materials and products that are environmentally preferable as a general means to minimize hazardous waste. If the Concession Contractor generates more than 220 pounds per month of hazardous waste, the Concession Contractor must provide Reclamation with a Hazardous Waste Minimization Plan. To track any trends in the amount of waste generated, the Concession Contractor must provide information on all hazardous waste management (recycling and disposal) to Reclamation quarterly.

3. Signs

The Concession Contractor will install, maintain, and replace all interior and exterior signs relating to its operations and services within the assigned areas and directional signs outside assigned areas that relate specifically to concession operations. Examples include identifying the location of facilities, operating services, and hours and the Concession Contractor's rules or policies. The Concession Contractor shall ensure its signs are compatible with Reclamation sign standards as described in Reclamation's Visual Identity Program (VIP) Sign Guidelines. Sign size, style, color, and location shall be submitted for Reclamation approval before manufacturing and installation. No handwritten signs shall be permitted within the Concession Contractor's area of responsibility except on a short-term, interim basis. Reclamation may install signs within the areas assigned to the Concession Contractor.

4. Litter, Garbage and Recycling

a. Sanitation: The Concession Contractor shall provide an effective system for the collection and disposal of garbage and trash within its areas of responsibility. The Concession Contractor shall keep assigned areas free of litter, debris, garbage, abandoned equipment, vehicles, furniture, and fixtures.

Refuse shall be stored in receptacles that are covered, waterproof, bearproof, and verminproof.

These containers will be kept clean, well maintained, and serviceable; sites will be free of spills, waste, and odors. To prevent pest attraction and breeding, all wet garbage from concession operations will be adequately bagged and tied or stored in sealed containers. Waste must not accumulate in trash containers to the point of overflowing. Trash containers shall be conveniently located and in sufficient quantity to handle the needs of the area. The Concession Contractor will place cigarette receptacles at heavy use locations within assigned areas. Trash and garbage containers should be painted light brown or tan to distinguish them from Reclamation receptacles.

All materials generated as solid waste must be removed from areas at the Concession Contractor's expense and disposed of in an appropriate manner in an approved site. Applicable State and local codes shall also be followed.

b. Solid Waste Minimization: The Concession Contractor shall implement policies and practices to minimize solid waste. The Concession Contractor shall provide Reclamation with a written solid waste minimization plan. Special consideration should be given to the type of packaging and containers that is used in products offered for sale to visitors. If the Concession Contractor collects and hauls its solid waste, the Concession Contractor shall provide Reclamation annually with information regarding the amount of solid waste generated and the amount of material recycled.

(1) The Concession Contractor shall maintain foliage or constructed screening structures to ensure that major refuse sanitation facilities are screened from public view and are set as far apart from heavy public use areas as is reasonably possible. All materials generated as solid waste must be removed from areas at the Concession Contractor's expense and disposed of in an appropriate manner in an approved site. Applicable State and local codes shall also be followed,

(2) The Concession Contractor shall provide facilities and services necessary for recycling aluminum, paper, newspaper, glass, plastic, bimetals, waste oil, antifreeze, batteries, and cardboard generated within the assigned area of operation and shall promote recycling and place recycling bins in convenient locations for public use.

(3) The Concession Contractor will be responsible for the frequent litter removal from any shoreline areas within their land assignment. This includes debris that is floating in the lake and adjacent to their area of operation.

(4) The Concession Contractor will be responsible for the removal of any graffiti within 24-hours of discovery or of notification.

5. Grounds and Landscaping

In cases where grounds and landscaping activities require temporary modification or relocation of structures assigned to the Concession Contractor, the Concession Contractor shall carry out the temporary modification or relocations at its expense.

a. Landscaping and Use of Native Vegetation: The Concession Contractor shall prepare a written landscaping plan and submit it to Reclamation for approval. The plan will include general statements regarding the desired regime (manicured, natural, etc.) and condition of the area and subareas, as appropriate. It should include specific information, including locations and scope of work proposed, safety and resource considerations, debris disposal, and proposed use of irrigation systems. The appropriate use of native vegetation, water conservation, the need for revegetation or restoration efforts, and the potential existence of cultural landscapes should be considered during this planning phase.

b. Integrated Pest Management: The control of pests by chemical and other means is subject to area office approval. The Maintenance Plan must be consistent with § 3.G and any other relevant provisions of this Concession Contract.

c. Drainage and Stormwater Pollution Prevention: The Concession Contractor shall implement Best Management Practices to prevent the degradation of water quality in stormwater and other runoff from facilities assigned to the Concession Contractor. Erosion controls must be implemented at construction sites with disturbed soils exposed. Vehicle and equipment washing must not be allowed to result in untreated run-off water; oil/water separation must occur before discharge. Any improvements to drainage systems must be made in accordance with Federal, State, and local regulations.

The Concession Contractor shall ensure proper drainage control to protect landscapes, native vegetation, structures, facilities, improvements, and equipment while maintaining natural drainage patterns to the greatest extent possible.

d. Hazard Trees: The Concession Contractor will remove trees within the Concession Contractor's assigned areas that have been identified by Reclamation as hazardous. Such trees and other trees requiring removal will be approved for removal in advance by the area manager by means of a written authorization, which shall serve as a removal permit.

e. Vegetative Cuttings Recycling: The Concession Contractor will remove accumulated debris. The Concession Contractor should use creative methods of recycling natural debris, such as chipping woody materials for use as compost, dust control, and resource mitigation material. The Concession Contractor will remove slash buildup from around buildings in their assigned areas to prevent fires and to comply with State, county, and local codes.

f. Resource Protection and Site Restoration at Construction Sites: The Concession Contractor shall prepare and implement a site restoration and landscaping plan as directed by Reclamation, prior to removing facilities or as sites become heavily impacted by construction activities or use. The area office will provide advice and assistance during the preparation of these plans. Written approval from Reclamation is required before plan implementation.

6. Roads, Trails, Parking Areas, and Walkways

The Concession Contractor shall maintain roads, parking areas, curbing, sidewalks, walkways, and trails within its assigned lands in a state of good repair and in a manner that provides reasonable access to the general public, persons with physical disabilities, and emergency and service vehicles. In all assigned areas, the Concession Contractor shall sweep, sign, and paint curbs and striping surfaces on a recurring schedule to ensure that

public areas are consistently clean and free of litter and earthen debris and are well marked. Striping plans must have written approval from Reclamation before implementation.

The Concession Contractor will control dust within the Concession Contractor's land assignment and dust that results from Concession Contractor use outside the Concession Contractor's land assignment.

The Concession Contractor shall develop an exterior lighting system plan that addresses installation and maintenance of directed lighting systems that provide the minimum necessary lighting for nighttime walking in assigned walkway areas. This lighting system plan shall be submitted to Reclamation for review and approval per Exhibit H. The Concession Contractor shall maintain trails assigned for its use.

7. Docks, Slips, and Moorings

The Concession Contractor shall maintain marina breakwaters, piers, jetties, docks, slips, moorings, floating docks, emergency docks and slips, courtesy docks and slips, boat sewage pump out stations, public boat launches, public fish cleaning stations, dry dock facilities, hoists and cranes, boat storage facilities, restrooms, and all utility systems within its assigned area of operation in a state of good repair and in a manner that provides safe reasonable access to the general public, persons with physical disabilities, and emergency and service vehicles.

- a. In all assigned and related areas, the Concession Contractor shall maintain, sweep, sign, and paint surfaces on a recurring schedule to ensure that public areas are consistently safe, clean, and free of algae, water weed, moss, vegetative growth, earthen debris, foul odors, rust and litter, and are well marked and well lighted. Maintenance and repair plans that involve the use of chemicals in the assigned and related areas must have written approval from Reclamation before implementation.
- b. The Concession Contractor will ensure that any new dock design or construction be approved per Exhibit H. The use of raw Styrofoam is prohibited.
- c. Transitional walking surfaces that go from land to floating facilities or from one floating facility to another should be designed and maintained in such a manner that there are not tripping hazards and to not inhibit use by members of the public with disabilities or with the need to use wheelchairs or other disability transportation devices.

8. Campground and Recreational Vehicle (RV) Sites

The Concession Contractor shall maintain campgrounds, and RV sites, including utilities hookup facilities, RV pump out stations, roads, parking areas, curbing, sidewalks, walkways, campground trails, landscaping, foliage, and vegetation within its assigned area of operation in a state of good repair and in a manner that provides access to the general public, persons with physical disabilities, and emergency and service vehicles. All

camping, RV, and related areas, including, but not limited to, campfire pits, barbeques, cooking facilities, and pump out stations must be maintained in a state of good repair. The Concession Contractor shall maintain the campground including, but not limited to, building cleaning, sweeping, signing, and painting surfaces, and trimming overhanging and hazardous vegetation on a recurring schedule to ensure that these public areas are consistently safe, hygienic, clean, and free of foul odors, litter, earthen debris, soot and ashes, and are well lighted and marked. The Concession Contractor shall be responsible for keeping the assigned camping, RV, and related areas free and clear at all times of safety hazards.

9. Firewood

The Concession Contractor shall acquire fully cured firewood from outside the area or as otherwise approved by Reclamation for use in assigned facilities. Reclamation encourages the use of lower emission composite fuels when and wherever possible. To minimize hazards associated with fuel wood storage, the Concession Contractor will store wood away from existing structures and will comply with instructions provided by Reclamation's fire management staff.

10. Utilities

As systems or equipment need to be replaced, serious consideration shall be given to the use of products and technologies that reduce impacts, conserve resources, and improve efficiencies, including electric peak load shedding and the use of alternative fuels.

- a. Electrical: The Concession Contractor shall maintain all electrical distribution lines and equipment (conduit, fuses, panels, switches, transformers, lines, etc.) down line from the electric provider service point within all Concession Contractor land assignments and all fixtures (lamps, cords, and equipment) affixed to electrical circuits.

The Concession Contractor shall repair or replace any electrical system damaged within assigned areas or damaged beyond the Concession Contractor assigned areas if the damage is the result of negligence of the Concession Contractor or its employees while working or operating Concession Contractor equipment.

The Concession Contractor will ensure that all electrical circuits under its control meet or exceed the standards of the National Electric Code. The Concession Contractor shall develop and implement a plan to reduce its consumption of electrical energy. This plan shall be annually submitted to Reclamation for review and approval.

- b. L.P. Gas Systems: The Concession Contractor shall repair and maintain, according to NFPA codes, all L.P. gas systems in its assigned areas. This includes, but is not limited to, tanks, bottles, regulators, and piping. The Concession Contractor will conduct and document semiannual inspections of its gas storage and

distribution systems. Placement of new or additional tanks must receive prior written Reclamation approval. An independent inspector, at the Concession Contractor's expense, must inspect all gas installations.

c. Water: The Concession Contractor shall repair and maintain water distribution lines and building plumbing systems downstream of the service point within the Concession Contractor land assignments or as shown or described on land assignment maps. The Concession Contractor shall repair or replace any damage to the water system within assigned areas and damage occurring beyond the Concession Contractor assigned areas that results from negligence of the Concession Contractor or its employees while working or operating Concession Contractor equipment. The Concession Contractor shall also maintain all fixtures attached to the water system within all buildings and structures.

The Concession Contractor shall implement water conservation measures as needs arise. As replacement of fixtures is needed, the Concession Contractor shall obtain and install low-flow and water conserving fixtures.

The Concession Contractor will provide for the daily monitoring and periodic sampling of water systems in its assigned areas.

d. Sewage: The Concession Contractor shall repair and maintain all sewage lines, connections, disposal systems, and appurtenances within the Concession Contractor land assignment to the sewer collection main or as shown and/or described on land assignment maps. The Concession Contractor shall repair any damage to the sewage disposal system within assigned areas and damage occurring beyond the Concession Contractor assigned areas that results from negligence of the Concession Contractor or its employees while working or operating Concession Contractor equipment.

The Concession Contractor shall maintain, repair, and replace fixtures attached to the sewage disposal system (including sinks, toilets, urinals, and dishwashing equipment).

e. Telephone Service: The Concession Contractor shall contract directly with commercial telephone operators for phone service to its assigned facilities. Agreements with commercial providers shall be in accordance with guidelines provided by Reclamation. The Concession Contractor shall be responsible for all on-premises equipment and wiring.

f. Seasonal Operations: The Concession Contractor will drain all water and sewer lines that are defined above as the responsibility of the Concession Contractor and take all necessary steps to prevent damage from freezing. All water and sewer lines will be charged and tested for leaks before opening.

The Concession Contractor shall comply with Reclamation's local codes when reopening and repairing drinking water distribution systems.

F. RECLAMATION RESPONSIBILITIES

During the execution of any Reclamation responsibilities indicated below, should Reclamation disrupt areas or lands within the Concession Contractor's assigned lands, Reclamation shall provide mitigative signing, barriers, and revegetative efforts as needed. Reclamation will interface with the Concession Contractor's maintenance program by executing the following responsibilities:

1. Improvements Assigned to the Concession Contractor

Reclamation will not physically maintain government or Concession Contractor improvements assigned to the Concession Contractor, unless otherwise mutually agreed in writing. Reclamation will provide staff review of Concession Contractor plans and proposals, inspection and evaluation of Concession Contractor processes and programs, and technical advice and assistance when requested and as resources allow.

Should the Concession Contractor determine that assigned improvements or property has exceeded its serviceable life then the Concession Contractor may request, in writing, that Reclamation allow final disposal or destruction the improvement or property. The area office will inspect the property to validate its condition and respond to the Concession Contractor's request and will also provide the process and permitted means and methods for disposal or destruction of said property.

2. Grounds and Landscaping

Reclamation will identify and periodically monitor hazardous trees in the area. Reclamation will also remove hazardous trees in the area that are outside the Concession Contractor's land assignment. Reclamation may make available to the Concession Contractor, when no cost to Reclamation is incurred; designated sites where limbs and other legally burnable forest debris may be transported for disposal.

3. Utilities

a. Electrical: Reclamation will allow commercial electrical service to be available at all locations assigned to the Concession Contractor where the provision of electrical service is indicated in general management planning documents.

b. Water: All piping and appurtenances downstream of the service point or as shown or described on land assignment maps shall be the responsibility of the Concession Contractor to operate, repair, and maintain.

G. SIGNATURE BLOCK TO BE USED FOR FINAL PLAN

Concession Contractor

Reclamation

Signature block for initial plan to be approved by the Area Manager after the effective date

Signed: _____ Area Manager: _____

Title: _____ Date: _____

EXHIBIT G

OPERATING PLAN

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Requirements for Concession Contractor's Operating Plan

A. OPERATING PLAN REQUIRED

In accordance with § 2.B, the Concession Contractor shall submit an Operating Plan for Reclamation approval and then follow the plan once approved. Reclamation will review the plan annually in consultation with the Concession Contractor and may make revisions if necessary. In the event of any conflict between the main body of the Concession Contract and this exhibit, the terms of the main body shall prevail.

B. STANDARDS FOR CONCESSION REVIEWS

Exhibit D of this Concession Contract (Concession Review Program Standards) provides general directions, expectations, and standards related to the review of concession operations. A review of operations and maintenance activities will be a part of any review process. This Exhibit G further defines the operational relationship between the Concession Contractor and Reclamation, and compliance with the terms of the Operating Plan will be evaluated during the concession review process

C. MANAGEMENT, ORGANIZATION, AND RESPONSIBILITIES

1. Concession Contractor

a. The Concession Contractor will direct this concession operation. The Concession Contractor shall employ an on-site manager to carry out the policies and directives of Reclamation as well as those of the Concession Contractor in the operation of the authorized concession facilities and services in the concession area. To achieve an effective working relationship between the Concession Contractor and Reclamation, the Concession Contractor shall designate one representative who has full authority to act as a liaison in all concession matters within the concession area.

b. The on-site manager will employ a staff with the expertise to operate all services authorized under the contract.

c. The on-site manager will furnish Reclamation with an initial list identifying key concession management and supervisory personnel and their job titles. The list will be updated as changes occur.

2. Reclamation Area Office

a. The area manager manages the total area operation, including concession operations. The area manager carries out the policies and directives of Reclamation, including oversight of contracts. The area manager will designate staff representatives to review, supervise, and coordinate concession activities within the concession area as needed and applicable.

Monitoring contract compliance includes evaluating all concession operations and services and reviewing and authorizing all rates, improvements to facilities, and construction.

b. Area office personnel are responsible for coordinating planning and development activities, overseeing environmental compliance, and supervising the concession management activities within the Reclamation area.

c. Area office personnel make recommendations to the area manager on all aspects of the Concession Contractor's operation. The area manager ensures that necessary evaluations and inspections are performed, including those required by the U.S. Public Health Service and the area safety officer (including fire inspections), along with the periodic evaluations required under the Reclamation's Concessions Review Program. Area office personnel ensure that approval of all concession rates is based on current comparability studies or applicable guidelines. They have authority from the area manager to make field decisions pertaining to the concession operations and to act as liaison between the Concession Contractor and the area manager.

d. Area office staff reviews and coordinates the Concession Contractor's day-to-day activities; operational and maintenance activities; rate, service, and schedule changes; equal employment opportunity and affirmative action plans; advertisements; construction proposals; annual financial reports; insurance coverage; and any other contract requirements.

D. CONCESSION OPERATIONS

The operation of accommodations, facilities, and services authorized by the contract will conform to the evaluation standards set forth in the Concession Contractor Review Program (Exhibit D) and this Operating Plan.

1. Operational Evaluations

a. Reclamation and the Concession Contractor shall separately inspect and monitor concession facilities and services with respect to Reclamation policy, applicable standards, authorized rates, risk management, public health, impacts on cultural and natural resources, and visitor concerns and reactions. Reclamation will evaluate all services and facilities operated by the Concession Contractor to ensure public safety and health, identify maintenance and operating deficiencies, and ensure satisfactory services and accommodations for the general public within assigned areas of responsibility and in accordance with the land assignment maps.

Evaluation Schedule

	Operations/ Facilities	Operations/ Facilities	Operations/ Facilities	Overall Contract Compliance
Evaluation (Type)	Operation and Facility Evaluations	Public Health Service Inspections	Safety and Environmental Evaluations	Contract Compliance
Frequency	Semiannual	Semiannual	Annual	Annual – Local 5 Years - External

b. The area manager’s representative(s), normally the concessions management specialists, will conduct periodic inspections of Concession Contractor facilities and services to ensure conformance to operational standards established by the Concession Contractor Review (Evaluation) Program. The on-site manager may be contacted at the time of evaluations so that a representative of the Concession Contractor can accompany the Reclamation evaluator.

c. The area’s safety officer will conduct at least one annual comprehensive safety and occupational health evaluation.

d. The Public Health Service shall conduct periodic food service evaluations; inspections may be conducted without prior notice. The Concession Contractor will maintain and follow a formal, written, food-service-sanitation self-inspection program. Reclamation will help develop and update the program as necessary.

e. The Concession Contractor will perform annual interior and exterior fire and risk management inspections of all concession buildings and assigned lands. Written records, verifying the completion of such inspections, will be maintained by the Concession Contractor and will be available to Reclamation upon request.

f. Reclamation reserves the right, in accordance with the contract, to enter the Concession Contractor’s facilities at any reasonable time for inspections or when otherwise deemed necessary.

g. The area’s hazardous materials coordinator will conduct at least one evaluation annually of the Concession Contractor’s compliance with hazardous materials and hazardous waste regulations and Reclamation policies.

h. The Concession Contractor must be responsive to dates assigned for correction of deficiencies and abatement plans for correction of identified deficiencies. The Concession Contractor will meet with Reclamation officials to schedule and prioritize correction of deficiencies and improvement programs resulting from these inspections.

2. Rates

a. The Concession Contractor will submit written requests for all rate increases enough in advance of anticipated implementation dates to allow Reclamation time to conduct rate analysis and/or comparability studies. Requests for rate changes will be processed as expeditiously as possible. This means the Concession Contractor will need to discuss with Reclamation the latest date it needs to have approved rates. Then, Reclamation can identify how much time in advance submittal must occur. Annual requests for rate changes should be submitted according to a schedule established by local Reclamation and Concession Contractor management staff.

b. Such requests shall include pertinent information about the rate, product, or service proposed. This includes, but is not limited to, brand names, portions, hours of service, and amenities provided. For food service requests, this will include an indication of which items will be regularly on the menu and which will be special or limited runs.

c. The Concession Contractor shall provide a range of service levels, qualities, and associated prices for all goods and services provided to the public under the contract.

d. If the Concession Contractor offers an item or service at less than the optimum condition (because of unavailable amenities or condiments or because of poor service or other conditions), the item or service will be discounted. This should not be construed to condone shortages or “running out” of items on a regular basis and should be used only in unavoidable situations.

e. Reclamation will approve, disapprove, or adjust rates and will inform the Concession Contractor of the reason for any disapproval or adjustment within the parameters established in (a.) above. If the Concession Contractor requests a quicker response, Reclamation will attempt to accommodate the request; however, this will not be normal procedure. If a longer response period is needed, Reclamation will contact the Concession Contractor and negotiate a response date.

f. The Concession Contractor will prominently post all rates for goods and services provided to the visiting public.

3. Schedule of Operation

The Concession Contractor will provide authorized services for visitors on a year-round basis; some facilities close seasonally or provide limited services. The Concession Contractor will annually submit a written schedule of proposed opening and closing dates and operating hours for all concession facilities for the area manager’s approval before implementation. Reclamation will give reasonable notice of any schedule changes that it may initiate. Weather and visitation may cause specific dates of operating seasons to fluctuate; these dates, however, will be agreed upon and approved by Reclamation.

4. Staffing and Employment

a. Concession Contractor Hiring.

(1) The Concession Contractor will hire a sufficient number of employees to ensure satisfactory services during shoulder as well as peak visitor seasons.

(2) The Concession Contractor will attempt to offer concession employees a full workweek whenever possible. Before employment, the Concession Contractor will inform employees of the possibility that less than full-time employment may occur during slow periods.

(3) The Concession Contractor will establish hiring policies that will include appropriate background reviews of applicants for employment.

(4) Drivers of delivery trucks or passenger carrying vehicles shall have a valid operator's license for the size and class of vehicle being driven. They shall also meet any additional State requirements established for the vehicle driven or passengers carried.

b. Employee Housing.

(1) The Concession Contractor will provide housing and food service for concession employees when feasible. The room and board account should be a break-even account to the extent possible. The Concession Contractor should ensure that employee room and board charges do not exceed earnings as a result of mandatory reduction in work.

(2) The Concession Contractor will inspect all quarters for fire and safety compliance within 30 days of initial occupancy of a residence. Fire drills will be performed in accordance with local fire codes. Employee rooms will be adequately furnished to serve the number of occupants.

(3) The Concession Contractor will conduct health and safety inspections in employee housing areas. The area office's concession management specialist is responsible for conducting periodic inspections of Concession Contractor's employee housing.

(4) The Concession Contractor will provide adequate cooking and food storage facilities where appropriate. The Concession Contractor will ensure employee compliance with health, fire, and safety code regulations and Reclamation policies and applicable guidelines. Food storage facilities shall be bear- and vermin-proof.

(5) The Concession Contractor shall provide facilities and services necessary for recycling aluminum, newspaper, glass, and cardboard generated within all employee housing areas. The Concession Contractor shall promote recycling and make it convenient for employees.

(6) Employee housing managers will notify Reclamation of vehicles that are abandoned within assigned employee parking lots. These vehicles will be towed at the expense of the owner.

c. Employee and Staffing Practices.

(1) All employees dealing with the general public shall wear uniforms or standardized clothing with a personal nametag. Employees will project a hospitable, friendly, helpful, positive attitude; be capable of and willing to answer visitor questions; and provide visitor assistance. The Concession Contractor shall take appropriate steps to enforce these rules.

(2) The Concession Contractor shall have an affirmative action plan, as required by law, and shall post the plan in the office and work area.

d. Reclamation Employees and Families.

The Concession Contractor shall not employ in any status a Reclamation employee, the spouse of a Reclamation employee, or minor children of a Reclamation employee without the area manager's approval. Reclamation employees must submit a written request to the area manager that their spouse or minor children are allowed to work for the Concession Contractor.

e. Training Program.

(1) The Concession Contractor will provide employee orientation and training and will inform employees of the regulations and requirements that affect their employment and activities while residing and working for the Concession Contractor. Additional orientation pertinent to the developed area where the employees are assigned will be conducted by the Concession Contractor with Reclamation participation on location.

The Concession Contractor shall provide new employees with an orientation to the Concession Contractor's hazardous substance spill contingency plan and the Concession Contractor's hazardous materials program.

(2) The Concession Contractor will provide appropriate job training to each employee before duties are assigned and before the employee begins working with the public. Reclamation will provide orientation(s) to the Concession Contractor regarding the Concessions Review Program and other

Reclamation concession programs, emphasizing the operational review program.

(3) The Concession Contractor will provide hospitality training for employees who have direct visitor contact or who provide visitor information.

(4) The Concession Contractor will design and provide interpretive training for all employees who provide interpretive or informational services. Reclamation will work closely with the Concession Contractor to refine the methods of preparing and conducting effective interpretive programs. Reclamation will evaluate interpretive visitor services to ensure appropriateness, accuracy, and the relationship of the interpretive program to themes of the area.

f. Employee and Community Services.

The Concession Contractor is encouraged to develop and support an employee recreation program. This program will provide facilities for various types of recreation for employees, such as dances, a wellness center, sports activities, fitness programs, and movies. The Concession Contractor may make these activities available to other community members.

E. SCOPE AND QUALITY OF SERVICE

All services are to be provided in a consistent and quality manner. The Concession Contractor shall be responsible for monitoring concession operations to ensure that quality standards are met. The following facility types and services are representative of most concession activities. It is not required to provide all of these in every location.

1. Overnight Accommodations

a. General.

The total room numbers available will not exceed the limitation set forth in the contract or planning documents for the area. The Concession Contractor will provide clean, well-maintained overnight accommodations.

b. Telephone Services.

Telephone services shall provide public access to long distance services in accordance with "The Telephone Operator Consumer Service Act." Charges to guests will not exceed the FCC approved AT&T tariff time-of-day and day-of-week, public switched-message rates. The Concession Contractor will not remove or supplement public pay phones installed in the area.

c. Lodging Reservations, Deposits, and Refunds.

(1) The Concession Contractor will adequately staff the reservations office to meet the need during peak periods.

(2) The Concession Contractor will accept reservations no more than 1 year in advance. A deposit may be required to hold a reservation. The deposit requirement and refund policy is part of the rate approval process. Any deposit may be paid by cash, check, money order, or major credit card.

(3) If cancellation is made 48 or more hours in advance of the check-in time, the deposit will be refunded in full. If the cancellation is made less than 48 hours in advance, the deposit is forfeited unless all rooms are eventually filled. Rates confirmed by the Concession Contractor shall be honored at the time of the stay. Refunds will be processed within 1 month of cancellation.

2. Food and Beverage Service

To the extent possible, the Concession Contractor will offer a range of food services and menu prices that accommodate a wide variety of visitors. Food service operations will offer variety at each location, including vegetarian entrees, light eater's portions, and children's menus. All menus will maintain a price range that accommodates the general range of visitors.

3. Alcoholic Beverage Sales

a. The Concession Contractor will comply with applicable State laws and regulations.

b. Alcoholic beverage service may be available to the public with meal service (bona fide eating place) and at designated lounges. Alcoholic beverage sales will be available to the public at specific merchandising outlets. No promotional activities (e.g., happy hours or two-for-one sales) will center on alcoholic beverages, unless approved by the area manager.

4. Merchandising

a. General.

All retail services will comply with the guidelines established by Reclamation. Guidelines regarding merchandise sales operations are found at <http://www.usbr.gov/recreation/publications/RCMG.pdf> CHAPTER 10 – HANDCRAFTS, GIFTS, AND MERCHANDISE.

b. Gifts and Souvenirs.

(1) Appendix A of this Operating Plan is a "Gift Shop Mission Statement."

(2) Gift and souvenir sales will conform to the Gift Shop Mission Statement, including the following:

(a) A broad range of gifts and souvenirs will provide visitors with opportunities to buy inexpensive as well as fine art items.

(b) Handcraft items representing area and regional themes, including crafts by local and Indian artists, will be actively sought and prominently displayed. All merchandise sold as handcraft items will have appropriate handcraft certification.

(c) Gift shops will offer items that have a direct relationship to Lake Berryessa, its environs, its history, or other related

environmental or cultural topics. This will provide visitors with opportunities to buy memorabilia of their Reclamation area visit while at the same time obtaining information or educational messages related to the area's resources. Where possible and appropriate, informative tags will be attached to the sales item to show their relationship to Reclamation area themes. Items of Reclamation area interpretive value and general value in environmental and cultural education will be prominently displayed.

(d) Gifts and souvenir items that are commonly found outside the Reclamation area and that do not relate to identified Reclamation area themes will not be restocked. Existing stocks may be sold until depleted.

c. Sporting Goods, Clothing, and Boating Safety Supplies.

The Concession Contractor shall carry a selection of clothing and sporting goods to meet the needs of visitors who may have forgotten items or need emergency replacements. The intent of this visitor service is to provide a narrow selection of items, which nonetheless, represents a range of price and quality levels.

d. Firewood.

If offered for sale, the Concession Contractor shall acquire fully cured firewood from outside the Reclamation area for sale in its facilities. Reclamation encourages the use of lower emission fuels when and wherever possible.

5. Interpretive Services

a. General.

The Concession Contractor shall submit to Reclamation a written plan for the concession's interpretive program that outlines, for both non-personal and personal services, a basic description of the topics to be covered, a bibliography of resource materials being used, and the scope of employee training.

b. Guided Tours (if offered).

(1) The Concession Contractor will provide guided tours using vehicles/vessels provided by the Concession Contractor.

(2) The Concession Contractor will provide a sufficient number of trained, courteous drivers/operators and support staff to meet the operating schedule. Personnel will wear appropriate uniforms.

(3) The Concession Contractor will adequately train staff members in safe operating procedures and interpretive techniques. The Concession Contractor will provide and be evaluated on thematic interpretation. Employees will demonstrate their knowledge of the Reclamation area, Reclamation goals, and appropriate interpretive techniques in the Concession Contractor's programs.

c. Indirect Interpretive Services.

(1) In addition to personal interpretation services, the Concession Contractor will actively pursue an indirect interpretive program. At food service facilities, interpretive messages will be included on menus, placemats, paper cups, tent-cards, etc. The Concession Contractor will explore a wide range of possible ways of conveying interpretive messages to visitors on related themes and topics such as resource protection, appreciation of area values, water safety and Reclamation goals.

(2) Area interpretive themes will carry over to merchandise sold in retail outlets.

6. Showers and Laundry Facilities

Shower enclosures and stalls will be well maintained and clean. Water pressure and temperature will remain constant and at appropriate levels.

7. Vending Machines

- a. Tobacco product vending machines are prohibited.
- b. When out of order for the season, signs will be posted on the vending machines that direct patrons to the closest available unit.

F. REPORTS

1. Concession Contractor

- a. Management Information System.

To document visitor use impact, the Concession Contractor may, as directed, maintain a management information system on lodging and food service operations and will provide the area manager with a monthly report that reflects the following type of information. Each area should independently determine and identify data to be collected and submitted to Reclamation.

- (1) Units available
- (2) Units occupied
- (3) Percentage of occupancy
- (4) Total guest count
- (5) Number of guests per unit
- (6) Average length of stay
- (7) Number of meals served (breakfast, lunch, and dinner)
- (8) Day use visitors

- b. Other Reports Required by the Contract:

- (1) Annual Financial Report: April 1 each year
- (2) Certificate of Insurance: March 1 each year

- (3) Statement of Insurance: March 1 each year (from Concession Contractor's insurance company)

c. Incident Reports.

The Concession Contractor will immediately report to Reclamation any fatalities or visitor-related incidents; property damage over \$500; any employee, visitor, or stock injuries requiring more than minor first aid treatment; any fires; any motor vehicle accidents; any incidents that affect the natural or cultural resources; and any known or suspected violations of law.

d. Human Illness Reports.

Outbreaks of illness associated with contaminated water or food sources or caused by other adverse environmental conditions shall be reported to the area manager.

e. Hazardous Materials Quarterly Report.

To document information regarding the Concession Contractor's hazardous materials, the Concession Contractor shall provide the area manager with a quarterly report (in a format to be designated by the area manager) that includes the following information for every hazardous material stored on-site or used during the prior quarter:

- (1) Maximum quantity, in pounds, of every material at any time during the quarter.
- (2) Form of the material.
- (3) Location of the material.
- (4) Hazard category of the material.
- (5) Type of storage containment.
- (6) Whether the material contains any chemical regulated as an extremely hazardous substance under Section 3.02/3.03 of the Emergency Planning and Community Right-to-Know Act (EPCRA).
- (7) The Material Safety Data Sheet.
- (8) The amount of materials used in the prior quarter, how the material was used, and the total volume of release (as defined in EPCRA) of that material and the media into which the material was released for every

hazardous material used that contains a chemical regulated under Section 3.13 of EPCRA.

(9) Any activities undertaken or planned to reduce hazardous waste generation.

f. Hazardous Waste Generation.

To document information regarding the Concession Contractor's solid wastes, the Concession Contractor shall provide the area manager with a quarterly report (in a format to be designated by the area manager) that includes the following information for all solid waste generated during the prior quarter:

(1) Volume of solid wastes generated per month in the prior quarter (this may be broken down into statistics for different districts or visitation centers).

(2) Volume of recyclable materials recovered by type per month.

(3) Products acquired for use that are made of recycled products or meet the definition of EPA's Environmentally Preferable Purchasing Program.

(4) Any activities planned or undertaken to reduce the amount of solid waste generated that requires landfill disposal.

G. SANITATION

1. Inspections

Reclamation will regularly inspect each food service facility, market, and public shower for sanitation.

2. Sanitation Training

At a minimum, the Concession Contractor will provide sanitation training for food service managers at the start of their employment in a food service facility and at least once every 5 years thereafter.

3. Garbage Collection

The Concession Contractor will be responsible to remove the trash and garbage generated within the assigned concession area.

H. LOST AND FOUND POLICY

Each found item shall be tagged, listing the item found, location found, date and time found, and who found it. The found items should be handled and disposed in accordance with 43CFR 423.23(2)(d).

The Concession Contractor shall attempt to identify the ownership of the found item and provide this information to Reclamation. Under no circumstances will Concession Contractor or Reclamation employees be permitted to keep lost and found items even after a prescribed waiting period.

I. INTEGRATED PEST MANAGEMENT

The control of pests by chemical and other means is subject to area office approval. The Operating Plan must be consistent with § 3.G and any other relevant provisions of this Concession Contract.

J. COMPLAINTS

Reclamation will send complaints or comments regarding Concession Contractor services to the Concession Contractor for investigation. The Concession Contractor must respond in a timely manner, in writing, to the person who lodged the complaint. The Concession Contractor must also provide the area manager with a copy of the response. A copy of Reclamation's response to the complaint, if necessary, will be forwarded to the Concession Contractor.

To initiate valid and responsive visitor comments, the following notice will be prominently posted: This service is operated by (Name of Concession Contractor), a Concession Contractor under contract administered by the Department of the Interior (Interior), Reclamation. The Concession Contractor is responsible for conducting these operations in a satisfactory manner. Please address comments to: Park Manager, 5520 Knoxville Road, Napa CA 94558.

K. ADVERTISEMENTS/PUBLIC INFORMATION

All signs and promotional material must be approved by the area manager before publication, distribution, broadcasting, placing on the Internet, etc. Advertisements must include a statement that the Concession Contractor is authorized by Reclamation to serve the public at Lake Berryessa. Brochure changes and layout should be submitted to the area manager for review at least 30 days before the projected need or printing dates. The area manager will make every effort to respond to minor changes to brochure and menu texts within 15 days. Longer periods may be required for major projects or if Reclamation assistance is required to help develop the product. The Concession Contractor should contact area office staff well in advance to establish specific time frames for each project. Advertisements for employment must contain a statement that the company is an equal opportunity employer.

L. PROTECTION AND SECURITY

1. Resource Protection

- a. Any harm or alteration of natural, paleontological, historic, or archaeological objects or structures is prohibited without prior Reclamation approval.
- b. The Concession Contractor shall ensure that its employees and customers leave artifacts and objects in place and do not enter ruins. If the Concession Contractor observes signs of vandalism of any kind (including defacement of rocks and damage to property) then the Concession Contractor shall notify an area office representative as soon as possible.
- c. The Concession Contractor shall provide restoration of any resources damaged by its operation. Restoration measures shall be determined and directed by Reclamation.
- d. Fishing shall be in accordance with laws and regulations of the State of California.

2. Fire Protection

The Concession Contractor must ensure that all buildings within the assigned area meet fire and life safety codes and that fire detection and suppression equipment is in good operating condition at all times. The Concession Contractor shall maintain the area to prevent and reduce wildfires by: proper signage, maintaining fire breaks, managing fuel loads, and education. It is strongly encouraged that the Concession Contractor coordinates these requirements with CalFire. It is also the Concession Contractor's responsibility to report all structural and wild fires immediately. The Concession Contractor should allow employees to be on the various developed area volunteer fire brigades (unless there is a bona fide full-time fire department) and will allow time away from their primary duties for necessary training.

3. Emergency Medical Care

During the busy season, the Concession Contractor shall provide a full-time employee who is qualified to provide health information and first aid treatment to the Concession Contractor's employees.

4. Concession Contractor Security Personnel

The Concession Contractor shall provide State of California certified security personnel to respond to Concession Contract violations and incidents. During peak periods additional security personnel shall be provided by the Concession Contractor.

M. FUEL STORAGE

The Concession Contractor shall be responsible for compliance with all Federal, State, and local laws and regulations pertaining to underground and aboveground fuel storage. The Concession Contractor must provide the area manager with copies of all reports and correspondence to or required by any regulatory agency pertaining to fuel storage. If any leak detection testing indicates a possible release or leak from a tank, Reclamation must be notified immediately; the Concession Contractor will be responsible for fulfilling all reporting, monitoring, and remediation requirements associated with a leak or release.

Reclamation must approve all plans for any work involving underground and aboveground fuel storage tanks, tracer probes, monitoring wells, removal of contaminated soil, and groundwater remediation work.

N. HAZARDOUS MATERIALS

The Concession Contractor shall comply with all Federal, State, and local laws and regulations pertaining to hazardous materials. The Concession Contractor shall provide Reclamation with a Hazardous Materials Business Plan within 6 months of execution of the contract. If the nature of the hazardous materials stored on-site changes, an update to this plan must be provided to the area manager. All hazardous materials must be stored and handled in a manner that minimizes the potential for spills and releases.

The Concession Contractor shall designate a hazardous materials coordinator who will have responsibility for all hazardous materials storage and for compliance with applicable laws and regulations.

The Concession Contractor shall provide the area manager with an Oil and Hazardous Substance Spill Contingency Plan that applies to the facilities assigned to the Concession Contractor. The Concession Contractor's plan must adopt emergency reporting and response procedures that complement and match Reclamation's plan, as appropriate. All spills and releases must be reported immediately by the Concession Contractor to the area manager and the area and regional office's hazardous materials coordinator and to all local emergency response agencies, State emergency response agencies, and the National Response Center as required by law and regulation.

The Concession Contractor will be responsible for cleaning up contamination caused by spills or releases from facilities assigned to the Concession Contractor or equipment used by the Concession Contractor or otherwise attributable to the Concession Contractor. If the Concession Contractor fails to take action to clean up a spill or release in a timely fashion, Reclamation may take such action as is appropriate to remediate the contamination and recover the costs of such response from the Concession Contractor.

When a release of hazardous or nonhazardous chemical or biological product occurs, proper corrective, cleanup, and safety actions must be implemented immediately. Individual fleet and public service vehicles with a load rating greater than 2 tons should carry, at a minimum, enough absorbent materials to effectively immobilize the total volume of fluids contained within the

vehicle. Vehicles and operators transporting hazardous materials must be Department of Transportation (DOT) certified and registered, and operators must be knowledgeable of local emergency response and personal safety protocol.

The Concession Contractor must provide information regarding hazardous materials used and stored on-site to the area manager in accordance with the requirements of this exhibit.

The Concession Contractor must adopt measures to minimize the use of hazardous materials, when appropriate, to minimize hazardous waste generation. If less toxic materials are available as a suitable substitute for a hazardous material, the alternative should be used, as appropriate, to decrease the potential for exposure to workers. The Concession Contractor shall seek to acquire environmentally preferable products, as defined by Executive Order 12873, A, when available.

O. HAZARDOUS WASTE

The Concession Contractor shall comply with all Federal, State, and local laws and regulations pertaining to hazardous waste.

The Concession Contractor shall designate a hazardous materials coordinator who will have responsibility for all hazardous waste accumulation areas and for compliance with applicable laws and regulations.

The Concession Contractor shall develop policies and practices to minimize hazardous waste generation. The Concession Contractor shall implement such minimization activities with the purpose of achieving a reduction of hazardous waste consistent with the mandate contained in Executive Order 12856.

The Concession Contractor shall provide the area manager with information regarding hazardous waste generation on a quarterly basis, in accordance with the requirements of this exhibit.

P. RECYCLING AND CONSERVATION

1. Source Reduction

a. In accordance with Executive Order 12873, the Concession Contractor shall track the rate at which solid waste is generated and work toward a specific reduction target by a certain time. This target may be coordinated with the area office. The Concession Contractor shall document its source reduction program in the reports provided to the area manager in accordance with the requirements of this exhibit.

b. The Concession Contractor will implement a source reduction program designed to minimize concession use of disposable products in its operations. Reusable and recyclable products are preferred over “throwaways.” Polystyrene and plastics will be used as little as possible and then only polystyrene not containing chlorofluorocarbon. Where disposable products are needed, products will be used that have the least impact on the environment. The use of post-consumer recycled products whenever possible will be encouraged.

2. Recycling and Beverage Container Programs

a. The Concession Contractor shall implement a recycling program that fully supports the efforts of Reclamation. Products to be recycled include, but are not limited to, paper, newsprint, cardboard, metals, plastics, aluminum, glass, waste oil, antifreeze, and batteries.

b. The Concession Contractor shall provide recycling bins in all visitor areas. The Concession Contractor is responsible for emptying these bins as needed and for ensuring that these recovered materials are delivered for recycling and not sent to a landfill for disposal.

c. Any beverage container deposits collected in excess of related operating expenses will be used for environmental projects as approved in writing by the area manager. An accounting of the beverage container deposits collected and distributed will be provided to Reclamation on an annual basis.

3. Water and Energy Conservation

The Concession Contractor will implement water and energy conservation measures for each of its operations. As new technologies are developed, the Concession Contractor will explore the possibility of integrating them into existing operations where there is potential for increased efficiency, reduced water or energy consumption, or reduced impacts on the environment.

4. Affirmative Procurement

The Concession Contractor will implement an Affirmative Procurement Program, consistent with Executive Order 12873, for the preferential acquisition of products that have recycled material content or that are environmentally preferable.

Q. VOLUNTEERS

The Concession Contractor will allow employees to participate in Reclamation's volunteer programs to the extent it does not impact their scheduled duties.

R. SMOKING IN PUBLIC BUILDINGS

Concession facilities must comply with Interior guidelines relative to smoking in public buildings. The Concession Contractor will post notices in all public buildings as necessary.

S. QUIET HOURS

Quiet hours will be enforced between 10 p.m. and 6 a.m. in all concession overnight facilities and the Concession Contractor's employee housing areas.

T. SIGNATURE BLOCK TO BE USED FOR FINAL PLAN

Concession Contractor

Reclamation

Signed: _____

Area Manager: _____

Title: _____

Date: _____

APPENDIX A GIFT SHOP GUIDANCE

Gift shops at the Reclamation area serve the two-fold mission of (1) providing opportunities for visitors to purchase mementos and (2) serving as an extension of Reclamation's interpretive responsibilities to the public. The shops provide a means for visitors to take something of their experience away with them by purchasing gifts and souvenirs that relate to the area's resources and educational messages. The purchases have the potential of both providing memories of an enjoyable experience and further contributing to the visitor's understanding of the area's preservation and related environmental and cultural values.

OBJECTIVES

By responding to the above mission statement purpose, the following objectives are achieved:

The image of the Reclamation area and the gift shops are intertwined; the shops, in terms of both merchandise and personnel, are a front line of Reclamation's interaction with its visitors and should exemplify quality and professionalism. The area office will assist in training the Concession Contractor's staff in the interpretive and educational messages to be conveyed by sales items. The Concession Contractor will continue training retail personnel to be aware of the sources (when important), quality, and authenticity (when appropriate) of merchandise items.

To the greatest extent possible, gift and souvenir items will have an identifiable relationship (i.e., environmental themes) to Lake Berryessa, its environs, its natural and cultural history, or other related topics.

Themes and categories will be identified by Reclamation's staff and the Concession Contractor's staff to guide in the implementation of objective 1. Gifts and souvenir items that do not relate to any of the above-identified themes will be phased out of the inventory.

Sales items with area interpretive and environmental or cultural educational value will be provided prominent display space. When possible and appropriate, informational tags will be attached to sales items in an interpretive or educational effort to illustrate the relationship of the item to one or more of the specific themes.

Handcraft items representing area and regional themes will be encouraged and sought; conversely, handcraft items from other regions of the United States are discouraged.

Gifts and souvenirs representing the desired themes will be sought within a broad price range, providing visitors the opportunity to purchase items from both expensive and inexpensive categories. When appropriate, fine art may be included within the Concession Contractor's sales inventory.

The Concession Contractor has the responsibility to select specific merchandise items that comply with this Mission Statement and the general Reclamation merchandising guidelines. The area manager must be careful not to dictate the sale of specific gift items based on individual tastes in gifts and souvenirs. Reclamation recognizes that purchasing and merchandising new inventory will be phased, and that items that do not sell, regardless of how well they support area themes, need not be offered for sale or reordered.

The above objectives are for gift and souvenir sales items. It is recognized that the Concession Contractor will also sell groceries, camping equipment, supplies, activity items, clothing, sundries, and other general merchandise necessary and appropriate to meet the needs of visitors.

EXAMPLES GIFT AND SOUVENIR THEMES

Scenery	Domes, cliffs, meadows, forests, rivers and waterfalls seen in and from (Area Name). Peaks, ridges, canyons, lakes, streams, meadows, forests, and giant sequoia groves. Skies.
Geology	Mineral and rock samples and their origins.
Life Communities	Balance and interdependence of life forms. Area flowers, trees, etc. Area animals, birds, fish.
Settlement of Area Name.	Native Americans in the vicinity of the concession. Other Americans in the vicinity of the concession. Establishment of the Reclamation area; role of Concession Contractors.
Reclamation Area Experience	Enjoy the special attributes of the project. Activities in local area. Project specific information. Reclamation area informational materials
Environmental Topics	General topics and issues of importance to all areas (e.g., air quality, water quality, and waste disposal). Environmental ethics.

EXHIBIT H

IMPROVEMENT PROJECT PROCEDURES

A. INTRODUCTION

This exhibit presents step-by-step procedures for the administration of concessionaire building projects (construction, rehabilitation, improvements, and repair and maintenance projects) within the assigned area. Project planning and design are presented first, followed by guidelines for project supervision. All projects undertaken by the Concession Contractor require a coordinated effort between the Concession Contractor and the Contracting Officer. This exhibit applies to the building of Concession Contractor Improvements, including new structures or facilities, rehabilitations, and the repair and maintenance of existing concession facilities that change the nature, appearance, or value of existing concession facilities.

Table H-1 located on page H-13 of this exhibit shows the Concession Facility Improvement Program build out plan.

Day to day facility operations, custodial, and preventive maintenance and maintenance needed for facility operations are not considered repair and maintenance projects subject to these procedures. Repair and maintenance is also not to be considered a project subject to these procedures when the activity does not change the nature, appearance, or value of existing concession facilities. All projects must be proposed, approved, and accomplished under these procedures. In the event of any inconsistency between this exhibit and the main body of this Concession Contract, the main body of the concession contract will prevail.

All project activities shall be directed and managed as presented in the annual Improvement Management Plan (IMP). In addition to these activities, the IMP should present a schedule of project development and implementation, as presented below under Item B, Project Planning and Design, paragraph 1. Individual projects included in the IMP will be authorized by Reclamation through an approved project statement (PS).

Projects may be required to be reviewed under the National Environmental Policy Act (NEPA) of 1969, as amended. Projects within historic and culturally significant areas may require certain building management methods established under the National Historic Preservation Act of 1966, as amended. All construction shall comply with codes and building requirements adopted by Reclamation, including without limitation and where applicable, the most recent International Building Code; NFPA codes; the Americans with Disabilities Act requirements; Reclamation Manual Policy and Directives and Standards. All concession facilities shall be harmonious in form, line, color, and texture with the surrounding landscape.

The Concession Contractor is responsible for all aspects of project development and implementation. The role of Reclamation is to provide direction, authorization, and oversight. The Concession Contractor and Reclamation staff must work closely together

to successfully complete construction projects in a manner that achieves the goals and objectives of the area of operation and of Reclamation.

B. PROJECT PLANNING AND DESIGN

The Concession Contractor will be provided with copies of Reclamation's Recreation Facilities Design Guidelines and Sign Guidelines to assist in meeting the conditions of this section. It is also noted that as part of this overall process the Concession Contractor will need to receive appropriate building and other required permits from Napa County as required by State and County law or regulation. If Reclamation requirements in this section exceed the requirements of Napa County or vice versa the requirements followed must be those that are most demanding unless there is a written waiver signed by both the county and Reclamation.

1. Submit an Annual Improvement Management Plan (IMP)

Before approval to proceed with any project is granted by Reclamation, the Concession Contractor must have submitted an annual IMP two to 12 months in advance of the actual site work depending on the complexity and the scope of the intended improvement. However, some projects may require several years of planning and design before construction. The purpose of the IMP is to identify the need and scope of projects in advance of the actual planned work to allow adequate time to prepare for project commencement and completion. The IMP should include any intended projects. Projects shown in the IMP must include at least a project title, a project concept description and scope, a brief statement of justification, and anticipated NEPA and section 106 planning and compliance established in collaboration with Reclamation staff. Additionally a schedule showing the activities from planning to project commencement and completion shall be included in the IMP.

2. Notify Reclamation of Intent-to-Proceed

The Concession Contractor shall formally notify the Contracting Officer and Reclamation, in writing, of its intent to proceed with any project planning, design, or construction. To assist Reclamation in sequencing and scheduling necessary support staff, the project must be identified in the annual IMP. At a minimum however, the Concession Contractor shall notify Reclamation in advance of developing the IMP to ensure the requirements of the Contracting Officer are included in the Concession Contractor's project IMP and budget formulation.

3. Identify a Project Coordinator

The Concession Contractor project coordinator must be identified for each project. This person should have the authority to obligate project expenditures and hire and direct consultants, contractors, and Concession Contractor support staff.

4. Prepare a Proposed Project Statement

Arrange and facilitate a project planning conference with Reclamation staff and prepare a proposed project statement (PS) to be submitted to the Reclamation Area Manager for review after the Concession Contractor develops the annual IMP containing this project. The conference should be performed on the proposed project site, if needed.

- a. **Conference Goal and Product.**—The primary goal of the conference is to clearly identify the project concepts and scope in sufficient detail to carry the project through to completion without significant deviation from an approved PS.

The product of the conference should be a draft final PS ready for approval prepared by the Concession Contractor resulting from collaboration between the Concession Contractor and the Reclamation Area Manager.

- b. **Project Statement Content.**—The PS shall include the following at a minimum: project description; justification; scope of work, including NEPA and NHPA section 106 planning and compliance; estimated total project price; proposed schedule; milestones of Reclamation design review; and third party project inspection and certification. The elements of the PS will function as check points of accountability and will vary in frequency and scope, depending upon the nature, complexity, and scope of the proposed project.
- c. **Professional Services and Construction.**—The Concession Contractor must ensure that, for any project requiring professional services; such services shall be acquired from appropriate registered technical professionals. Licensed contractors shall perform all project work unless otherwise approved in writing by the Contracting Officer. The Concession Contractor shall, at the request of the Contracting Officer, provide for registered technical professionals to perform project inspection or facility certification or any other service needed for project implementation.
- d. **Reclamation Operations.**—Any aspect of the proposed project where the scope of work interfaces with Reclamation operations, such as utility service connections or road maintenance operations, must be clearly identified in the PS.
- e. **New Development Design.**—All designs, layouts, and footprints for new development will be determined with the professional assistance and techniques of appropriate registered technical professionals (e.g., design specialists and landscape architects knowledgeable in the development of recreational vehicle parks, lodging facilities, campgrounds, marinas, wastewater treatment,

infrastructure, maintenance, and operational support facilities). Reclamation's Sign Guidelines should be used when planning for new or replacement signs.

5. Submit Project Statement for Reclamation Review

The proposed PS shall be submitted by means of written correspondence from the Concession Contractor to the Contracting Officer. A PS signed by the Reclamation Area Manager constitutes official authority for the Concession Contractor to continue further project development to the level specified in written correspondence from the Reclamation Area Manager. The Concession Contractor may obtain authority to complete a project when sufficient planning and design have been completed to meet the interests of Reclamation.

- a. **Project Statements** — A PS must present an estimate of total project expenditures. The expenditure will include all project planning, including NEPA and NHPA section 106 compliance, if required. An approved PS serves only as a guide for further project development to the level specified in the PS including but not limited to engineering documents, plans and specifications, Project Management Plan, etc.
- b. **Design** — The Contracting Officer requires an appropriate level of design and planning which shall include conceptual design, schematic design, landscaping design, footprint design, and preliminary engineering design such that Reclamation has a clear understanding of all facets of the planned project. Designs must be harmonious with form, line and color, and texture of the existing landscape. Concession Contractor must submit “as-built” construction drawings and specifications at project closeout.

6. Establish a Project File

A file of all project documents shall be held by the Concession Contractor as a chronological audit trail of all project decision making activity for each project from concept development to completion and Reclamation acceptance. Each project shall be identified with a unique project number assigned by Reclamation. All documents entered into the file should have the project identification number clearly displayed on it as part of document identity.

- a. **Capital Improvement Project File** — The Project File shall be established and maintained by the Concession Contractor and shall include all the documents identified in Section C, Assessment, of this Exhibit (below). This file shall be submitted at the time of project closeout to the Contracting Officer. As part of this file, the Concession Contractor must maintain auditable records of all expenditures attributable to each project and have them available for review if requested by Reclamation personnel. Invoices shall contain sufficient information to identify the tasks completed or products delivered as agreed upon in contracts presenting a full scope of work. The file shall clearly provide a “paper trail” of all expenditures.

- b. **Typical Project File.**—The organization of a typical project file is presented in the following sections:

Section A - Project Statement.—The approved PS, scope of work, and a copy of the authorizing correspondence for final planning and design that was sent to the Concession Contractor by the Reclamation Area Manager should be filed in this section.

Section B - Planning.—This section should contain documents pertaining to any project planning. Typical documents include those produced for NEPA and NHPA section 106 compliance. Also contained in this section should be any concept design, preliminary design, or schematic design correspondence and documents. When the Reclamation Area Manager grants approval for any of the above stages of project development, correspondence from the Reclamation Area Manager should be filed in this section.

Section C - Assessment.—This section should contain a record of any assessment performed during project implementation. Soil, vegetation, flood plain, structural, and electrical assessments, for example, should be filed in this section. Any other existing site or facility investigative reports and all quality assurance documents such as third-party project inspection, testing, and certification should also be filed in this section.

Section D - Design.—This section should contain a record of documents produced and decisions made during the design phase of a project. The design phase typically occurs when project activity has shifted from conceptual discussion to organizing detailed direction provided to a contractor for construction. The Concession Contractor will need Reclamation Area Manager approval for the final design, plans and, if applicable, specifications prior to the Concession Contractor moving to the construction phase. Correspondence from the Reclamation Area Manager providing design approval should be in this section.

Section E - Project Work.—This section should contain a record of decisions made during project work. The letter from the Reclamation Area Manager granting notice-to-proceed with the project should be in this section. All contractor proposals, change-orders, design modification documents, daily construction activity records, weekly meeting minutes, etc., should be in this section. Documentation for larger projects should be organized according to subcontractor activity or standard specification enumeration. The final documents filed in this section should be Reclamation correspondence sent to the Concession Contractor providing project acceptance and closeout.

Section F - Financial.—This is a very important section where a copy of all contracts and contract modifications should be filed. It is important to ensure that all expenditures are accounted for. All expenditures must have supporting documentation cross-referenced with documents in other file sections, if necessary. Monthly financial detail reports shall be prepared and filed in this section with copies of all project budget documents. This section must contain

the IRS Useful Life Table matching the IRS taxes filed for that year with a clear indication that the project will be capitalized or expensed. Also contained in this section shall be a copy of the project acceptance and closeout letter from the Contracting Officer.

Section G - Photo Documentation.—Complete documentation, including before-and-after photos, records of any special situations or conditions requiring changes, and documentation of methods used, should be kept to assist future maintenance or appraisal efforts. Photographic documentation is also usually required for modifications to “listed” historic structures. To be most useful, photos should be filed with the documents they support.

7. Submit Natural and Cultural Resource Compliance Documents for Review and Approval

During development of the PS, identification of required deliverables and responsibility for natural and cultural resources compliance work will be established. The Concession Contractor must request the participation of Reclamation staff early in project planning to ensure uninterrupted project implementation. Development of compliance documentation must occur as soon as possible. Every effort shall be made to perform compliance document preparation tasks concurrently with project planning and design.

- a. **Historic and Cultural Compliance.**—Historic and cultural compliance document approval is required for property listed in or eligible for inclusion in the *National Register of Historic Places*. Any undertaking affecting property listed shall be performed in accordance with “Department of the Interior’s Standards for Rehabilitation and Illustrated Guidelines for Rehabilitating Historic Buildings.” The Concession Contractor must document proposed actions before any work occurs for any project that may affect a historic structure, historic district, cultural landscape, archeological site, or historic object or furnishing. Compliance will usually require the preparation of at least “assessment of effect” drawings and specifications to the level of final documents, if required. Compliance shall carry through to submission of the “Construction or R&M Completion Report” for many projects where significant changes are made to the historic structure or landscape. Therefore, compliance document approval usually will not occur until after submission of project documents. Historic compliance review and approval will require at least several weeks from date of submittal to Reclamation. Where submittal is made to the State Historic Preservation Officer or the Advisory Council on Historic Preservation, additional time will be required before approval may be given.
- b. **Ground Disturbance.**—Where ground disturbance will take place, submittal of drawings that show area and depth of proposed ground disturbance will be required. Submittal of this document early in project planning is recommended. All project documents that include soil disturbance shall have the following specification included within them:

Petroglyphs, artifacts, burial grounds or remains, and structural features and ceremonial, domestic, and archeological objects of any nature, whether historic or prehistoric, found within the project area are the property of, and will be removed only by, the Government. Should the contractor's operations uncover or its employees find any archeological remains, the contractor shall suspend operations at the site of discovery, notify the Government immediately of the findings, and continue operations in other areas. Included with the notification shall be a brief statement of the location and details of the findings.

- c. **Archeological Monitoring.**—Monitoring project activity is a requirement of cultural compliance when significant ground disturbance occurs during project work. Any cultural resource monitoring required shall be performed under the direction of Reclamation. Reclamation shall be notified sufficiently in advance of the need for a monitor and will assist the Concession Contractor in making arrangements for the services of an archeological monitor at the expense of the Concession Contractor if Reclamation is unable to provide the expertise.
- d. **National Environmental Policy Act Compliance.**—NEPA compliance document approval is required before any construction or R&M project occurs for any project that has an impact on the environment. Projects requiring compliance will be identified by Reclamation early during project planning. The actual review period length may vary widely depending on the nature, scope, and complexity of the project elements that relate to resource compliance. Projects that have an insignificant effect on Reclamation resources usually require a “categorical exclusion” determination. Projects having a significant effect on Reclamation resources or that are not part of other NEPA compliance documentation may also require a longer period of implementation.

8. Submit Project Documents for Review and Approval

The Concession Contractor shall submit project documents to establish project activity for review and approval by the Reclamation Area Manager. Approved project documents establish the full scope of the project and the quality of work to be performed by the Concession Contractor. The scope of the documents required will be identified in the PS. The scope and detail of the documents will vary depending on the nature and complexity of the project. “Manufacturer’s cut-sheets” may be all that is required for some R&M projects, and for others, complete detailed drawings and specifications may be required. The Concession Contractor is responsible for the technical accuracy and completeness of all project documents and shall provide the technical review as needed to ensure compliance with all applicable Federal, State, and local statutes, codes, regulations, and appropriate industry standards. Any exception to this will be by written authorization from the Reclamation Area Manager.

9. Submit a Project Estimate and Schedule

An estimate of the total project price and completion schedule shall be submitted to the Reclamation Area Manager before work begins. This is a revision of the total

project price and completion schedule estimated in the PS. The project estimate and schedule are based on the best information available that was identified during project planning and design.

C. PROJECT MANAGEMENT PROCEDURES

1. Identify a Coordinator

A project coordinator shall be identified and vested with the authority to direct the contractor on behalf of the Concession Contractor. Reclamation will direct its communication concerning the nature and progress of project activity to this person. The project coordinator shall have full responsibility for ensuring that all construction complies with the approved project documents and specified code compliance.

2. Submit a Total Project Price for Review

All projects completed under the terms of this concession contract shall include submittal of a total project price in writing to the Reclamation Area Manager for review.

3. Notice-to-Proceed with a Project

A Notice-to-Proceed with a project will be issued when all submittals, including but not limited to proof of any required bonding and insurance, requested by the Reclamation area manager have been reviewed and approved. The Notice-to-Proceed must be received by the Concession Contractor in writing before any project work occurs.

4. Hold a Pre-Project Conference with the Contractor

The Concession Contractor shall arrange and facilitate a pre-project conference as needed or as requested by Reclamation with the Concession Contractor's construction contractor (contractor). The purpose of the conference is to provide Reclamation the opportunity to meet the contractor and confirm that the contractor has full understanding and knowledge of all work to be performed. In addition, the conference provides the opportunity to confirm established communication linkages between the Concession Contractor, the contractor, and Reclamation. Any questions the contractor may have regarding any matter of the project or anything about area access, rules, and regulations may also be discussed.

5. Submit Project Activity Reports (as Required)

A record of project activity shall be provided by the Concession Contractor on all approved projects. The scope and frequency of performing this documentation shall be identified upon submittal of project documents for Reclamation approval. The Concession Contractor is responsible for the accuracy and completeness of all design and completed projects.

- a. **Content.**—Project activity reports shall summarize daily project activity recording important observations and decisions. These may be daily reports or weekly reports that cover daily activities. They shall also identify project expenditures to date if required. The reports shall identify any changes to the approved project documents either by Change Order or as a result of any other variance from approved project documents. Reclamation shall be notified immediately if a change is likely to occur in the total project price. (See the discussion below for review and approval of change orders and contract modifications.)
- b. **Regulatory Code Compliance and Project Inspection (as Required).**— Inspection reports specifically addressing regulatory code compliance and adherence to project documents will be required, at the request of the Reclamation Area Manager, during certain stages of the work. Independent industry certified inspectors or registered technical professional subject area experts shall perform all inspections and project component certification. Inspection reports shall be prepared that include all findings and results of code compliance inspection. Sections and paragraphs of applicable codes shall be referenced when deficiencies are noted. Recommendations presenting remediation shall accompany line item deficiencies in the report. All inspection reports shall be included in the final project completion report. Inspection reports must be submitted before the project is accepted by the Reclamation Area Manager.

6. Submit Requests for Changes in Approved Project Documents

The Reclamation Area Manager's approval will be required before any significant changes are made to the project scope during the completion of projects. The Concession Contractor shall provide Reclamation with written notification immediately upon identifying the need for a change in project scope that affects any of the items listed below. The written notification shall include a request to change the approved project documents. The request will be complete with justification and explanation of the effect of the change on all other aspects of project design and work. Requests for any significant changes in the approved project documents shall be reported in project activity reports, and any documentation requested will be attached. Changes in approved project scope that need to be made after the work has started will require review and approval of the Reclamation area manager. Some examples might include the following:

- Changes affecting natural, cultural, or historic resources.
- Changes in designated visual appearance.

- Changes in the interface with Reclamation utility or road facility maintenance operations.
- Changes in project scope, as required for facility improvement projects.
- Proposed changes that involve natural or cultural or historic resources may require a significant period of review, depending on the complexity of the concern.

7. Submittal of Change Orders for Review and Approval

When one of the five factors listed in (6) above exists, the Concession Contractor shall submit, for the review and approval of the Reclamation Area Manager, documentation justifying the proposed changes. The Concession Contractor shall also submit a revised total project price for each proposed change, as needed. All change orders or any other means of directing the contractor that may have the effect of increasing the total project price will require the Reclamation Area Manager's review and approval.

8. Reclamation Project Inspection

A representative of the Reclamation Area Manager will inspect the project periodically. These inspections are not in lieu of or in any way a substitute for project inspection provided by the Concession Contractor. Ensuring safe, accountable project activity and providing the contractor with direction to fulfill the full scope of approved work is the responsibility of the Concession Contractor.

9. Project Supervision Documents

Project drawings and specifications must be kept on the project site, complete with any design or project modifications, in a well-organized form. The Construction Supervisor shall keep a current "red-line" copy of approved project documents updated daily showing any changes. In addition, a well-organized file of submittals required in the approved project documents and approved where required by professional architects and/or engineers must also be kept on the project site with the project documents for periodic inspection by Reclamation staff.

10. Substantial Completion Inspection and Occupancy

Joint inspection by Reclamation and the Concession Contractor will occur upon notification that the project is substantially complete. A "punch list" of work items will be formulated and performed to "closeout" the project. The Reclamation Area Manager will accept the project when the "punch-list" items are completed. The Concession Contractor will be notified in writing by the Reclamation Area Manager. The Concession Contractor is not to occupy the facility until authorized in writing by the Reclamation Area Manager.

11. Requesting Approval

Upon Substantial Completion of a capital improvement project, as determined by the Reclamation Area Manager, the Concession Contractor must provide the Reclamation Area Manager with a written schedule of costs incurred. The project file containing actual invoices and the administrative record of project implementation must support these expenditures and shall be submitted to the Reclamation Area Manager for review with the request. If requested by the Reclamation Area Manager, the Concession Contractor shall also provide written certification from a certified public accountant regarding project costs. The certification must comply with the requirements of this concession contract.

12. Project Completion Report

Upon completion of any project, the Concession Contractor shall submit a project completion report to Reclamation. The completion report shall include the total project cost; before-and-after photo documentation; warranties; operation and maintenance manuals, if required; all inspection and certification reports; and “as-constructed” drawings. (See item 13, below.) Projects may require the submittal of any other similar documents deemed necessary by Reclamation to establish complete project documentation. The level of documentation requested may also include photo documentation provided during construction to record significant unforeseen site and construction conditions that necessitated changes to approved project documents and the approved total construction price.

13. “As-Built” Drawings

The “as-built” drawings included with the project completion report for all projects shall be full-size, archival quality, prepared in accordance with Reclamation management policies and must be submitted before the project is accepted by Reclamation. At least two half-size sets of drawings shall also be provided. The drawings shall provide a full and complete record of all “as-built” facilities, including reproductions of approved submittals and manufacturer’s literature documenting quality of materials, equipment, and fixtures in addition to a record set of project specifications approved for construction.

14. Request Project Acceptance and Closeout by the Reclamation Area Manager

The Concession Contractor shall request project acceptance by the Reclamation Area Manager either at the time of submittal of the Project Completion Report or at any time thereafter. Project acceptance will be contingent upon fulfillment of all requested project completion work tasks and submittal of all project documentation in accordance with these guidelines and as requested by Reclamation.

TABLE H-1 CONCESSION FACILITY IMPROVEMENT PROGRAM

PENSUS LAKE BERRYESSA CONCESSIONS
DEVELOPMENT PLAN SCHEDULE FOR PROVISION OF SERVICES

EXPLANATORY NOTES

Provision of all anticipated services contingent upon any additionally required government approvals.

SERVICES ANTICIPATED AS POSSIBLE TO PROVIDE for SEASON 2010

Markley & Monticello - No possession by Pensus until beginning of 4th year.

Markley - Start of installations have been delayed until 4th year but accelerated so that the total proposed is still accomplished by year 10. If Pensus receives possession sooner, the development will be move up accordingly.

Monticello - Start of installations have been delayed until 4th year but accelerated so that the total proposed is still accomplished by year 10. If Pensus receives possession sooner, the development will be moved up accordingly.

Steele, Spanish, Berryessa & Putah - For 2010 Season operation of all existing camping and RV sites.

Spanish - For 2010 Season, if warranted by market demand, possible conversion of +/- 100 Trailer Home sites (out of total of 153) to RV or camp site use (all shown below as RV).

Steele - For 2010 Season utilization of the existing parking area by the launch ramp for boat trailer parking for self launch customers.

Steele - For 2010 Season the utilization of the flat area in the tennis court vicinity for boat on trailer storage with launch and retrieval service - possible creation of an additional temporary launch location.

Putah - For 2010 Season utilization of the existing parking area by the launch ramp for boat trailer parking for self launch customers.

Putah - For 2010 Season possible expansion of the parking area by minimal grading and granite surfacing as necessary.

Putah - For 2010 Season, if warranted by market demand, possible conversion of 100 +/- Trailer Home Sites (of a total of 142) to RV or camp site use (all shown below as RV).

NOTES / CONDITIONS / CONTINGENCIES FOR PROVISION OF SERVICES IN 2010

Portable toilet facilities will be provided as necessary & existing (and available for temporary use restrooms) possibly connected to Effluent Holding Tanks.

All operations contingent upon permission to truck effluent and availability of a treatment facility that will accept the effluent at a reasonable cost.

All operations contingent upon a distribution system to deliver potable water. Potable water holding tanks will be installed.

RV Sites will be provided with a potable water delivery and effluent pump out service. Power will be provided to additional sites if practical.

Season 2010 shows possible provision of a greater number of RV and Camping Sites than exist at present or in following years. However no account has been taken of phasing out temporary sites while new facilities are installed.

Self Launch customer parking and land storage of boats is considered to be conservative. If the market demands it is believed that additional sites for parking / storage can be created.

MAHOGANY BAY (MARKLEY COVE)	SERVICES FOR 2010 SEASON ONLY	REQUIRED FACILITIES									TOTAL ESTIMATED DEVELOPMENT COST	ADDITIONAL AUTHORIZED FACILITIES TO BE INSTALLED DEPENDANT UPON MARKET DEMAND	TOTAL REQUIRED & AUTHORIZED FACILITIES	
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9				Year 10
RV sites at beginning of year					-	-	-	-	-	0				
RV sites at end of year					-	-	-	-	-	0				
												0	0	
Campground sites at beginning of year														
Campground sites at end of year														
												10	10	
Lodging units (unrated cabins) at beginning of year					-	-	-	10	10	10	10			
Lodging units at end of year								10	10	10	10			
development cost per unit					-	-	60,000	60,000	60,000	60,000	60,000	20	30	
Wet Slips at Beginning of Year					-	200	200	200	200	200	200			
Wet Slips at Year End					200	200	200	200	200	200	200			
development cost per slip					33,171	33,171	33,171	33,171	33,171	33,171	33,171	6,634,200	0	200
Courtesy/Boat Rental Slips at Beginning of Year					-	-	-	-	-	0				
Courtesy/Boat Rental Slips at End of Year										0				
development cost per slip													20	20
***Tour Boat dock is included in Courtesy/Boat Rental														
Small Boat Rentals at beginning of year														
Small Boat Rentals at end of year														
												0	0	
Houseboat Rentals at beginning of year														
Houseboat Rentals at end of year														
												0	0	
Dry/Stack Storage units at beginning of year						80	120	120	120	120	120			
Dry/Stack Storage units at end of year					80	120	120	120	120	120	120			
development cost per unit					6,500	6,500	6,500	6,500	6,500	6,500	6,500	780,000	120	240
AMENITIES														
Retail/Convenience/Boutique					1								1	2
Restaurant													2	2
Restroom/Shower /Laundry Facilities						1							0	1
Resort Spa/Fitness Center													1	1
RV/Camping Swimming Pool/Cabana/Clubhouse														
Resort Swimming Pools/Cabana														
Fish Cleaning Station						1							0	1
BBQ Area													1	1
Conference Center														
Fuel dock						1							0	1
Pump outs						1							0	1
On land fuel station														
Boat maintenance facility													1	1
Launch Ramp					1								0	1
AMENITIES & CONTINGENCY COST												985,800		
TOTAL DEVELOPMENT COST												9,000,000		

LUPINE SHORES (STEELE PARK)	SERVICES FOR 2010 SEASON ONLY	REQUIRED FACILITIES										TOTAL ESTIMATED DEVELOPMENT COST	ADDITIONAL AUTHORIZED FACILITIES TO BE INSTALLED DEPENDANT UPON MARKET DEMAND	TOTAL REQUIRED & AUTHORIZED FACILITIES
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10			
Existing RV Sites with partial hookup	48													
Existing RV Sites with complete hookup including sewer	14													
RV sites at beginning of year			10	31	31	31	31	31	31	31				
RV sites at end of year		10	31	31	31	31	31	31	31	31				
development cost per site		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	93,000	0	31	
Campground sites at beginning of year														
Campground sites at end of year												10	10	
development cost per site														
Lodging units (boutique resort - 3 star) at beginning of year				-	-	25	25	25	25	25				
Lodging units at end of year					25	25	25	25	25	25				
development cost per unit					220,000	220,000	220,000	220,000	220,000	220,000	5,500,000	55	80	
Wet Slips at Beginning of Year		-	-	-	-	-	-	-	-	-	0			
Wet Slips at Year End		-	-	-	-	-	-	-	-	-	0			
development cost per slip												0	0	
Courtesy/Boat Rental Slips at Beginning of Year		-	5	5	10	10	10	10	10	10				
Courtesy/Boat Rental Slips at End of Year		5	5	10	10	10	10	10	10	10				
development cost per slip		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000	10	20	
***Tour Boat dock is included in Courtesy/Boat Rental														
Small Boat Rentals at beginning of year		-	-	-	-	-	-	-	-	-	0			
Small Boat Rentals at end of year		-	-	-	-	-	-	-	-	-	0			
cost of small boat												0	0	
Houseboat Rentals at beginning of year		-	-	-	-	-	-	-	-	-	0			
Houseboat Rentals at end of year		-	-	-	-	-	-	-	-	-	0			
cost of houseboat												0	0	
Dry Storage Spaces and Boat Trailer Parking Spaces	500	-	-	-	-	-	-	-	-	-	0			
The two categories above will be adjusted based on demand		-	-	-	-	-	-	-	-	-	0			
A Launch & Retrieval Service will be available on request												240	240	
development cost per unit														
AMENITIES														
Retail/Convenience/Boutique			1									1	2	
Restaurant				1								1	2	
Restroom/Shower /Laundry Facilities			1									0	1	
Resort Spa/Fitness Center														
RV/Camping Swimming Pool/Cabana/Clubhouse														
Resort Swimming Pools/Cabana											1		1	
Fish Cleaning Station						1					0		1	
BBQ Area														
Conference Center											1		1	
Fuel dock														
Pump outs											1		1	
On land fuel station											1		1	
Boat maintenance facility														
Launch Ramp				1							0		1	
AMENITIES & CONTINGENCY COST											807,000			
TOTAL DEVELOPMENT COST											6,500,000			

FOOTHILL PINES (SPANISH FLATS)	SERVICES FOR 2010 SEASON ONLY	REQUIRED FACILITIES										TOTAL ESTIMATED DEVELOPMENT COST	ADDITIONAL AUTHORIZED FACILITIES TO BE INSTALLED DEPENDANT UPON MARKET DEMAND	TOTAL REQUIRED & AUTHORIZED FACILITIES		
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10				Year 1 - 30	Year 1 - 30
Temporary RV sites to be located on Trailer Home Pads Power will be provided to some sites if possible Effluent pump out and potable water delivery will be provided	100															
RV sites at beginning of year	-	20	40	45	45	45	45	45	45	45						
RV sites at end of year	20	40	45	45	45	45	45	45	45	45			30	75		
development cost per site	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	135,000					
Existing Campground sites with no hookups	75															
Existing Campground sites with hookups	14															
Portapoties will be provided																
Campground sites at beginning of year	-	50	75	75	75	75	75	75	75	75						
Campground sites at end of year	50	75	75	75	75	75	75	75	75	75			25	100		
development cost per site	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	90,000					
Lodging units (unrated cabins) at beginning of year	-	5	10	15	20	25	30	30	30	30						
Lodging units at end of year	5	10	15	20	25	30	30	30	30	30						
development cost per unit	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	1,800,000		70	100		
Wet Slips at Beginning of Year	-	50	100	150	200	200	200	200	200	200						
Wet Slips at Year End	50	100	150	200	200	200	200	200	200	200						
development cost per slip	27,121	27,121	27,121	27,121	27,121	27,121	27,121	27,121	27,121	27,121	5,424,200		150	350		
Courtesy/Boat Rental Slips at Beginning of Year	-	5	10	10	20	20	20	20	20	20						
Courtesy/Boat Rental Slips at End of Year	5	10	10	20	20	20	20	20	20	20						
development cost per slip	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	200,000		0	20		
***Tour Boat dock is included in Courtesy/Boat Rental																
Small Boat Rentals at beginning of year	-	-	-	5	5	5	5	5	5	5						
Small Boat Rentals at end of year			5	5	5	5	5	5	5	5						
cost of small boat			30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	150,000		0	5		
Houseboat Rentals at beginning of year	-	-	10	20	30	35	35	35	35	35						
Houseboat Rentals at end of year	-	10	20	30	35	35	35	35	35	35						
cost of houseboat		150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	5,250,000		0	35		
Dry/Stack Storage units at beginning of year	-	-	40	80	120	120	120	120	120	120						
Dry/Stack Storage units at end of year	-	40	80	120	120	120	120	120	120	120						
development cost per unit		6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	780,000		120	240		
AMENITIES																
Retail/Convenience/Boutique			1											1	2	
Restaurant				1										1	2	
Restroom/Shower /Laundry Facilities			1	1										0	2	
Resort Spa/Fitness Center																
RV/Camping Swimming Pool/Cabana/Clubhouse														1	1	
Resort Swimming Pools/Cabana																
Fish Cleaning Station						1								0	1	
BBQ Area														1	1	
Conference Center																
Fuel dock						1								0	1	
Pump outs						1								0	1	
On land fuel station														1	1	
Boat maintenance facility														1	1	
Launch Ramp			1											0	1	
AMENITIES & CONTINGENCY COST											1,670,800					
TOTAL DEVELOPMENT COST											15,500,000					

CHAPARRAL COVE (PUTAH CREEK)	SERVICES FOR 2010 SEASON ONLY	REQUIRED FACILITIES										TOTAL ESTIMATED DEVELOPMENT COST	ADDITIONAL AUTHORIZED FACILITIES TO BE INSTALLED DEPENDANT UPON MARKET DEMAND	TOTAL REQUIRED & AUTHORIZED FACILITIES
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10			
Existing RV Sites & conversion sites with partial hookup	120													
Existing RV Sites with complete hookup including sewer	35													
RV sites at beginning of year		-	20	40	60	80	100	100	100	100				
RV sites at end of year		20	40	60	80	100	100	100	100	100				
development cost per site		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	300,000	50	150	
Existing Campground sites with no hookup	112													
Campground sites at beginning of year		-	60	120	160	200	200	200	200	200				
Campground sites at end of year		60	120	160	200	200	200	200	200	200				
development cost per site		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	240,000	100	300	
Lodging units at beginning of year		-	-	-	-	-	-	-	-	0				
Lodging units at end of year										0				
												200	200	
Wet Slips at Beginning of Year														
Wet Slips at Year End														
Courtesy/Boat Rental Slips at Beginning of Year		-	5	10	10	10	10	10	10	10				
Courtesy/Boat Rental Slips at End of Year		5	10	10	10	10	10	10	10	10				
development cost per slip		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000	10	20	
***Tour Boat dock is included in Courtesy/Boat Rental														
Small Boat Rentals at beginning of year														
Small Boat Rentals at end of year														
Houseboat Rentals at beginning of year														
Houseboat Rentals at end of year														
Dry Storage Spaces and Boat Trailer Parking Spaces	300									0				
The two categories above will be adjusted based on demand										0				
A Launch & Retrieval Service will be available on request														
Dry/Stack Storage units at beginning of year														
Dry/Stack Storage units at end of year												240	240	
AMENITIES														
Retail/Convenience/Boutique			1									1	2	
Restaurant				1								0	1	
Restroom/Shower /Laundry Facilities				1								1	2	
Resort Spa/Fitness Center														
RV/Camping Swimming Pool/Cabana/Clubhouse												1	1	
Resort Swimming Pools/Cabana														
Fish Cleaning Station						1						0	1	
BBQ Area														
Conference Center														
Fuel dock						1						0	1	
Pump outs														
On land fuel station														
Boat maintenance facility														
Launch Ramp				1								0	1	
AMENITIES & CONTINGENCY COST											1,110,000			
TOTAL DEVELOPMENT COST											1,750,000			

ALL CONCESSIONS COMBINED	SERVICES FOR 2010 SEASON ONLY	REQUIRED FACILITIES										TOTAL ESTIMATED DEVELOPMENT COST	ADDITIONAL AUTHORIZED FACILITIES TO BE INSTALLED DEPENDANT UPON MARKET DEMAND	TOTAL REQUIRED & AUTHORIZED FACILITIES
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10			
Existing RV Sites (partial hookup) & Trailer Home Sites used for RV	268													
Existing RV Sites with complete hookup including sewer	49													
RV sites at beginning of year		-	50	111	136	156	176	176	176	176	176			
RV sites at end of year		50	111	136	156	176	176	176	176	176	176	528,000	235	411
Existing Campground sites with no hookups	235													
Existing Campground sites with hookups	14													
Campground sites at beginning of year		-	110	235	275	315	315	315	315	315	315			
Campground sites at end of year		110	195	275	315	315	315	315	315	315	315	378,000	215	530
Lodging units at beginning of year		-	5	10	75	125	160	185	205	225				
Lodging units at end of year		5	10	75	125	160	185	205	225	265				
												31,900,000	945	1210
Wet Slips at Beginning of Year		-	100	200	500	600	650	700	750	750				
Wet Slips at Year End		100	200	500	600	650	700	750	750	750		21,568,250	300	1050
Courtesy/Boat Rental Slips at Beginning of Year		-	20	45	50	60	60	60	60	60				
Courtesy/Boat Rental Slips at End of Year		20	35	50	60	60	60	60	60	60				
												600,000	60	120
Small Boat Rentals at beginning of year		-	-	-	5	5	5	5	5	5				
Small Boat Rentals at end of year		-	-	5	5	5	5	5	5	5				
												150,000	0	5
Houseboat Rentals at beginning of year		-	-	20	40	60	70	70	70	70				
Houseboat Rentals at end of year		-	20	40	60	70	70	70	70	70				
												10,500,000	0	70
Dry Storage Spaces and Boat Trailer Parking Spaces	800													
The two categories above will be adjusted based on demand														
A Launch & Retrieval Service will be available on request														
Dry/Stack Storage units at beginning of year		-	40	120	280	360	360	360	360	360				
Dry/Stack Storage units at end of year		40	120	280	360	360	360	360	360	360		2,340,000		
													840	1200
AMENITIES														
Retail/Convenience/Boutique			3	1	2								6	12
Restaurant				2	2	1							6	11
Restroom/Shower /Laundry Facilities			3	2		2							1	8
Resort Spa/Fitness Center													2	2
RV/Camping Swimming Pool/Cabana/Clubhouse													2	2
Resort Swimming Pools/Cabana													3	3
Fish Cleaning Station						5	1						0	6
BBQ Area													3	3
Conference Center													2	2
Fuel dock				1		4							0	5
Pump outs				1		2							1	4
On land fuel station													2	2
Boat maintenance facility													3	3
Launch Ramp			2	2	1	1							0	6
AMENITIES & CONTINGENCY COST												8,285,750		
TOTAL DEVELOPMENT COST												76,250,000		

EXHIBIT I

INSURANCE REQUIREMENTS

The Concession Contractor shall obtain and maintain during the entire term of this Concession Contract, at its sole cost and expense, the types and amounts of insurance coverage as set forth below and as applicable and as necessary to fulfill the obligations of the Concession Contract. Unless otherwise specified, the amounts of insurance and coverage requirements herein are required for each of the six concession areas. An umbrella policy providing equivalent insurance for all concession areas may be acceptable, subject to advance written approval by Reclamation.

With the exception of statutory worker's compensation insurance protection, Reclamation shall be named as an additional insured under all insurance policies issued or arranged in support of this Concession Agreement. The coverage provided for the benefit of Reclamation is not to be impaired by the Concession Contractor, its agents, servants, or employees. Reclamation shall, solely for its benefit, be provided an unconditional 30-day advance notice of cancellation, non-renewal, or material change in coverage or policy terms. The term "Reclamation" shall, by definition and where appropriate and legally permissible, also include the terms "Government" and/or "United States of America."

The amounts of insurance and coverage terms indicated are not intended as a limitation of the Concession Contractor's responsibility or liability under this agreement, but rather an indication as to the minimum amount and minimum scope of insurance that Reclamation considers necessary to allow the operation of the concession facilities at its area. Nevertheless, if the Concession Contractor purchases insurance in addition to the limits illustrated herein, Reclamation is to receive benefit of the additional amounts of insurance without additional cost to Reclamation.

A. PROPERTY INSURANCE

1. Building(s) and/or Contents Coverage

- a. Insurance shall cover buildings, structures, improvements, betterments, and contents for all concession facilities.
- b. Coverage shall apply on an "all risks," "special coverage," or "open peril" basis.
- c. The policy shall provide for loss recovery for each Structure on a replacement cost basis. These values will be updated by Reclamation every 3 years, or more often if there is a substantial change in value.
- d. The amount of insurance should represent no less than 90 percent of the property replacement cost of the insured property.
- e. The coinsurance provision, if any, shall be waived or suspended by an agreed amount or agreed value clause.

- f. Coverage is to be provided on a blanket basis.
- g. The vacancy restriction, if any, must be eliminated for property that will be vacant beyond any vacancy time period specified in the policy.
- h. Flood coverage shall be maintained in accordance with A.1.d.
- i. Earthquake coverage shall be maintained in accordance with A.1.d.
- j. Ordinance or law coverage shall be maintained in accordance with A.1.d.

2. Boiler and Machinery Coverage

- a. Insurance shall apply to all pressurized objects within concession facilities.
- b. The policy shall provide for loss recovery on a replacement cost basis.
- c. The amount of insurance should represent no less than 75 percent of the property replacement cost of the insured property.
- d. The coinsurance provision, if any, shall be waived or suspended by an agreed amount or agreed value clause.
- e. Coverage is to be provided on a blanket basis.
- f. If insurance is written with an insurer other than the building(s) and contents insurer, both the property and boiler insurance policies must be endorsed with a joint loss agreement.
- g. The approved value of each structure shall be stated, and the structure shall be insured for not less than this amount.

3. Builder's Risk Coverage

- a. Insurance shall cover new buildings or structures under construction at the concession facilities and include coverage for property that has or will become a part of the project while such property is at the project site, at temporary off-site storage, and while in transit. Coverage should also apply to temporary structures such as scaffolding and construction forms.
- b. Coverage shall apply on an "all risks" or a "special coverage" basis.
- c. The policy shall provide for loss recovery on a replacement cost basis.
- d. The amount of insurance should represent no less than 90 percent of the replacement cost value of the insured property.

- e. The coinsurance provision, if any, shall be waived or suspended by an agreed amount or agreed value clause.
- f. Any occupancy restriction must be eliminated.
- g. Any collapse exclusion must be eliminated.
- h. Any exclusion for loss caused by faulty workmanship must be eliminated.
- i. Flood coverage may be maintained.
- j. Earthquake coverage may be maintained.

4. Business Interruption and/or Extra Expense

Business interruption insurance, if maintained by the Concession Contractor, should cover the loss of income and continuation of fixed expenses in the event of damage to or loss of concession Facilities. Extra expense insurance shall cover the extra expenses above normal operating expenses to continue operations in the event of damage or loss to covered property.

Note that if an operator determines not to obtain this type of insurance and there is an incident resulting in 'loss of business' and associated revenue Reclamation will not consider any adjustment to franchise fees or other 'terms and conditions' of the Interim Concession Contract to modify the impacts of the loss to the Concession Contractor.

5. Deductibles

Property insurance coverage's described above may be subject to deductibles as follows:

- a. Direct damage deductibles shall not exceed the lesser of 10 percent of the amount of the full replacement value of all buildings or \$25,000 (except flood and earthquake coverage may be subject to deductibles not exceeding \$250,000).
- b. Extra expense deductibles (when coverage is not combined with business interruption) shall not exceed \$25,000.

6. Required Clauses

Loss Payable Clause:

A loss payable clause similar to the following must be added to buildings and contents, boiler and machinery, and builder's risk policies:

In accordance with Concession Contract No. 10-LC-20-0184, dated _____, between the United States of America and Pensus Lake Berryessa Properties LLC, payment of insurance proceeds resulting from damage to, or loss of,

structures insured under this policy is to be disbursed directly to the Concession Contractor without requiring endorsement by the United States of America.

B. LIABILITY INSURANCE

At a minimum, the following liability coverage's are to be maintained, all of which are to be written on an occurrence basis only. The Concession Contractor may attain the limits specified below by means of supplementing the respective coverage(s) with excess or excess "umbrella" liability.

1. Commercial General Liability

- a. Use declarations similar to the following bulleted examples to indicate the coverage required.
 - Bodily injury and property damage limit of \$1,000,000.00.
 - Products/completed operations limit of \$1,000,000.00.
 - Personal injury and advertising injury limit of \$1,000,000.00.
 - General aggregate of \$2,000,000.00.
 - Protection and indemnity for watercraft of \$1,000,000.00.
 - Fire damage legal liability "per fire" of \$1,000,000.00.
- b. The liability coverages may not contain the following exclusions or limitations:
 - Athletic or sports participants.
 - Products/completed operations.
 - Personal injury or advertising injury.
 - Contractual liability.
 - Explosion, collapse, and underground property damage.
 - Total pollution.
 - Watercraft limitations affecting the use of watercraft in the course of the Concession Contractor's operations (unless separate watercraft coverage is maintained).
- c. For all lodging facilities and other indoor facilities where there may be a large concentration of people, the pollution exclusion may be amended so

that it does not apply to the smoke, fumes, vapor, or soot from equipment used to heat the building.

- d. If the policy insures more than one location, the general aggregate limit must be amended to apply separately to each location or, at least, separately to the appropriate Reclamation location(s).

2. Automobile Liability

Coverage will be provided for bodily injury or property damage arising out of the ownership, maintenance, or use of any auto. (Where there are no owned autos, coverage applicable to hired and non-owned autos shall be maintained.) Each accident limit will be \$1,000,000.00.

3. Liquor Liability

Coverage will be provided for bodily injury or property damage, including damages for care, loss of services, or loss of support arising out of the selling, serving, or furnishing of any alcoholic beverage.

- Each common cause limit of \$1,000,000.00
- Aggregate limit of \$1,000,000.00.

4. Watercraft Liability (or Protection and Indemnity)

Coverage will be provided for bodily injury or property damage arising out of the use of any watercraft. Each occurrence limit will be \$1,000,000.00

5. Garage Liability

This coverage is not required, but may be used in place of commercial general liability and auto liability coverages for some operations. Coverage will be provided for bodily injury, property damage, personal or advertising injury liability arising out of garage operations (including products/completed operations and contractual liability), as well as bodily injury and property damage arising out of the use of automobiles.

The Concession Contractor should ensure that appropriate coverage exists for:

- Concession Contractor-owned vehicles.
- Concession Contractor-hired vehicles.
- Other vehicles not owned by the Concession Contractor.

6. Excess Liability or Excess Umbrella Liability

This coverage is not required, but may be used to supplement any of the above liability coverage policies to arrive at the required minimum limit of liability. If

maintained, coverage will be provided for bodily injury, property damage, and personal or advertising injury liability in excess of scheduled underlying insurance. In addition, coverage shall be at least as broad as that provided by underlying insurance policies, and the limits of underlying insurance shall be sufficient to prevent any gap between such minimum limits and the attachment point of the coverage afforded under the excess liability or excess “umbrella” liability policy.

7. Care, Custody, and Control – Legal Liability

Coverage will be provided for damage to property in the care, custody, or control of the Concession Contractor. Coverage for any one loss will be \$1,000,000.00

8. Environmental Impairment Liability

Coverage will be provided for bodily injury, personal injury, or property damage arising out of pollutants or contaminants (on site or off site).

- Each occurrence or each claim limit of \$1,000,000.00
- Aggregate limit of \$2,000,000.00

9. Special Provisions for Use of Aggregate Policies

At such time as the aggregate limit of any required policy is (or if it appears that it will be) reduced or exhausted, the Concession Contractor is required to reinstate such limit or purchase additional coverage limits.

10. Self-Insured Exceptions

Self-insured exceptions on any of the above described liability insurance policies (other than excess “umbrella” liability, if maintained) may not exceed \$100,000.

11. Workers Compensation and Employers’ Liability

Coverage will comply with the statutory requirements of the State of California.

C. CONSTRUCTION PROJECT INSURANCE

Concession Contractors entering into contracts with outside contractors for various construction projects, including major renovation projects, capital improvement projects, and additions or new buildings or facilities will be responsible to ensure that all contractors retained for such work maintain an insurance program that adequately covers the construction project.

The insurance maintained by the construction and construction-related contractors shall comply with the insurance requirements stated herein (for commercial general liability, automobile liability, workers' compensation, and, if professional services are involved, professional liability). Where appropriate, the interests of the Concession Contractor and the United States shall be covered in the same fashion as required in the commercial operator insurance requirements. The amounts or limits of the required coverages shall be determined in consultation with Reclamation, taking into consideration the scope and size of the project.

D. INSURANCE COMPANY MINIMUM STANDARDS

All insurance companies providing the above described insurance coverages must meet the minimum standards set forth below:

1. All insurers for all coverage's must be rated no lower than A- by the most recent edition of A.M. Best's Key Rating Guide, Property-Casualty edition (Best's).
2. All insurers for all coverage's must have a Best's financial size category of at least VIII according to the most recent edition of Best's.
3. All insurers must be admitted or licensed in the State in which the Concession Contractor is domiciled.

E. CERTIFICATES OF INSURANCE

All certificates of insurance required by this Interim Concession Contract shall be completed in sufficient detail to allow easy identification of the coverage's limits and coverage amendments that are described above. In addition, the insurance companies must be accurately listed along with their "Best Identification Number." The name, address, and telephone number of the issuing insurance agent or broker must be clearly shown on the certificate of insurance.

Because of the space limitations of most standard certificates of insurance, it is expected that an addendum will be attached to the appropriate certificate(s) to provide the space needed to show the required information.

In addition to providing certificates of insurance, the Concession Contractor, upon written request of Reclamation, shall provide Reclamation with a complete copy of any of the insurance policies (or endorsements thereto) required herein to be maintained by the Concession Contractor.

F. ADDITIONAL NAMED INSURED

All insurance policies carried by the Concession Contractor will identify Reclamation as an “Additional Named Insured.” The insurance company will be directed to notify Reclamation when changes to the policy occur, including cancellations.

G. STATUTORY LIMITS

In the event that a statutorily required limit exceeds a limit required herein, the higher statutorily required limit shall be considered the minimum to be maintained.

EXHIBIT J

ANNUAL FINANCIAL REPORT

CONCESSION CONTRACTOR ANNUAL FINANCIAL REPORT GENERAL INSTRUCTIONS

This Annual Financial Report (AFR) instruction booklet was prepared by Reclamation to help the preparers of the AFR complete the enclosed schedules. For each schedule, a corresponding page is attached that explains (by line item) the information that needs to be provided in the schedule. Many of the required schedules are similar to statements frequently prepared as part of GAAP financial statements, however, please note that some of the AFR Schedules require more detail. For example, Schedules F and G require detailed information for the revenues and expenses based on the type of activity. If the Concession Contractor's financial statements prepared in compliance with GAAP also use a similar categorization for required information, such statements may be submitted in lieu of the AFR Schedules. An income-tax basis of accounting following Statement of Auditing Standards (SAS) No. 62, entitled "Special Reports", may be substituted for a GAAP based system with prior approval by Reclamation.

If the Concession Contractor has operations conducted by the same entity that are not related to the Concession Contract, or if multiple Concession Contracts are being operated by the same entity, then the Concession Contractor must submit complete financial statements for the entity that present the financial condition of the Concession Contractor, PLUS the required set of AFR Schedules for each Concession Contract, PLUS such worksheets and schedules as are necessary to document the reasonableness of the allocation of any fixed overhead, officer salaries or similar items.

A. WHO MUST FILE

All Concession Contractors must file a Concession Contractor Annual Financial Report corresponding to each year of operation. Concession Contractors operating in more than one area under the same contract shall prepare a separate report for each area in which the operations are located.

B. WHEN AND WHERE TO FILE

Concession Contractors must file an AFR within the time period specified in the Main body of the Concession Contract. Concession Contractors shall submit one signed original and one copy to the Contracting Officer administering the area. Failure to timely submit the complete and accurate Schedules shall be considered a significant default of this Concession Contract. In the event that the Concession Contractor determines that a significant possibility exists that a previously submitted AFR schedule contains a material error, then the Concession Contractor must notify Reclamation within 30 calendar days. In the event that the Concession Contractor is in default with its vendors, or has been threatened with a lawsuit, or has been sued, Concession Contractor must notify the Contracting Officer within 5 business days.

C. WHERE TO GET REPORT FORMAT

Concession Contractors may obtain the Concession Contractor Annual Financial Report format from the Contracting Officer or base the reports on the format found in this Exhibit J.

D. ROUNDING

All entries should be rounded to the nearest dollar and \$0.50 should be rounded to the next highest dollar.

E. REQUIREMENT FOR AUDIT AND REVIEW

All supplemental schedules must be fully completed and submitted by the Concession Contractor. If a Concession Contractor's annual Gross Revenues equal or exceed \$250,000, the Primary Schedules (Schedules A through F, I, and P of the Concession Contractor Annual Financial Report, below) must be reviewed by an independent CPA in accordance with all applicable standards recognized by the American Institute of Certified Public Accountants. If annual Gross Revenues equal or exceed \$1,000,000, the Primary Schedules must be audited by an independent CPA in accordance with the same standards mentioned above.

If the Concession Contractor's Gross Revenues are less than \$250,000, the Concession Contractor is required to complete only Schedules A, B, C, D, E, F, G, H, I, J, K, N, O, P, Q, R, and S. In all events, the AFR Schedules submitted by the principal executive officer and the principal financial officer must include certifications that:

- The signing officers have reviewed the report
- The report does not contain any material untrue statements or material omission or be considered misleading
- The financial statements and related information fairly present the financial condition and the results in all material respects
- The signing officers are responsible for internal controls and have evaluated these internal controls within the previous year (within the previous ninety days for entities with more than \$10,000,000 in Gross Revenues) and have reported on their findings
- A list of all deficiencies in the internal controls and information on any fraud that involves employees who are involved with internal activities
- Any significant changes in internal controls or related factors that could have a negative impact on the internal controls



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Bureau of Reclamation
Use Only
Date Received:

CONCESSION CONTRACTOR ANNUAL FINANCIAL REPORT

Concession
Contractor: _____

Area: _____

(Contract or Permit No.) (Effective Date) (Expiration Date)

Corporation Limited Liability Corporation Partnership Sole Proprietorship

Primary and Supplemental Schedules

- Schedule A – Statement of Income
- Schedule B – Balance Sheet
- Schedule C – Depreciable Fixed Assets
- Schedule D – Statement of Cash Flows
- Schedule E – Notes to the Financial Statements
- Schedule F – Details of Gross Revenues
- Schedule G – Departmental Income and Expenses
- Schedule G1 – Departmental Income and Expenses (Continuation Sheet)
- Schedule H – Indirect Operating Expenses
- Schedule I – Computation of Government Fees
- Schedule J – Information on Corporate Owners, Officers, and Partners
- Schedule K – Supporting Schedule
- Schedule L – Additions to and Disposals of Fixed Assets
- Schedule N – Reserve Account Annual Reconciliation
- Schedule O – Reserve Account Expenditures
- Schedule P – Operational and Miscellaneous Financial Statistics
- Schedule P1 – Operational and Miscellaneous Financial Statistics (continuation sheet)
- Schedule Q – Supplemental Surcharge Report
- Schedule R – Supplemental Surcharge Annual Reconciliation Report
- Schedule S – Supplemental Surcharge Account Expenditures Report



CONCESSION CONTRACTOR'S CERTIFICATION

I certify that this report (including accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct, and complete report.

(Concession Contractor's Signature) (Title) (Date)

(Mailing Address) (Telephone number)

(E-Mail Address) (FAX number)

SCHEDULE A – STATEMENT OF INCOME

- Line 1. Enter the amount shown on Schedule G, Column A, Line 2.
Line 2. Enter the amount shown on Schedule G, Column A, Line 3.
Line 3. Subtract Line 2 from Line 1 and enter the amount.
Line 4. Enter the amount shown on Schedule G, Column A, Line 8.
Line 5. Subtract Line 4 from Line 3 and enter the amount.
Line 6. Enter the amount shown on Schedule G, Column A, Line 27.
Line 7. Subtract Line 6 from Line 5 and enter the amount.
Line 8. Enter the amount shown on Schedule H, Line 10.
Line 9. Enter the amount shown on Schedule H, Line 32.
Line 10. Enter the amount shown on Schedule I, Line 31.
Line 11. Add Lines 8 through 10.
Line 12. Subtract Line 11 from Line 7 and enter the amount.
Line 13. Enter the amount paid or accrued for the rental of facilities. This category will include mostly rental of facilities outside the area boundary. It will exclude the cost to rent equipment, which should be included in the amount entered on Line 6.
Line 14. Self-Explanatory.
Line 15. Self-Explanatory.
Line 16. Self-Explanatory.
Line 17. Enter the amount shown on Schedule C, Column G, Line 6.
Line 18. Enter the total year's amortization charge for all classes of intangible assets.
Line 19. Enter the description of other fixed expenses and amounts for these fixed expenses not shown elsewhere.
Line 20. Enter the description of other fixed expenses and amounts for these fixed expenses not shown elsewhere.
Line 21. Add Lines 13 through 20 and enter the amount.
Line 22. Subtract Line 21 from Line 12 and enter the amount.
Line 23. Enter the total amount of all interest and dividend revenue accrued and earned during the year.
Line 24. Enter the total amount of all gains and losses resulting from the sale of assets.
Line 25. Enter the total amount of all compensation received from subconcession Contractors.
Line 26. Enter the description and income from sources not shown elsewhere.
Line 27. Add Lines 23 through 26 and enter the amount.
Line 28. Subtract Line 27 from Line 22 and enter the amount.
Line 29. Self-Explanatory.
Line 30. Self-Explanatory.
Line 31. Add Lines 29 and 30 and enter the amount.
Line 32. Subtract Line 31 from Line 28 and enter the amount.

Concession Contractor

Year Ending:

Statement of Income		SCHEDULE A	
		<u>This Year</u>	<u>Last Year</u>
Departmental Income			
1.	Gross Revenues (Schedule G, Column A, Line 2)	_____	_____
2.	Returns and Allowances (Schedule G, Column A, Line 3)	_____	_____
3.	Net Sales (Schedule G, Column A, Line 4)	_____	_____
4.	Cost of Sales (Schedule G, Column A, Line 8).....	_____	_____
5.	Gross Profit (Schedule G, Column A, Line 9)	_____	_____
6.	Total Direct Expenses (Schedule G, Column A, Line 27).....	_____	_____
7.	Departmental Income (Loss) (Schedule G, Column A, Line 28).....	_____	_____
Indirect Operating Expenses			
8.	Undistributed Departmental Expenses (Schedule H, Line 10).....	_____	_____
9.	General and Administrative Expenses (Schedule H, Line 32)	_____	_____
10.	Franchise Fees (Schedule I, Line 31).....	_____	_____
11.	Total Indirect Operating Expenses	_____	_____
12.	Total Income (Loss) from Operations Before Fixed Expenses	_____	_____
Fixed Expenses			
13.	Rent.....	_____	_____
14.	Property Taxes	_____	_____
15.	Business/Liability/Property Insurance.....	_____	_____
16.	Interest Expense	_____	_____
17.	Depreciation (Schedule C, Column G, Line 6).....	_____	_____
18.	Amortization	_____	_____
19.	Other (Identify)* _____	_____	_____
20.	Other (Identify)* _____	_____	_____
21.	TOTAL FIXED EXPENSES	_____	_____
22.	INCOME (LOSS) BEFORE INCOME TAXES AND OTHER INCOME OR EXPENSES.....	_____	_____
Other Income (Expenses)			
23.	Interest and Dividend Income	_____	_____
24.	Gain (Loss) on Sale of Property	_____	_____
25.	Commissions/Fees/Compensation from SubConcession Contractors (Schedule I, Line 24)	_____	_____
26.	Other (Identify)* _____	_____	_____
27.	TOTAL OTHER INCOME (EXPENSES)	_____	_____
28.	INCOME (LOSS) BEFORE INCOME TAXES	_____	_____
Income Taxes			
29.	Federal	_____	_____
30.	State and Local	_____	_____
31.	TOTAL INCOME TAXES.....	_____	_____
32.	NET INCOME (LOSS)	_____	_____

* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

SCHEDULE B – BALANCE SHEET

- Line 1. Self-Explanatory.
Line 2. Self-Explanatory.
Line 3. Self-Explanatory.
Line 4. Self-Explanatory.
Line 5. Enter the amounts receivable from shareholders, officers, and related entities. This amount must be fully explained in Schedule E, Notes to the Financial Statements.
Line 6. Self-Explanatory.
Line 7. Self-Explanatory.
Line 8. Enter the description and total amount of other current assets not shown elsewhere.
Line 9. Add Lines 1 through 8 and enter the amount.
Line 10. Enter the amount shown on Schedule C, Column G, Line 4, if Schedule C is submitted.
Line 11. Enter the amount shown on Schedule C, Column G, Line 8, if Schedule C is submitted.
Line 12. Subtract Line 11 from Line 10 and enter the amount.
Line 13. Self-Explanatory.
Line 14. Self-Explanatory.
Line 15. Add Lines 12 through 14 and enter the amount.
Line 16. Self-Explanatory. Should equal Schedule N, Line 13.
Line 17. Enter the description and amount of other assets not shown elsewhere.
Line 18. Add Lines 16 and 17 and enter the amount.
Line 19. Add Lines 9, 15, and 18 and enter the amount.
Line 20. Enter the amounts payable from shareholders, officers, and related entities. This amount must be fully explained in Schedule E, Notes to the Financial Statements.
Lines 21-25 Self-Explanatory.
Line 26. Enter amounts such as advance deposits for services not yet rendered (e.g., river trips and lodging).
Line 27. Enter the description and amounts for other current liabilities not shown elsewhere.
Line 28. Add Lines 20 through 27 and enter the amount.
Line 29. Self-Explanatory.
Line 30. Enter the description and amounts for all other long-term liabilities not shown elsewhere.
Line 31. Add Lines 29 and 30 and enter the amount.
Line 32. Add Lines 28 and 31 and enter the amount.
Line 33. To be filled out by Sole Proprietorships or Partnerships but **NOT** Corporations.
Lines 34-37 To be filled out by Corporations but **NOT** Sole Proprietorships or Partnerships.
Line 38. Sole Proprietorships and Partnerships enter the amount from Line 33. Corporations enter the total of Lines 34, 36, and 37 less Line 35.
Line 39. Add Lines 32 and 38 and enter amount.

NOTE: LINE 19 MUST EQUAL LINE 39. IF THE ASSETS REPORTED BY THE CONCESSION CONTRACTOR ARE USED FOR BOTH IN-AREA AND OUT-OF-AREA REVENUE, THE ASSETS REPORTED ON THE BALANCE SHEET SHOULD BE PROPORTIONAL TO THE AMOUNT OF SALES GENERATED IN THE AREA. THE BASIS FOR THIS ALLOCATION SHOULD BE EXPLAINED IN SCHEDULE E, “NOTES TO THE FINANCIAL STATEMENTS.”

Concession Contractor

Year Ending:

Balance Sheet		SCHEDULE B	
ASSETS		This Year	Last Year
Current Assets			
1.	Cash.....	_____	_____
2.	Marketable Securities.....	_____	_____
3.	Inventories – Merchandise.....	_____	_____
4.	Accounts Receivable.....	_____	_____
5.	Notes Receivable – Related Party.....	_____	_____
6.	Notes Receivable – Other.....	_____	_____
7.	Prepaid Expenses.....	_____	_____
8.	Other (Identify) _____.....	_____	_____
9.	TOTAL CURRENT ASSETS	_____	_____
Fixed Assets			
10.	Depreciable Fixed Assets (Schedule C, Column G, Line 4).....	_____	_____
11.	Less: Accumulated Depreciation (Schedule C, Column G, Line 8).....	_____	_____
12.	Net Depreciable Fixed Assets (Schedule C, Column G, Line 9).....	_____	_____
13.	Construction in Progress.....	_____	_____
14.	Interest During Construction.....	_____	_____
15.	TOTAL FIXED ASSETS	_____	_____
Other Assets (Identify)			
16.	Reserve Account (Schedule N, Line 13).....	_____	_____
17.	Other (Identify) _____.....	_____	_____
18.	TOTAL OTHER ASSETS	_____	_____
19.	TOTAL ASSETS	_____	_____
LIABILITIES			
Current Liabilities			
20.	Notes Payable – Related Party.....	_____	_____
21.	Notes Payable – Other.....	_____	_____
22.	Accounts Payable.....	_____	_____
23.	Current Maturities on Long-Term Debt.....	_____	_____
24.	Government Franchise Fee Payable.....	_____	_____
25.	Accrued Liabilities.....	_____	_____
26.	Advance Deposits.....	_____	_____
27.	Other (Identify) _____.....	_____	_____
28.	TOTAL CURRENT LIABILITIES	_____	_____
Long-Term Liabilities			
29.	Long-Term Debt, Less Current Maturities.....	_____	_____
30.	Other (Identify) _____.....	_____	_____
31.	TOTAL LONG-TERM LIABILITES	_____	_____
32.	TOTAL LIABILITIES	_____	_____
EQUITY			
33.	Partner's or Proprietor's Capital.....	_____	_____
34.	Common and Preferred Stock.....	_____	_____
35.	Less: Treasury Stock.....	_____	_____
36.	Additional Paid – In Capital.....	_____	_____
37.	Retained Earnings.....	_____	_____
38.	TOTAL EQUITY	_____	_____
39.	TOTAL LIABILITIES AND EQUITY	_____	_____

SCHEDULE C – DEPRECIABLE FIXED ASSETS

GENERAL

Columns A and B are to be used only for fixed assets in which Reclamation has granted the Concession Contractor the right to make improvements pursuant to the Concession Facilities Improvement Program (CFIP) pursuant to the concession contract.

The costs of Concession Contractor Improvement are to be entered in Column A and B

If improvements are damaged or destroyed, Reclamation can require that the property be repaired or replaced without regard to the adequacy of insurance coverage. If repair and/or replacement is required, and not completed, the concession contractor will be in breach of this Contract. Any actions necessitated by a Destruction Event shall be reviewed and approved in an expedited manner consistent with the CFIP previously approved or as may be modified in writing and approved by Reclamation. Absent written approval from Reclamation prior to the expenditure of insurance proceeds, insurance proceeds must be utilized to restore the Concession area to its state before the Destruction Event.

In Columns A or B, enter the Concession Contractor's capital costs of all alterations, additions, and improvements approved pursuant to the CFIP. The CFIP does not include routine repairs and maintenance. The Concession Contractor should expense routine repairs and maintenance.

Columns D, E, and F relate to personal property assets such as transportation, furniture, movable fixtures, equipment, and other personal property in which the Concession Contractor intends to use in the Concession area or at other locations. The completion of Columns D-F are optional.

Concession Contractors showing amounts on lines 2, 3, and 7 must complete Schedule L, "Additions to and Disposals of Fixed Assets," giving details of the acquisition or disposal of assets.

- Line 1. Enter in the appropriate columns the fixed asset balances at the beginning of the year. The amounts entered must agree with the amounts on Line 4, ending balance on the previous year's report. If the amounts do not agree, attach an explanation.
- Line 2. Enter in the appropriate columns additions to fixed assets during the current year.
- Line 3. Enter in the appropriate columns disposals of fixed assets during the current year.
- Line 4. Subtract Line 3 from the sum of Lines 1 and 2 and enter the amount.
- Line 5. Enter in the appropriate columns the accumulated depreciation balances at the beginning of the year. The amounts entered must agree with the amounts on Line 8, ending balance on the previous year's report. If the amounts do not agree, attach an explanation.
- Line 6. Enter in the appropriate columns the depreciation of fixed assets during the current year.
- Line 7. Enter in the appropriate columns the accumulated depreciation of fixed assets disposed of during the current year.
- Line 8. Subtract Line 7 from the sum of Lines 5 and 6 and enter the amount.
- Line 9. Subtract Line 8 from Line 4 and enter the amount.

Concession Contractor

Year Ending:

Depreciable Fixed Assets

Schedule C

	Approved Improvements to Real Property			Other Assets				Total
	Infrastructure Improvements A	Facilities Improvements B	Other Improvements C	Transportation Equipment D	Furniture, Fixtures, & Equipment E	Other F	G	
Cost								
1. Prior Year Balance								
*2. Additions this Year								
*3. Disposals this Year								
4. Ending Balance (Carry Column G to Schedule B, Line 10)								
Accumulated Depreciation								
5. Prior Year Balance								
6. Depreciation this Year								
*7. Accumulated Depreciation on Assets Disposed this Year								
8. Ending Balance (Carry Column G to Schedule B, Line 11)								
9. Net Depreciable Fixed Assets, End of Year (Carry Column G to Schedule B, Line 12)								

* If any entries are made on Lines 2, 3, or 7, complete Schedule L

SCHEDULE D – STATEMENT OF CASH FLOWS

- Line 1. Enter the amount of cash received from customers.
- Line 2. Enter the amount of cash paid for merchandise.
- Line 3. Enter the amount of cash paid for wages and other operating expenses.
- Line 4. Enter the amount of cash paid for interest.
- Line 5. Enter the amount of cash paid for taxes.
- Line 6. Enter the amount of cash paid to the Bureau of Reclamation.
- Line 7. Add Lines 1 through 6.
- Line 8. Enter the amount paid to acquire fixed assets.
- Line 9. Enter the amount of money received from the sale of assets.
- Line 10. Enter the amount of money received from the sale of land.
- Line 11. Enter the description and amounts for other investing activities not shown elsewhere.
- Line 12. Add Lines 8 through 11.
- Line 13. Enter the amount of the increase or decrease in intercompany receivables.
- Line 14. Enter the amount of cash received from the issuance of stock.
- Line 15. Enter the amount of cash paid to retire outstanding bonds.
- Line 16. Enter the amount of the dividends paid to the shareholders.
- Line 17. Enter the description and amounts for other financing activities not shown elsewhere.
- Line 18. Add Lines 13 through 17.
- Line 19. Add Lines 7, 12, and 18.
- Line 20. Enter the amount shown on Schedule B, 2nd Column, Line 1
- Line 21. Add Lines 19 and 20. The sum should equal the amount shown on Schedule B, 1st Column, Line 1
- Line 22. Enter the amount shown on Schedule A, Line 32.
- Line 23. Enter the amount shown on Schedule C, Column G, Line 6.
- Line 24. Enter the amount shown on Schedule A, Line 18.
- Line 25. Enter the amount of provision for losses on accounts receivable.
- Line 26. Enter the amount shown on Schedule A, Line 24.
- Line 27. Enter the amount of the increase or decrease in the inventory.
- Line 28. Enter the amount of the increase or decrease in the accounts receivable.
- Line 29. Enter the amount of the increase or decrease in the other assets.
- Line 30. Enter the amount of the increase or decrease in the prepaid expenses.
- Line 31. Enter the amount of the increase or decrease in the accounts payable.
- Line 32. Enter the amount of the increase or decrease in the franchise fee payable.
- Line 33. Enter the amount of the increase or decrease in the accrued liabilities.
- Line 34. Enter the amount of the increase or decrease in the advance deposits.
- Line 35. Enter the amount of the increase or decrease in the other liabilities.
- Line 36. Enter the amount of the increase or decrease in the division equity.
- Line 37. Sum lines 23 through 36 and add or subtract the difference from Line 22.

Concession Contractor	Year Ending:
Statement of Cash Flows – Direct Method	
SCHEDULE D	
Cash Flows From Operating Activities	
1. Cash received from customers	_____
2. Cash paid for merchandise	_____
3. Cash paid for wages and other operating expenses	_____
4. Cash paid for interest	_____
5. Cash paid for taxes	_____
6. Cash paid to Bureau of Reclamation	_____
7. Net Cash Flows Provided (Used) by Operating Activities	_____
Cash Flow From Investing Activities	
8. Purchase of fixed assets	_____
9. Purchase from sale of equipment	_____
10. Purchase from sale of land	_____
11. Other _____	_____
12. Net Cash Flow Provided (Used) by Investing Activities	_____
Cash Flow From Financing Activities	
13. Net increase or decrease in intercompany receivable account	_____
14. Cash received from issuing stock	_____
15. Cash paid to retire bonds	_____
16. Cash paid for dividends	_____
17. Other _____	_____
18. Net Cash Flows Provided (Used) by Financing Activities	_____
19. NET INCREASE (DECREASE) IN CASH	_____
20. CASH AT THE BEGINNING OF YEAR (Schedule B, 2nd. Column, Line 1)	_____
21. CASH AT END OF YEAR (Schedule B, 1st Column, Line 1)	_____
Reconciliation of Net Income to Net Cash Provided by Operations	
22. Net Income (Schedule A, Line 32)	_____
Adjustments to reconcile net income to net cash provided by operating activities	
23. Depreciation expense (Schedule C, Column G, Line 6)	_____
24. Amortization expense (Schedule A, Line 18)	_____
25. Provision for losses on accounts receivable	_____
26. Gain or loss on sale of fixed assets (Schedule A, Line 24)	_____
27. (Increase) Decrease in inventories	_____
28. (Increase) Decrease in accounts receivable	_____
29. (Increase) Decrease in other assets	_____
30. (Increase) Decrease in prepaid expenses	_____
31. (Increase) Decrease in accounts payable	_____
32. (Increase) Decrease in franchise fee payable	_____
33. (Increase) Decrease in accrued liabilities	_____
34. (Increase) Decrease in advance deposits	_____
35. (Increase) Decrease in other liabilities	_____
36. (Increase) Decrease in division equity	_____
37. Net Cash Provided by Operating Activities	_____

* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

SCHEDULE E – NOTES TO THE FINANCIAL STATEMENTS

There should be included in the notes a description of all significant accounting policies followed by the reporting entity. Commonly required disclosures include, but are not limited to, policies relating to:

- A. Accounting Method
- B. Depreciation Method
- C. Amortization of Intangibles
- D. Inventory Pricing
- E. Pension, Profit Sharing, and Stock Option Plans
- F. Computation of Net Income per Share
- G. Amortization of the Cost in Excess of Net Assets of Business Acquired
- H. Accounting for Income Taxes

The following are typical items and those items specific to concessions operating on the Federal estate with respect to which all significant facts should be disclosed and characterized through such notes:

- A. Long-Term Debt Agreements (including interest rate and payment term)
- B. Leases
- C. Contingent Liabilities
- D. Pending Lawsuits
- E. Pension and Profit Sharing Plans
- F. Income Taxes
- G. Changes in Accounting Methods
- H. Long-Term Contracts
- I. Extraordinary Items of Income or Expenses
- J. Related Party Transactions, including loan agreements and inter-company charges (such as management fees and corporate overhead expenses)
- K. Consulting agreements and contract services
- L. Concession Contractor assets used to provide the services authorized in the concession contract that are also used by the Concession Contractor for activities not related to the concession
- M. Allocation to the concession of revenues, expenses, and net income generated by the assets identified under the previous item (item L.)

Concession Contractor

Year Ending:

Notes to the Financial Statements

SCHEDULE E

SCHEDULE F – DETAILS OF GROSS REVENUES

Enter on the appropriate lines the gross revenues from each of the services listed. Enter subtotal by department, as indicated. Amounts entered in the “This Year Departmental Total” column must be forwarded to Schedule G. Total gross revenue amounts reported on Schedules A, F, and G must be the same. The Schedule G totals from the prior year will be used to complete the prior year column for Schedule F. If the Contractor determines that prior year information was incorrect, an explanation of the correction must be attached.

Concession Contractor

Year Ending:

Details of Gross Revenues		SCHEDULE F			
		This Year Departmental Total 20__	Percent of all Revenues for 20__	Last Year Departmental Total 20__	Percent of all Revenues for 20__
LODGING Sch G Col ____					
1.	Hotel and Motel	_____		_____	
2.	Cabins and Cottages	_____		_____	
3.	Tent Cabins	_____		_____	
4.	Backcountry	_____		_____	
EMPLOYEE MEALS and LODGING Sch G Col ____					
5.	Employee Lodging	_____		_____	
6.	Employee Food	_____		_____	
FOOD Sch G Col ____					
7.	Restaurant (Full Service)	_____		_____	
8.	Cafeteria	_____		_____	
9.	Snack Bar and Fast Food	_____		_____	
10.	Alcoholic Beverage Bar	_____		_____	
SOUVENIRS Sch G Col ____					
11.	Gifts, Curios	_____		_____	
12.	Genuine Authorized Native Handcraft	_____		_____	
GENERAL MERCHANDISE Sch G Col ____					
13.	Grocery	_____		_____	
14.	Package Liquor	_____		_____	
15.	Photographic	_____		_____	
16.	Other (Identity)*	_____		_____	
CAMPGROUNDS Sch G Col ____					
17.	Tents	_____		_____	
18.	RV Camping (without hook-ups)	_____		_____	
19.	RV Camping (with hook-ups)	_____		_____	
20.	RV Park (All other RV revenues excluding camping)	_____		_____	
AUTO SERVICE Sch G Col ____					
21.	Fuel and Oil	_____		_____	
22.	Parts, Service and Other	_____		_____	
MARINA Sch G Col ____					
23.	Slips and Mooring	_____		_____	
24.	Houseboat Rental	_____		_____	
25.	Boat and Motor Rental	_____		_____	
26.	Fuel and Oil	_____		_____	
27.	Boat and Motor Sales	_____		_____	
28.	Boat Repair	_____		_____	
29.	Dry Storage	_____		_____	
30.	Other (Identity)*	_____		_____	
TRANSPORTATION Sch G Col ____					
31.	Boat	_____		_____	
32.	Cruise Ship	_____		_____	
33.	Vehicle	_____		_____	
34.	Other (Identity)*	_____		_____	
35.	Saddle Horse and Livery	_____		_____	
36.	Float Trip and River runners	_____		_____	
ADDITIONAL REVENUE SOURCES Sch G Col ____					
37.	Skiing Fees (Cross Country Fees and Lift Tickets)	_____		_____	
38.	Vending Machine	_____		_____	
39.	Bathhouse	_____		_____	
40.	Canoe and Tube Rental	_____		_____	
41.	Rentals (Auto, Equipment, Other)	_____		_____	
42.	Hunting Guides	_____		_____	
43.	Guide and Instructional Service	_____		_____	
44.	Health Service	_____		_____	
45.	Golf Sales	_____		_____	
46.	Catalog Sales	_____		_____	
47.	Other (Identity)*	_____		_____	
48.	Other (Identity)*	_____		_____	
49.	Other (Identity)*	_____		_____	
50.	TOTAL GROSS REVENUES (Schedule G, Column A, Line 2)	_____		_____	

* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

SCHEDULES G AND G1 – DEPARTMENTAL INCOME AND EXPENSES (AND CONTINUATION SHEETS AS ARE NECESSARY)

GENERAL

The schedule of departmental income provides for the identification and presentation of financial data in a format that isolates and defines the operations of each revenue and cost center and provides a basis for internal and external comparisons.

Concession Contractors providing services at several locations within an area may consolidate the results of the operations by department.

This schedule provides columns for a breakdown of departmental income. The departmental breakdown required is identified on Schedule F. Not all Concession Contracts will contain every type of income contemplated on Schedule F. If revenues and/or expenses for the initial year and each subsequent year are allocable to a department listed on Schedule F, please assign each type of Departmental Income to a column in the order listed on Schedule F. For example, if income for three departments are reportable, then results would be reported in columns B - D with total results reported in column A. If at any time after beginning operations, the Contractor, with the approval of Reclamation, has additional, fewer or different, departments, include the results of discontinued or new operations for the reporting period in the appropriate department, clearly indicate the date that services are added, withdrawn or changed, and add any clarifying notes to allow proper analysis of the financial results as compared to the prior years.

If additional columns are needed, use Schedule G-1 (continuation sheet). Please number the continuation sheets and continue to identify departmental columns in alphabetical order (e.g., E, F, and G).

Column A must reflect the total of all entries on all other columns, including those on the continuation sheets.

- Line 1. Enter the name of the department as identified on Schedule F.
- Line 2. Enter, by department, the total gross revenues accruing to the concession from all sales. The amount entered should be exclusive of sales, excise, or other taxes collected for any taxing authority. If any taxes are included, please indicate.
- Line 3. Self-Explanatory.
- Line 4. Subtract Line 3 from 2 and enter the amount, by department.
- Line 5. Enter, by department, the beginning inventory. The amount entered must agree with amounts on Line 7, ending inventory of the previous year's report. If the amounts do not agree, attach an explanation.
- Line 6. Enter, by department, the cost of all purchases at gross invoice price less discounts plus transportation, storage, and delivery charges.
- Line 7. Enter, by department, the amount of the ending inventory.
- Line 8. Subtract Line 7 from the sum of Lines 5 and 6 and enter the amount, by department.
- Line 9. Subtract Line 8 from Line 4 and enter the difference, by department.
- Line 10. Enter, by department, the amount of direct salary and wage expense applicable to each category.
- Line 11. Enter, by department, the allocated portion of payroll taxes, health and life insurance, pension expenses, and other related expenses.

- Line 12. Enter, by department, the sum of Lines 10 and 11.
- Line 13. Enter, by department, the remuneration paid to authorized agents for business secured, including travel agents' commissions.
- Line 14. Enter, by department, the cost of direct operating supplies.
- Line 15. Enter, by department, the cost of all Federal, State, and local licenses, permits, and fees.
- Line 16. Enter, by department, the cost of reservation and booking activities.
- Line 17. Enter, by department, the cost of laundry and uniforms.
- Line 18. Enter, by department, the cost of china, silver, and glass.
- Line 19. Enter, by department, the cost of equipment rental.
- Line 20. Enter, by department, the cost of contract services.
- Line 21. Enter, by department, the cost of transportation expense (including fuel and oil which includes both vehicles and boats).
- Line 22. Enter, by department, the cost of spoilage.
- Line 23. Enter, by department, the description and cost incurred for direct expenses not shown elsewhere.
- Line 24. Enter, by department, the description and cost incurred for direct expenses not shown elsewhere.
- Line 25. Enter, by department, the description and cost incurred for direct expenses not shown elsewhere.
- Line 26. Add Lines 13 through 25 and enter the amount, by department.
- Line 27. Add Lines 12 and 26 and enter the amount, by department.
- Line 28. Subtract Line 27 from Line 9 enter the amount, by department.

Concession Contractor

Year Ending:

Departmental Income and Expenses

SCHEDULE G

*The Col A total is reported on Sch A on Line indicated		A	B	C	D	E
1.	Department.....	Total All Columns				
2.	GROSS REVENUES (*Sch A, Line 1)					
3.	RETURNS AND ALLOWANCE (*Sch A, Line 2)					
4.	NET SALES (*Sch A, Line 3)					
Cost of Sales						
5.	Inventory, Beginning.....					
6.	Plus Purchases					
7.	Less Ending Inventory.....					
8.	TOTAL COST OF SALES (*Sch A, Line 4)					
9.	GROSS PROFIT (*Sch A, Line 5)					
Direct Expenses						
Direct Labor						
10.	Salaries and Wages					
11.	Payroll Taxes and Benefits.....					
12.	TOTAL DIRECT LABOR					
Other Direct						
13.	Commissions.....					
14.	Operating Supplies.....					
15.	Licenses and Fees					
16.	Reservation Expense					
17.	Laundry and Uniforms					
18.	China, Silver, and Glass.....					
19.	Equipment Rental.....					
20.	Contract Services					
21.	Transportation Expense					
22.	Spoilage					
23.	Other (Identify)* _____					
24.	Other (Identify)* _____					
25.	Other (Identify)* _____					
26.	TOTAL OTHER DIRECT					
27.	TOTAL DIRECT (*Sch A, Line 6)					
28.	Department Income (Loss) (*Sch A, Line 7)					

* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

Concession Contractor

Year Ending:

Departmental Income and Expenses (continuation sheet)

SCHEDULE G1

*The Col A total is reported on Sch A on Line indicated	F	G	H	I	J
1. Department.....					
2. GROSS REVENUES (*Sch A, Line 1)					
3. RETURNS AND ALLOWANCE (*Sch A, Line 2)					
4. NET SALES (Schedule A, Line 3)					
Cost of Sales					
5. Inventory, Beginning.....					
6. Plus Purchases					
7. Less Ending Inventory					
8. TOTAL COST OF SALES (*Sch A, Line 4)					
9. GROSS PROFIT (*Sch A, Line 5)					
Direct Expenses					
Direct Labor					
10. Salaries and Wages					
11. Payroll Taxes and Benefits.....					
12. TOTAL DIRECT LABOR					
Other Direct					
13. Commissions.....					
14. Operating Supplies.....					
15. Licenses and Fees					
16. Reservation Expense					
17. Laundry and Uniforms					
18. China, Silver, and Glass.....					
19. Equipment Rental.....					
20. Contract Services					
21. Transportation Expense					
22. Spoilage					
23. Other (Identify)* _____					
24. Other (Identify)* _____					
25. Other (Identify)* _____					
26. TOTAL OTHER DIRECT					
27. TOTAL DIRECT (*Sch A, Line 6)					
28. Department Income (Loss) (*Sch A, Line 7)					

* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

SCHEDULE H – INDIRECT OPERATING EXPENSES

UNDISTRIBUTED DEPARTMENTAL EXPENSES

- Line 1. Enter wages and benefits paid to employees conducting repair and maintenance for the concession. These salary and benefit expenses should not include amounts shown in Schedule G, Lines 10 and 11.
- Line 2. Enter total expenditures of material purchases for concession-related repair and maintenance activities.
- Line 3. Enter total expenditures for third-party contract services for concession-related repair and maintenance activities (e.g., window repair, plumbing, electrical).
- Line 4. Enter total expenditures for third-party contract services for non-repair and maintenance related activities (e.g., garbage removal, window washing, security services).
- Line 5. Enter the cost of utilities, such as coal, oil, gas, and other fuels; electricity; water; and sewage.
- Line 6. Enter the cost of security expenses not acquired through a third-party contract service.
- Line 7. Enter description and amount for other undistributed departmental expenses that exceed \$10,000 annually.
- Line 8. Enter description and amount for other undistributed departmental expenses that exceed \$10,000 annually.
- Line 9. Enter the sum of all other undistributed departmental expenses that are less than \$10,000.
- Line 10. Add lines 1 through 9 and enter the amount.

GENERAL AND ADMINISTRATIVE EXPENSES

- Line 11. Enter the amount from Schedule J, Line 21, plus the related payroll taxes.
- Line 12. Enter the amount incurred for administrative and general salaries, other than officers' salaries, and amounts shown on Schedule G, Departmental Income and Expenses, and include related payroll taxes.
- Line 13. Enter the cost of all phases of employee administration, including drug testing.
- Line 14. Enter the cost of all credit card charge and bank charge expense.
- Line 15. Enter the cost of telephones and other communications-related expenditures.
- Line 16. Self-Explanatory.
- Line 17. Self-Explanatory.
- Line 18. Self-Explanatory.
- Line 19. Enter the fees charged by a management organization for management services.
- Line 20. Enter the amount charged to the Concession Contractor by a parent company for services rendered.
- Line 21. Self-Explanatory.
- Line 22. Self-Explanatory.
- Line 23. Self-Explanatory – specific consulting relationships should be described in Schedule E.
- Line 24. Self-Explanatory.
- Line 25. Self-Explanatory.
- Line 26. Self-Explanatory.
- Line 27. Self-Explanatory.
- Line 28. Self-Explanatory.
- Line 29. Enter description and amount for the cost incurred for general and administrative costs not shown elsewhere.
- Line 30. Enter the description and amount for cost incurred for general and administrative costs not shown elsewhere.
- Line 31. Enter the description and amount for cost incurred for general and administrative costs not shown elsewhere.
- Line 32. Add Lines 11 through 31 and enter the amount.

Indirect Operating Expenses

SCHEDULE H

Undistributed Departmental Expenses

- 1. Concession Facility Repair and Maintenance Labor Expense
- 2. Concession Facility Repair and Maintenance Material Expense
- 3. Concession Facility Repair and Maintenance Contract Service Expense.....
- 4. Non-facility Repair and Maintenance Contract Services Expense
- 5. Utilities Expense
- 6. Security Expense.....
- 7. Other (Identify)*
- 8. Other (Identify)*
- 9. Miscellaneous Undistributed Departmental Expenses.....
- 10. Total Undistributed Departmental Expenses (To Sch A, Line 8).....

General and Administrative Expenses

- 11. Owner's, Officer's, and Partner's Salaries; Payroll Taxes; and Benefits
(From Schedule J, Line 21)
- Other Salaries, Payroll Taxes, and Benefits:
- Office/Manager's Office
- Accounting/Finance
- Human Resources/Personnel.....
- Information System/Data Processing.....
- Marketing/Promotion.....
- Other (Identify)
- 12. Total Other Salaries, Payroll Taxes, and Benefits
- 13. Employee Recruitment, Personnel, and Training.....
- 14. Credit Card Charges and Bank Charges
- 15. Telecommunications.....
- 16. Advertising and Promotional Expense
- 17. Contributions
- 18. Complimentary.....
- 19. Management Fees.....
- 20. Corporate Overhead.....
- 21. Legal and Professional Fees
- 22. Accounting and Audit Fees.....
- 23. Consulting Agreements
- 24. Bad Debts.....
- 25. Office Expense
- 26. Postage and Freight
- 27. Travel Expenses.....
- 28. Dues and Subscriptions.....
- 29. Other (Identify)*
- 30. Other (Identify)*
- 31. Other (Identify)*
- 32. Total General and Administrative Expenses (To Sch A, Line 9).....

*All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

SCHEDULE I – COMPUTATION OF GOVERNMENT FEES

- Line 1. Enter the amount of the flat fee specified in the contract or permit.
- Line 2. Enter the amount from Schedule A, Line 1.
- Line 3-5. Identify and enter the amount of other gross revenues from all other sources listed on Schedule F, Lines 47-49.
- Line 6. Add lines 3 through 5 and enter the amount.
- Line 7. Enter the amounts applicable to authentic United States Indian, Alaskan Native, Native Samoan, and Native Hawaiian Handcraft.
- Line 8. Enter only the amount applicable to the categories provided.
- Line 9. Enter only the amount applicable to the categories provided.
- Line 10. Enter only the amount applicable to the categories provided.
- Line 11. Enter only the amount applicable to the categories provided.
- Line 12. Enter only the amount applicable to the categories provided.
- Line 13. Enter only the amount applicable to the categories provided.
- Line 14. Enter only the amount applicable to the categories provided.
- Line 15. Enter only the amount applicable to the categories provided.
- Line 16. Enter only the amount applicable to the categories provided.
- Line 17. Enter only the amount applicable to the categories provided.
- Line 18. Enter only the amount applicable to the categories provided.
- Line 19. Enter the description and amount for other authorized deductions not shown elsewhere.
- Line 20. Add lines 7 through 19 and enter the amount.
- Line 21. Subtract Line 20 from the sum of Lines 2 and 6 and enter the amount.
- Line 22-24. Enter the percentage rate(s) as stated in the contract or permit. Calculate and enter the appropriate amount.
- Line 25. Add Lines 22 through 24 and enter the amount.
- Line 26-28. Enter the subConcession Contractor's names and amount of commission, fees, or compensation received from the subConcession Contractors shown on Lines 3 through 5.
- Line 29. Add Lines 26 through 28 and enter the amount.
- Line 30. Enter one half (50%) of the amount shown on Line 29.
- Line 31. Add Lines 1, 25, and 30 and enter the amount. This amount should equal the amount shown on Schedule A, Line 10.

Computation of Government Fees

SCHEDULE I

1.	Flat Fee.....		
	Percentage Fee		
2.	Gross Revenues (Schedule A, Line 1)		
	PLUS: Other - Identify	Amount	
3.	_____	_____	
4.	_____	_____	
5.	_____	_____	
6.	Total Other Gross Revenues		
	LESS: Authorized Deductions (if Included in Gross Revenues)		
7.	Native Handcraft	_____	
8.	Intracompany Earnings	_____	
9.	Optional Services.....	_____	
10.	Charges for Employees' Meals and Lodging.....	_____	
11.	Cash Discounts on Purchases	_____	
12.	Cash Discounts on Sales	_____	
13.	Returned Sales and Allowances	_____	
14.	Excise Taxes added to Sales Price.....	_____	
15.	Gasoline Taxes	_____	
16.	Cost of Fishing Licenses Fees Sold.....	_____	
17.	Cost of Postage Stamps Sold	_____	
18.	Outside of Reclamation Unit Sales (Included in Gross Revenues)	_____	
	Other Authorized Deductions		
19.	_____	_____	
20.	Total Authorized Deductions	_____	
21.	Total Gross Revenues Subject to Percentage Fee	_____	
22.	Fee Structure _____ % of _____ =		
23.	_____ % of _____ =		
24.	_____ % of _____ =		
25.	Total Percentage Fee	_____	
	FIFTY PERCENT OF COMMISSIONS/FEES/COMPENSATION FROM SUBCONCESSION CONTRACTORS		
	Name of SubConcession Contractor	Amount	
26.	_____	_____	
27.	_____	_____	
28.	_____	_____	
29.	Total Commission/Fees/Compensation From SubConcession Contractors (Schedule A, Line 25)	_____	
30.	Fifty Percent of Commission/Fees/Compensation From SubConcession Contractors	_____	
31.	Total Flat Fee, Percentage Fee, and SubConcession Contractor Fee (Schedule A, Line 10)	_____	

SCHEDULE J – INFORMATION ON CORPORATE OWNERS, OFFICERS, AND PARTNERS

Most of the items disclosed are self-explanatory, however, remember that the Schedule J information pertains to each individual area and each individual Concession Contract. Accordingly, if the one individual is an officer in one entity and that entity has two Contracts and one Contract operates two areas, then the entity would submit a Schedule J for all three locations and percentage of time devoted to all other business activities and all three Concession locations cannot exceed 100% for that officer.

If the ownership or control of the Concession Contractor is subject to agreements, including, but not limited to, management contracts and employment contracts that would cause a change in management or a 10% change of ownership upon the occurrence or non-occurrence of certain events, then such terms must be disclosed and attached as part of Schedule J. For example, if the operating agreement of a limited liability company were to be amended to grant an employee the opportunity to purchase an ownership interest of 10% in the limited liability company upon certain events, then that amendment should be included as part of the AFR Schedule J in the year that the amendment is adopted.

Concession Contractor

Year Ending:

Information on Corporate Owners, Officers, and Partners										SCHEDULE J
A	B	C	D			E	F	G		
Name	Title	% of Time Devoted to Business	Partnership Interest	Common Stock	Preferred Stock	Total Wages	Total Benefits	Total Amount of Compensation		
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10.										
11.										
12.										
13.										
14.										
15.										
16.										
17.										
18.										
19.										
20.										
21. Total (Schedule H, Line 11)										

* List all officers. In addition, list all owners and partners owning a 10 percent or more direct or indirect interest. If the Concession Contractor has more officers, owners, and partners than the spaces above provide for, please complete an additional schedule. Sole proprietors should not complete this form.

SCHEDULE K – SUPPORTING SCHEDULE

This schedule should include a comprehensive listing of all the expenses that are grouped together under one heading within the label of “Other” that exceed a combined line total of \$10,000. This includes:

- Schedule A – Lines 19, 20, and 26
- Schedule D – Lines 11 and 17
- Schedule F – Lines 16, 30, 34, and 47-49
- Schedule G – Lines 23-25
- Schedule G1 – Lines 23-25
- Schedule H – Lines 7-8 and 29-31

Concession Contractor

Year Ending:

Supporting Schedule

SCHEDULE K

SCHEDULE N – RESERVE ACCOUNT ANNUAL RECONCILIATION

- Line 1. Enter the amount from Schedule A, Line 1.
- Line 2. Enter amounts authorized in the contract or permit. In most circumstances, this will be the amount shown on Schedule I, Line 21.
- Line 3. Subtract Line 2 from Line 1 and enter the amount.
- Line 4. Show the percentage amount stated in the contract or contract amendment.
- Line 5. Multiply Line 3 by 4 and enter the amount.
- Line 6. Specify other calculations used in determining reserve account fees.
- Line 7. Add Line 5 and Line 7 and enter the amount.
- Line 8. Insert the ending balance from Schedule N, Line 13, from the preceding year.
- Line 9. Show the actual deposits made in the current accounting year.
- Line 10. Show the actual expenditures made in the current accounting year.
- Line 11. Show the interest income reported for this account in the current accounting year.
- Line 12. Show the bank charges reported for this account in the current accounting year.
- Line 13. Add Lines 8, 9, and 11, subtract Lines 10 and 12, and enter the amount.
- Line 14. If Line 13 has a positive balance and these funds are already obligated to another project, list the projects along with the amount of money obligated to each project.
- Line 15. Show the amount of money that is not obligated for projects.
- Line 16. Add Lines 14 and 15 and enter the amount.
- Line 17. List the deposits made in the current accounting year that were accruals due in the past calendar or fiscal year.
- Line 18. List deposits made in the current accounting year that are for payments of current year special account liabilities.
- Line 19. Add Lines 17 and 18 and enter the amount.
- Line 20. List the accrued liability the Concession Contractor has on the current year deposits.
- Line 21. Add Lines 18 and 20 and enter the amount.

Reserve Account Annual Reconciliation

SCHEDULE N

1.	Gross Revenues (Schedule A, Line 1)	_____
2.	Less-Adjustments to Gross Revenues	_____
3.	Gross Revenues Subject to Reserve Account Calculation	_____
4.	Reserve Account Percentage Rate	_____ %
5.	Amount Due Reserve Account	_____
	Other Method (Specify Calculation)	
6.	_____	_____
7.	Accrued Amount Due to Reserve Account for Current Year	_____

Reserve Account Combined Cash Reconciliation

8.	Balance in Reserve Account from Prior Year	_____
9.	Plus: Current Year Deposits	_____
10.	Less: Current Year Expenditures (Must also complete Schedule O)	_____
11.	Plus: Current Year Interest	_____
12.	Less: Current Year Bank Charges	_____
13.	Balance in Reserve Account at Year End (Should equal Schedule B, Line16)	_____

Allocation of Line 13

14.	Encumbered Balances (List Projects and Amounts)	
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
15.	Unencumbered Balance	_____
16.	TOTAL - Add lines 14 and 15 (Should equal Line 13 above)	_____

Deposit Reconciliation

17.	Reserve Account Deposits for Prior Year Liabilities	_____
18.	Deposits for Current Year Liabilities	_____
19.	TOTAL - Add Line 17 and Line 18 (Should equal Line 9 above)	_____
20.	Accrued Liability Not Yet Deposited for Current Year	_____
21.	TOTAL - Add Line 18 and Line 20 (Should equal Line 7 above)	_____

SCHEDULE N-1 – RESERVE ACCOUNT RECONCILIATION

- Line 1. Enter the amount from Schedule A, Line 1.
- Line 2. Enter amounts authorized in the contract or permit. In most circumstances, this will be the amount shown on Schedule I, Line 21.
- Line 3. Subtract Line 2 from Line 1 and enter the amount.
- Line 4. Show the percentage amount stated in the contract or contract amendment.
- Line 5. Multiply Line 3 by 4 and enter the amount.
- Line 6. Specify other calculations used in determining reserve account fees.
- Line 7. Add Line 5 and Line 7 and enter the amount.
- Line 8. Insert the ending balance from Schedule N-1, Line 13, from the preceding period.
- Line 9. Show the actual deposits made in the current accounting period.
- Line 10. Show the actual expenditures made in the current accounting period.
- Line 11. Show the interest income reported for this account in the current accounting period.
- Line 12. Show the bank charges reported for this account in the current accounting period.
- Line 13. Add Lines 8, 9, and 11, subtract Lines 10 and 12, and enter the amount.
- Line 14. If Line 13 has a positive balance and these funds are already obligated to another project, list the projects along with the amount of money obligated to each project.
- Line 15. Show the amount of money that is not obligated for projects.
- Line 16. Add Lines 14 and 15 and enter the amount.
- Line 17. List the deposits made in the current accounting period that were accruals due in the prior period.
- Line 18. List deposits made in the current accounting period that are for payments of current period special account liabilities.
- Line 19. Add Lines 17 and 18 and enter the amount.
- Line 20. List the accrued liability the Concession Contractor has on the current period deposits.
- Line 21. Add Lines 18 and 20 and enter the amount.

SCHEDULE O – RESERVE ACCOUNT EXPENDITURES

- Line 1. Column 1. List the project number of each reserve account project.
- Column 2. List expenditures from reserve account by locations or site in date order.
- Column 3. List amount spent on each specific project.
- Column 4. Show the percentage amount of completion for the overall project.

Note: The listing of expenditures is to be specific for each individual item. Expenditures are not to be lumped together. Terms that will not be acceptable will include Building Improvements and Leasehold Improvements.

SCHEDULE P – OPERATIONAL AND MISCELLANEOUS FINANCIAL STATISTICS

LODGING

- Line 1. Show the number of hotel, motel, cabin, or other lodging units available at month's end. (Exclude all tent and RV site rentals.)
- Line 2. Show the total number of room-nights available (e.g., if 10 rooms were available throughout September, 300 room-nights were available for that month).
- Line 3. Show the total number of room-nights sold.
- Line 4. Show the gross revenues for hotel, motel, cabin, or other lodging units provided by the concession exclude all revenues from tent and RV site rentals. The entries in this row should equal the sum of Lines 1 and 2 of Schedule F.
- Line 5. Show the number of bills processed for hotel, motel, cabin, or other lodging units excluding all tent and RV site rentals.
- Line 6. Self-explanatory.
- Line 7. Show the number of employees operating the hotel, motel, cabin, or other lodging units available at month's end that were paid on an hourly basis.

FOOD AND BEVERAGE (FULL-SERVICE RESTAURANTS)

- Line 8. Show the total number of seats available in the concession's full-service restaurants (full-service restaurants include those establishments where guests order food while seated and subsequently the food is brought to their table by a server).
- Line 9. Show the number of guests/covers who were served in those restaurants.
- Line 10. Show the number of checks/tickets processed in those restaurants.
- Line 11. Self-explanatory.
- Line 12. Show the size (in square feet) of the concession's full-service restaurants, including kitchen, storage, and other back-of-house areas.
- Line 13. Show the number of employees working in the concession's full-service restaurants at month's end who are paid on an hourly basis.

GIFTS AND MERCHANDISE

- Line 14. Show the total number of sales transacted by the concession's gift and merchandise retail operations.
- Line 15. Self-explanatory.
- Line 16. Show the size (in square feet) of the concession's retail operations, including back-of-house areas.
- Line 17. Show the number of employees working in the concession's gift and merchandise operations at month's end who are paid on an hourly basis.

MARINAS

- Line 18. Show the total number of uncovered slips available for lease within the marina at month's end.
- Line 19. Show the number of uncovered slips leased at month's end.
- Line 20. Specify how many times uncovered slip leases changed owners during the month (turnover).
- Line 21. Self-explanatory.

Concession Contractor

Year Ending:

Operational and Miscellaneous Financial Statistics

Schedule P

	Months												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Lodging													
1. Number of Rooms Available													
2. Total Number of Nights Available.....													
3. Total Number of Nights Sold													
4. Gross Revenues													
5. Room Turnover													
6. Total Number of Guests													
7. Number of Hourly Employees													
Food and Beverage (Full Service Restaurants)													
8. Number of Seats Available.....													
9. Number of Guest Served													
10. Number of Checks/Tickets													
11. Gross Revenues													
12. Total Square Feet													
13. Number of Hourly Employees													
Gift and Merchandise													
14. Total Number of Sales													
15. Gross Revenues													
16. Total Square Feet													
17. Number of Hourly Employees													
Marinas													
18. Number of Uncovered Slips Available for Lease													
19. Number of Uncovered Slips Leased													
20. Uncovered Slip Turnover													
21. Gross Revenues (Uncovered Slips)													

SCHEDULE P1 – OPERATIONAL AND MISCELLANEOUS FINANCIAL STATISTICS (CONTINUATION SHEET)

- Line 22. Show the total number of covered slips available for lease within the marina at month's end.
- Line 23. Specify how many times covered slip leases changed owners during the month.
- Line 24. Self-explanatory.
- Line 25. Show the total number of dry storage units the concession made available for lease at month's end.
- Line 26. Show the number of dry storage units leased at month's end.
- Line 27. Specify how many times dry storage units changed owners during the month (turnover).
- Line 28. Self-explanatory.
- Line 29. Show the total number of mooring buoys available for lease at month's end.
- Line 30. Show the number of mooring buoys leased at month's end.
- Line 31. Specify how many times mooring buoy leases changed owners during the month (turnover).
- Line 32. Self-explanatory.
- Line 33. Show the total number of houseboats available for rent.
- Line 34. Show the number of days of houseboat rental available for rent (e.g., if 10 houseboats were available throughout September, 300 days of houseboat rental were available for that month).
- Line 35. Show the total number of days during the month the houseboats were used or occupied by paying customers.
- Line 36. Self-explanatory.
- Line 37. Show the number of times houseboats were rented, regardless of the duration of those rentals.
- Line 38. Sum up the number of houseboat users in each rental party.
- Line 39. Show the number of employees operating the marina, including any vessel rental operations, at month's end that are paid on an hourly basis.

MISCELLANEOUS FINANCIAL DATA

- Line 40. Show the total amount of deposits paid by visitors to secure lodging, houseboat, and other rentals in advance of their visit.
- Line 41. Provide an estimate of the value of all concession-related merchandise, food and beverage, and other inventory at month's end. Stipulate the inventory accounting method used for these estimates (e.g., LIFO or FIFO).
- Line 42. Show the total payroll for direct labor during the month. This line-item corresponds to Schedule G, Line 10. Accordingly, the sum of all entries on this line should equal what is entered in Schedule G, Column A, Line 10.
- Line 43. Show the concession's gross revenues during the month from all sources. This line-item corresponds to Schedule G, Line 2. Accordingly, the sum of all entries on this line should equal what is entered in Schedule G, Column A, Line 2.
- Line 44. If not a year-round operation, enter under the appropriate months the concession's opening and closing dates. For the opening date, enter "O," followed by the day of the month. For the closing date, enter "C," followed by the day of the month. If elements of the concession operation opened or closed at different times, enter the dates when the entire operation was opened and closed.

Concession Contractor

Year Ending:

Operational and Miscellaneous Financial Statistics (Continuation Sheet)	Months												Schedule P1
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Marinas - continued													
22. Number of Covered Slips for Lease													
23. Number of Covered Slips Leased													
24. Gross Revenues (Covered Slips)													
25. Number of Dry Storage Units Available for Lease													
26. Number of Dry Storage Units Leased													
27. Unit Turnover													
28. Gross Revenues (Dry Storage Units)													
29. Number of Mooring Buoys Available for Lease													
30. Number of Mooring Buoys Leased													
31. Mooring Buoys Turnover													
32. Gross Revenues (Mooring Buoys)													
33. Number of Houseboats Available for Rent													
34. Number of Days Houseboat Rental Available													
35. Number of Days Houseboats Used/Occupied													
36. Gross Revenues (Houseboat Rental)													
37. Number of Times Houseboats Rented													
38. Total Number of Houseboat Users													
39. Total Number of Marina Employees													
Miscellaneous Financial Data													
40. Advanced Deposits													
41. Inventory (Accounting Method)													
42. Direct Labor Expense													
43. Total Concessions Gross Revenues													
44. Open and Closing Dates													

SCHEDULE Q – SUPPLEMENTAL SURCHARGE REPORT

Concession Contractor

Year:

Month:

Details of 5% Supplemental Surcharge Account (Excluding TOT and Fuel Sales)

SCHEDULE Q

	Sales Amount	Monthly Total for Category	Monthly Surcharge Deposited	Year to Date Surcharge Deposited
LODGING				
1. Hotel and Motel	_____	_____	_____	_____
2. Cabins and Cottages	_____	_____	_____	_____
3. Tent Cabins	_____	_____	_____	_____
4. Backcountry	_____	_____	_____	_____
EMPLOYEE MEALS and LODGING				
5. Employee Lodging	_____	_____	_____	_____
6. Employee Food	_____	_____	_____	_____
FOOD				
7. Restaurant (Full Service)	_____	_____	_____	_____
8. Cafeteria	_____	_____	_____	_____
9. Snack Bar and Fast Food	_____	_____	_____	_____
10. Alcoholic Beverage Bar	_____	_____	_____	_____
SOUVENIRS				
11. Gifts, Curios	_____	_____	_____	_____
12. Genuine Authorized Native Handcraft	_____	_____	_____	_____
GENERAL MERCHANDISE				
13. Grocery	_____	_____	_____	_____
14. Package Liquor	_____	_____	_____	_____
15. Photographic	_____	_____	_____	_____
16. Other (Identity)*	_____	_____	_____	_____
CAMPGROUNDS				
17. Tents	_____	_____	_____	_____
18. RV Camping (without hook-ups)	_____	_____	_____	_____
19. RV Camping (with hook-ups)	_____	_____	_____	_____
20. RV Park (All other RV revenues excluding camping)	_____	_____	_____	_____
AUTO SERVICE				
21. Fuel and Oil	_____	_____	_____	_____
22. Parts, Service and Other	_____	_____	_____	_____
MARINA				
23. Slips and Mooring	_____	_____	_____	_____
24. Houseboat Rental	_____	_____	_____	_____
25. Boat and Motor Rental	_____	_____	_____	_____
26. Fuel and Oil	_____	_____	_____	_____
27. Boat and Motor Sales	_____	_____	_____	_____
28. Boat Repair	_____	_____	_____	_____
29. Dry Storage	_____	_____	_____	_____
30. Other (Identity)*	_____	_____	_____	_____
TRANSPORTATION				
31. Boat	_____	_____	_____	_____
32. Cruise Ship	_____	_____	_____	_____
33. Vehicle	_____	_____	_____	_____
34. Other (Identity)*	_____	_____	_____	_____
35. Saddle Horse and Livery	_____	_____	_____	_____
36. Float Trip and River runners	_____	_____	_____	_____
ADDITIONAL REVENUE SOURCES				
37. Skiing Fees (Cross Country Fees and Lift Tickets)	_____	_____	_____	_____
38. Vending Machine	_____	_____	_____	_____
39. Bathhouse	_____	_____	_____	_____
40. Canoe and Tube Rental	_____	_____	_____	_____
41. Rentals (Auto, Equipment, Other)	_____	_____	_____	_____
42. Hunting Guides	_____	_____	_____	_____
43. Guide and Instructional Service	_____	_____	_____	_____
44. Health Service	_____	_____	_____	_____
45. Golf Sales	_____	_____	_____	_____
46. Catalog Sales	_____	_____	_____	_____
47. Other (Identity)*	_____	_____	_____	_____
48. Other (Identity)*	_____	_____	_____	_____
49. Other (Identity)*	_____	_____	_____	_____
50. TOTAL SALES REVENUES	_____	_____	_____	_____

**SCHEDULE R – SUPPLEMENTAL SURCHARGE ANNUAL
RECONCILIATION REPORT**

Supplemental Surcharge Annual Reconciliation

SCHEDULE R

- 1. Gross Sales Revenues (Schedule Q, Line 50)
- 2. Less-Adjustments to Gross Revenues
- 3. Gross Revenues Subject to Supplemental Surcharge Account
- 4. Supplemental Surcharge Calculation
- 5. Account Percentage Rate..... %
- 6. Amount Due Supplemental Surcharge Account
- 7. Other Method (Specify Calculation)
- 8. _____
- 9. _____
- 10. Accrued Amount Due to Supplemental Surcharge Account for Current Year.....

Supplemental Surcharge Account Combined Cash Reconciliation

- 11. Balance in Supplemental Surcharge Account from Prior Year
- 12. Plus: Current Year Deposits
- 13. Less: Current Year Expenditures (Must also complete Schedule S)
- 14. Plus: Current Year Interest
- 15. Less: Current Year Bank Charges.....
- 16. Balance in Supplemental Surcharge Account at Year End.....

Allocation of Line 13

- 17. Encumbered Balances (List Projects and Amounts)
- 18. _____
- 19. _____
- 20. _____
- 21. _____
- 22. _____
- 23. _____
- 24. _____
- 25. _____
- 26. _____
- 27. _____
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Deposit Reconciliation

- 301. Supplemental Surcharge Account Deposits for Prior Year Liabilities
- 302. Deposits for Current Year Liabilities
- 303. TOTAL - Add Line 301 and Line 302 (Should equal Line 9 above)
- 304. Accrued Liability Not Yet Deposited for Current Year
- 305. TOTAL - Add Line 303 and Line 304 (Should equal Line 7 above)

**SCHEDULE S – SUPPLEMENTAL SURCHARGE ACCOUNT
EXPENDITURES REPORT**

ANNUAL FINANCIAL REPORT – DEFINITIONS

Accounting – The language of business that is used to measure, record, report, and interpret the financial aspects of a business.

Accounts payable – Money your company owes to business creditors for the purchase of outside services and goods.

Accounts receivable – Money owed to your company by other customers.

Amortization – The process of allocating the cost of an asset or the retirement of a liability over a specified number of years.

Assets – In accounting terms, an asset is something having value which may be a tangible object (building and inventory) or an intangible right (patent). Tangible assets are usually categorized as either real property (property of a nature that is affixed to the land) or personal property (property such as equipment). An asset may be permanent, such as land, or possessed for a term (such as a leasehold) or it may have an expiration date (such as a contract date).

Balance sheet – Statement showing the company's financial position at any given point in time. This statement consists of the assets, liabilities and owner's equity.

Capital – Wealth in the form of money invested in the business by its owners.

Cash – Generally, Cash is defined as currency on hand and funds on deposit available for the payment of debts.

Cash flow – The inflow and outflow of money in a business in a specified time. Cash flows differ from profits or losses because of non-cash expenditure and accrual basis accounting.

Contingent liability – A liability that is not necessarily shown on the company's financial statements but should be disclosed and explained in the accountant's notes to the financial statements. Contingent liabilities may be due to a lawsuit and would become a current liability if the company was to lose the suit.

Contracting Officer – Regional Director of the Mid-Pacific Region as delegated by the Commissioner.

Corporation – An organization that has been chartered by the State in which the individual(s) or company is based.

Current assets – Cash and other assets that can be converted into cash in a short period of time (usually within 1 year). Current assets include cash, marketable securities, accounts receivable (net of an allowance for bad debts), inventory (at lower of cost or market), and prepaid expenses.

Current liabilities – Money that is owed by a company that will be paid within a short period of time (usually within 1 year).

Depreciation – The allocation of the cost of an asset over time for accounting or tax purposes to account for the decline in the value of an asset due to wear and tear or obsolescence. The method for calculating the depreciation may conform to generally accepted accounting principles (GAAP) or the Internal Revenue Service (IRS) requirements, whichever is appropriate to the application.

Direct expense – Expenses that are directly related to the volume of gross sales.

Dividend – Payment made to corporate stockholders by the company as a result of their stock ownership rights.

Expenditure – A payment a company makes when it purchases a fixed asset or some other item that does not affect the income statement at the time of purchase.

Expenses – Cost of doing business other than that associated with the purchase of fixed assets or some similar item, such as inventory. These items will affect the income statement immediately upon payment.

Fiscal year – An accounting period of twelve months that does not necessarily end on December 31.

Fixed assets – In accounting terms-Items that are not intended for resale in the ordinary course of business; fixed assets are used in the operation of a service business, a manufacturing business, and the business of reselling the products of others. Examples are buildings, furniture and fixtures, land and improvements. Note: this definition differ in this appendix from the main contract definitions. For the purposes of the financial reporting please apply this definition.

Fixed costs – Operating costs that remain relatively constant regardless of fluctuations in the gross sales.

General and administrative (G&A) costs – Expenses that are not designated to a specific business area.

Goodwill – Goodwill is a concept of business that allocates the difference between the purchase price of a business and the sum of the individual values for each individual tangible asset purchased to an intangible account that represents the cost of acquiring a business that can not allocated to physical assets.

Gross profit – Gross sales minus the cost of goods sold.

Income statement – See statement of income.

Intangible assets – An asset without physical form, such as a contract right that may be owned that provides the owner with value.

Inventory – Raw materials, partially finished products, finished products and products bought for resale that have not yet been sold.

Liabilities – Debts a company owes to others.

Long-term liabilities – Money that is owed by a company that will not be paid within 1 year.

Net income – Profit at the end of the measurement period after recognition of all expenses. Also known as “the bottom line.” A Net Loss would indicate that the expenses exceed revenues.

Partnership – A business in which two or more individuals, partnerships, or corporations pool their resources and share the profit or loss of the joint venture.

Prepaid expense – Payment of expenses before the company has received the benefit.

Retained earnings – The total cumulative net profit that a business has earned over its lifetime that has not yet been distributed.

Statement of income or losses – Summarizes the financial activity for a specified time period by looking at the gross revenue and the expenses generated by the company. This statement is also called the profit and loss (P&L) statement.

SCHEDULE F - A – DETAILS OF GROSS REVENUES

Enter on the appropriate lines the gross revenues from each of the services listed. Enter subtotal by department, as indicated. Classification of amounts entered to be entered in the “Departmental Total” column should be consistent and if any revenues are reclassified, the change in method should be noted.

Total gross revenue amounts reported on Schedules A, F, G and I must be the same. The totals from the same period/prior year (SP/PY) will be used to complete the prior year column for Schedule F. If the Contractor determines that prior year information was incorrect, an explanation of the correction must be attached.

Concession Contractor

Dates: _____ to _____

Details of Gross Revenues		SCHEDULE F		
	Current Period Departmental _____ 20__	Percent of all Revenues for 20__	Same Period/ Prior Yr Dept SPPY	Percent of all Revs SPPY
LODGING Sch G Col ____				
1.	Hotel and Motel.....	_____	_____	_____
2.	Cabins and Cottages	_____	_____	_____
3.	Tent Cabins	_____	_____	_____
4.	Backcountry	_____	_____	_____
EMPLOYEE MEALS and LODGING Sch G Col ____				
5.	Employee Lodging	_____	_____	_____
6.	Employee Food.....	_____	_____	_____
FOOD Sch G Col ____				
7.	Restaurant (Full Service)	_____	_____	_____
8.	Cafeteria	_____	_____	_____
9.	Snack Bar and Fast Food	_____	_____	_____
10.	Alcoholic Beverage Bar	_____	_____	_____
SOUVENIRS Sch G Col ____				
11.	Gifts, Curios	_____	_____	_____
12.	Genuine Authorized Native Handcraft	_____	_____	_____
GENERAL MERCHANDISE Sch G Col ____				
13.	Grocery	_____	_____	_____
14.	Package Liquor	_____	_____	_____
15.	Photographic	_____	_____	_____
16.	Other (Identity)*	_____	_____	_____
CAMPGROUNDS Sch G Col ____				
17.	Tents	_____	_____	_____
18.	RV Camping (without hook-ups)	_____	_____	_____
19.	RV Camping (with hook-ups)	_____	_____	_____
20.	RV Park (All other RV revenues excluding camping)	_____	_____	_____
AUTO SERVICE Sch G Col ____				
21.	Fuel and Oil	_____	_____	_____
22.	Parts, Service and Other	_____	_____	_____
MARINA Sch G Col ____				
23.	Slips and Mooring	_____	_____	_____
24.	Houseboat Rental	_____	_____	_____
25.	Boat and Motor Rental	_____	_____	_____
26.	Fuel and Oil	_____	_____	_____
27.	Boat and Motor Sales	_____	_____	_____
28.	Boat Repair	_____	_____	_____
29.	Dry Storage	_____	_____	_____
30.	Other (Identity)*	_____	_____	_____
TRANSPORTATION Sch G Col ____				
31.	Boat	_____	_____	_____
32.	Cruise Ship	_____	_____	_____
33.	Vehicle	_____	_____	_____
34.	Other (Identity)*	_____	_____	_____
35.	Saddle Horse and Livery	_____	_____	_____
36.	Float Trip and River runners	_____	_____	_____
ADDITIONAL REVENUE SOURCES Sch G Col ____				
37.	Skiing Fees (Cross Country Fees and Lift Tickets)	_____	_____	_____
38.	Vending Machine	_____	_____	_____
39.	Bathhouse	_____	_____	_____
40.	Canoe and Tube Rental	_____	_____	_____
41.	Rentals (Auto, Equipment, Other)	_____	_____	_____
42.	Hunting Guides	_____	_____	_____
43.	Guide and Instructional Service	_____	_____	_____
44.	Health Service	_____	_____	_____
45.	Golf Sales	_____	_____	_____
46.	Catalog Sales	_____	_____	_____
47.	Other (Identity)*	_____	_____	_____
48.	Other (Identity)*	_____	_____	_____
49.	Other (Identity)*	_____	_____	_____
50.	TOTAL GROSS REVENUES (Schedule G, Column A, Line 2)	_____	_____	_____

* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

SCHEDULE I - A – COMPUTATION OF GOVERNMENT FEES

- Line 1. Enter the amount of the flat fee specified in the contract or permit.
- Line 2. Enter the amount from Schedule A, Line 1.
- Line 3-5. Identify and enter the amount of other gross revenues from all other sources listed on Schedule F, Lines 47-49.
- Line 6. Add lines 3 through 5 and enter the amount.
- Line 7. Enter the amounts applicable to authentic United States Indian, Alaskan Native, Native Samoan, and Native Hawaiian Handcraft.
- Line 8. Enter only the amount applicable to the categories provided.
- Line 9. Enter only the amount applicable to the categories provided.
- Line 10. Enter only the amount applicable to the categories provided.
- Line 11. Enter only the amount applicable to the categories provided.
- Line 12. Enter only the amount applicable to the categories provided.
- Line 13. Enter only the amount applicable to the categories provided.
- Line 14. Enter only the amount applicable to the categories provided.
- Line 15. Enter only the amount applicable to the categories provided.
- Line 16. Enter only the amount applicable to the categories provided.
- Line 17. Enter only the amount applicable to the categories provided.
- Line 18. Enter only the amount applicable to the categories provided.
- Line 19. Enter the description and amount for other authorized deductions not shown elsewhere.
- Line 20. Add lines 7 through 19 and enter the amount.
- Line 21. Subtract Line 20 from the sum of Lines 2 and 6 and enter the amount.
- Line 22-24. Enter the percentage rate(s) as stated in the contract or permit. Calculate and enter the appropriate amount.
- Line 25. Add Lines 22 through 24 and enter the amount.
- Line 26-28. Most Contracts do NOT allow subConcession Contractors. If allowed, attach the portion of the Contract that defines the rate charged for revenues related to such activities. Enter the subConcession Contractor's names and amount of commission, fees, or compensation received from the subConcession Contractors shown on Lines 3 through 5.
- Line 29. Add Lines 26 through 28 and enter the amount.
- Line 30. Enter one half (50%) of the amount shown on Line 29.
- Line 31. Add Lines 1, 25, and 30 and enter the amount. This amount should equal the amount shown on Schedule A, Line 10.

Concession Contractor

Dates: _____ to _____

Computation of Government Fees

Schedule I - a

1. Flat Fee

Percentage Fee

2. Gross Revenues (Schedule A, Line 1)

PLUS: Other – Identify Amount

3. _____

4. _____

5. _____

6. Total Other Gross Revenues

LESS: Authorized Deductions (if Included in Gross Revenues)

7. Native Handcraft

8. Intracompany Earnings

9. Optional Services

10. Charges for Employees' Meals and Lodging

11. Cash Discounts on Purchases

12. Cash Discounts on Sales

13. Returned Sales and Allowances

14. Excise Taxes added to Sales Price

15. Gasoline Taxes

16. Cost of Fishing Licenses Fees Sold

17. Cost of Postage Stamps Sold

18. Outside of Reclamation Unit Sales (Included in Gross Revenues) ...

Other Authorized Deductions

19. _____

20. Total Authorized Deductions

21. Total Gross Revenues Subject to Percentage Fee

22. Fee Structure _____ % of _____ =

23. _____ % of _____ =

24. _____ % of _____ =

25. Total Percentage Fee

Franchise Fees on COMMISSIONS/FEES/COMPENSATION FROM SUBCONCESSION CONTRACTORS

	Amount	Amt X Rate
26. _____	_____	
27. _____	_____	
28. _____	_____	
29. Total Commission/Fees/Compensation From SubConcession Contractors (Schedule A, Line 25)	_____	
30. Fees on Commission/Fees/Compensation From SubConcession Contractors	_____	
31. Total Flat Fee, Percentage Fee, and SubConcession Contractor Fee (Schedule A, Line 10)	_____	

EXHIBIT K

RESERVE ACCOUNT FOR FACILITIES IMPROVEMENT

A. INTRODUCTION

This exhibit concerns the use of the RAFI funds. Funds set aside in a RAFI are referred to as RAFI funds. The source of these funds is established in the main body of the Concession Contract, Section 4. In the event of any inconsistency between this Exhibit K and the main body of the Concession Contract, the main body of the Concession Contract shall prevail.

B. POLICY FOR USE OF THE RESERVE ACCOUNT FOR FACILITIES IMPROVEMENT

The Concession Contract includes specific provisions establishing a RAFI and describes its purpose or principal goals. The account is needed to make funds systematically available for the ongoing improvement, construction, and renovation of concession facilities, specifically, significant nonrecurring capital improvement projects. The RAFI allows reserves to be set aside for known requirements even while exact projects, construction timing, and planning are not yet resolved.

The RAFI shall be used to improve, rehabilitate, or construct facilities that are Government or Concession Contractor funded and assigned to the Concession Contractor to directly support Concession Contractor services authorized or required under this Concession Contract.

C. APPROPRIATE FACILITIES

RAFI funds may be used only to fund Concession Contractor visitor service and concession facility projects constructed on Federal Estate lands assigned to the Concession Contractor for use in maintaining the visitor services and concession facilities authorized by the Concession Contract. Such projects are referred to as RAFI projects. Expenditures of RAFI funds for projects on other lands or for other purposes are a violation of the Concession Contract and unlawful. The RAFI projects, as established in this Concession Contract, are considered Concession Contract obligations.

Examples of appropriate facilities would include marinas, marina slips, marine fuel service facilities, campground pads and utilities, trailer and recreational vehicle pads, lodging, restaurants, gift shops or service stations, as well as support facilities necessary for the functioning of the concession's primary visitor facilities such as utility systems, administrative offices, and repair shops.

D. ACCOUNT INSTRUMENTS AND OWNERSHIP

RAFI funds can be invested in various instruments in advance of being used to carry out the Concession Contractor's obligations under the Concession Contract. The parties to

this Concession Contract Exhibit K agree that RAFI funds that have yet to be disbursed shall be either held in an account insured by the Federal Deposit Insurance Corporation or a similar insuring entity of the Federal Government, and/or all investment instruments, which shall be notes, bills, and bonds issued by the United States Treasury, that will be whole instruments including both principal and interest (no derivative instruments) and shall be directly backed by the full faith and credit of the United States of America.

The funds in the RAFI will be held in accounts established and owned by the Concession Contractor to carry out Concession Contractor obligations under this Concession Contract. Trust and escrow accounts are not permissible. The Concession Contractor makes an irreversible commitment when deposits are made into a RAFI. Deposited funds do not become Government funds. Interest earned on RAFI funds becomes RAFI funds. The Concession Contractor is responsible for taxes owed on such interest. RAFI funds cannot be used to pay such taxes.

Any RAFI funds not duly expended by the Concession Contractor by the expiration of this Concession Contract shall be the property of the Concession Contractor unless there are approved or otherwise Reclamation required RAFI projects previously identified for completion in advance of contract expiration that have not been accomplished. In this case the projects' estimated costs will be made available by the Concession Contractor for application to those projects. If the Concession Contractor is also the succeeding Concession Contractor then the RAFI funds that are unexpended during the term of this Concession Contract will apply to the initial RAFI funding established in the next contract less the estimated costs of uncompleted but required projects.

In the event of termination of this concession contact, any unexpended RAFI funds shall be the property of the Concession Contractor unless there are approved or otherwise Reclamation required RAFI projects previously identified for completion at the date of contract termination that have not been accomplished. In this case the projects' estimated costs will be made available by the Concession Contractor for application to those projects.

E. ACCOUNT REPORTING

RAFI funds must be maintained in a separate account, with record keeping used to maintain continuous records of the balance as well as deposits to the account and disbursements from the account. Concession Contractors are responsible for reporting RAFI activity as required by Reclamation and described in Section 8 – Accounting Records and Reports, in the main body of the Concession Contract and in Exhibit J: Financial Reporting Forms.

The Concession Contractor shall submit to Reclamation quarterly, no later than 30 days after the end of last month of the reporting quarter, a RAFI Activity Report Exhibit J Schedules N-1 and O, that provides a summary of deposits and expenditures over the reporting period. This report should also contain a running summary of all funds currently available in the RAFI.

F. ACCOUNT EXPENDITURES THAT ARE NOT APPROPRIATE

RAFI funds shall not be used for the operating costs of building systems or for minor adjustment and repair that would be the usual, routine responsibility of the Concession Contractor. RAFI funds shall not be used for cyclic maintenance projects with a normal recurrence interval of less than 7 years.

Additionally, RAFI funds are not to be used for maintenance of, or improvements to, Government property not assigned to the Concession Contractor, or for Government projects or activities not directly related to the provision of the involved Concession Contractor's services.

RAFI funds are not to be used to pay for or otherwise reimburse the Concession Contractor for annual operating expenses or Government appropriation accounts.

RAFI funds will not be used for acquisition, lease, or maintenance of personal property. With the exception of built-in refrigeration units in kitchen facilities, all kitchen equipment shall be considered personal property and not eligible for RAFI expenditures. Examples of the type of other personal property that is not appropriate for RAFI expenditures include, but are not limited to, vehicles and vessels, houseboats, barges, personal watercraft (like jet skis), motor boats, sailboats, tour boats, paddleboats, canoes, kayaks, windsurfing equipment, dinghies, rowboats, parasailing equipment, horses, bicycles, motorbikes, snowmobiles, personal vehicles, buses, trucks, vans, and vending machines.

The account shall not be used to replace individual fixtures, doors, windows, or pieces of equipment (e.g., window air conditioning units) regardless of whether they are damaged by use or vandalism or have deteriorated as a result of normal operations.

The account shall not be used for decorating costs, furniture, interior painting, or periodic re-carpeting or other necessary cosmetic work. RAFI funds shall not be used for cleaning, housekeeping, groundskeeping, regular landscaping care, or similar routine upkeep activity. RAFI funds shall not be used for seasonal opening and closing costs.

G. APPROPRIATE ACCOUNT EXPENDITURES

Project activities that are appropriate for RAFI fund expenditures include project planning, management, design, and construction of new buildings and infrastructure, renovation or rehabilitation of existing buildings and related infrastructure, demolition of old facilities, footprint and landscape design, and site restoration. Appropriate RAFI fund expenditures would include major capital expenditures in the Government-owned structures/facilities that are assigned to Concession Contractor for the purposes of its use. The following list identifies some but not necessarily all of applicable expenditures:

- Foundations.
- Building frames.
- Window frame replacement.
- Sheathing.
- Sub-floors.

- Drainage.
- Renovation of building systems (electric, plumbing, HVAC, roofing, etc.).
- Additions (buildings, walkways, docks, etc.).

Certain attached fixtures used by the applicable facilities would be considered appropriate for RAFI fund expenditures, for example:

- Water heaters.
- Compressed air tanks.
- Fuel storage tanks.
- Hoists and equipment.
- Vault and composting toilet facilities.
- Others on a case by case basis.

The Concession Contractor may, with the approval of the Contracting Officer, be allowed to charge the RAFI fund for reasonable administrative expenses directly associated with the implementation of capital improvements. Such expenses, however, will not exceed 5 percent of approved project expenditures. Before allowing such expenses, they must be approved, in writing, by the Reclamation Contracting Officer, who shall determine the reasonableness and appropriateness of such expenses. Such approval shall be based on the Concession Contractor's submission of a detailed listing of the administrative costs it expects to incur and those it seeks to fund through the RAFI.

H. PROJECT CONTRACTS

The contracts entered into by the Concession Contractor (or others, should that be authorized) to undertake projects are private contracts, not Government contracts. The Concession Contractor shall not, directly or indirectly, enter into any arrangement or agreement whereby it receives money or other benefits from the contractor.

The Contracting Officer may require that the RAFI funds be used to pay for the cost of an independent, third-party construction supervisor/inspector to represent the interests of the Government on any project in which the Contracting Officer feels such a supervisor/inspector would be cost effective and necessary to the sound administration of the project.

The Concession Contractor shall ensure that a Builders' Risk Form insurance policy is in effect during the construction. The Contracting Officer will approve, in writing, the type and amount of insurance. This policy is an appropriate expenditure from the RAFI funds.

I. PROJECT NOMINATION AND APPROVAL

1. Spending money from the RAFI requires a coordinated effort between the Concession Contractor and the Reclamation Contracting Officer. Projects must be proposed, prioritized, approved, bid, and accomplished using the orderly process described below to ensure accountability.
2. Reclamation staff, the Concession Contractor, or both may submit proposals to the Contracting Officer for the use of the RAFI funds using a format established by the Contracting Officer.

3. The Contracting Officer will establish an account committee to review and recommend approval or disapproval of project nominations in accordance with the Annual Improvement Management Plan and Exhibit H. The committee will include at least Reclamation's concession management person and other staff members deemed appropriate by the Contracting Officer. The chair will be the Reclamation lead concession operative unless a different appointment is made by Reclamation. The Contracting Officer will establish a process to review, prioritize, and approve or disapprove project nominations based on, but not limited to, the following:

- Applicable laws and regulations.
- Reclamation's Concessions Policy and Directives and Standards.
- Concession contract and amendments, including the appropriateness of the project given the RAFI fund restrictions stated in this exhibit.
- Operating Plans, Maintenance Plans, and Annual Improvement Management Plans.
- Need, based on resource impacts or human risk factors.
- Compliance with Reclamation planning documents.
- Other applicable factors.

Upon completion of the review, the committee will prepare a record of the evaluation and a recommendation for approval or disapproval by the Contracting Officer. The documentation will be included in the proposal format established by the Contracting Officer.

4. The Contracting Officer will review project nominations for approval.

5. The Contracting Officer will authorize each approved project in a written letter to the Concession Contractor. The letter will establish a project account number and set a not-to-exceed budget amount. The established budget may be increased only by subsequent written authorization by the Contracting Officer. The budget amount will include all direct project hard and soft costs, such as design, construction, material purchases, environmental compliance reports, environmental mitigation, contingencies, and construction inspection. The project statement will provide a chronological audit trail of the decision-making activity, including meetings, inspections, and change orders, from nomination to project completion. Support documents will be maintained in the project file or referenced in the project statement.

J. SPECIFICATIONS, DESIGN, AND BIDDING

1. Work funded by a RAFI account is to be accomplished through competitive contracts or as described below. The Concession Contractor shall assume responsibility, including liability for any RAFI funded contracts awarded but not completed by the previous Concession Contractor pursuant to this Concession Contract.
2. Concession Contractor employees will not perform construction work unless the Contracting Officer determines that there are circumstances that make such work advantageous and that it would be effectively managed. The Concession Contractor may use sole-source contracts only with the prior approval of the Contracting Officer.
3. The Concession Contractor may not bid as an independent contractor or be employed by the contractor for RAFI-funded projects within their own Concession Contract.
4. The Concession Contractor shall not directly or indirectly enter into any contract whereby it benefits directly or indirectly through the transfer of funds or other benefits from a RAFI project contractor conducting work within the bounds of the Concession Contractor's Concession Contract.
5. Exceptions to these policies may be granted, in writing, by the Contracting Officer on a case-by-case basis when there are unusual circumstances, clear advantages to the Government, and adequate controls.
6. The Contracting Officer will approve a project scope of work before the Concession Contractor begins project design.
7. Design work will typically be accomplished by an architect, engineer, or other design consultant hired by the Concession Contractor. The Contracting Officer will approve the Concession Contractor's selection of the design consultant.
8. Plans and specifications will be prepared by the Concession Contractor or the Concession Contractor's design consultant. When design is involved in a project, the designs will be reviewed by the Contracting Officer as appropriate to the project and as specified in Exhibit H. Sufficient time should be allowed for design review by appropriate Reclamation staff at area, regional, or technical service center offices or by independent consultants.
9. Once plans and specifications are approved, the Concession Contractor will prepare to advertise or otherwise solicit bids for the project.
10. For each project, the package for bidding will include at least the plans and specifications and a draft contract or agreement under which the work will be carried out and that has been reviewed and approved by the Contracting Officer. If lodging and/or meals are provided by the Concession Contractor as part of the contract, the contract must include this provision and rates.

11. If the project is bid, the Concession Contractor will receive, open, and evaluate project bids.
12. The Concession Contractor will recommend and justify selecting a contractor from among the bidders or from other sources if a bid process was not used. This recommendation will be accepted or rejected, in writing, by the Contracting Officer. Once confirmation has been issued, the Concession Contractor is authorized to sign a contract and proceed with the project.
13. Change orders on project contracts require approval, in writing, from the Contracting Officer.
14. Upon certification from the contractor that a project is complete, the project will be inspected jointly by the Concession Contractor and the Contracting Officer. The project will not be accepted by the Concession Contractor until authorized in writing by the Contracting Officer.

K. INITIAL ESTABLISHMENT OF RAFI ACCOUNT

The Concession Contractor shall establish and deposit into a RAFI, within 15 days after signing the contract, a sum equal to \$2,000 (Two Thousand Dollars), for each of the six concession areas. This amount will serve as an initial working balance and will offset amounts due in the initial quarterly payments until an amount equal to this initial amount has been covered.

EXHIBIT L

LND 04-01 DIRECTIVES AND STANDARDS

LND 04-01 Directives and Standards

Subject: Concessions Management by Reclamation¹

Purpose: Sets forth the directives and standards for planning, development, and management of concessions at Reclamation projects.

Authority: Reclamation Act of 1902, as amended and supplemented; the Reclamation Project Act of 1939; and the Federal Water Project Recreation Act of 1965, as amended.

Contact: Land, Recreation, and Cultural Resources Office, D-5300

1. Definitions.

- A. **Concession.** A concession is a non-Federal commercial business that supports appropriate public recreation uses and provides facilities, goods, or services for which revenues are collected. A concession involves the use of the Federal estate and usually involves the development of real property improvements.
- B. **Cooperating Association.** A cooperating association is a nonprofit organization. It is a Federal 501(c) tax-exempt entity incorporated within the State in which it operates, and it is governed by a volunteer board of directors. Cooperating associations assist in enhancing interpretive programs, providing visitor information, funding research, and supporting various resource themes.
- C. **Exclusive Use.** Exclusive use is any use that excludes other appropriate public recreation use or users for extended periods of time. Exclusive use includes, but is not limited to, boat docks, cabins, trailers, manufactured or mobile homes, structures, roads, or other amenities that are determined by Reclamation to be exclusive use.
- D. **Federal Estate.** The Federal land and water areas under the primary jurisdiction of the Department of the Interior, Bureau of Reclamation.
- E. **Fixed Assets.** Fixed assets are any structures, fixtures, or capital improvements permanently attached to the Federal estate.
- F. **Improvement.** An addition to real property that increases its value or utility or that enhances its appearance.
- G. **Incidental Revenues.** Incidental revenues are generally defined as those revenues generated from the use of Reclamation's project lands and facilities that are incidental to authorized project purposes.

¹ The following directives and standards apply to concessions managed directly by Reclamation. Separate directives and standards address concessions managed by non-Federal partners.

Although recreation and concession facilities are authorized project purposes, it has been determined that revenues generated from the use of the Federal estate by concessionaires are to be credited as incidental revenues.

H. **Total Benefits to the Government.** Total benefits include:

- (1) **Direct Returns.** These are revenues generated by authorized concession contracts and paid directly to the United States Treasury and credited in accordance with Reclamation Manual (RM), Crediting of Incidental Revenues, PEC 03-01.
- (2) **Direct Benefits.** These are fees paid into a contractually designated special account for resource and capital improvements that directly benefit the public in the area of operations where the fees are collected.
- (3) **Indirect Benefits.** These are services performed by the concessionaire that benefit the public or improvements made to the Federal estate by the concessionaire.

2. **Existing Concession Contracts.**

- A. **Compliance.** Existing concession contracts must be brought into compliance with the Concessions Management Policy and Directives and Standards at the first legal opportunity, for example, if the contract is amended. If a concession contract expires or is terminated because of contract default or for other reasons, any subsequent concession contract must comply with the Concessions Policy and Directives and Standards.
- B. **Unusual Circumstances.** In the event that unusual circumstances prevent Reclamation from issuing a new contract in a timely manner, a one-time, temporary contract may be issued. The temporary contract must comply with the Concessions Management Policy and Directives and Standards and may be issued for a period not to exceed 2 years.

3. **Concessions Planning.**

- A. **General.** Before issuing a concession prospectus and Request for Proposal (RFP), Reclamation will complete a formal commercial services plan and financial feasibility evaluation.
 - (1) **Commercial Services Plan.** The commercial services plan can be an addendum to a resource management plan or similar planning document. If there is no other planning document, the commercial services plan may stand on its own. At a minimum, the commercial services plan must determine the number of concessions necessary to meet the public needs, the type of facilities and services to be provided, the financial feasibility of the concession(s), and the location(s) appropriate for commercial activities. The complexity of commercial services plans will vary according to location, past visitor use, anticipated revenues, and other factors.
 - (2) **Financial Feasibility Evaluation.** The financial feasibility evaluation, included in the commercial services plan, will include, at a minimum, a documented determination of the financial viability of the proposed concession operation, including, the estimated fees to be returned to the Government, a justification for the proposed length of the term of the concession contract and the underlying assumptions regarding concessionaire capital investment in the concession.

- (3) **Planning for New Concessions Contracts.** It is essential that area and regional offices allow adequate time to complete the commercial services planning process, develop an RFP and contract, and receive the Commissioner's Office review and approval of the RFP and contract. In some cases, the planning for new concession contracts(s) must begin several years in advance of the date anticipated the contract(s) will be awarded.

B. Commercial Services Plan. Decisions to contract for concessions must be based on the results of the commercial services planning process, which will include public involvement, financial feasibility evaluation, and environmental analysis. During the planning process, the following criteria will be applied to determine appropriate facilities and services:

- (1) Facilities and services must be necessary and appropriate for a broad spectrum of public use and enjoyment.
- (2) Commercial facilities must not be developed or expanded on the Federal estate if existing facilities, on or off the Federal estate, adequately meet current and projected needs.
- (3) Facilities and services must reflect the general public's needs rather than the desires of a particular individual or group. Existing concessionaires may provide input through the public involvement process.
- (4) The financial feasibility evaluation must consider the concession's:
 - (a) Gross revenues (receipts) by operating department (lodging, food, and beverage).
 - (b) Operating expenses:
 - (i) Direct expenses by operating department (including labor and cost-of goods sold).
 - (ii) Unallocated expenses (including utilities and repair and maintenance).
 - (iii) General and administrative expenses (including overhead, officer salaries, office supplies, and travel).
 - (iv) Fixed expenses (including rent, interest, depreciation, and reserve accounts).
 - (v) Franchise fees.
 - (c) Earnings before interest, depreciation, taxes, and amortization. (EBIDTA is a standard accounting value representing net operating income)
 - (d) Capital investment costs:
 - (i) Working capital.
 - (ii) Furniture, fixtures, and equipment.
 - (iii) Ongoing capital replacement.
 - (iv) New facility development costs.

- (e) Cash flow analysis.
 - (f) Other appropriate factors that influence the concession's business opportunity (including length of season, rates, visitation, inflation, cost of capital, and appropriate target rate-of-return to concessionaire).
- (5) Facilities and services must be compatible with Reclamation project purposes.
 - (6) Facilities, services, or sites considered to be exclusive use will not be allowed and should not be considered as a part of any commercial services planning alternative. Existing exclusive use facilities, services, and sites must be removed when a contract expires or, if possible, sooner.
 - (7) Potential impacts to natural and cultural resources must be considered in the development of facilities and services.
 - (8) Facilities must be harmonious in form, line, color, and texture with the surrounding landscape.
 - (9) The planning process will consider whether existing concession facilities should be relocated because: (a) they would serve the public better at a different location, (b) they are situated in an area that is topographically limited (steep slopes, soils subject to erosion, limited space for expansion, or the site cannot accommodate the demand) and cannot provide the best public services and facilities, or (c) the financial feasibility evaluation determines that combining one or more existing concessions would create a more financially stable concession.
 - (10) If existing fixed assets are proposed to be retained as a part of any new concession operation, they must first be formally evaluated to determine if their existing condition and useful life is sufficient to last through the duration of any new contract. If the evaluation determines that any fixed asset would have to have significant maintenance or would need to be replaced during the term of the new contract, then the fixed asset must be removed prior to issuing a new contract.
 - (11) Concession contracts and operations must comply with all applicable laws, rules, regulations, Executive Orders, and policies.

4. **Concessions Contracting.**

- A. **General Application.** These directives and standards will apply to existing concessions contracts only if agreed to by both Reclamation and the concessionaire. Existing contracts may not be renewed, nor can the length of the term be extended. Existing contracts that are amended or modified within the current term must adhere to these Concessions Management Directives and Standards. New or replacement contracts will be awarded on a fully competitive basis.
- B. **Request for Proposals (RFP).** An RFP will be issued to actively solicit offers from interested parties. To allow for a wide distribution, the RFP will be published in the appropriate media and the following approach will be applied:
 - (1) **Fair Competition.** To ensure fair competition before and during the RFP process, meetings to discuss the RFP with existing or potential concessionaires or other outside parties must not be conducted. It is appropriate to have meetings with existing concessionaires to deal with ongoing operational or contractual issues and programs. The RFP should include a schedule of meetings

in which all interested parties can discuss requirements of the RFP. Other meetings requested by individual interested parties must be declined.

- (2) **Equal Access to Information.** All information must be equally available to all interested parties during the RFP process.
 - (3) **Written Explanation.** Following release of an RFP, explanations or clarifications will be provided only in writing and must be sent to all parties who already have received the RFP and to any parties who are to receive it in the future.
 - (4) **Existing Concessionaires.** Existing concessionaires must respond to the RFP as a bidder to be considered for the new contract. If any existing concessionaire has a contract that includes a “Preferential Right of Renewal,” the RFP must state that, if selected, the concessionaire’s contract will be subject to all terms and conditions as outlined in the RFP. The RFP must also state how the preferential right of renewal will be applied in the bid process. No preferential right of renewal will be authorized for new, modified, or amended concession contracts.
- C. **Review of Proposals.** A panel composed of Reclamation “subject matter experts” (e.g., financial, recreation, and concession experts) will be convened to review submitted proposals. If Reclamation desires, it may contract with external experts to analyze offers. The panel will forward a recommendation to the selecting official. The selecting official will provide selection criteria and a crediting plan to the panel.
- D. **Contract Terms and Conditions.** The following items should be specifically addressed in concession contracts:
- (1) **Standard Contract Language.** Reclamation’s standard concession contract language will be used to ensure compliance with all applicable laws, rules, regulations, Executive Orders, and Concessions Management Policy and Directives and Standards. Standard contract language can be found in the Concessions Management Guidelines. (See paragraph 5E.)
 - (2) **Interim Operator.** Reclamation may select an interim operator if a contract is not in place at the time the existing contract expires or is terminated. Interim contracts will generally follow the existing contract provisions; however, contract terms and conditions must be modified to reflect current policies and directives and standards. Reclamation may select the existing concessionaire as the interim operator if the existing concessionaire is performing in a satisfactory manner. The interim operation will not exceed 2 years. A new contract must be awarded as expeditiously as possible.
 - (3) **Required and Authorized Visitor Services.** Contracts must outline the specific types of services, facilities, and activities that a concessionaire is **REQUIRED** to offer. The contract should also specify any other services or activities the concessionaire is **AUTHORIZED** to offer. It must be clear that those required services are not optional and must be provided. Any service, facility, or activity not identified in either category is not authorized without a contract amendment or written authorization from the contracting official (Regional Director or delegate).
 - (4) **Sale and Transfer.** Concessionaires or parties holding interests in a concession contract may not sell, assign, or transfer their interests or a part of their interests to another party without the prior written approval of the contracting official (Regional Director or delegate).

Concessionaires must complete and submit all sale and transfer information as required by Reclamation before approval of a sale or transfer of all or any portion of a concession operation will be considered.

- (a) **Proposed Transfer.** A proposed transfer of interest is subject to the same evaluation process that is performed for a new concession contract. The Reclamation-designated official may choose not to approve a proposed sale or transfer or may choose to place conditions on the approval.
 - (b) **Change of Original Contract Terms.** Concession contracts will provide that the terms and conditions are subject to change by Reclamation before approval of a sale or transfer. The length of the term may be reduced but not extended.
- (5) **Default and Nonperformance.** Clauses addressing default, penalty, and termination will be included in all concession contracts. The review and evaluation process will be critical to help determine if a concessionaire is in default or not meeting the terms of the contract. [See paragraph 4D(27).] The contract will also allow Reclamation to require a surety or performance bond at any time, collect penalties and administrative costs for default and nonperformance, and terminate the contract.
 - (6) **Length of Term.** The term of all contracts will be limited to the shortest period practical and will be based primarily on the investment required of the concessionaire, as determined through the financial feasibility evaluation. The term of a contract requiring minimal or no new capital investment should generally not exceed 5 years. When substantial investment is required, the term will be based on the financial feasibility evaluation to ensure that concessionaires receive a reasonable return on their investment. New contracts cannot contain renewal clauses.
 - (7) **Subconcessions.** Subconcessions are not permitted.
 - (8) **Concessions Building and Improvement Program.** All designs for construction must be approved by Reclamation and must comply with applicable environmental regulations and building code requirements, including those for accessibility and historic preservation. In areas where State or local construction standards are not available, Reclamation may provide appropriate standards. Where required and before construction, the concessionaire must obtain all required building permits from the local authorities. All the concessionaires' facilities will be harmonious in form, line, color, and texture with the surrounding landscape.
 - (9) **Environmental Compliance.** Concession contracts will address all activities with potential environmental impacts resulting from the release of hazardous materials to the environment including, but not limited to, the following: pesticides, herbicides, sewage effluents, petroleum products, and liquid waste (gray water). Concessionaires are required to follow all applicable Federal, State, and local laws, rules, and regulations related to hazardous substance use, storage, and disposal. Application for and acquisition of all required certifications and permits are the responsibility of the concessionaire.
 - (10) **Interpretation and Thematic Programs.** Contracts should require concessionaires, to the extent possible, to support Reclamation's educational efforts through such actions as developing interpretive and area thematic messages in printed material (menus, marketing, correspondence, etc.), using outdoor signs, and, as appropriate, developing formal programs.

- (11) **Operation and Maintenance Plan.** Concessionaires will prepare an annual operation and maintenance plan, which must be approved by Reclamation. Concession contracts must clearly state what the plan will contain. Reclamation's Concessions Management Guidelines provide a list of operation and maintenance items that should be considered for inclusion in the plan. (See paragraph 5E.)
- (12) **Preference for Renewal.** Concession contracts will not include a preference right of renewal.
- (13) **Reimbursement for Fixed Assets Constructed by Concessionaires.** Concession contracts will specify whether fixed assets located on the Federal estate by a concessionaire will remain on the Federal estate or be removed at the end of the contract.
 - (a) **Assets That Remain With the United States.** Title to all capital investments will be held by the United States and not the concessionaire. Concessionaires do not automatically have a right to compensation from the United States in fixed asset improvements upon contract expiration or termination. However, at the option of Reclamation, and when appropriated funds are available, Reclamation may purchase a concessionaires remaining assets that have not been amortized and the amount paid to the concessionaire will not exceed cost less depreciation.
 - (b) **Approval of Improvements.** Any new investment in fixed asset improvements by the concessionaire must be approved, in writing, by Reclamation before commencement of construction. This written approval will specify (i) the amount of money to be spent to construct or rehabilitate the fixed asset, (ii) the allowed depreciable life of the improvement (according to the IRS schedule), and (iii) the construction details and schedule.
 - (c) **Assets That Remain to be Purchased by a New Concessionaire.** Upon expiration, termination, or sale or transfer of a concession contract some fixed assets may not have been fully amortized. If Reclamation determines the fixed assets are still needed for the concession operation, the unamortized value must be purchased by the new concessionaire and based on the original cost less depreciation.
- (14) **Area of Operation.** Each contract will authorize and define only the physical area necessary to conduct the business activities allowed by the contract. The contract must include a legal description and a detailed map. Concession boundaries will be surveyed by Reclamation and must be easy to recognize by the visiting public.
- (15) **Additional Facilities or Services.** A concessionaire may request contract amendments for limited additional facilities or services that meet public needs and were not identified in the RFP. A major expansion of facilities or services is not permitted. Additional facilities or services are not allowed without advance approval by Reclamation.
- (16) **Total Benefits to the Government.** Reclamation will determine and recover fair compensation, including direct returns and direct and indirect benefits, for the use, rights, and privileges granted under a concession contract. The concession contract will specify the direct returns and direct and indirect benefits.

- (a) **Thresholds.** Targeted thresholds of total benefits will be developed to determine the optimal combination of payments. These will be used in advertisements, RFPs, and renegotiations to seek appropriate benefits to the Government and the public.
 - (b) **Direct Returns (Disposition of Fees).** The appropriate disposition of recreation or concession fees depends on the land status and authority used to collect the fees. Fees collected under the authority of the Land and Water Conservation Fund Act are to be deposited in the Recreation, Entrance, and User Fee Account, which is a special account for Reclamation established in the United States Treasury. For specific information, refer to the RM, Crediting of Incidental Revenues, PEC 03-01. Except as provided otherwise in a project specific authorization, fees collected pursuant to Reclamation law will be disposed of as follows:
 - (i) Fees generated by concessions or recreation activities on withdrawn project lands are deposited in the Reclamation Fund.
 - (ii) Fees generated by concessions or recreation activities on lands acquired for project purposes are deposited in the Reclamation Fund, to the credit of the project.
- (17) **Utility Services Provided by Reclamation.** The value for utility services provided by Reclamation will be based on the recovery of full operating and replacement costs for utility capital investments and comparable utility rates. If the financial feasibility evaluation determines that it would not be feasible for the concessionaire to pay rates which would compensate Reclamation for its total capital and operating costs, Reclamation must determine the utility service rates that would be feasible and applied. Utility services include, but are not limited to, electricity, power, water, waste disposal, gas, and communication systems.
- (18) **Exclusive Use.** Exclusive use facilities are not authorized in new concession contracts. If existing concession contracts are amended, a new provision must be included that requires exclusive use to be phased out as soon as possible, before the contract expires. A mandatory timetable for this phase out must be included in the amended contract. The concessionaire and a person hired to guard the concessionaire's investment may reside on the Federal estate, with the written approval of the contracting officer.
- (19) **Sale of Personal Property.** The sale of personal property by anyone other than the concessionaire is prohibited on the Federal estate. Concessionaires will be permitted to sell their personal property on the Federal estate only to Reclamation or a succeeding concessionaire.
- (20) **Rates and Merchandise.** Rates charged by concessionaires for all facilities, services, and merchandise will be based on charges for comparable facilities, services, facilities, and merchandise provided by the private sector in similar situations. Approved rates will ensure a fair return to the concessionaire and a reasonable charge to the public. Reclamation will approve such rates or rate schedules when the concessionaire proposes to change rates. Any rates in excess of comparable rates must be thoroughly justified and supported in writing by the concessionaire and approved by Reclamation.
- (21) **Concessions Safety Program.** Concessionaires are responsible for providing and ensuring a safe and healthful environment for both the visiting public and employees by developing, implementing, and administering health, safety, and educational programs to ensure that

concession areas are managed in compliance with Federal, State, and local laws, rules, and regulations.

- (22) **Insurance Program.** Concessionaires must have an insurance policy that will indemnify the United States and meet applicable State requirements. All liability policies will provide that the insurance company will have no right of subrogation against the United States and will provide that the United States is named as an additional insured. Reclamation must be provided with a certificate of insurance by the insurance agent to confirm that the above requirements are met before development begins or operations commence. The concessionaire must also provide Reclamation with a copy of each insurance renewal certificate throughout the term of the concession contract. The Regional Director or delegate will establish a minimum insurance requirement based on the facilities and services offered by individual concessions.
- (23) **System of Recordkeeping.** Concessionaires will complete Reclamation's Annual Financial Report (AFR) form and provide any other financial information that may be requested. The annual financial reports will conform to the standard AFR form, without exception or modification.
- (24) **Food Sanitation.** Concessionaires' food services will comply with Federal, State, and local food handling and sanitation laws, rules, and regulations.
- (25) **Advertising and Signs.** Use of the Reclamation seal, logo, or name must be approved by Reclamation before it is displayed in advertisements or on signs. Outdoor signs or other forms of advertising must not be displayed on the Federal estate without the approval of Reclamation.
 - (a) The Reclamation logo or name will be obvious at all entrances to all concessions.
 - (b) Concessionaires will be required to notify the public that they are authorized by Reclamation to conduct business on the Federal estate. All promotional material, regardless of media format (i.e., printed, electronic, broadcast), provided to the public by the concessionaire in connection with the services provided under the concession contract must be approved in writing by Reclamation. At a minimum, all such information will identify the concessionaire as an authorized concessionaire of the Bureau of Reclamation, Department of the Interior.
- (26) **Statistical Data.** Concessionaires will furnish information as specified in Reclamation's Recreation Use Data Report on an annual basis or as otherwise requested.
- (27) **Concessions Review and Evaluation.** Reclamation's Concessions Management Guidelines contain instructions on how to determine an appropriate rating and how to ensure that the concessionaire is in compliance with the terms of the contract. There are two types of review, the "local review" and the "external review."
 - (a) **Local Review.** The local review will be conducted by the Reclamation office directly responsible for oversight of the concession. The local review will be conducted at least twice annually. One of the inspections must be conducted during the high use season. The combined reviews will determine the annual performance rating. The review will include, at a minimum, items listed in the Concessions Management Guidelines. The possible ratings are Satisfactory, Marginal, or Unsatisfactory. A copy of the completed review and rating will be sent to the regional office and the concessionaire and entered into the

Recreation Use Data Report. The local Reclamation office will maintain all concession program management files and records.

- (b) **External Review.** The external review will be conducted and documented by a team of technical specialists who are not employees of the office directly responsible for oversight of the concessions. At a minimum, contracts with a term of 5 years or less will be reviewed once, midterm; contracts with a term exceeding 5 years will be reviewed every 5 years. A copy of the review will be sent to the area and regional offices and the concessionaire. The external reviews will examine, at a minimum:
- (i) The extent to which the concession operation meets Reclamation's Concessions Management Policy, Concessions Management Directives and Standards, and Concessions Management Guidelines.
 - (ii) The extent to which the concession activities are consistent with resource management plans and commercial services plans.
 - (iii) The extent to which the concessionaire is in compliance with the contract provisions, especially with respect to building improvements, operations, prices charged by concessionaires, fees returned to the Government, and annual financial reporting to Reclamation.
 - (iv) The quality and condition of the facilities and services related to the health and safety of the employees and the visiting public.
 - (v) The recordkeeping system(s) used by the local Reclamation office to determine that the concessionaire uses generally accepted accounting practices.
 - (vi) The recordkeeping system(s) used by the local Reclamation office to conduct quarterly and annual reviews.
 - (vii) The local Reclamation office records regarding the annual reviews and annual rating.
- (c) **Corrective Actions.** If either the local or external review identifies operational or administrative deficiencies in the operation of a concession, a timetable must be established by the area office and approved by the Regional Director or delegate to correct these deficiencies. The contract must specify the actions that will be taken for marginal or unsatisfactory ratings. The possible actions will include suspension of all or part of the concession operation or termination of the concessions contract.
- (d) **Disputes.** Disputes between Reclamation and the concessionaire are to be resolved through informal negotiations and discussions. In the event that such disputes fail to reach resolution, either party may request a formal, nonbinding arbitration process. Each party selects one member for the arbitration panel and, together, these two members will select the third (neutral) panel member. The panel will treat each party equally and fairly. Recommendations must be made by a majority of the panel members. If either party disagrees with the arbiter's recommendation, he or she may file an appeal with the Secretary of the Interior under 43 CFR, Part 4, Subpart G. The Secretary's determination is final and binding.

- (e) **Officials Not to Benefit.** No member of the executive, legislative, or judicial branches of the Federal Government may be a party to any concession contract or receive any benefits from a concessions contract.

5. **Miscellaneous.**

- A. **RFP and Contract Review.** All RFPs and concession contracts must be reviewed and approved by the Commissioner's Office. The following sequence of steps must be followed:
 - (1) Area or regional offices must submit the proposed RFP and contract along with supporting information to the Commissioner's Office. The supporting information must include appropriate planning documentation and financial feasibility evaluation.
 - (2) The Commissioner's Office will establish a review team appropriately suited to the complexity and scope of the RFP and the contract. The team will evaluate the RFP and the contract for sufficiency and compliance with the Concessions Management Policy and Concessions Management Directives and Standards.
 - (3) The Commissioner's Office will return the approved RFP and contract, or return the RFP and the contract for modification and resubmittal if necessary.
- B. **Training.** All Reclamation offices are responsible for ensuring that Reclamation personnel involved with concessions have received training commensurate with their responsibilities.
- C. **Nonprofit Organizations.**
 - (1) In certain circumstances, it may be appropriate for cooperative associations or nonprofit organizations to sell goods or provide visitor services to meet Reclamation's goals and objectives. All cooperative association arrangements must be approved by Reclamation if the cooperative associations operate within a concession.
 - (2) The cooperative association will be responsible for maintaining its accounting system, and the system cannot be combined with the annual financial report submitted by a concessionaire. Nonprofit organizations will also be given very clear allowances and restrictions identifying the type of business they are authorized to conduct and the type of goods or services they may provide. Just as with concessionaires, nonprofit organizations are prohibited from providing items or services not specifically authorized. All nonprofit organizations must provide written proof of their nonprofit status.
- D. **Employment of Reclamation Personnel or Family Members².** Reclamation employees or family members(s) may not be owners, partners, board members, corporate officers, general managers, or employees of any business providing commercial services on the Federal estate, nor may they have any financial interest in such a company. Ownership of stock shares traded in a recognized open market is not considered a financial interest under these directives and standards. Reclamation employees are further prohibited from using their public office for private or family gain. A Reclamation employee involved in activities concerning preparing specification formulation, contract award, or operational administering a concession may not participate in that activity if the employee

² Guidance on this issue should be obtained from an ethics counselor in the servicing Reclamation Personnel/Human Resources Office.

or a family member is involved in any phase or operation of that concession. Any Reclamation employee responsible for any phase of a concession contract will be excused from duties related to the contract if the employee or a family member is involved in the competition for the contract or the Reclamation employee or a family member may benefit financially from the award of the contract.

- E. Concessions Management Guidelines. The Concessions Management Guidelines contain additional information that will assist Reclamation offices in complying with the Concessions Management Policy and the Concessions Management Directives and Standards.