

INTERIM CONCESSION CONTRACT

MARKLEY COVE CONCESSION AREA

LAKE
BERRYESSA

Concession Contract Number 13-LC-20-0320

IDENTIFICATION OF THE PARTIES

THIS Interim Concession Contract is made and entered into by and between the United States of America, acting, through the Area Manager, Central California Area Office of the Mid-Pacific Region, Bureau of Reclamation, hereinafter referred to as “Reclamation” or “Contracting Officer” and Mr. John C. Frazier III and Mrs. Linda K. Frazier (the Fraziers), sole proprietorship, Concessionaire of Markley Cove Resort, hereinafter referred to as the “Concession Contractor”; together, Reclamation and the Concession Contractor to be referred to as “the Parties”.

WITNESSETH:

WHEREAS, Reclamation has determined that certain facilities and services are appropriate for the public use and enjoyment of the Markley Cove Resort concession area, and the Concession Contractor is willing to provide such facilities and services; 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, 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 maintain and operate these visitor services at reasonable rates as an independent contractor in conformity with all Applicable Laws and the terms of this Interim Concession Contract; and

WHEREAS, Reclamation desires the Concession Contractor to conduct these visitor services in a manner that demonstrates sound environmental management, stewardship, and leadership; 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 Markley Cove Resort concession area 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 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 may 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; and

WHEREAS, Markley Cove Resort is currently being operated under an interim concession contract, with the Fraziers, scheduled to expire on May 26, 2013; and

WHEREAS, the incoming operator previously under contract to assume operations at Markley Cove Resort on May 27, 2013, has been terminated; and

WHEREAS, due to this termination, it is likely that Markley Cove Resort will not have a long term operator for the 2013 recreation season; and

WHEREAS, Reclamation recognizes that in order to facilitate the goal of providing quality facilities for the provision of visitor services, Reclamation agrees to pursue the award of a new long term concession contract for Markley Cove Concession Area prior to December 31, 2014; and

WHEREAS, that the form of the new long term concession contract for the Markley Cove Concession Area shall be substantively similar to the existing contract for the Pleasure Cove Concession area and this Interim Concession Contract, with a term of thirty (30) years and the ability to be extended for an additional 10 years; and

WHEREAS, the 2007 appraised value of the existing Markley Cove Resort permanent facilities was \$6.475 million and those permanent facilities are included in this Interim Concession Contract, Exhibit B as the initial "Retention Improvements"; and

NOW, THEREFORE, pursuant to the authority contained in Reclamation Act of 1902, as amended and supplemented; Reclamation Project Act of 1939; the Federal Water Project Recreation Act of 1965, as amended; Reclamation Development Act of 1974, Public Law 93-493; Reclamation Recreation Management Act, Title XXVIII of Public Law 102-575; and other laws and policies that supplement and amend the acts, Reclamation and the Concession Contractor agree as follows:

DEFINITIONS

The following terms used in this Interim Concession Contract and the exhibits to this Interim Concession Contract will be defined, for the purposes of this Interim Concession Contract and exhibits, 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, both Reclamation Policies and Directives and Standards, along with the rules, regulations, codes, and other requirements promulgated under those laws, whether now in force, or amended, enacted or promulgated in the future.

Authorized Services – Those services not specifically required under the Interim Concession Contract, but requested by the Concession Contractor and approved by Reclamation, which facilitate providing public services and conveniences consistent with this Interim Concession Contract.

Best Management Practices – Policies and practices that apply the most current and advanced practicable 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 Interim Concession Contract. Best Management Practices are expected to change from time to time as technology evolves.

Catastrophic Hazard Deficiency – A condition or practice which could result in immediate and imminent danger of death or permanent disability, chronic or irreversible illness, or major damage to property or resources.

Concession Area – The lands lying within the Federal Estate which Reclamation authorizes the Concession Contractor to use for the purposes of this Interim Concession Contract, as described in Exhibit A.

Concession Contractor Improvement(s) – Fixed Assets provided by the Concession Contractor pursuant to the terms of this Interim Concession Contract and with the written approval of Reclamation for the purposes of this Interim 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 real property. Docks and other floating structures currently in place or that have been constructed by the Concession Contractor pursuant to the terms of this Interim Concession Contract are included in this category. Structures defined as cabins, regardless whether pre-fabricated or built on site, and that are placed on a concrete foundation and are affixed to an engineered deck structure are included in this category as well. Concession Contractor Improvements that are 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, houseboats, or other objects, regardless of size, unless an item of Personal Property becomes a fixture as defined in this Interim Concession Contract. Concession Contractor

Improvements exclude site preparation work such as grading, cutting, and filling of soil or rock.

Contracting Officer – Shall mean the Area Manager, of the Central California Area Office of the Mid-Pacific Region, Bureau of Reclamation.

Critical Hazard Deficiency – A condition or practice which could result in permanent partial disability, temporary total disability greater than 3 months, significant property or resource damage.

Day or Days – Calendar days, unless the Contract shall specifically refer 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 or the Internal Revenue Service requirements, whichever is appropriate to the application.

Exhibit(s) – The various labeled documents attached to the main body of this Interim Concession Contract, all of which are binding and enforceable parts of the Interim Concession Contract.

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

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

Fixed Assets – Structures, and/or Fixtures, 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, walk in refrigerators or freezers, toilets, sinks, and faucets).

Gross Revenues/Gross Receipts – 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 Interim Concession Contract, commissions earned on contracts or agreements with other persons or companies operating in the area, and earnings from electronic media sales, but excluding:

- Intra-company earnings on account of charges to other departments of the operation (such as laundry).
- Charges for employee's meals, lodging, and transportation.
- Cash discounts on purchases.
- Cash discounts on sales.
- Receipts from the sale of non-retail property including, houseboats and personal watercraft.
- Receipts from the sale of state and local licenses, (such as fishing and hunting licenses).
- 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 Interim Concession Contract.
- Sale of property that was acquired for the purpose of 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.

All monies actually received by the Concession Contractor from coin operated devices provided by the Concession Contractor or through vendors authorized by the Concession Contractor and consistent with this Concession Contract shall be included in Gross Revenues.

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

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

Minor Hazard Deficiency - A condition or practice represents minimal threat to human safety and health (e.g. injuries requiring first aid or minor medical treatments), property or resources, but is still in violation of a standard.

Personal Property – All tangible assets not affixed to the land. Personal Property includes but is not limited to: vehicles, boats, houseboats, barges, or other objects, regardless of size, unless an item of Personal Property becomes a Fixed Asset as defined in this Interim Concession Contract.

Prior Interim Concession Agreement – Concession Contract Number 09LC200026, between Mr. John C. Frazier III and Ms. Linda Frasier and Reclamation which provides for visitor services at Markley Cove Resort from May, 27, 2009, through May 26, 2013.

Required Services – The minimum services required that facilitate providing public services and conveniences consistent with this Interim Concession Contract.

Retention Improvements – Those Concession Contractor Improvements determined to have a remaining usable life extending at least until January 1, 2021 without the need for a major rehabilitation or overhaul, and which are designated to be purchased and retained for use by a successor concession contractor.

Retention Improvement Candidates – Concession Contractor Improvements listed in Exhibit B that has yet to have their remaining usable life without the need for a major rehabilitation or overhaul evaluated.

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

Significant Hazard Deficiency – A condition or practice which could result in hospitalization, minor injury, reversible illness, period of disability 3 months or less (e.g. lost time or restricted workday accident), a compensable injury or illness, and/or minimal property or resource damage.

Structures – A building 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, decks, 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.

SECTION 1 – TERM OF INTERIM CONCESSION CONTRACT

A. TERM OF INTERIM CONCESSION CONTRACT

1. Period of Performance

This Interim Concession Contract Number 13-LC-20-0320, herein and hereafter referred to as the “Interim Concession Contract” shall be for a period of 19 months effective on May 27, 2013, and the initial term shall end on December 31, 2014. The Concession Contractor is also granted two options to extend the initial term by 1 year each, unless this Contract is terminated in accordance with Section 1.B or the Concession Contractor is awarded a new long term contract. Should the Concession Contractor elect to exercise the first option year, extending the term until December 31, 2015, Reclamation shall be notified in writing no later than September 15, 2014. If applicable, should the Concession Contractor elect to exercise the second option year, extending the term until December 31, 2016, Reclamation shall be notified in writing no later than September 15, 2015.

2. Discontinuance of Services

Unless specifically authorized in writing by Reclamation, the Concession Contractor shall provide no Required or Authorized Services nor conduct commercial activities within the concession area during the final 30 days of the term stated above, and may cease operation of these services as early as 90 days prior to the term ending date in order to conduct various close-out activities. Assuming no early termination, during the final 30 days of the term stated above, the Concession Contractor is authorized to access the concession area solely to conduct Reclamation approved actions to remove Concession Contractor Improvements and Concession Contractor Personal Property and perform final clean-up activities. This provision shall not apply in the event the Concession Contractor is awarded the long term contract at Markley Cove.

3. Responsibility for Removal of Concession Improvements and Personal Property

Nothing in this section shall lessen the responsibility of the Concession Contractor to carry out actions to remove Concession Contractor Improvements and Concession Contractor Personal Property and perform final clean-up activities as specified in Section 4.E of this Interim Concession Contract unless specifically authorized in writing by Reclamation.

B. INTERIM CONCESSION CONTRACT TERMINATION

1. Termination by Mutual Agreement

Upon mutual written agreement, the Concession Contractor and Reclamation may terminate this Interim Concession Contract.

2. Termination for Material Breach

Reclamation may terminate this Interim Concession Contract if Reclamation determines that the Concession Contractor has materially breached any requirement of this Interim Concession Contract. By way of example, the Interim Concession Contract includes the following requirements, the material breach of any of which would likely result in termination:

- Maintain and operate Concession Contractor Improvements and the Federal Estate within the concession area to the satisfaction of Reclamation.
- Provide those Required Services pursuant to this Interim Concession Contract.
- Pay the established Franchise Fee.
- Comply with Applicable Laws.

3. Termination for Concession Contractor Insolvency

Reclamation may terminate this Interim Concession Contract upon the filing by the Concession Contractor of 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; a petition or other proceeding against the Concession Contractor for the appointment of a trustee, receiver, or liquidator. Reclamation may immediately terminate this Interim Concession Contract if the Contracting Officer determines that the Concession Contractor is unable to perform the terms of the Interim Concession Contract because of such filings or assignments.

4. Termination for Concession Contractor being Successful Bidder

In the event the Concession Contractor submits a bid proposal and is awarded a new long-term concession contract for recreation services at Markley Cove Resort concession area during the term of this Interim Concession Contract, this Interim Concession Contract will automatically terminate upon the effective date of the new long-term concession contract.

5. Termination Notification

Termination of this Interim Concession Contract for any reason shall be preceded by written notice to the Concession Contractor. This Interim Concession Contract is subject to 43 Code of Federal Regulations (C.F.R.) Part 430, in the event of termination for default.

C. INTERIM CONCESSION CONTRACTOR SUSPENSION

1. Suspension for Breach

Reclamation reserves the right to suspend the Concession Contractor's operations in the event of a breach of any nature. Any suspension for breach will take into consideration the severity of the breach and the extent to which these violations have reoccurred. Written notice of the breach and any applicable cure period will be provided to the Concession Contractor by Reclamation prior to a suspension of operations associated with contract breaches that do not qualify under Section C.2 below.

2. Suspension for Resource Protection or Public Safety

Reclamation may temporarily suspend operations under this Interim Concession Contract in whole or in part, as deemed necessary, in order to protect area visitors or to protect, conserve, and preserve natural, cultural, or physical area resources. Such suspensions may be unrelated to breaches of contract and can be made effective immediately upon verbal or written notice to the Concession Contractor.

3. No Compensation in the Event of Suspension

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.

D. CURE OF BREACH

In the event of a monetary breach, Reclamation will give the Concession Contractor a 15 day period to cure the breach.

In the event of a non-monetary breach, Reclamation will give the Concession Contractor 30 days to cure the breach or to submit a plan to cure the breach. The plan must meet with approval by Reclamation and must be initiated within 30 days of Reclamation's approval and completed on a schedule acceptable to Reclamation; provided, that if in Reclamation's view, exigent circumstances exist that require a more immediate response, Reclamation may require immediate

resolution of any breach, in which case Reclamation shall give reasonable notice under the circumstances.

If a breach is not cured within the above stated period of time, the Contracting Officer may terminate this Interim Concession Contract for default or suspend applicable operations. Multiple breaches (two or more) of the same nature shall be grounds for termination for default without a cure period.

E. NOTICE OF BANKRUPTCY OR INSOLVENCY

The Concession Contractor or any affiliated organization must give Reclamation immediate notice after the filing of any petition in bankruptcy, filing any petition seeking relief of the same or different kind under any provision of the Bankruptcy Act or its successor, or making any assignment for the benefit of creditors. The Concession Contractor must also give Reclamation immediate notice of any petition or other proceeding against the Concession Contractor for the appointment of a trustee, receiver, or liquidator, or the taking by any person or entity of the rights granted by this Interim Concession Contract or any part thereof upon execution, attachment, or other process of law or equity. For purposes of the bankruptcy statutes, Reclamation considers that this Interim Concession Contract is not a lease but an executory Contract exempt from inclusion in assets of the Concession Contractor pursuant to 11 United States Code (U.S.C.) 365.

F. CONTRACT EXTENSION

The term of this Interim Concession Contract may not be extended beyond that stated in Section 1.A. A new concession contract would be issued for any continuation of visitor services beyond that of the Interim Concession Contract's initial term and option period.

G. NO RIGHT OF RENEWAL

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

H. SALE OR TRANSFER OF INTERESTS

1. Sale of Contract Interests

Unless specifically authorized in this Interim Concession Contract, the Concession Contractor shall not transfer, assign, sell, or otherwise convey or pledge any property or other interests under this Interim Concession Contract. Reclamation shall not be obliged to recognize the right of any person or entity to an interest in this Interim Concession Contract of any nature, including but not limited to operating rights.

2. Transfer of Interests

In recognition that the Fraziers own a California corporation known as FX10 International Inc., (FX10) which was one of the entities identified in prior concession agreements, and because the Fraziers intend to transfer their operations to FX10 during the term of this Interim Concession Contract, such transfer of interests to FX10 will not unreasonably be withheld after the Fraziers provide Reclamation with all relevant documentation, including financial information, related to FX10 as an entity.

3. Sale of Operations or Services

The Concession Contractor under Section 1.H of this Interim Concession Contract has no rights for the Assignment or sale of interests pertaining to the operations, described in Section 2 of this Interim Concession Contract for Required and Authorized Services. Reclamation shall not be obliged to recognize the right of any person or entity to an interest in this Interim Concession Contract of any nature, including but not limited to operating rights.

4. Sale of Concession Contractor Improvements or Personal Property

Upon approval from Reclamation, with said approval not unreasonably withheld, the Concession Contractor shall have the right to sell their Concession Contractor Improvements and Personal Property owned by the Concession Contractor with the intent to remove them from the Concession Area, *provided* the sale of such Concession Contractor Improvements or Personal Property owned by the Concession Contractor does not interrupt the provision of Required and Authorized Services.

- a. The sale of Personal Property owned by the Concession Contractor, by anyone other than the Concession Contractor, is prohibited on the Federal Estate. The sale of Personal Property not owned by the Concession Contractor is prohibited on the Federal Estate.
- b. The Concession Contractor shall inform the person(s) purchasing the Concession Contractor Improvements and Personal Property owned by the Concession Contractor that such personal property and improvements must be removed from the Federal Estate within 30 calendar days of the date of sale and at no expense to Reclamation provided that the sale of such items is to a party unrelated to the transition to a new Concession Contractor. The removal of such personal property and improvements shall be performed in such a manner as to not disrupt the concessions operations, adversely affect the safety or enjoyment of the visiting public, or negatively impact natural or cultural resources.

- c. The Concession Contractor shall assume responsibility and liability for any damage to persons, property, or assets that may occur during the removal or transportation of such personal property and improvements. Actions taken under this subsection 1.H shall be subject to the Concession Contractor's duties described in Section 6.A of this Interim Concession Contract. The Concession Contractor shall hold Reclamation harmless for any damage to either property or assets that may occur during the removal or transportation of such property and assets.

SECTION 2 – SERVICES AND OPERATIONS

A. GENERALLY

1. Reclamation hereby authorizes the Concession Contractor to use the lands described in Exhibit A for public outdoor recreation use as the Markley Cove Resort Concession Area, subject to the terms and conditions of this agreement.
2. The Concession Contractor shall, at no cost to Reclamation, provide, operate, and maintain all Concession Contractor Improvements, facilities, conveniences, utilities, landscaping, and visitor services within the Concession Area. Management of the Concession Area, including any construction, alteration, renovation, or repairs, shall be in accordance with all Applicable Laws and be approved by Reclamation prior to implementation as specified in this Interim Concession Contract.
3. During the term of this Interim Concession Contract, the Concession Contractor is not authorized to provide any service, facility, or activity not identified within this Interim Concession Contract.
4. The Concession Contractor shall provide, operate, and maintain the Concession Contractor Improvements, facilities, conveniences, utilities, landscaping, and visitor services in accordance with this Interim Concession Contract to such an extent and in a manner considered satisfactory by Reclamation.
5. In order to increase the efficiency of marina services at Markley Cove, Reclamation agrees to work with the Concession Contractor to find ways to streamline the current process for issuing private houseboat permits at Lake Berryessa.

B. SERVICES

1. Required Services

During the term of this Interim Concession Contract, the Concession Contractor shall provide the following Required Services to the public within the Concession Area:

- a. Marina – Manage and maintain a public marina and ancillary services and facilities, i.e., public docks, slip rentals, boat launch ramp, marine fuel, houseboat slips, and other recreation (or concessions) related services. Concession Contractor is required to provide 335 rental wet slips for the various sized vessels up to 40 feet in length for the term of this Interim Concession Contract. Concession Contractor shall provide 38 wet slips

for rental to accommodate vessels over 40 feet in length for the term of this Interim Concession Contract. The term of any wet slip rental agreements shall not exceed the term of the Interim Concession Contract.

- b. Retail Sales – Concession Contractor is required to manage, operate, and maintain public retail sales areas featuring supplies such as groceries, boating and fishing supplies, camping supplies, applicable sundries, and souvenirs. Reclamation retains the right to require certain retail items to be made available for sale, and to prohibit the sale of any items determined to be inappropriate, obscene, or illegal for retail sales at such concession area.
- c. Lodging Opportunities – Provide, manage, operate, and maintain nine park model cabins for lodging opportunities.
- d. Day Use – Manage, operate, and maintain a designated day use area approved by Reclamation which provides visitors with the opportunity to picnic, barbeque, and access the lake.
- e. Site Security – The Concession Contractor shall assume full responsibility for providing for the security and safety of the public, and for facility and resource protection within the Concession Area. The Concession Contractor shall provide adequate security to ensure public safety, and facility and resource protection for the term of this Interim Concession Contract. During peak periods, additional security personnel may be required to be provided by the Concession Contractor. Security personnel shall be certified by the State of California.

2. Authorized Services

During the term of this Interim Concession Contract, the Concession Contractor may provide the following Authorized Services with prior approval by Reclamation:

- a. Watercraft Rental Operation – Manage, operate, and maintain rental facilities and provide pleasure boats and Personal Water Craft for rent to the public.
- b. Additional rental wet slips – In addition to those wet slips described in Section 2.B.1.a, the Concession Contractor is authorized and approved, consistent with the Prior Interim Concession Agreement, to provide up to 43 wet slips that are 40 feet in length or less. If requested by the Concession Contractor, additional rental wet slips may be authorized up to a maximum quantity approved by Reclamation. Reclamation may limit additional rental wet slips of any size in accordance with allocations set forth in Applicable Laws including current or future policy regarding lake-

wide capacity decisions. For private houseboat wet slips, the Concession Contractor is required to comply with provisions of Applicable Laws pertaining to houseboat occupancy and allocation. Concession Contractor shall comply with Reclamation's lake-wide houseboat and vessel capacity and allocations of houseboat type.

C. OPERATING PLAN

The Operating Plan, Exhibit D, shall be the operating document for the term of this Interim Concession Contract unless amended with Reclamation's approval.

1. Operating Plan Content

The Operating Plan identifies the required management, seasonal hours of operation, and scope of services provided. The Operating Plan also addresses safety, sanitation, security, and fire protection for the marina facilities along with employee standards and employment conditions.

Reclamation reserves the right to determine and control the nature, type, and quality of the services provided and merchandise sold within the area of operation as described in this Interim Concession Contract. All such services and merchandise will be compatible with the intent of the Interim Concession Contract and questions of applicability or requests for variance shall be forwarded to Reclamation for consideration. Any variance requested must be approved by Reclamation in writing.

2. Seasonal Adjustment to Operating Plan

The Concession Contractor may request a seasonal adjustment to the required levels of service and/or the means and methods of providing certain public services and consumables to match seasonal demand.

A request to seasonally adjust any required levels of service or consumables must be submitted by the Concession Contractor to Reclamation for approval as an amendment to the Operating Plan. Such request(s) shall outline in detail the specific service(s) to be adjusted, documentation of historic public demand supporting a seasonal adjustment, and the proposed seasonal adjustment to the seasonal period and level of service and/or an adjustment to the means and methods of providing such services.

D. LEGAL, REGULATORY, AND POLICY COMPLIANCE

This Interim Concession Contract, and its administration by Reclamation, shall be in accordance with all Applicable Laws, including applicable Federal policies governing the area of operation. The Concession Contractor shall operate and

maintain its facilities and appurtenances in safe and effective working order, in compliance with all Applicable Laws.

All terms of the Interim Concession Agreement will be interpreted and implemented at a minimum in accordance with Reclamation Manual Policy LND-P02, dated March 4, 2002; Reclamation Manual Directives and Standards LND-04-01, dated April 29, 2002; and Reclamation Concession Management Guidelines, dated April 2005, and their subsequent amendments and/or approved waivers effective the date of this Interim Concession Contract (collectively, "Policies"). Appendix 1, attached hereto, includes these Policies. For reference, Reclamation's Concessions Management Guidelines may be accessed through the following website: <http://www.usbr.gov/recreation/publications/RCMG.pdf>.

The Concession Contractor shall give Reclamation immediate written notice of any violation of Applicable Laws by the Concession Contractor, including its agents, or contractors, and, at its sole cost and expense, must promptly rectify any such violation. Failure to notify Reclamation and a failure to rectify the violation(s) will be considered a breach of the contract and may be reason for Reclamation to terminate the contract or suspend operations in accordance with Section 1.B or 1.C. In any conflict that may arise between this Interim Concession Contract and the above mentioned Concessions Management Guidelines, the Interim Concession Contract shall prevail.

E. RATES FOR GOODS AND SERVICES

Rates for all Required Services, Authorized Services, and goods shall be reasonable and appropriate for the type and quality of the goods and services provided and must be approved by Reclamation.

1. Rates for Services

Rates charged by concessionaires for all facilities, services, and merchandise will be based on charges for comparable facilities, services, and merchandise provided by the private sector in similar situations.

Rate approvals shall be requested in advance by the Concession Contractor in writing to Reclamation. The initial rates as shown in Exhibit D shall remain in effect for all goods and services for the 2013 recreation season. During the term of this Interim Concession Contract Reclamation will not lower rates currently charged by the Concession Contractor for Required and Authorized Services unless Reclamation can show that services and facilities have substantially deteriorated from previous years and/or are substantially incomparable with similar operations. Thereafter, rate modification requests shall be submitted by the Concession Contractor annually by October 1 for the following calendar year. Reclamation will make reasonable efforts to respond within 30 days of receipt. The Concession Contractor shall prominently post

all Reclamation approved rates and charges for goods and services provided to the visiting public.

Requests for rate modification shall reflect the comparable rates for like goods and services provided by the private sector operating in a competitive environment under similar operating conditions. Reclamation shall approve or deny such rate modification requests based upon the findings of a comparability review of like goods and services from similar concession operations or businesses, as described in Reclamation's Concession Management Guidelines, Chapter 7.

Should Reclamation not approve a rate request for any of the Concession Contractor's goods or services, the Concession Contractor is required to continue using the rates approved by Reclamation. If the Concession Contractor disagrees with Reclamation's determination, it may request reconsideration and should submit additional supporting information to the Contracting Officer within 30 calendar days of the date of a decision on rates. If the Concession Contractor does not request reconsideration of the decision on rates within the 30 days prescribed, the existing decision becomes final and non-appealable. If the Concession Contractor timely requests reconsideration of rates, the Contracting Officer's decision made upon reconsideration is final and non-appealable.

F. NONDISCRIMINATION OF SERVICE TO VISITORS

The Concession Contractor shall comply with all Applicable Laws, whether now in force or made effective after the execution of this Interim Concession Contract, relating to nondiscrimination in the provision of services.

G. CONCESSION CONTRACTOR EMPLOYEES

The Concession Contractor shall employ all personnel necessary to provide the Required and Authorized Services by this Interim Concession Contract.

The Concession Contractor shall comply with all Applicable Laws relating to employment and employment conditions.

The Concession Contractor shall require and ensure that its employees are hospitable and exercise courtesy and consideration in their relations with the public and with Reclamation employees. The Concession Contractor will require its employees to wear some type of visual identifier by which they may be identified as employees of the Concession Contractor.

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 inconsistent with the proper administration of the area and

protection of visitor safety and enjoyment and shall take such actions as are necessary to correct the situation.

H. 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.

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 authorized area of operation.

These responsibilities of the Concession Contractor may be exercised through an external agreement with individuals, companies, or agencies qualified to provide such assistance.

I. CONCESSION REVIEW PROGRAM

The Concession Contractor shall be evaluated by Reclamation under the Concession Review Program, required per Directive and Standard LND 04-01 (Appendix 1), and further described in Reclamation's Concession Management Guidelines, Chapter 8. The Concession Management Guidelines identify four separate areas of evaluation for the Concession Review Program: (1) Operation and Facilities Evaluation, (2) Public Health Service Inspection, (3) Safety and Environmental Evaluation, and (4) Contract Compliance Evaluation. Other inspections may be conducted as necessary, based upon Reclamation's inspection recommendations.

The Operation and Facilities Evaluation shall be conducted not less than two times per year with at least one evaluation during the operating season. All other evaluations shall be conducted semi-annually or more frequently, if determined by Reclamation to be needed. At all times Reclamation reserves the right to inspect the site and all facilities. Reclamation will be granted ingress and egress to these locations, but Reclamation will seek to provide reasonable notice as appropriate.

J. LEGAL VEHICLE USES IN THE CONCESSION AREA

All vehicles owned and used by the Concession Contractor must have current vehicle insurance, license, and registration as required by the State of California and be operated in accordance with all motor vehicle statutes, rules, and regulations.

K. RESERVATION POLICY

Reservations shall be accepted for boat rental, lodging, and other services in accordance with the approved reservation policy identified in Exhibit D, Operating Plan. Proposed changes to the approved reservation policy shall be submitted in writing to Reclamation for approval prior to implementation. The Concession Contractor may amend the policy, as necessary, with Reclamation's prior approval.

SECTION 3 – PROTECTION AND INTERPRETATION OF AREA RESOURCES

A. ENVIRONMENTAL MANAGEMENT OBJECTIVES

The Concession Contractor shall comply with the environmental management objectives identified in the Mid-Pacific Region Environmental Management System Policy at <http://www.usbr.gov/recman/env/env-P05.pdf> and Reclamation's "Inspection and Cleaning Manual for Equipment and Vehicles to Prevent the Spread of Invasive Species" (Technical Memorandum Number [No.] 86-68220-07-05), which Reclamation will provide at the execution of this contract. The manual may also be accessed at: www.usbr.gov/mussels/prevention/docs

Compliance with the Mid-Pacific Region Environmental Management System requires, but is not limited to, the incorporation of the following practices into marina operations.

1. Compliance with Applicable Laws

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 area of operation.

2. Best Management Practices

The Concession Contractor shall be responsible for incorporating Best Management Practices into the operations, maintenance, and construction activities occurring in the Concession Area.

- a. The Concession Contractor shall provide training when applicable for all managers, supervisors, and employees regarding Best Management Practices.
- b. Recycling program and other environmental activities shall be implemented in accordance with Best Management Practices.
- c. 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.

3. Pollution Prevention

The operation of the facilities and the provision of services under this Interim Concession Contract shall be performed in a manner that prevents, identifies, and reduces pollution at the source.

- a. The Concession Contractor shall immediately report to Reclamation any event that results in pollution or contamination adversely affecting lands, water, or facilities within the area of operation.
- b. The Concession Contractor may not knowingly allow contamination of lands, water, or facilities within the area of operation including refuse, garbage, sewage effluent, industrial/commercial waste, petroleum products, hazardous materials, containers, or any other pollutants, including, but not limited to, misuse of pesticides.
- c. No waste or by-product which contains any substance in concentrations which may result in harm to fish and wildlife, flora and fauna, water supplies, or human health shall be discharged onto the lands or into the waters of the Federal Estate.
- d. No goods or merchandise which are explosive, toxic, or in any way hazardous shall be kept, stored, or sold except those goods or materials that are customary and appropriate for carrying on routine business.

4. Machinery and Apparatus Operations

Machinery and apparatus shall not be used and operated in such a manner as to damage the lands or waters of the Federal Estate without prior approval in writing by Reclamation.

- a. The Concession Contractor shall be responsible for cleaning of all Concession Contractor earth moving equipment, trailers, vehicles, and other equipment moving from one land site to the Concession Area, prior to arrival, for the prevention and spread of invasive species.
- b. The Concession Contractor shall be responsible for the inspection and cleaning of all Concession Contractor watercraft, vehicles, pumps, trailers, and other equipment moving from one water source to another for the prevention and spread of invasive water species.
- c. Gasoline, oils, and other petroleum products shall be stored, handled, and dispensed in accordance with Federal, state and local laws, regulations, and statutes.

5. Soil Erosion

The Concession Contractor shall be responsible for control of soil erosion in the Concession Area and for provision of prevention measures when such actions are required in compliance with Applicable Laws and Best Management Practices.

6. Reclamation Assistance

Reclamation agrees to assist the Concession Contractor in addressing some site conditions that existed before the Prior Interim Concession Agreement and the previous long term concession contract were executed, including responsibility for National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA) Section 106 documents, contingent upon the availability of Federal Appropriations. Projects where Reclamation would be responsible for NEPA and NHPA include stabilizing some erosion sites where old retaining walls have fallen down and assisting in the removal of some erosion material blocking a culvert and part of the boat launch ramp.

7. Siltation

Current and future siltation of the boat launch ramp stemming from facilities or activities not under the control of the Concession Contractor is not the responsibility of the Concession Contractor. Reclamation recognizes the need to participate in timely discussions with other entities in order to find mutually acceptable solutions that can and will be employed when and where necessary to keep the Markley Cove Resort launch ramp operational.

8. Environmental Compliance

- a. The Concession Contractor is responsible for accomplishing, either independently or through a third party, all required NEPA and NHPA Section 106 compliance efforts in advance of new Concession Contractor Improvements or other projects where such compliance is necessary, unless specifically excepted within this Interim Concession Contract. Specific exceptions include:
 - i. The Concession Contractor will not be required to accomplish NEPA and NHPS compliance efforts for projects that have been previously approved by Reclamation. Previously approved projects are:
 - 1. Construct and install an Americans with Disabilities Act ramp and deck at Cabin No. 6
 - ii. The Concession Contractor will not be required to accomplish NEPA and NHPS compliance efforts for the stabilization and/or repair of

retaining walls or the ongoing silt issue that affects the Markley launch ramp.

- b. 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 or other projects.
- c. The Concession Contractor is required to pay for all costs related to NEPA and NHPA Section 106 compliance efforts, including those performed by Reclamation staff. Reclamation will provide cost and time estimates for its NEPA and NHPA Section 106 compliance efforts prior to commencing work. This will not apply to NEPA requirements for the stabilization and/or repair of retaining walls nor will it apply to the ongoing silt issue that affects the Markley launch ramp. The Concession Contractor must provide payment of any such costs in advance; upon receipt Reclamation will deposit payments into a reimbursable account to be drawn upon as charges accrue.

B. ENVIRONMENTAL DATA, REPORTS, NOTIFICATIONS, AND APPROVALS

1. Inventory of Hazardous Substances and Inventory of Waste Streams

The Concession Contractor shall submit to Reclamation, at least annually, an inventory of Federal Occupational Safety and Health Administration (OSHA) designated hazardous chemicals used and stored in the area of operation by the Concession Contractor. Reclamation may prohibit the use of any OSHA hazardous chemical by the Concession Contractor in operations under this Interim Concession Contract. The Concession Contractor shall obtain Reclamation'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 Interim Concession Contract. The Concession Contractor shall also submit to Reclamation, at least annually, an inventory of all waste streams generated by the Concession Contractor under this Interim 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 Reclamation copies of all documents, reports, monitoring data, manifests, and other documentation required under Applicable Laws to be submitted to any regulatory agencies. The Concession Contractor shall also submit to Reclamation any environmental plans for which coordination with Concession Area operations are necessary and appropriate, in accordance with Applicable Laws.

3. Notification of Releases

The Concession Contractor shall give Reclamation immediate notification by phone, followed with a written report within 24 hours, of any discharge, release, or threatened release (as these terms are defined by Applicable Laws) within or in the vicinity of the area of operation, (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 similarly notify Reclamation of any actual or proposed notice of violation from other regulatory agencies of any Applicable Laws arising out of the activities of the Concession Contractor, its agents, or employees.

5. Communication with Regulatory Agencies

The Concession Contractor shall provide timely written advance notice to Reclamation of communications, including without limitation, meetings, audits, inspections, hearings, and other proceedings, between regulatory agencies and the Concession Contractor related to compliance with Applicable Laws concerning operations under this Interim Concession Contract. The Concession Contractor shall also provide to Reclamation any written materials prepared by the Concession Contractor for regulatory agencies in advance of any such communications, and shall provide copies of written materials received from regulatory agencies within 5 days of receipt. The Concession Contractor shall allow Reclamation to participate in any such communications. The Concession Contractor shall also provide timely written notice to Reclamation following any unplanned communications between regulatory agencies and the Concession Contractor.

6. Proposition 65 Warning Signs

The Concession Contractor shall provide Proposition 65 warning signs to the public as applicable. Proposition 65 is a California law titled "Safe Drinking Water and Toxic Enforcement Act of 1986."

C. CORRECTIVE ACTION

1. 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 Interim 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.

2. Even if not specifically required by Applicable Laws, the Concession Contractor shall comply with directives of Reclamation to cleanup or remove any materials, product, or byproducts used, handled, stored, disposed, or transported onto or into the area of operation by the Concession Contractor to ensure that the area of operation remains in good condition.

D. INDEMNIFICATION AND COST RECOVERY FOR ENVIRONMENTAL ACTIVITIES

1. The Concession Contractor's responsibilities under Section 6.A. shall apply to all losses, claims, damages, environmental injuries, expenses, response costs, allegations, or judgments (including, without limitation, fines, and penalties), and expenses (including, without limitation, attorneys' fees and experts' fees) arising out of the activities of the Concession Contractor, its employees, agents, and contractors pursuant to this Section 3. Such indemnification and other responsibilities under Section 6.A. shall survive termination or expiration of this Interim Concession Contract.
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 Section 3.C.1, or correct any environmental self-assessment finding of noncompliance, in full compliance with Applicable Laws, Reclamation may, in its sole discretion and after notice to the Concession Contractor, take any such action consistent with Applicable Laws as Reclamation 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, upon demand, be liable for and shall pay to Reclamation any costs incurred by Reclamation associated with such action. Nothing in this Section shall preclude the Concession Contractor from seeking to recover costs from a responsible third party.
3. Any violation of any of the provisions of Section 3 shall constitute grounds for termination of the Interim Concession Contract or suspension of operations as specified in Section 1.B or 1.C. and shall make the Concession Contractor liable for the cost of full and complete remediation and/or restoration of any Federal resources or facilities that are adversely affected as a result of the violation.

E. PEST MANAGEMENT

1. The Concession Contractor shall be responsible for managing weeds, invasive species, and other pests on all authorized land and in all facilities assigned for their use in conducting operations under the Interim Concession Contract. Plants and animals that are native to the area of operation may not be removed or harmed except with the prior written approval of Reclamation. The Concession Contractor shall not allow planting of any non-native vegetation by employees or visitors.
2. The Concession Contractor shall not perform any application of herbicide or pesticide without Reclamation approval. The Concession Contractor shall submit to Reclamation for approval, a Pesticide Use Proposal at least thirty (30) days in advance of any pesticide application. The Concession Contractor is responsible for complying with all training (Federal, State, and local), operational and licensing requirements as may be pertinent to and required for the application of herbicide or pesticides within the State of California.

F. HAZARDOUS MATERIALS

The Concession Contractor shall maintain health and safety standards and take necessary mitigation 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.

1. Hazardous Material Handling

Hazardous materials shall be handled in accordance with all Applicable Laws including OSHA 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 poisonous or water-reactive chemicals, Class 1 or

Class 2 pesticides, and any other “Toxic” labeled materials. Applications and methods of use shall conform to Applicable Laws.

2. Hazardous Materials Related Training

The Concession Contractor shall provide training to all employees in accordance with Applicable Laws, including but not limited to 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 Applicable Laws 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 with the purpose of diminishing the amount of hazardous waste generated over time. 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 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 on a quarterly basis.

4. Hazard Communication

Concession Contractor shall comply with Applicable Laws relating to current hazardous materials communication protocols. On or before December 1, 2013, the Concession Contractor must comply with the United Nations Global Harmonization System (GHS) for the classification and labeling of chemicals. As part of the GHS, the Concession Contractor is required to train its employees on how to read and interpret GHS-formatted Safety Data Sheets and labels.

G. SOLID WASTE MINIMIZATION

The Concession Contractor shall, to the extent possible, minimize the solid waste stream that is a product of the operation by the exercise of Best Management Practices. The Concession Contractor shall implement a recycling program as referenced in Section 3.I for the purpose of minimizing the solid waste stream in accordance with Applicable Laws.

H. DRAINAGE AND STORM WATER POLLUTION PREVENTION

1. The Concession Contractor shall implement Best Management Practices to prevent the degradation of water quality in storm water 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 run off untreated water; oil/water separation must occur prior to discharge. Any improvements to drainage systems must be made in accordance with Applicable Laws.
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.

I. RECYCLING AND CONSERVATION

The Concession Contractor will develop a recycling and conservation program for the Concession Area that at a minimum provides for the collection of bottles, cans, and cardboard, to the satisfaction of Reclamation. A written program plan will be submitted to Reclamation as a proposed amendment of the Operating Plan.

J. WASTEWATER TREATMENT

In the event of a wastewater leak or spill, Reclamation 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, as appropriate.

K. PROTECTION OF CULTURAL AND ARCHEOLOGICAL RESOURCES

Discoveries of any cultural and archeological resources by the Concession Contractor shall be promptly reported to Reclamation. The Concession Contractor shall cease work or other disturbance that may impact any protected site or archeological resource until Reclamation grants approval, upon such terms and conditions as Reclamation deems necessary, to continue such work or other disturbance.

L. RISK MANAGEMENT

The Concession Contractor shall be committed to provide a safe and healthful environment for all employees and visitors to the Concession Area. Compliance with this clause involves, at a minimum, the incorporation of the following standards into Concession Area operations. The Concession Contractor shall be evaluated, based on compliance with these standards, in accordance with the Concession Review Program referenced in Section 2.I.

1. The Concession Contractor shall develop written procedures to identify and correct safety deficiencies and measures to ensure safety awareness and training in hazards recognition.
 - a. The Concession Contractor shall be responsible for procedures to ensure accountability and responsibility of managers, supervisors, and employees with goals and objectives to achieve a safe and healthful environment.
 - b. The Concession Contractor shall have a written safety and health policy that, along with safety and health information, is available to all permanent and seasonal employees.

- c. OSHA “right to know” posters (OSHA 2203) shall be distributed to employees or posted in conspicuous locations.
 - d. Supervisors are assigned the responsibility to conduct routine safety inspections of the assigned work areas and job sites. Inspections are conducted as required in Section 2.I Concession Review Program and by the Operating Plan approved by Reclamation; all inspection records shall be kept for the term of this Interim Concession Contract.
- 2. Accident/Incident reporting and investigation procedures shall be documented.
 - a. All significant accidents or incidents occurring within the Concession Area must be reported to Reclamation’s designated point of contact within 1 hour of occurrence.
 - b. A written report of all accidents or incidents occurring within the concession area must be submitted to Reclamation’s point of contact within 5 business days.
 - c. A summary report listing the total number of accidents occurring and total lost-days from injury shall be reported to Reclamation annually by December 31.
- 3. Safety hazards, including but not limited to resource and activity hazards (falling rocks, water hazards, rattlesnakes, rental watercraft, and houseboat operation, etc.), that exist within the concession area must be effectively communicated to Concession Area visitors and abated as follows:
 - a. Catastrophic and Critical Danger Deficiencies must be abated immediately. Action plans for a permanent cure shall be developed and implemented within time limits established by Reclamation. Abatement methods include correction of the deficiency or other action to reduce risk temporarily to staff and visitors.
 - b. Significant Hazard Deficiencies must be abated or action plans developed within time limits established by Reclamation. Any such deficiencies must be abated within 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.
 - c. Minor Hazard Deficiencies must be abated or action plans developed within time limits established by Reclamation. Any such 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.

4. If abatement of any deficiency cannot be achieved within the established time frame required by Reclamation, the facility or service may be suspended required by Reclamation, the facility or service may be suspended until such time as the deficiency is corrected, or Reclamation may take appropriate action to abate the hazard and be reimbursed by the Concession Contractor. Either action by Reclamation to suspend a facility or service or to abate a hazard shall be with prior written notice to the Concession Contractor.
5. Within 60 days of execution of this Interim Concession Contract, the Concession Contractor shall develop a written emergency action plan that identifies occurrences that will require specific procedures to be followed in the interest of life safety and property protection. The emergency action plan shall be provided to Reclamation for approval, and once approved, shall be executed as written.
 - a. Emergency action procedures shall be provided for probable occurrences relative to the Concession Area (e.g., earthquakes, floods, fires, bomb threats, and hazardous material spills or releases).
 - b. Implementation of emergency action plans shall be coordinated with Reclamation.
 - c. Emergency action plans shall be reviewed and updated annually by the Concession Contractor.
 - d. Concession Contractor employees must be familiar with all emergency action plan procedures and with their individual responsibilities for implementation and reporting.

SECTION 4 – LAND AND FACILITIES USED IN OPERATION

A. AUTHORIZATION TO USE THE CONCESSION AREA

1. Reclamation hereby authorizes the Concession Contractor to use the following lands and facilities for the purposes of this Interim Concession Contract:
 - a. The Concession Area lands and waters lying within the Federal Estate as described in Exhibit A.
 - b. The existing Concession Contractor Improvements located at Markley Cove Resort as of the effective date of this Interim Concession Contract, as shown in Exhibit B. Exhibit B may be modified by mutual agreement of the Parties to include any additional authorized Concession Contractor Improvements that may be completed during the term of this Interim Concession Contract. Exhibit B also serves to identify those Concession Contractor Improvements eligible for designation as Retention Improvements pursuant to Section 4.D.2.
 - c. There are currently no Fixed Assets constructed by Reclamation and authorized for use by the Concession Contractor located in the Concession Area as of the effective date of this Interim Concession Contract.
2. 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 Interim Concession Contract.

B. RESCISSIONS OF CONCESSION AREA OR FACILITY AUTHORIZATIONS

At any time during the term of this Interim Concession Contract, Reclamation may rescind its authorizations made under Section 4.A for all or any portions of the Concession Area and for any Reclamation owned Fixed Assets authorized, if any of the following conditions apply:

1. The rescission is necessary for project purposes, for compliance with Applicable Laws, for the purpose of conserving, preserving, or protecting area of operation resources or for visitor enjoyment or safety.
2. The operations utilizing the Concession Area, or any portion thereof, or any Reclamation owned Fixed Assets have been suspended by Reclamation under Section 1 of this Interim Contract; or
3. Reclamation and Concession Contractor improvements or Concession Area, or portions thereof, are no longer necessary for the concession operation.

C. CONCESSION CONTRACTOR PERSONAL PROPERTY

The Concession Contractor shall provide and maintain in good condition all Personal Property, including but not limited to, removable equipment, vehicles, vessels, furniture, inventory, and goods necessary for its operations under this Interim Concession Contract. Concession Contractor shall not be entitled to any reimbursement or other means of compensation for such Personal Property under the terms of this contract. All Concession Contractor Personal Property present on the Federal Estate which has not been sold to the successor concession contractor must be removed by the Concession Contractor in accordance with Section 4 of this contract.

D. DISPOSITION OF CONCESSION CONTRACTOR IMPROVEMENTS

1. All Concession Contractor Improvements within the concession areas, and all Intangible Assets associated with the business operation of the Concession Contractor for the purposes of this Interim Concession Contract shall be considered the property of the Concession Contractor, with any such improvements or Intangible Assets subject to disposition under the terms of this Contract. Any permanent additions or modifications to these Concession Contractor Improvements or Intangible Assets 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. It is assumed that the operation of Markley Cove Resort as authorized under this Interim Concession Contract is in compliance with the VSP ROD. Upon expiration of this Interim Concession Contract, the Concession Contractor Improvements that are in operation at such time shall be considered for future public use and enjoyment at the Markley Cove Concession area. The Concession Contractor Improvements currently in use are listed in Exhibit B as Retention Improvement Candidates and shall be designated as Retention Improvements if the remaining usable life of the Concession Contractor Improvements is found to extend until January 1, 2021, without the need for a major rehabilitation or overhaul. Reclamation will require the successful successor concession contractor to purchase the Retention Improvements at a price developed by a valuation process detailed in the following paragraphs. Any additional Concession Contractor Improvements built during the term of this Interim Concession Contract may also be considered for Retention Improvement designation, subject to Reclamation's approval. In the event that the Concession Contractor is the successor to this Interim Concession Contract, this sub-section is not applicable.
3. Reclamation will establish the value of the Retention Improvements in the following manner:

- a. To establish the condition and remaining service life for those Retention Improvement Candidates identified in Exhibit B, as supplemented during the term of the Interim Concession Contract, qualified Reclamation representatives will visit and inspect those Concession Contractor Improvements utilizing registered professional engineer(s) practicing in the field of facility condition assessments and maintenance. This process will involve inspecting the improvements and reviewing or discussing construction details to determine construction methods used and the building code utilized.
 - b. Retention Improvements shall be appraised for fair market value by Federal Government (Government) appraisers or Government contracted appraisers. Consideration will be given to the 2007 appraised values for then-existing improvements. All Government Appraisals shall conform to the Uniform Standards of Professional Appraisal Practice as implemented in accordance with the Department of the Interior's Office of Valuation Services Appraisal Policy Manual, or any succeeding standards and Manuals, and shall be completed no earlier than November 1, 2013. Any dispute over appraised values or the determination of the remaining service life will be addressed through Department of the Interior processes, including arbitration as authorized, and all Applicable Laws.
4. In the event Reclamation does not enter into a contract with a successor concession contractor then Reclamation is under no obligation to purchase any of the Retention Improvements.
5. 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 Laws, endeavor to purchase the Retention Improvements from the Concession Contractor at the value determined through the above described process. Reclamation may not take ownership of and operate the Retention 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 by the appraisal conducted pursuant to Section 4.D.3.b above.
6. The Concession Contractor shall remove those Concession Contractor Improvements that are not listed as Retention Improvements if an agreement as to the disposition of those Concession Contractor Improvements between Reclamation and the Concession Contractor cannot be reached.
7. The value of Retention Improvements determined pursuant to Section 4.D.3 of this Interim Concession Contract will be incorporated into any future bidding processes for the next long term concession contract at Markley Cove Resort. All potential bidders will be informed in the Request for Proposals that payment of such value to the outgoing Concession Contractor is a required

element of an acceptable bid and the successor concession contractor will be required to pay the outgoing Concession Contractor such value as a condition to award the contract.

8. The successor concession contractor and the Concession Contractor shall enter into a payment agreement for the Retention Improvements prior to execution of the successor concession contract and expiration or termination of this Interim Concession Contract. The payment agreement shall require the successor concession contractor to deposit the full payment amount agreed upon into an escrow account, to be released to the Concession Contractor just prior to execution of the successor concession contract and expiration or termination of this Interim Concession Contract unless the Concession Contractor and the successor contract can reach an alternative mutual agreement.
9. The Concession Contractor shall not unreasonably deny an offer of payment by a successor concession contractor for designated Retention Improvements.
10. Should the successful successor concession contractor and the Concession Contractor fail to reach an agreement for the Retention Improvements, Reclamation will not enter into a contract with the successful successor concession contractor, and will instead seek another successor concession contractor.
11. In the event that there is no successor contractor and Reclamation does not intend to operate the Concession Area, the final disposition of the Retention Improvements will be addressed through mutual agreement between the Parties, however the value of Retention Improvements determined pursuant to Section 4.D.3 of this Interim Concession Contract will be incorporated into any future bidding processes for the next long term concession contract at Markley Cove Resort as provided for in 4.D.7.
12. All Concession Contractor Personal Property and Concession Contractor Improvements present on the Federal Estate and not identified as Retention Improvements shall be removed by the Concession Contractor prior to expiration or termination of this Interim Concession Contract unless a mutual agreement between Reclamation and the Concession Contractor can be reached. Should the Concession Contractor fail to remove these Concession Contractor Improvements and Personal Property, Reclamation will follow regulations outlined by GSA for abandonment procedures.

E. CONDITION OF CONCESSION AREA UPON CONTRACT CLOSEOUT

1. On or before the expiration or termination date of the Interim Concession Contract, the Concession Contractor shall remove all Concession Contractor Improvements not designated to remain and Concession Contractor Personal

Property as per Section 4.D, and shall leave the portions of the Concession Area which it formerly accessed, used or occupied in a clean, safe, and orderly condition to the satisfaction of Reclamation unless otherwise stipulated in this Interim Concession Contract. In the event the Concession Contractor is the successor contractor, these issues may be addressed in the new long term contract.

2. Reclamation will conduct a walk-through, with the Concession Contractor present, prior to the final 14 days of the Interim Concession Contract to determine the condition of the Concession Area. Reclamation will establish a punch list of items to be performed by the Concession Contractor prior to expiration or termination.
3. In the event the Concession Contractor fails to perform the tasks identified in the punch list, the Concession Contractor shall be responsible for reimbursement to Reclamation for the clean-up and/or repair of those items.
4. For the purposes of this Interim Concession Contract, a “clean, safe, and orderly condition” means that the Concession Contractor has:
 - a. Removed all concession-generated hazardous materials and/or contaminated soils, debris, trash, rubbish, and litter.
 - b. Disposed of all hazardous materials and/or contaminated soil, debris, trash, rubbish, and litter.
 - c. Repaired areas of erosion caused by concession-activities.
 - d. Ensured all Retention Improvements are in a condition which is safe for public and Reclamation access and in a fair and satisfactory state, with all appurtenances and components present and usable consistent with the condition identified in the process outlined in Section 4.D.
 - e. Removed all Concession Contractor Personal Property and Concession Contractor Improvements not designated as Retention Improvements, unless their disposition is otherwise addressed in separate agreements.
5. The Concession Contractor shall not be responsible for the condition, upon contract closeout, of any retaining walls which are not determined to be Retention Improvements.
6. The Concession Contractor shall not be responsible for any silt condition that has not been addressed via the methods identified in Section 3.A.7.

F. UTILITIES

The Concession Contractor shall provide all utilities at its expense to perform the Required and Authorized Services during this Interim Concession Contract.

G. MAINTENANCE PLAN AND MAINTENANCE OBLIGATION

The Concession Contractor shall be solely responsible for the physical maintenance, repairs, housekeeping, grounds keeping, and landscaping of the Concession Area and Concession Contractor Improvements, as well as any authorized Reclamation Fixed Assets, 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 that shall be adhered to by the Concession Contractor. The initial Maintenance Plan is set forth in Exhibit E. The Maintenance Plan shall be updated annually and submitted to Reclamation October 1 of each successive year 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 Interim Concession Contract and shall not be inconsistent with its terms and conditions.

H. ANIMALS

The Concession Contractor is allowed to accommodate clients and visitors with domestic pets in accordance with Applicable Laws. To protect the health and safety of the animals, employees, and the public, domestic pets will not be allowed to freely roam the Concession Area or elsewhere within the Federal Estate. The Concession Contractor shall be responsible to inform clients and visitors of Applicable Laws regarding domestic pets and shall ensure that pet waste is promptly and properly disposed.

I. CONSTRUCTION, ALTERATION, OR REPAIR OF 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. 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.

SECTION 5 – FEES AND BENEFITS

A. FRANCHISE FEES

The Franchise Fees due will be one percent (1%) of Gross Revenues for the term of this Interim Concession Contract. The Franchise Fee shall be remitted in a timely fashion as designated in Section 5.B.1. below.

B. PAYMENTS DUE

1. The Franchise Fee and associated financial report shall be due on a quarterly basis, 30 days from the end of each quarter (Quarter 1: January – March; Quarter 2: April – June; Quarter 3: July – September; Quarter 4: October – December). Payments received from the Concession Contractor more than 30 days after the last day of each quarter will be overdue and subject to interest and penalties per Section 5.C below.
2. 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 Receipts determined at the time of submission of the Concession Contractor's Annual Financial Report. Overpayments shall be offset against the following year's Franchise Fees.
3. In the event of termination, bankruptcy, or expiration of this Interim 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.
4. The Concession Contractor shall use either the Treasury Financial Communications System to electronically deposit all payments, or shall mail all payments and reports directly to the following address:

Bureau of Reclamation
Mid-Pacific Region
P. O. Box 301502
Los Angeles, California 90030-1502

Additionally, the Concession Contractor shall send a copy of all payment reports to the Lake Berryessa Concession Office, Attn: Concession Manager, either by facsimile or mail. All copied correspondence shall be sent to the Bureau of Reclamation, Lake Berryessa Field Office, 5520 Knoxville Road, Napa, California 94558; facsimile telephone number 707-966-0409.

C. INTEREST AND PENALTY

An interest charge will be assessed on overdue payments. 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 and a penalty charge of 6 percent per annum will be assessed after any payment delayed 90 days beyond the end date of each quarter.

D. FINANCIAL REPORTING

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 provide the Annual Financial Reporting information required by this Interim Concession Contract.

The Concession Contractor's system of accounts classification shall use the annual financial reports provided in Exhibit C to this Interim Concession Contract, without exception or modification unless approved by Reclamation.

If the Concession Contractor fails to submit quarterly Franchise Fee payments and 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 Concession Contractor. Should the Concession Contractor fail to make full payment within 90 days from the due date specified in this Interim Concession Contract, Concession Contractor will be considered late and in material breach of this Interim Concession Contract. Failure to cure this breach within the time specified in Section 1.D may be cause for termination of this Interim Concession Contract.

SECTION 6 – INDEMNIFICATION AND INSURANCE

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 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, attorneys' fees and experts' 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 Interim Concession Contract. This indemnification shall survive the termination, bankruptcy, or expiration of this Interim Concession Contract.

B. INSURANCE IN GENERAL

1. Upon execution of this Interim Concession Contract the Concession Contractor shall have provided Reclamation with proof of insurance in accordance with Sections 6.C, 6.D and 6.E, and shall thereafter maintain all insurance policies in effect on the date of execution of the Interim Concession Contract for the duration of the Contract term. Any policy changes, except for an increase in coverage amounts, shall be made only with advance approval by Reclamation.
2. 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

Upon execution of the Interim Concession Contract and annually thereafter, the Concession Contractor shall provide Reclamation with a Certificate of Insurance and Endorsement 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. Reclamation will be an "Additional Named Insured" on all insurance policies.

D. COMMERCIAL PUBLIC LIABILITY

The Concession Contractor shall provide 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 Interim Concession Contract. This insurance shall be in the amount commensurate with the degree of risk and the scope and size of the activities required or authorized under this Interim Concession Contract. 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.

E. PROPERTY INSURANCE

1. In the event of loss, damage, or destruction, the Concession Contractor will repair or replace those Concession Contractor Improvements and Personal Property owned or utilized by the Concession Contractor in the performance of the Concession Contractor's obligations under this Interim Concession Contract.
2. For this purpose, the Concession Contractor shall maintain commercial property insurance to provide fire and extended insurance coverage for full replacement cost of Concession Contractor Improvements and Personal Property owned by the Concession Contractor.
3. Commercial property insurance shall provide for the Concession Contractor and Reclamation to be named insured as their interests may appear.
4. In the event of loss, damage or destruction the Concession Contractor shall declare to Reclamation and use all proceeds of such insurance to repair, rebuild, restore, or replace Concession Contractor Improvements and Personal Property owned by the Concession Contractor utilized in the Concession Contractor's operations as directed by Reclamation.
5. The Concession Contractor shall not be relieved of its obligations to provide Required Services and existing Authorized Services due to loss, damage or destruction of Concession Contractor Improvements and Personal Property owned by the Concession Contractor because insurance proceeds are not sufficient to compensate for the loss.

SECTION 7 – 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 Interim Concession Contract. 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 C to this Interim Concession Contract.

The Concession Contractor shall follow Generally Accepted Accounting Principles in recording financial transactions and in reporting results to the authorized officer. Additionally, the accounting system shall include the following:

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 including a depreciation schedule and current source documents for acquisition costs of capital items.
3. Bank accounts will be maintained separately for the businesses conducted under this Interim Concession Contract and not commingled with those for other businesses of the Concession Contractor.
4. 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 a licensed 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 a licensed CPA in accordance with the standards and procedures as are applicable for the year of the review promulgated by the American Institute of Certified Public Accountants (AICPA).

If the annual Gross Revenues of the Concession Contractor exceed \$1,000,000, the required AFR Schedules and financial statements must be reviewed by an independent CPA in accordance with the standards and procedures as are applicable for the year of the audit promulgated by the AICPA.

In computing net profits for any purposes of this Interim 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 Interim Concession Contract. This includes but is not limited to 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 150 days after the last day of its fiscal year, a financial statement for the preceding fiscal year or portion of a year.

B. BALANCE SHEET

Within 90 days after the effective date of this Interim Concession Contract, the Concession Contractor shall submit to Reclamation a balance sheet (example included in Exhibit C) as of the beginning date of the term of this Interim Concession Contract. The balance sheet shall be reviewed annually, as determined by the annual gross receipts, by a licensed CPA. The balance sheet shall be accompanied by a schedule as shown that identifies and provides details for all capital improvements. The schedule must describe these capital improvements in detail and show, for each such capital improvement, the date acquired, constructed, or installed and a separate itemization of labor costs and equipment costs, without alteration and without modification, as provided in Exhibit C except as authorized by Reclamation.

SECTION 8 – GENERAL PROVISIONS

A. ACCESS TO RECORDS

For the purpose of administering this Interim 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 concession-related business records and supporting documents available for analysis by qualified representatives of Reclamation. Records so obtained shall be treated as confidential to the extent allowable by Applicable Laws.

B. PUBLIC RELEASE OF INFORMATION

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

C. SUB- CONCESSIONS

1. In accordance with a waiver from the Directives and Standards LND 04-01, approved by Reclamation, the Concession Contractor is permitted to utilize a subcontractor to provide the Authorized Service of “Water Craft Rentals” under this Interim Concession Contract.
2. The subcontractor shall be subject to, and the Concession Contractor shall be responsible for compliance with, all conditions of this Interim Concession Contract.
3. The Concession Contractor shall provide administrative oversight of the subcontractor’s operations and shall be responsible for ensuring that all required submittals including but not limited to Franchise Fees, financial and other reports, certificates of insurance, and other business records are accurate and provided timely to Reclamation.
4. Reclamation retains the right to review and approve any subcontractor agreement prior to its execution.
5. The term of any subcontractor agreement may not exceed that of this Interim Concession Contract.
6. Any subcontractor agreement must provide Reclamation the ability to access all records and documents relative to the sub-concession activities.

D. PAYMENT OF TAXES

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

E. 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 Interim Concession Contract or to any benefit that may arise from this Interim Concession Contract, but this restriction shall not be construed to extend to this Interim Concession Contract if it is made with a corporation or company for its general benefit.

F. DEBARMENT AND SUSPENSION

This Interim Concession Contract is subject to the provisions of 43 C.F.R. Subtitles A and B including 43 C.F.R. 12.913, 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.

G. AMENDMENTS

This Interim 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 Interim Concession Contract. This Interim Concession Contract may be amended only as specified in Reclamation's Directives and Standards and when agreed to in writing by Reclamation and the Concession Contractor.

H. THIRD PARTIES

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

I. WAIVERS

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

J. CORRUPTION AND FRAUD

Claims against Reclamation (to the extent subject to 28 U.S.C. 2514) arising from this Interim 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.

K. SIGNS

The installation of any new signs must meet Reclamation sign requirements and be approved in advance by Reclamation in writing. Reclamation may require the removal or replacement of any existing signs. Posting of any signage that indicates or advertises the personal property of others “For Sale” is strictly prohibited on the Federal Estate.

L. THE ANTI- DEFICIENCY 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.

M. LAWS SUBJECT TO CHANGE

Applicable Laws, including Reclamation Directives and Standards, are subject to change over the term of this contract. Reclamation and the Concession Contractor shall conform their actions to any changes should they occur, unless, in the case of Reclamation’s Directives and Standards and Guidelines, such changes are in conflict with the terms of this Interim Concession Contract.

N. REQUIRED REPORTS, DOCUMENTS, AND DATA

The Concession Contractor shall supply to Reclamation all reports, documents, and data required by this Interim Concession Contract.

O. CORRESPONDENCE PROCEDURES

All correspondence and notices required by this Interim 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 addresses:

Reclamation:	Lake Berryessa Recreation Resources Branch Field Office
Site name:	Markley Cove Resort
Address:	5520 Knoxville Road Napa, California 94558-9489
Attention:	Park Manager
Concession Contractor:	Mr. John C. Frazier III and Ms. Linda Frazier
Address:	P.O. Box 987, Winters, California 95694
Attention:	Mrs. Linda Frazier

A party may modify the address or addressee by providing the other party with notice via registered or certified mail, return receipt requested, at least 14 days prior to the effective date of the proposed change.

P. SEVERABILITY

Each provision of this Contract shall be interpreted in such a manner as to be valid under Applicable Laws, 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.

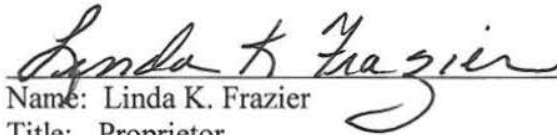
IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this INTERIM CONCESSION CONTRACT as of the 1st day of May, 2013.

CONCESSION CONTRACTOR



Name: John C. Frazier III
Title: Proprietor

Date: 5-1-13



Name: Linda K. Frazier
Title: Proprietor

Date: 5-1-13

Bureau of Reclamation



Name: Drew F. Lessard
Title: Area Manager (Acting)

Date: 5/1/13

Exhibits to the Contract

- | | |
|-----------|-----------------------------------------------------------------|
| Exhibit A | Authorized Area of Operation |
| Exhibit B | Concession Contractor Facilities Located at Markley Cove Resort |
| Exhibit C | Annual Financial Report |
| Exhibit D | Operating Plan |
| Exhibit E | Maintenance Plan |

Appendices

- | | |
|------------|--------------------------------------------------------------------------------------|
| Appendix 1 | Reclamation Manual Concession Management Policy, Directives & Standards & Guidelines |
|------------|--------------------------------------------------------------------------------------|

Exhibit A

AREA OF OPERATION AND ASSIGNED LAND

A. LEGAL DESCRIPTION OF AREA OF OPERATION

The following legal description describes the Concession Area, the area within the Federal Estate where the Concession Contractor is authorized to conduct business under this Interim Concession Contract. The Concession Contractor 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 the Bureau of Reclamation) on any other portion of the Federal Estate outside these described boundaries.

MARKLEY COVE CONCESSION AREA

TRACT ONE: A tract of land in Section 31, Township 8 North, Range 2 West, M.D.B. and (&) M., in the County of Napa, State of California; said tract of land being portions of lands described in the Grant Deed from Mr. Harry H. Palmer and Ms. 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 Ms. 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 Number 128, Legislative Route Number 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 Ms. 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 Number 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 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 $56^{\circ} 25'$ West; (9) thence southwesterly 397.9 feet along said curve through a central angle of $14^{\circ} 15'$; (10) thence South $19^{\circ} 20'$ West 212.6 feet; (11) thence South $46^{\circ} 49'$ West 225.7 feet; and (12) thence South $05^{\circ} 51'$ West 674.5 feet to the point of beginning.

Containing an area of 116.7 acres, more or less.

B. MAPS OF ASSIGNED LAND

The lands legally described above are authorized for the use of the Concession Contractor, and the boundaries are illustrated on the following map(s). The boundaries displayed on the following pages are approximate boundaries based upon the preceding legal description.

Markley Cove Concession Boundary - Lake Berryessa, California

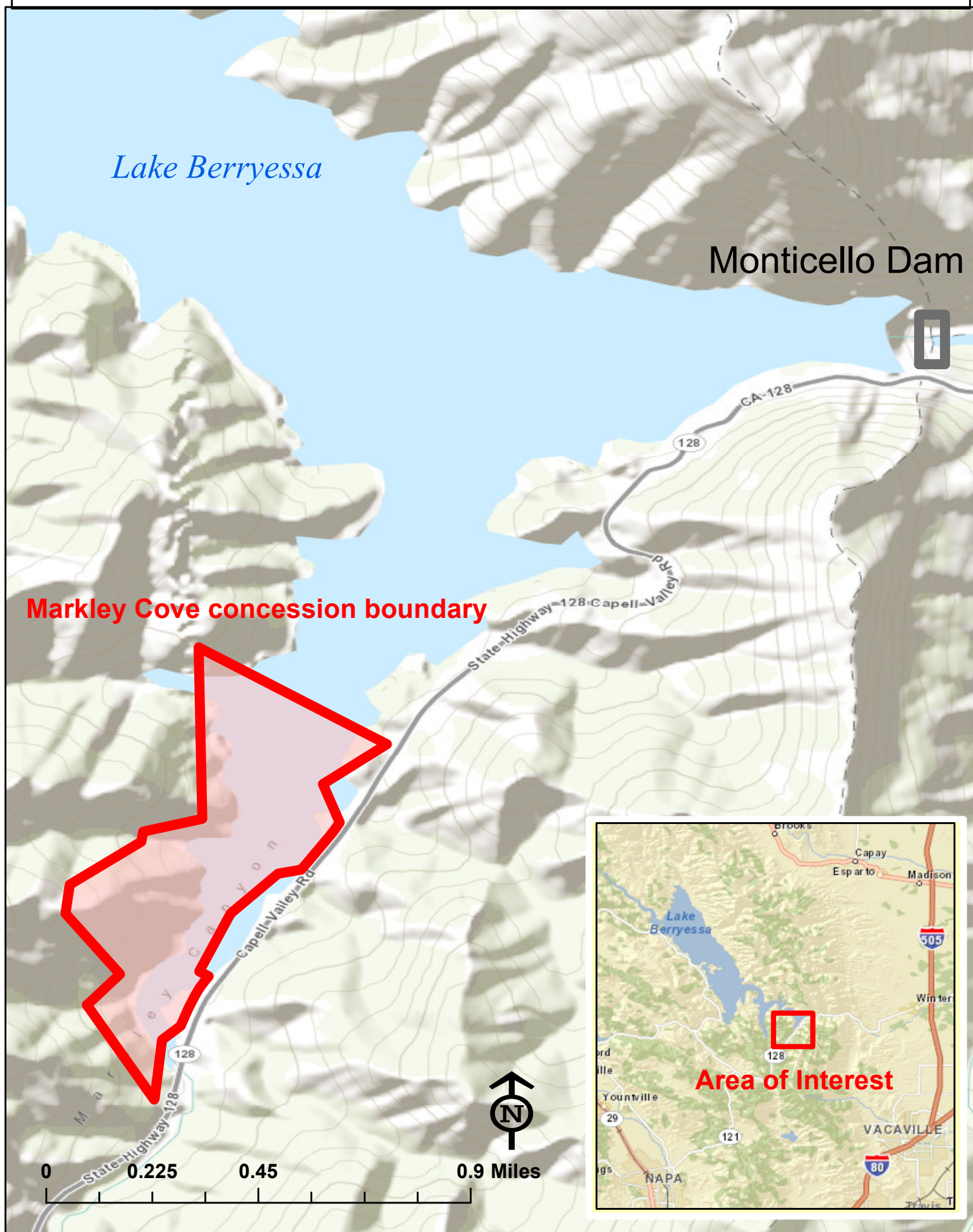


EXHIBIT B

RETENTION IMPROVEMENT CANDIDATES LOCATED AT MARKLEY COVE RESORT AS OF EFFECTIVE DATE OF THIS INTERIM CONCESSION CONTRACT

The following Concession Contractor Improvements located at Markley Cove Resort as of the effective date of this Interim Concession Contract will be designated as Retention Improvements if qualified Bureau of Reclamation representatives visit Markley Cove Resort, inspect them, and determine they have a remaining usable life extending beyond January 1, 2021, without the need for a major rehabilitation or overhaul.

- Boat Launch Ramp, Primary
- Boat Launch Ramp, Secondary
- Roads and Parking Lots
- Stairs (Concrete)
- Walkways
- Drain Culverts, 12 inches
- Drain Culverts, 18 inches
- Drain Culverts, 24 inches
- Drain Culverts, 6 feet
- Electrical Systems (including Streetlights)
- Mobile Home Hook-ups
- Pressure Line - Main to Ponds 3 inches
- Pressure Line - Tank to Main 2.5 inches
- Pressure Line - Station to Station 2 inches
- Gravity Line, 4 inches
- Pressure Line - Gas Dock to Station 2 inches
- Domestic Water Main 3 inches – 4 inches
- Domestic Water Main 1.5 inches
- Domestic Water Main, Lake to Plant 2.5 inches
- Dock and Fueling Improvements
- Main Access Gate
- Access Gates
- Chain Link Fence
- Fuel Tank
- Fuel Tank (Two-Compartment)
- Fuel Dispenser
- Gas Dock
- Houseboat Pump Station
- Docks (Concrete/Uncovered) A Dock
- Docks (Uni-truss/Concrete/Covered) B Dock
- Docks (Concrete/Canvas-Covered) C Dock
- Docks (Wood/Covered) C and A Docks
- Docks (Trex/Covered) D Dock

Docks (Trex/Uncovered) E Dock
Docks (Aluminum Construction/Covered) E Dock
Courtesy Dock
Houseboat Mooring Walkway
Gangways
Stairs (Steel)
Swim Decks
Retaining Walls
Water & Sewage Systems
Sewage Treatment
Water Treatment
Building Improvements
Maintenance Building on Dock
Store on Dock
Sewer Lift Shed
Sewer Lift Shed
Sewer Lift Shed
Water System Building
Store/Office with Patio, Landscaping/Pet Waste Stations
Security/Storage Office
Shop Building
Cabins
Deck Structures
Future Concession Contractor Improvements that may be added to this list as approved by Reclamation.

After consultation with the Concession Contractor and in consideration of issues of mutual concern, this Exhibit reflects, as of its date of execution, the expectations, requirements, and commitments of the Concession Contractor and Reclamation.


Executed at Folsom, CA this 1st day
of May, 2013.

CONCESSION CONTRACTOR



Name: John C. Frazier III
Title: Proprietor

Date: 5-1-13



Name: Linda K. Frazier
Title: Proprietor

Date: 5-1-13

Bureau of Reclamation



Name: Drew F. Lessard
Title: Area Manager (Acting)

Date: 5/1/13

EXHIBIT C

ANNUAL FINANCIAL REPORT

Concession Contractor Annual Financial Report General Instructions

The Annual Financial Report (AFR) instruction booklet was prepared by Bureau of 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 Generally Accepted Accounting Principles (GAAP) financial statements, however, please note that some of the AFR Schedules require more detail with respect to information. 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.

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 authorizing document (contract or permit). Concession Contractors shall submit one signed original and one copy to the Contracting Officer administering the area. Failure to submit the complete and accurate Schedules timely shall be considered a significant default of this 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 E.

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 independent licensed Certified Public Accountants (GPA) 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 reviewed 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 90 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)



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	
	This Year	Last Year	
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).....			

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 LIABILITIES		
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 terms of the Interim Concession Contract.

The costs of Concession Capital Improvements are to be entered in Columns A and B

Concession Contractors showing amounts in Columns A or B that are damaged by some event (hereinafter “Destruction Event”) whether said damage is covered in whole or in part or not covered by insurance, Replacement may or may not be required by Reclamation. If replacement is required, and not completed, the concession contractor will be in breach of Contract. Any actions necessitated by a Destruction Event shall be reviewed and approved in an expedited manner 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 Interim Concession Contract. 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 is 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					
	Infrastructure Improvements	Facilities Improvements	Other Improvements	Transportation Equipment	Furniture, Fixtures, & Equipment	Other	Total
	A	B	C	D	E	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
<u>Cash Flows From Operating Activities</u>		
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	_____
<u>Cash Flow From Investing Activities</u>		
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	_____
<u>Cash Flow From Financing Activities</u>		
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)	_____
<u>Reconciliation of Net Income to Net Cash Provided by Operations</u>		
22.	Net Income (Schedule A, Line 32)	_____
<u>Adjustments to reconcile net income to net cash provided by operating activities</u>		
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 stream 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, perhaps none, of the Concession Proposals 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 is 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.

Concession Contractor

Year Ending:

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 sub-Concession Contractor's names and amount of commission, fees, or compensation received from the sub-Concession Contractors shown on Lines 3 through 5.
- Line 29. Add Lines 26 through 28 and enter the amount.
- Line 30. Enter one half (50 percent) 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

Year Ending:

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/FEEES/COMPENSATION	
	FROM SUBCONCESSION CONTRACTORS	
	Name of Sub-Concession Contractor	Amount _____
26.	_____	_____
27.	_____	_____
28.	_____	_____
29.	Total Commission/Fees/Compensation From Sub-Concession Contractors	
	(Schedule A, Line 25)	_____
30.	Fifty Percent of Commission/Fees/Compensation From	
	Sub-Concession Contractors	_____
31.	Total Flat Fee, Percentage Fee, and Sub-Concession 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 percent 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 percent 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 percent 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 L – ADDITIONS TO AND DISPOSALS OF FIXED ASSETS

For each asset acquired or disposed of during the current year, enter the information required in each column by category. Additions and disposals must be totaled by category. The categories are the same as those enumerated on Schedule C and defined in the instructions to Schedule C.

Concession Contractor

Year Ending:

Additions to and Disposals of Fixed Assets							SCHEDULE L	
Description of Assets	Assets Category	Date of Acquisition of Disposal	Depreciation Method	Years of Useful Life	Cost	Current Year Depreciation	Accumulated Depreciation for Disposal	Salvage Amount
Additions								
Disposals								

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.

Concession Contractor

Year Ending:

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, Line 16)	_____	
	<i>Allocation of Line 13</i>		
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 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.

Year Ending:

SCHEDULE O

1. List Expenses and Expenditures from Reserve Account made in the Current Year. (Should Equal Schedule N, Line 10.)

[illegible]

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 recreational vehicles [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)												Schedule P1
	Months											
	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

Concession Contractor _____

Year Ending: _____

Supplemental Surcharge Annual Reconciliation

SCHEDULE R

1.	Gross Sales Revenues (Schedule Q, Line 50)	
2.	Less-Adjustments to Gross Revenues	
	Gross Revenues Subject to Supplemental Surcharge Account	
3.	Supplemental Surcharge Calculation	
4.	Account Percentage Rate.....	%
5.	Amount Due Supplemental Surcharge Account	
	Other Method (Specify Calculation)	
6.		
7.	Accrued Amount Due to Supplemental Surcharge Account for Current Year.....	
	Supplemental Surcharge Account Combined Cash Reconciliation	
8.	Balance in Supplemental Surcharge Account from Prior Year	
9.	Plus: Current Year Deposits	
10.	Less: Current Year Expenditures (Must also complete Schedule S)	
11.	Plus: Current Year Interest	
12.	Less: Current Year Bank Charges	
13.	Balance in Supplemental Surcharge Account at Year End.....	
	<i>Allocation of Line 13</i>	
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.	Supplemental Surcharge 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 S – SUPPLEMENTAL SURCHARGE ACCOUNT EXPENDITURES REPORT

Concession Contractor

Year Ending:

Supplemental Surcharge Account Expenditures

SCHEDULE S

1. List Expenses and Expenditures from Supplemental Surcharge Account made in the Current Year.

[illegible]

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.

Contracting Officer – A field level manager.

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.

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 – A systematic approach to match the cost of a fixed asset with the expected revenues related to that fixed asset over the expected period during which the asset will be used.

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.

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 cannot allocated to physical assets.

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

Income statement – See statement of income.

Intangible assets – Items that are important to one's business that are not physical objects. Examples of these would be goodwill, patents, trademarks, and copyrights.

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.

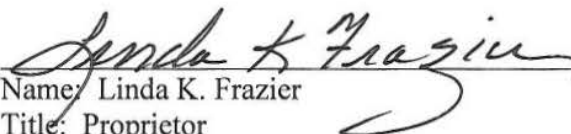
Statement of income or losses – Summarizes the financial activity for a specified time period by looking at the gross revenue and the expenses generated by the company. This statement is also called the profit and loss (P&L) statement.

After consultation with the Concession Contractor and in consideration of issues of mutual concern, this Exhibit reflects, as of its date of execution, the expectations, requirements, and commitments of the Concession Contractor and Reclamation.

Executed at Folsom, CA this 1st day
of May, 2013.

CONCESSION CONTRACTOR


Name: John C. Frazier III
Title: Proprietor
Date: 5-1-13


Name: Linda K. Frazier
Title: Proprietor
Date: 5-1-13

Bureau of Reclamation


Name: Drew F. Lessard
Title: Acting Area Manager
Date: 5/1/13

EXHIBIT D

MARKLEY COVE RESORT CONCESSION AREA

Operating Plan

A. INTRODUCTION

1. This Operating Plan between Mr. John C. Frazier III and Ms. Linda K. Frazier (the Fraziers) (hereinafter referred to as the "Concession Contractor") and the Bureau of Reclamation (hereinafter referred to as "Reclamation") shall serve as a document attached to Concession Contract 13-LC-20-0320, (hereinafter referred to as the "Contract") and is considered a part of that Contract. The Operating Plan delineates and specifies the operating responsibilities of the Concession Contractor and Reclamation with regard to those lands and facilities within the Markley Cove Resort Concession Area (Concession Area) which will be utilized for the purposes authorized by the Contract.
2. In the event of any apparent conflict between the terms of the Contract and this Operating Plan, the terms of the Contract, including its designations and amendments, shall prevail.
3. This Operating Plan shall be the operating document for the term of this Contract unless amended with Reclamation's approval. The Concession Contractor shall submit requests for revisions in writing to Reclamation for review no later than October 1. All revisions must be approved in advance by Reclamation before they become effective for the following calendar year. Reclamation reserves the right to make periodic revisions to this Operating Plan with advance written notice to the Concession Contractor.

B. MANAGEMENT, ORGANIZATION, AND RESPONSIBILITIES

1. CONCESSION CONTRACTOR

- a. The Concession Contractor will direct the concession operation. The Concession Contractor will 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 Required and Authorized Services and concession facilities at the Concession Area. To achieve an effective working relationship between the Concession Contractor and Reclamation, the Concession Contractor shall designate the on-site manager and qualified alternate(s) who have full authority to act as a liaison in all concession matters related to Markley Cove Resort.

- b. The onsite manager or qualified alternate(s) shall be available for contact by Reclamation during the established hours of operation (duty hours), and available by telephone during off-duty hours. If for unusual circumstances the onsite manager/alternate will be absent from the Concession Area for more than 24 hours, an alternate point of contact shall be established and Reclamation notified.
- c. The Concession Contractor will employ a staff with the expertise to operate all services required and authorized under the Contract. The Concession Contractor will hire a sufficient number of employees to ensure satisfactory services during off-season and shoulder seasons, as well as peak seasons.
- d. The Concession Contractor will pay or cause to be paid all taxes and assessments levied or assessed upon the possession, use, or occupancy of the premises. The Concession Contractor is liable for prompt payments to all vendors and other entities for monies owed, and shall maintain its accounts in good standing.

2. RECLAMATION

- a. The Reclamation Area Manager is responsible for the total area operation, including the concession operations. The Area Manager carries out the policies and directives of Reclamation, including oversight of the Concession Contractor's operations. Through staff representatives, the Area Manager reviews, supervises, and coordinates concession activities at Lake Berryessa, including monitoring contract compliance.
- b. Monitoring contract compliance includes evaluating all concession operations and services and reviewing and authorizing all rates, maintenance of and improvements to facilities, and construction.
- c. The Area Manager will provide a current personnel list to the Concession Contractor with all appropriate points of contact.

C. CONCESSION OPERATIONS (SEASON AND HOURS OF OPERATION)

The Concession Contractor will provide the Required and Authorized Services for the area visitors with regular hours of operation approved by Reclamation. The following minimum hours of operation and months of operation shall remain in effect and be adhered to unless changes are requested in writing and approved by Reclamation. Hours and months of operation shown represent the posted opening and closing times for public services. The Concession Contractor is expected to provide staffing and support services beyond this schedule in order to operate and maintain the Concession Area and provide the Required and Authorized services and meet standards identified in the Contract. Reclamation may direct occasional changes to this schedule in the interest of visitor services. The Area Manager will give reasonable notice of any changes that Reclamation may initiate.

SERVICES	SEASON/MONTHS	OPERATION/HOURS
OVERNIGHT LODGING ACCOMMODATIONS (OFFICE HOURS)	YEAR ROUND	MAY-SEP: MON-THU 6:00 A.M. TO 7:00 P.M. FRI-SUN 6:00 A.M. TO 8:00 P.M. OCT-APR MON-THU 6:00 A.M. TO 4:00 P.M. FRI-SUN 6:00 A.M. TO 5:00 P.M.
STORE/RETAIL/GIFTS (OFFICE HOURS)	YEAR ROUND	MAY-SEP: MON-THU 6:00 A.M. TO 7:00 P.M. FRI-SUN 6:00 A.M. TO 8:00 P.M. OCT-APR MON-THU 6:00 A.M. TO 4:00 P.M. FRI-SUN 6:00 A.M. TO 5:00 P.M.
WATER BASED FUEL SERVICES	YEAR ROUND	MAY-SEP: MON-THU 6:00 A.M. TO 7:00 P.M. FRI-SUN 6:00 A.M. TO 8:00 P.M. OCT-APR MON-THU 7:00 A.M. TO 3 P.M. FRI-SUN 7:00 A.M. TO 4:00 P.M.
SLIP/ RENTALS	YEAR ROUND	MAY-SEP: MON-THU 6:00 A.M. TO 7:00 P.M. FRI-SUN 6:00 A.M. TO 8:00 P.M. OCT-APR MON-THU 6:00 A.M. TO 4:00 P.M. FRI-SUN 6:00 A.M. TO 5:00 P.M.
POWERBOAT RENTALS	SEASONAL	MAY-SEP: MON-THU 6:00 A.M. TO 7:00 P.M. FRI-SUN 6:00 A.M. TO 8:00 P.M.
LAUNCH RAMP	YEAR ROUND	MAY-SEP: MON-THU 6:00 A.M. TO 7:00 P.M. FRI-SUN 6:00 A.M. TO 8:00 P.M. OCT-APR MON-THU 6:00 A.M. TO 4:00 P.M. FRI-SUN 6:00 A.M. TO 5:00 P.M.

D. STANDARDS OF OPERATIONS

1. Concession Contractor shall manage and operate the Concession Contractor Improvements, accommodations, facilities, conveniences, utilities, landscaping, and visitor services in accordance with the Interim Concession Contract and this Operating Plan to such an extent and in a manner considered satisfactory by Reclamation.

2. The operation of Concession Contractor Improvements, accommodations, facilities, conveniences, utilities, landscaping, and visitor services required and authorized by the Contract will conform to the evaluation standards set forth in the Contract, especially the Reclamation Concession Review Program described in Section 2.I, the Reclamation Concession Management Guidelines Chapter 8, and this Operating Plan, Section D.3. The Concession Contractor must adhere to all Applicable Laws in its operation of the Concession Area, including 43 Code of Federal Regulations (C.F.R.) Part 423 Public Conduct on Bureau of Reclamation Facilities, Lands, and Waterbodies.
3. Concession Review Program
 - a. The Concession Contractor will manage operations and services to ensure visitor safety, the protection of resources, compliance with public health requirements and to provide satisfactory services for the area visitors within the Concession Area. The operation of facilities and services required and authorized by the Contract will conform to the evaluation standards set forth in the Concession Review Program described in Section 2.I of the Contract, and the current Reclamation Concession Management Guidelines, Chapter 8.
 - b. Reclamation will conduct performance evaluations that address operations, facilities, health, safety, and all other performance requirements stipulated in the concession contract. The following chart sets forth the evaluation schedule. These performance evaluations will be in accordance with standards set forth in the Concession Review Program as described in subsection D.3.a above.

Evaluation Schedule

Evaluation	Operation and Facility Evaluations	Public Health Service Inspections	Safety and Environmental Evaluations	Contract Compliance
Frequency	Semiannual	Semiannual	Annual	Annual

- i. The Concession Contractor will meet with Reclamation area officials to prioritize and schedule the correction of deficiencies and the implementation of improvement programs resulting from these inspections. The Concession Contractor will be responsible for correcting deficiencies and developing abatement plans within the dates assigned by the Area Manager. Reclamation has final determination of dates and established time frames for correction of deficiencies. Depending upon the seriousness of any individual deficiency the Concession Contractor's ability to operate the impacted visitor facilities may be reduced or terminated pending final corrections.
- ii. If the Concession Contractor receives an "unsatisfactory" rating in any review evaluation, the Concession Contractor shall be given a specific

period of time to correct the deficiencies that were the basis for the “unsatisfactory” rating. A single critical deficiency may be sufficient to warrant an “unsatisfactory” rating.

- iii. If the Concession Contractor fails to remedy deficiencies and, thereby, obtain a “satisfactory” rating or better within the period of time specified in the notification, the Concession Contractor shall be considered to be in default of the concession Contract, and the concession Contract may be terminated at the discretion of the Secretary. Reclamation may also, at its own discretion close part of the Concession Contractor’s operation when necessary for the protection of the resources or the safety or welfare of people or property. Reclamation may also take appropriate administrative action in direct relationship to the severity or magnitude of the problem.
 - iv. The Concession Contractor may appeal a review evaluation rating in writing to the Area Manager. The appeal shall present whatever supporting information the Concession Contractor feels is appropriate and necessary to substantiate its appeal. A final determination will be made by the Area Manager.
- c. In addition to the standards in Sections D.1, D.2, and D.3 of this Operating Plan, the provision of Required and Authorized Services shall be in accordance with the following local standards.
- i. Length of Stay. Reclamation’s Visitor Services Plan, Record of Decision dated June 2, 2006 (VSP ROD) prohibits public overnight use such as lodging, or camping, (including the use of transient trailers or recreational vehicles or vessels), within the same Concession Area by the same individuals for more than 14 days during any period of 30 consecutive days. This 14 day limit does not pertain to Concession Contractor employees who are provided with lodging or camping facilities as a part of an employee housing agreement. Such employee housing agreements are discussed in Section F.3 below.
 - ii. Record of Overnight Use. For all overnight use of the Concession Area, the Concession Contractor shall maintain a ledger that records the period and length of stay, the names and other identifying information of individuals who use its sites and shall make the ledger available for inspection by Reclamation at any time.
 - iii. Watercraft Occupancy and Moorage agreements. The Concession Contractor must comply with provisions of the VSP ROD specifying the Watercraft Occupancy requirements and maximum Water Craft Carrying Capacity for the lake. The VSP ROD requires that “Houseboats will be authorized for placement on the lake by permit issued by Reclamation and moorage agreements with those concession operations capable of

providing pumpout services. Houseboats and Overnight Occupancy Vessels (OOV's) will be regulated by size, sewage and gray water holding capabilities, etc.” In coordination with Reclamation’s permit process, the Concession Contractor will issue mooring agreements or other agreements for all private houseboats and for any other vessels which will occupy a boat slip or otherwise remain on the Federal Estate for more than 14 days during any period of 30 consecutive days. Such agreements must comply with Applicable Laws and be approved by Reclamation prior to issuance. All vessels must comply with Applicable Laws regarding sanitation requirements, including those of the U.S. Coast Guard.

- iv. **Waiting List.** The Area Manager may determine parameters and stipulations on the public’s use and rental of boat slips. It is traditional to permit the Concession Contractor the opportunity to provide longer term assignments/rentals of such facilities (such as a renewable 1-year lease) as long as the tenets of Applicable Laws prohibiting “exclusive use” of the Federal Estate are upheld. The Concession Contractor will ensure that a reasonable percentage of the facilities are available for use by short-term boaters. In addition, if the use demand is so high that all available long-term boat slips are full, a waiting list will be maintained by the Concession Contractor in a manner approved by Reclamation. In accordance with the VSP ROD, a waiting list for houseboats will continue to be maintained by Reclamation unless current policy is amended.
- v. **Sale of Personal Property.** The sale of boats, houseboats, or other personal property by anyone other than the Concession Contractor is prohibited on the Federal Estate (See Reclamation Manual Directives and Standards LND 04-01, Section 4.D.19). The Concession Contractor will monitor the public’s use of the Concession Area for such prohibited activities, such as the posting of “For Sale” signs, and enforce compliance with this standard.
- vi. **Boat Repairs.** The Concession Contractor is not permitted to engage in major repairs to boats owned by the public, or to allow the public to perform boat repairs within the Concession Area. The Concession Contractor is permitted to perform minor repairs to assist the public, such as offering battery jump starts, replacing trailer light bulbs, etc.
- vii. **Reservation, Deposit and Refund Policy.**
 - 1. The Concession Contractor will establish and maintain, to the satisfaction of the Area Manager, a fair, impartial, and equitable reservation system for the use of boat rental, camping, lodging, and other concession services that visitors secure in advance.

2. A written Reservation Policy approved by Reclamation shall be in effect throughout the term of the Interim Concession Contract and shall be an attachment to the approved Operating Plan (Attachment 1).
 3. The Reservation Policy shall include standards for deposits, cancellations, and refunds that are patterned after industry or local or regional standards.
 4. The Concession Contractor may not accept reservations and associated deposits more than 1 year in advance, and the Concession Contractor should consider capacity limits when accepting any reservation.
 5. Conditions for deposit refunds or cancellation fees must be clearly stated in the Concession Contractor's rate schedule and advertising materials.
 6. Once approved by Reclamation, the policy will be communicated to the public by posting onsite, and included in hard copy brochures, electronic media, and reservation confirmations.
 7. Proposed changes to the approved Reservation Policy shall be submitted in writing to Reclamation for approval prior to implementation, and will be subject to the rate determination and approval process referenced in subsection D.3c.xiii.
- viii. Operating Rules and Policies. The Concession Contractor will establish and implement Concession Area operating rules and policies for the public that are approved in advance by Reclamation. Rules and policies will be posted prominently at the entrance to the Concession Area and other locations accessible by the public, and copies will be made available to all visitors and customers.
 - ix. Quiet Hours. The Concession Contractor will maintain and enforce quiet hours between the hours of 10 p.m. and 6 a.m. in the Concession Area. Boat Slip renters will be informed that quiet hours are also applicable when operating a vessel outside the Concession Area.
 - x. Lost And Found. The Concession Contractor will establish and provide an effective program for handling lost and found or unattended property within the Concession Area. 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 43 Code of Federal Regulations § 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.

- xi. Fuel Storage. The Concession Contractor will be responsible for compliance with all Applicable Laws pertaining to 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 in writing within 24 hours; 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 the aboveground fuel storage tanks, tracer probes, monitoring wells, removal of contaminated soil, and ground water remediation work.
- xii. Advertising and Signs.
 - 1. The Concession Contractor will be required to notify the public that they are authorized by Reclamation to conduct business on the Federal Estate. All promotional materials, regardless of media format, provided to the public by the Concession Contractor in connection with the service provided under the Contract must conform to Reclamation's Visual Identity Program (for a listing of current Visual Identity Program directives, see <http://www.usbr.gov/recman/> and enter visual identity into search) and be approved in writing by Reclamation. At a minimum, all such material will identify the Concession Contractor as an authorized Concession Contractor of the Department of the Interior, Bureau of Reclamation. The Concession Contractor will contact the Area Manager in advance to establish specific timeframes for each project review.
 - 2. Before Reclamation emblems, logo, or name is displayed in advertisements or on signs, their use must be approved by Reclamation. Outdoor signs or other forms of advertisements must not be displayed on the Federal Estate without written approval from Reclamation. The Reclamation name or logo will be obvious at the entrances to all concessions.
 - 3. All signs will be approved by the Area Manager and will be professionally made. The Concession Contractor must follow the general guidelines for signs as described in Reclamation's Sign Guidelines. (See Guidelines at <http://www.usbr.gov/pmts/planning/signguide2006.pdf>).

xiii. Rates and Forms of Payment

1. Rates charged for all Required Services, Authorized Services, and goods shall be reasonable and appropriate for the type and quality of the goods and services provided and must be approved by Reclamation.
2. The approved rates for the calendar year 2013 are shown in Attachment 2 of this Operating Plan. Thereafter, rate modification requests shall be submitted by the Concession Contractor annually by October 1 for the following calendar year.
3. The Concession Contractor shall adhere to the rate determination and approval process in Section 2.E of the Contract, and as further specified in Reclamation's Concession Management Guidelines, Chapter 7.
4. Goods and services may not be provided to Government employees or their families without charge or at a reduced rate, except as available to the general public.
5. Credit cards will be honored including, at a minimum, American Express, Visa, and Master Card. The Concession Contractor will accept debit cards at its discretion or at the direction of Area Manager.
6. Rates confirmed by the Concession Contractor, as identified in the reservation confirmation, will be honored during the entire time of stay.

xiv. Safety

1. The Concession Contractor will comply with the applicable requirements of the Contract including but not limited to Section 2.I and Section 3, the Maintenance Plan, and all Applicable Laws including Occupational Safety and Health Administration requirements, and other Federal, State, and local safety codes, statutes, and standards. The Concession Contractor shall exercise precaution for the safety of all people within its facilities at all times.
2. The Concession Contractor must ensure that all buildings within the Concession Area meet applicable local Fire Codes and National Fire Protection Association's (NFPA) Life Safety Codes (www.nfpa.org), and that fire detection and suppression equipment is in good operating condition at all times.

3. It is the Concession Contractor's responsibility to report all structural and wildfires in accordance with Section 3.L of the Contract.
4. All injuries sustained by visitors or employees in concession facilities and all medical emergencies must be reported to Reclamation as specified in Section 3.L.2 of the contract. Significant employee and visitor illness complaints will be reported immediately to Reclamation so that thorough investigation can be completed, as necessary.
5. The Concession Contractor will provide first-aid kits for use by employees, prominently displayed in appropriate areas.
6. The Concession Contractor shall comply with Applicable Laws pertaining to employee training in first aid and CPR, OR the Concession Contractor is required to have, at a minimum, one employee certified in CPR and First Aid per work shift, whichever requirement is greater.

xv. Sanitation

1. The Concession Contractor is required to ensure that the concession facilities comply with Applicable Laws concerning smoking in and around public facilities.
2. The Concession Contractor shall provide an effective system for the collection and disposal of garbage and trash within the Concession Area and shall comply with Applicable Laws regarding sanitation. Trash receptacles shall be conveniently located for the public and employees.
3. The Concession Contractor shall keep the Concession Area free of foul odors, litter, debris, garbage, abandoned equipment, vehicles, furniture, and fixtures. Refuse shall be stored in receptacles that are covered, waterproof, and vermin-proof.
4. The Concession Contractor shall provide public facilities and the services necessary for recycling aluminum, newspapers, glass, plastic, and cardboard generated within the Concession Area.

xvi. Resource Protection

1. The Concession Contractor shall support Reclamations efforts to protect the resources. Any harm to or alteration of natural, paleontological, historic, or archaeological objects or structures is prohibited. The Concession Contractor shall ensure that its employees, agents, contractors, and customers leave artifacts and

objects in place and do not disturb archeological sites or engage in vandalism of any kind, including defacement of rocks, damage to Federal Estate, or damage to property.

2. The Concession Contractor will notify Reclamation as soon as possible of any violations of Applicable Laws regarding cultural or natural resources.
3. The Concession Contractor shall restore any resources damaged by its operations. Restoration measures shall be determined and directed by Reclamation.

xvii. Security

The Concession Contractor must provide for the security and safety of its employees, the public, and for facility and resource protection within the Concession Area as required under the Contract Section 2.B.1.e. Security personnel must be certified by the State of California. The number of security personnel engaged must be sufficient to maintain order, safeguard public safety, property and the environment and ensure compliance with posted operational rules and policies. Security personnel have no authority to take law enforcement actions or carry or use fire arms within the Concession Area. Concession Contractor personnel may request voluntary compliance with Concession Contractor posted operational rules and policies, and shall coordinate and cooperate with local law enforcement personnel for necessary enforcement actions.

xviii. Hiring

1. The Concession Contractor will hire a sufficient number of employees to ensure satisfactory visitor services throughout the year.
2. The Concession Contractor will establish hiring policies that will include appropriate background reviews of applicants for employment.
3. Employees who are drivers of delivery trucks or passenger carrying vehicles shall have a valid operator's license for the size and class of vehicle being driven. Drivers shall also meet any additional State requirements established for the vehicle driven or passengers carried.
4. The Concession Contractor will maintain, to the greatest extent possible, a drug-free workplace. The Concession Contractor will conduct educational programs for its employees to deter substance abuse. The Concession Contractor may require that those employees who are in safety sensitive position, such as boat captains, participate in random drug testing. Should any illegal drug use occur in the area, it must be promptly reported by the Concession Contractor to the

appropriate law enforcement authority and to the Lake Berryessa Park Manager.

5. The Concession Contractor and its employees shall not discriminate against any individual because of race, creed, sex, national origin, sexual orientation, or physical or mental handicap and shall comply with equal opportunity and accessibility standards and requirements.

xix. Reclamation Employees and Families

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

xx. Employee Housing

1. Concession Contractor may provide or allow for temporary housing for concession employees in accordance with Applicable Laws, when feasible and upon approval by Reclamation.
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 Park Manager, Lake Berryessa 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. Food storage facilities shall be vermin-proof.
5. The Concession Contractor shall provide facilities and services necessary for solid waste management and for recycling of aluminum, newspaper, glass, cardboard and other recyclables generated within employee housing areas. The Concession Contractor shall promote recycling and make it convenient for employees.

xxi. Training Program

1. As required by Applicable Laws, and to meet the requirements of this Contract including the Operating Plan, the Concession Contractor will

provide all required and necessary employee training and orientation, and will inform employees of the regulations and requirements that affect their employment and activities while working for the Concession Contractor.

2. Within the first 30 days of employment, new employees will be provided an orientation to the Concession Contractor's safety plans, emergency action plan(s), site security plans, hazardous communication and spill contingency plans for fuels, oil and other hazardous substances, and other plans and materials relevant to the employee and the public's safety and health.
3. The Concession Contractor will provide appropriate job training to each employee before duty assignments, including adequate hospitality training for employees who have direct visitor contact or who provide visitor information.

4. Concession Contractor Improvements

- a. Reclamation may authorize or require the Concession Contractor to construct alter, or replace Concession Contractor Improvements within the Concession Area only in accordance with the terms and conditions of this Contract and as necessary for the conduct, by the Concession Contractor, of Required or Authorized services. All construction, alteration or replacement of Concession Contractor Improvements will comply with the following requirements:
 - i. To initiate a new project for construction, alteration, or replacement of Concession Contractor Improvements for Required or Authorized Services under the Contract, the Concession Contractor must notify the Area Manager of the proposed project and, after an initial meeting to discuss the project, submit a completed Project Statement Form with all applicable information and submittals. The current approved Project Statement Form and Instructions are attached to this Operating Plan (Attachment 3).
 - ii. All construction, alteration or replacement of Concession Contractor Improvements must comply with Applicable Laws, including obtaining required permits from local, state and Federal agencies and entities. Required construction standards and codes include, but are not limited to, the most current editions of the Uniform Building Code, the International Plumbing Code, the National Electric Code, Americans with Disabilities Act (ADA), Architectural Barriers Act (ABA), NFPA's Life Safety Code, Reclamation's Recreation Facility Design Guidelines, and pertinent State and county codes and regulations. Where locally applicable codes exist that set a higher standard than national codes for a particular issue, the local codes will apply for that issue. International Codes may be accessed online at <http://publicecodes.cyberregs.com/icod/index.htm>

- iii. Reclamation must approve plans and specifications for all types of construction prior to the start of each project. Initial plans and specifications for construction projects should be submitted at a 35 percent design level for Reclamation review, followed by 65 percent and 95 percent design documents (as applicable).
 - 1. Thirty-five percent design submittal includes completion of environmental documents, utility plans, Geotechnical Report, Draft staged construction plans, preliminary structural type construction plans, seismic analysis (if earthquake zone), preliminary cost estimate, and a Draft Materials Report.
 - 2. Sixty-five percent construction submittals includes draft design calculations, unchecked structural construction plans, utility plans, draft environmental agreements, draft special provisions, draft construction estimate, draft final reports (geotechnical, constructability review, staged construction plan), and draft foundation reports.
 - 3. Ninety-five percent construction submittals shall include finalized structural construction plans, all permits, finalized environmental agreements, final foundation reports, final engineers report (including construction estimate and staged construction plan), final incorporation of special provisions, and finalized design calculations.
 - 4. All plans, reports calculations and drawings are required to be submitted in both hard copy (paper) and digital formats.
- iv. Submittals will be made in a time frame that allows for all necessary reviews and clearances. Refer to the Project Statement Form and Instructions for estimated time requirements for “Regulatory Permits, Environmental Compliance, and Technical Review”. Reclamation will provide additional guidance regarding the project review and approval process at the initial project meeting and upon subsequent request.
- v. Upon approval by Reclamation of a Project Statement, Reclamation will issue a written “Notice To Proceed” to the Concession Contractor. No work shall begin to construct, alter or replace Concession Contractor Improvements, including purchase or staging of materials, ground preparation etc., without such written notice.

5. Environmental Compliance

- a. All project decisions will be in accordance with the National Environmental Policy Act (NEPA) of 1969, as amended, the Council on Environmental Quality's Regulations for Implementing the Procedural Provisions of NEPA (40 C.F.R. Parts 1500-1508), and the Department of the Interior regulations for implementation of NEPA (43 C.F.R. Part 46).
- b. Projects on Federal lands typically constitute an undertaking pursuant to Section 301 (7) of the NHPA (16 United States Code 470) as amended, and require compliance with Section 106 of the NHPA. Actions involving the type of activities that have the potential to affect historic properties, pursuant to the regulations at 36 C.F.R. Part 800.3(a)(1) will require Section 106 consultation. Any project that may affect an historic, site, structure, district, cultural landscape, archeological site, or historic object or furnishing will require Section 106 compliance. Such compliance may require up to 90 days of consultation efforts from the date the completed proposal package was submitted to Reclamation.


6. Accessibility Standards

The Concession Contractor will work with Reclamation staff to inspect and evaluate current facilities for compliance with all Applicable Laws including the ADA and ABA standards and requirements, and make improvements as required by law. All future development will comply with the accessibility requirements set forth in Applicable Laws.

After consultation with the Concession Contractor and in consideration of issues of mutual concern, this Operating Plan reflects, as of its date of execution, the expectations, requirements, and commitments of the Concession Contractor and Reclamation.

Executed at Folsom, CA this 1st day
of May, 2013.

CONCESSION CONTRACTOR


Name: John C. Frazier III
Title: Proprietor
Date: 5-1-13


Name: Linda K. Frazier
Title: Proprietor
Date: 5-1-13

Bureau of Reclamation


Name: Drew F. Lessard
Title: Acting Area Manager
Date: 5/1/13

ATTACHMENTS:

1. Reservation Policy
2. Approved Rate Schedule
3. Project Statement Form and Instructions

Attachment 1

Markley Cove Reservation Policy

High Season – May 1st through September 30th

Cabin	Rate per Night	Rate 3+ Non-Wkend Nights up to Week
Lakeview, Lupine, Osprey or Treehouse	\$200.00	\$150.00

The rates are based on Double Occupancy - The maximum allowed for the above cabins is four (4) persons. No additional per person fee will be charged. (One Queen Bed and one Fold-out Sofa)

Cabin	Rate per Night	Rate 3+ Non-Wkend Nights up to Week
Berryessa, Eagle's Nest, Kokanee or Berryessa	\$250.00	\$190.00

The rates are based on Double Occupancy – The maximum allowed for the above cabins is six (6) persons. No additional per person fee will be charged. (One Queen Bed, One Fold-Out Sofa and Loft with additional sleeping accommodations)

Low Season – October 1st – April 30th

Lakeview, Lupine, Osprey and Treehouse - \$150.00 per night – No Nightly Minimum Requirements

The rates are based on Double Occupancy - The maximum allowed for the above cabins is four (4) persons. No additional per person fee will be charged. (One Queen Bed and one Fold-out Sofa)

Berryessa, Eagle's Nest, Kokanee and Monticello - \$175.00 per night – No Nightly Min. Requirements

The rates are based on Double Occupancy – The maximum allowed for the above cabins is six (6) persons. No additional per person fee will be charged. (One Queen Bed, One Fold-Out Sofa and Loft with additional sleeping accommodations)

The following policies apply to all rentals:

1. Reservations require payment in full when reservation is made.
2. If reservation is cancelled up to seven (7) days before check-in date, a full refund will be given within one week in the same form that funds were paid.
3. If reservation is cancelled less than seven (7) days prior to the check-in date, no refund will be given unless the cabin is re-rented for the dates cancelled.
4. For all cabins there is a Two night Minimum requirement (High Season) and a Three night Minimum at high rate for major holidays. (Memorial Day, July 4th, Labor Day).
5. Transient Occupancy Tax (14%) is not included in above price.

6. Check-in Time: 3pm or later Office remains open until 8pm during High Season and 4pm during Low Season for Check-ins. Arrangements will be made upon request for staff to meet guests arriving later than these times.
7. Check-out Time: 11am. Arrangements can be made to store belongings if a guest will be leaving the resort later in the day.
8. Weekend nights are Fri, Sat and/or Sun
9. Pet Friendly Units must be reserved ahead of time. Fee of \$20.00 per pet per night.
10. Boat Fee - \$20.00 per night. Includes launch, trailer parking and covered slip if available.
11. There are no swimming and/or fishing areas located within the resort. No fires are allowed at any time within the resort.
12. Markley Cove reserves the right to charge the person named on the contract for damages to cabin or furnishings.

Please visit our website at: www.markleycoveresort.com to obtain further information on cabin furnishings and amenities. All cabins include Air conditioning, TVs with DVD and Network programing, towels and bedding, full size kitchen with dishes, large refrigerator, microwave and gas grill on deck.

ATTACHMENT 2

Markley Cove Fee Schedule

Launch	\$ 20.00
Overnight	\$ 20.00
Additional Vehicle with launch / Weekdays	\$ 10.00
Additional Vehicle with launch / Weekends	\$ 20.00
Guest/ Boat Rental Parking per vehicle per day	\$ 10.00
Season Launch Pass (January 1 – December 31)	\$ 300.00
Season Launch Pass Additional Boat	\$ 75.00
Short Term Slip Nightly	\$ 25.00
Short Term Slip Weekly	\$ 125.00
Boat Rentals	See attached sheet

ALL SLIP RENTAL FEES ARE PAID IN FULL ANNUALLY
Slip Rental has \$100.00 refundable deposit requirement

A-Dock (Uncovered Only)		\$1512.00
B-Dock (Main Marina) Covered		
	9'x 22'	\$1800.00
	10'x 26'	\$2106.00
	12'x 28'	\$2436.00
C-Dock (Covered)	9'x 26'	\$1872.00
CA-Dock (Covered)	9'x 24'	\$1800.00
D-Dock (Covered)	10'x 24'	\$1944.00
E-Dock (Covered)	8.6'x 22'	\$1650.00
E-Dock (Uncovered)	10'x 24'	\$1512.00
Houseboat Mooring (per linear foot per month)		\$ 8.25

For more information contact us at:

Telephone: 707-966-2134

Email: markleycoveresort@hotmail.com

Website: www.markleycoveresort.com



Lake Berryessa Boat & Jet Ski

All Prices Include Life Jackets

		Prices Weekday	Prices Weekend
■ Yamaha VX110	1HR	\$95	\$110
Honda Aquatrax 150HP	2HR	\$150	\$160
Honda Turbos 180HP (Ask for Price)	3HR	\$225	\$230
Best Rentals on the lake	4HR	\$270	\$265
*3 Seaters - 2 Adults & 1 Small Child	6HR	\$340	\$340
DEP: \$600 - \$800	8HR	\$435	\$460

		Weekday	Weekend
■ Ski Sanger Competition Tow Boats	1HR	\$110	\$120
DX11 Pro Flight Tower, Bimini Tops	2HR	\$175	\$190
Great for skiing, wakeboarding and	3HR	\$245	\$285
tubing, 300HP	4HR	\$310	\$355
5-6 passengers.	6HR	\$415	\$495
DEP: \$800	8HR	\$465	\$550
	10HR	\$515	\$625

		Weekday		Weekend	
		DLX	V-Drive	DLX	V-Drive
■ Sanger DLX 320HP or Ski Supreme					
Pro Flight Towers, Bimini Tops					
Bigger wake for wakeboarding	1HR	\$125	\$145	\$140	\$160
6-7 passengers, CD w/ iPod Inputs	2HR	\$190	\$220	\$210	\$240
DEP: \$1000	3HR	\$265	\$295	\$300	\$330
	4HR	\$345	\$370	\$395	\$435
■ Sanger V210 + V215 V-Drive 335HP	6HR	\$460	\$490	\$535	\$565
Great for wakeboarding, wake surfing	8HR	\$535	\$580	\$645	\$705
& water skiing; 7-8 Passengers	10HR	\$575	\$630	\$690	\$775
CD Player with iPod Inputs					
DEP: \$1500					

■ SKI PACKAGE W/ BOAT RENTAL: \$75; wakeboard, kneeboard, tube, water skis and 2 ropes.
Items, rented separately, with boat rental \$45. \$50 for 2 person tube.

		Weekday		Weekend	
		25FT	30FT	25FT	30FT
■ 30FT Patio Boats (15 People)					
■ 25FT Patio Boats (10-12 People)	1HR	\$110	\$130	\$120	\$150
Nicest in Northern California	2HR	\$170	\$205	\$190	\$225
Gas BBQ, CD, Pole Holders	3HR	\$215	\$245	\$235	\$280
Beautiful Seating, Awning	4HR	\$290	\$320	\$320	\$365
CD Player with iPod Inputs	6HR	\$375	\$440	\$455	\$495
DEP: \$800	8HR	\$430	\$500	\$515	\$595
	10HR	\$480	\$575	\$570	\$650

		Fisherman	Non-Fisherman
■ 16FT Aluminum Fishing Boat			
15HP, 4 Stroke, w/ pole holders,	4HR	\$85 weekday only	4HR \$105 weekday only
anchors, holds 4 people or 520lbs	8HR	\$125	8HR \$165
DEP: \$300	12HR	\$155	12HR \$200

		Single Kayaks	Double Kayaks	Triple Kayaks
■ Kayaks	1HR	\$25	1HR \$29	1HR \$35
w/ lifejackets	2HR	\$33	2HR \$37	2HR \$45
DEP: \$100 or \$50	4HR	\$50	4HR \$55	3HR \$65

Morning discounts start at 7AM - 8AM - 9AM

Off Season Discounts: March 1 - May 26, Sep. 15 to end of Season

Multi-Rental Discounts • Drivers available for \$40-\$50 per hour

Non-Renters: Wakeboard, tubes and water skis: All Day - \$50ea

You pay for the GAS you use • Prices subject to change

\$12.00 per Car Parking Fee • Parking outside is Free



February 2013

Project Statement Form

Refer to the **Project Statement: Instructions and Information** form for help in completing the Project Statement form and to reference applicable guidelines and standards.

This application is to be used for any project which creates a ground disturbance; involves any form of construction, improvement, or rehabilitation; hardens a site; changes the nature, appearance, or value of existing facilities; or involves the placement of any element on federally administered lands or Waters of the U.S. (all of Lake Berryessa).

1. Project Information

A) Concession Site: _____ B) Project Location: _____
C) Title of Project: _____ D) Submitted By: _____
E) IMP Year of Acceptance (as applicable): _____ F) Date Submitted: _____

F) Primary Project Coordinator

G) Alternate Contact

Name:	Name:	
Phone: Cell: Fax:	Phone: Cell: Fax:	
E-mail:	E-mail:	
Address:	Address:	

FOR RECLAMATION USE ONLY

PROJECT NUMBER ►	Date of IMP Approval (as applicable) ►
Package Received (check all that apply) ►	Electronic <input type="checkbox"/> Mail <input type="checkbox"/> Fax <input type="checkbox"/> Date Received ►
Submittals attached ►	Site Map <input type="checkbox"/> Aerial Photo <input type="checkbox"/> Site Photo <input type="checkbox"/> Drawing <input type="checkbox"/> Permit <input type="checkbox"/> Other <input type="checkbox"/>

2. Project Overview

Provide detailed descriptions for each subsection. Attach additional sheets as necessary.

2.1 Project Purpose and Justification - Give a description of the purpose for the project and why it is needed.

2. Project Overview (cont.)

2.2 Scope of Work – Describe the work to be performed in order to accomplish the project purpose.

2.3 Project Site – Describe the project location, including all staging areas. Include a detailed project Site Plan (see *Project Statement: Instructions and Information*) with appropriate drawings and photos.

2.3.1 Gross Project Area: _____ sq. feet

2.3.2 Total impacted LAND surface area: _____ sq. feet

2.3.3 Total impacted WATER surface area: _____ sq. feet

2. Project Overview (cont.)

2.4 Equipment and Materials - Provide a list of equipment and materials expected to be utilized for project. Include all hazardous materials and attach appropriate Manufacturer's cut-sheets and MSDS.

2.5 Schedule – Provide an estimated timeframe (start and end dates) for project phases and milestones.

Activity	Start Date	End Date

2.6 Project Delivery – List all information for in-house and contracted work.

Name or Business Name	In-House or Contract	Contact Information	Type of Work to be Performed	California Contractor License Number

2. Project Overview (cont.)

2.7 Ground Disturbance - For each activity that creates a ground disturbance, provide the type of activity (e.g. grading, excavating, grubbing, paving), area, depth, and GPS coordinates of ground disturbance with associated datum and projection.

Activity	Area of Disturbance (sq. feet)	Depth of Disturbance (inches)	GPS Coordinates	Datum and Projection

2.8 Project Cost Estimates - Provide cost estimates for all project elements.

Item	Planning Cost	Implementation Cost		Permitting Cost	Total Cost
		Labor	Material		

TOTALS					
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3. Best Management Practices

Briefly detail any Best Management Practices planned to maintain site quality.

4. Submittals Package

Provide a list (or draft submittals if prepared) of supporting documents necessary for detailed analysis of project. Include planning, engineering, and environmental documents and planned consultations and permits with all applicable regulatory agencies.

5. Other Relevant Information

Provide details of relevant project information not found in preceding sections.

I, the undersigned, have read and understand all applicable concession contracts and the **Project Statement: Instructions and Information** form. I am aware of current Bureau of Reclamation regulations and policies regarding standards and requirements for construction activities and environmental compliance and I am aware of applicable consultation and permitting requirements by external agencies that regulate construction activities and environmental compliance.

Printed Name: _____ Signature: _____ Date: _____



Project Statement: Instructions, Standards, and Information

Use this form to help complete Project Statements and to reference standards and guidelines.

INSTRUCTIONS

1. Project Information:

- a) Concession Site: Provide name of developed concession area where project will occur.
- b) Project Location: Describe the area within concession site where project will occur.
- c) Title of Project: Provide a unique title for this specific project. If your organization creates a task order number or tracking number for this project, include that information.
- d) Submitted by: Provide name of project submitter.
- e) IMP Year of Acceptance: As applicable, provide the date of the approved IMP that contains the proposed project. If
- f) Date Submitted: Provide the date that the proposed project form, along with indicated attachments, was delivered to Reclamation.
- g) Primary Project Coordinator: Provide the name and contact information for person authorized to approve project.
- h) Alternate Contact: Provide the name and contact information for alternate person authorized to approve project.

2. Project Overview: Provide detailed information for each subsection. In order to provide sufficient data for Reclamation analysis, attach as many additional sheets for each subsection as necessary.

2.1 Project Purpose and Justification: Give a description of the purpose for the project and why it is needed.

2.2 Scope of Work: Describe the work to be performed in order to accomplish the project purpose. Include a comprehensive list of all proposed work activities (e.g. construction of buildings, placement of utilities, paving of surfaces) and procedures for completing the work.

2.3 Project Site: Describe the project location, including all staging areas. Include a detailed project Site Plan with appropriate drawings and photos.

A project Site Plan shall include: (1) Scaled drawings of the project site with existing and proposed structures, improvements, obstructions, and easements on land and over/in water (including but not limited to buildings, marinas, roads, driveways, parking lots, walkways, stairs, hardened surfaces, landscaping/plantscaping, woodlands/grasslands, unimproved grounds, wells, wastewater structures, storm water structures, sewerage structures, buried structures and storage tanks, docks and all utilities). (2) Locations of all existing waterways, water bodies, streams, drainages (seasonal and ephemeral), ditches and wetlands within the project site. (3) Details of sufficient scale and contour for analysis of 440' and 455' elevation benchmarks. (4) Details of all staging areas (e.g. equipment and supply storage, parking, traffic routes, spoils, temporary structure placement).

For **drawing submittals**, reference the drawing standards within the STANDARDS section of this form. For **site and aerial photographic submittals**, reference the photographic standards within the STANDARDS section of this form.

2.3.1 Gross Project Area – Provide total square footage of footprint of all work areas, including staging areas, temporary closures, and construction sites.

2.3.2 Total impacted LAND surface area – Provide total square footage of footprint of directly impacted areas on land (e.g. hardened and covered sites, areas of ground disturbance).

2.3.3 Total impacted WATER surface area – Provide total square footage of footprint of directly impacted areas over water (e.g. temporary and permanent placements, covered sites).

2.4 Equipment and Materials: Provide a list of all equipment and materials expected to be utilized for the project. Include all hazardous materials and attach appropriate Manufacturer's cut-sheets and MSDS.

2.5 Schedule – Provide an estimated timeframe (start and end dates) for project phases and milestones.

2.6 Project Delivery – List all information for in-house and contracted work.

2.7 Ground Disturbance - For each activity that creates a ground disturbance, provide the type of activity (e.g. grading, excavating, grubbing, paving), area, depth, and GPS coordinates of ground disturbance with associated datum and projection. For each ground disturbance location, provide GPS coordinates (e.g. UTM, Lat/Long) and associated datum and projection information (e.g. NAD 83 UTM Zone 10).

2.8 Project Cost Estimates - Provide cost estimates (individual and total) for all project elements. Final costs shall be reported in a Project Completion Report.

3. Best Management Practices: Briefly detail any Best Management Practices (BMPs) planned to maintain site quality. Consider air quality, soil erosion, water quality, pollution prevention, wildlife

and vegetation provisions that can be implemented to help protect natural resources. Some examples of BMPs might include:

- *Fiber rolls installed below fill piles to decrease erosion.*
- *Work performed only during business hours to reduce local noise and traffic.*
- *Tree work performed outside of bird nesting season (Feb. 1 - Sept. 1) to reduce wildlife injury.*

4. Submittals Package: Provide a list (or draft submittals if prepared) of supporting documents necessary for detailed analysis of project. Include planning, engineering, and environmental documents and planned consultations and permits with all applicable regulatory agencies. Some examples of submittals might include:

- *U.S. Army Corps of Engineers 404 Permit for dredge and fill activities.*
- *Napa County building permits for construction of buildings.*
- *Consultations with California Dept. of Fish and Game and U.S. Fish and Wildlife Service.*
- *Engineering designs and drawings for construction elements.*

A Project 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.

5. Other Relevant Information: Provide details of relevant project information not found in preceding sections.

STANDARDS

Project proposers must adhere to all applicable federal, state, and local laws, regulations, policies and ordinances governing proposed actions. It is the responsibility of the project proposer to adhere to the most current (new and updated) applicable laws, regulations, policies and ordinances. The following list of standards and guidelines references some of those most commonly encountered, is not intended to be all-inclusive, and is subject to change as Reclamation adopts new and updated standards.

(1) Provisions addressing construction: 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.

(2) Provisions addressing construction and permitting: 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.

(3) Provisions addressing 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.

(4) Provisions addressing development design: All designs, layouts, and footprints for new development will be determined with the professional assistance and techniques of appropriate registered technical professionals.

Additional standards may be currently accessed through the following points of contact:

- The Bureau of Reclamation's Recreation Facilities Design Guidelines and Sign Guidelines shall guide these construction elements and can be referenced at:
www.usbr.gov/recreation/publications.html
- International Building Code may be referenced at the International Code Council website:www.iccsafe.org
- The National Fire Protection Association (NFPA) list of codes and standards may be referenced at: www.nfpa.org. Specific requirements for building code, fire alarms, marinas, and docks may be referenced within NFPA codes 1, 72, 302, and 303, respectively.
- Bureau of Reclamation manuals, policies, directives, and standards may be referenced at: www.usbr.gov. Bureau of Reclamation publications including significant scientific, technical, and engineering works are available from the National Technical Information Service (NTIS) at :
www.ntis.gov
- Napa County Building and Development Division enforces the California Building Code (set by the California Building Standards Commission). Fire, Plumbing, Mechanical, Building, and Electrical Code standards are found at California Building Standards Commission website: www.bsc.ca.gov. These codes include mandatory Jan. 2011 CALGreen standards. Residential and commercial construction checklists for required submittals and submittal standards may be referenced at the same website.
- **Reclamation Safety and Health Standards (RSHS)** may be referenced at:
www.usbr.gov/ssle/safety/RSHS/rshs.html

STRUCTURES and BUILDINGS:

Reclamation references the following standards and guidelines for constructing and maintaining buildings and structures within Napa County.

Napa County Building and Development Division: www.countyofnapa.org/Permit/

For the purpose of establishing regulations for building construction and code enforcement, the Napa County Building and Development Division utilizes the following two codes (adopted as part of the Municipal Codes and referenced and subjected to the modifications made within):

A. The 2010 Edition of the California Building Code, Volumes I and II, including Appendices C, I, and J, hereinafter referred to as "building code," which is based on the 2009 International Building Code adopted with modifications by the State of California as Title 24, Part 2 of the California Code of Regulations.

B. The 2010 Edition of the California Residential Code including Appendix H, hereinafter referred to as "residential code," which is based on the 2009 International Residential Code adopted with modifications by the State of California as Title 24, Part 2.5 of the California Code of Regulations.

2010 California Building Code: <http://publiccodes.citation.com/st/ca/st/index.htm>

2010 California Building Code: Title 24 Part 2, Vol. I and II:
<http://publiccodes.citation.com/st/ca/st/b200v10/index.htm>

The California Building Standards Commission website may be referenced at:

<http://www.bsc.ca.gov/default.htm>

The California Department of General Services, Division of the State Architect website may be referenced at: <http://www.dgs.ca.gov/dsa/Home.aspx>

The Division of the State Architect - Access Compliance Reference Manual may be referenced at :

www.documents.dgs.ca.gov/dsa/pubs/access_manual_rev_11-18-11.pdf

Marinas, Docks, Boat Launching Facilities, and Boating Access:

Reclamation references the following standards and guidelines for constructing and maintaining docks and marinas from the California Department of Boating and Waterways.

Guidelines addressing:

- Boat Launching Facilities - Design Handbook
- Marina Berthing Facilities - Design Guidelines
- ADA – ABA Accessibility Guidelines Review & Commentary (for marinas) may be referenced at: www.dbw.ca.gov/TechDocs

Guidelines for canoe and kayak launch design and construction may be referenced at:

<http://www.nps.gov/ncrc/programs/rtca/helpfultools/launchguide.pdf>

Guidelines set forth by the States Organization for Boating Access (SOBA) referencing these elements -

- Operations & Maintenance Program Guidelines for Recreational Boating Facilities
- Design Handbook For Recreational Boating & Fishing Facilities

May be found at: <http://sobaus.org/publications/publications1.html>

The California Department of Boating and Waterways is currently in the process of accepting new standards for the small craft BLF guidelines; however, it is not approved yet and does not differ greatly from the 1991 standards.

Roads:

Reclamation references the following standards and guidelines for constructing and maintaining roads, streets and bridges within Napa County.

Napa County Building and Development Division References: <http://www.countyofnapa.org/Permit/>

California Department of Transportation (Caltrans): <http://www.dot.ca.gov/>

- Caltrans Construction Contract Standards: <http://www.dot.ca.gov/hq/esc/oe/standards.php>

Manuals for Plan preparation

- 2010 Standard Plans:
http://www.dot.ca.gov/hq/esc/oe/project_plans/highway_plans/stdplans_US-customary-units_10/viewable_pdf/2010-Std-Plns-for-Web.pdf
- 2010 Standard Specifications:
http://www.dot.ca.gov/hq/esc/oe/specifications/std_specs/2010_StdSpecs/2010_StdSpecs.pdf

Design standards for roads by the U.S. Army Corps of Engineers

- Engineering and Design - Design of Recreation Areas and Facilities - Access and Circulation:
<http://publications.usace.army.mil/publications/eng-manuals/em1110-2-410/toc.htm>

Design standards for uniform traffic control devices by the Federal Highway Administration

- Manual on Uniform Traffic Control Devices (MUTCD): http://mutcd.fhwa.dot.gov/kno_2009.htm

Outdoor Recreation Facilities:

Reclamation references the following standards and guidelines for constructing and maintaining recreation facilities and signage.

The Bureau of Reclamation's **Recreation Facilities Design Guidelines** and **Sign Guidelines** publications can be found at: www.usbr.gov/recreation/publications

Accessibility:

Reclamation references the following standards and guidelines for providing accessibility.

Information and technical assistance with Americans with Disabilities Act requirements may be found at: www.ada.gov

Federal Register Architectural and Transportation Barriers Compliance Board

- **Architectural Barriers Act (ABA) Accessibility Guidelines for Outdoor Developed Areas**
<http://edocket.access.gpo.gov/2007/pdf/07-2979.pdf>

Uniform Federal Accessibility Standards (UFAS), including ADA and ABA Standards, may be referenced at: <http://www.access-board.gov/>

ADA Accessibility Guidelines may be referenced at:
<http://www.accessboard.gov/adaag/html/adaag.htm>

Information regarding ADA – ABA Accessibility Guidelines for marinas may be referenced at:
www.dbw.ca.gov/TechDocs

Safety and Health:

Reclamation references the following standards and guidelines for safety and health standards.

Reclamation Safety and Health Standards (RSHS) may be referenced at:
www.usbr.gov/ssle/safety/RSHS/rshs.html

Drawing Submittals:

Reclamation references the following standards for engineering drawings.

Drawings shall meet the following requirements:

1. Minimum identification in title block:
 - A. Project number and title.
 - B. Contractors or supplier's title and drawing number.
 - C. Date
2. Allow space for review stamps by California professional engineer – 2 inch square.
3. Size: D size (22 inches by 34 inches) or 11 X 17 with legible text.
4. Draw to scale with neat lettering using drafting equipment or computer drafting equipment.

5. Final Drawings:
 - A. AUTOCAD® Version 2007 format (.dwg) or Drawing Transfer Format (.dxf) on CD-ROM.
 - B. Original D size (22 inches by 34 inches) plots.
 - C. Show clear and defined as-built changes, including revision dates, made during installation.

Photographic Submittals:

Reclamation references the following standards for photographic submittals.

1. Aerial photographs shall have true color, 1-meter resolution or greater, with accompanying date, source, and subject matter description.
2. Site photographs shall be digital with 10 megapixel resolution or greater, with accompanying date, source, and subject matter description.

Approximate Processing Times for Regulatory Permits, Environmental Compliance, and Technical Review

If the project involves:

The following may apply:

Approximate
Processing Time

<input type="checkbox"/>	State funded project, or project with State, county, or city partner	<ul style="list-style-type: none"> California Environmental Quality Act (Environmental Impact Report or Environmental Assessment) 	365 Days
	Creation of potable water or wastewater facility	<ul style="list-style-type: none"> California Department of Public Health Regional Water Quality Control Board (Waste Discharge Permit of National Pollution) 	
	Soil Erosion or pollutant	<ul style="list-style-type: none"> National Pollution Discharge Elimination System – Section 402 	
<input type="checkbox"/>	Effects to plants or wildlife	<ul style="list-style-type: none"> Endangered Species Act - U.S. Fish and Wildlife Service Species of Special Concern - California Dept. of Fish and Game Critical Habitat Designation – California Dept. of Fish & Game 	90 Days
	Ground disturbance, ground hardening, ground covering, grading, grubbing, etc...	<ul style="list-style-type: none"> National Historic Preservation Act (NHPA) – Section 106 & Section 110 State Historic Preservation Office Archaeological Resources Protection Act Antiquities Act 	
<input type="checkbox"/>	Accessibility - ADA / ABA structures or compliance	<ul style="list-style-type: none"> Americans with Disabilities Act 	180 Days
<input type="checkbox"/>	Shoreline and dredge/fill work	<ul style="list-style-type: none"> Clean Water Act – Section 404 - U.S. Army Corps of Engineers Rivers and Harbors Act – Sections 9 & 10 - U.S. Army Corps of Engineers Clean Water Act - Regional Water Quality Control Board –Section 401 	180 Days
	Construction or placement of objects in, on, or above water or a water conveyance	<ul style="list-style-type: none"> Clean Water Act - - U.S. Army Corps of Engineers Rivers and Harbors Act - U.S. Army Corps of Engineers 	
	Project over 1 acre	<ul style="list-style-type: none"> Storm Water Pollution Protection Plan Clean Water Act - Regional Water Quality Control Board –Section 401 	
<input type="checkbox"/>	Construction, including repair, maintenance, enhancement of existing facilities	<ul style="list-style-type: none"> Napa County building codes and permits Utility permits Soil, Perk/mantle tests, geotechnical reports Reclamation approved site plans, plan views, plumbing and electrical schematics, stamped engineering drawings, elevations 	Minimum 28 Days

EXHIBIT E

MARKLEY COVE RESORT CONCESSION AREA

Maintenance Plan

A. INTRODUCTION

1. This Maintenance Plan between Mr. John C. Frazier III and Ms. Linda K. Frazier, (hereinafter referred to as “Concession Contractor”), and the Bureau of Reclamation, (hereinafter referred to as “Reclamation”), is attached to Concession Contract No. 13-LC-20-0320, (hereinafter referred to as the “Contract”) and is considered a part of that concession contract. The Maintenance Plan delineates and specifies the maintenance responsibilities of the Concession Contractor and Reclamation with regard to the Concession Area.
2. In the event of any apparent conflict between the terms of the Contract and this Maintenance Plan, the terms of the Contract, including its designations and amendments, shall prevail.
3. This plan shall remain in effect until superseded or amended in writing upon mutual agreement between the Concession Contractor and the Area Manager of the Central California Area Office.

B. CONCESSION CONTRACTOR’S RESPONSIBILITIES

1. The Concession Contractor is required to maintain the concession facilities according to the standards set forth in the Maintenance Plan and in the Concession Review Program as described in Chapter 8 of the current Reclamation Concessions Management Guidelines.
2. The Concession Contractor shall provide, operate, and maintain Concession Contractor Improvements, facilities, conveniences, utilities, landscaping, and visitor services in accordance with this Interim Concession Contract to such an extent and in a manner considered satisfactory by Reclamation. The Concession Contractor shall be responsible for maintaining all improvements resting on the lands (buildings, walkways, docks, floating docks, slips, signs, ramps, moorings, picnic facilities, trails, parking areas, pavement markings, fences, retaining walls, curbing, culverts, etc.); aboveground storage tanks and associated mitigation if needed; marine fueling stations, auto and equipment maintenance and repair areas (hoists, cranes, fuels and fluids management, used oil and lubricants, used antifreeze, filters, and batteries); intrusion and fire alarm systems; emergency equipment; interior and exterior lighting systems; fire suppression systems; maintenance of fire breaks and reduction of fuels within concession assigned areas; utility and utility distribution systems; structural elements and surfaces (roofing, flooring, sub-flooring, windows, doors, porches, etc., including hazard abatement); heating and

cooling systems; wastewater treatment facilities, flush restrooms, composting and vault toilets; and all installed fixtures and miscellaneous equipment.

3. The Concession Contractor shall carry out all general, preventive, and emergency repairs in such a manner as to ensure that provision of all Required and Authorized Services are minimally impacted and creates the least amount of disruption for the visiting public. All existing and future Concession Contractor Improvements and Personal Property shall be maintained by the Concession Contractor in accordance with the Concession Review Program, this Maintenance Plan, and Applicable Laws.
4. All maintenance will be conducted in compliance with all Applicable Laws, the latest version of the International Property Maintenance Code (IPMC), and the manufacturer's recommendations and specifications. A brief synopsis of the current IPMC along with purchase information of the code can be found at: <https://law.resource.org/pub/us/code/ibr/icc.ipmc.2012.html>. In the event of any conflict between Applicable Laws and the IPMC, the Applicable Laws will prevail.

C. GENERAL MAINTENANCE RESPONSIBILITIES

1. Codes

The Concession Contractor shall comply with all Applicable Laws. As well, the Concession Contractor shall comply with 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 of the Central California Area Office has provided a written exception. The Uniform Plumbing Codes may be purchased at www.iapmo.org, The National Electrical, Life Safety and Fire Codes may be purchased at www.nfpa.org, and The Uniform Building Codes at www.iccsafe.org

2. Painting

To maintain the appearance of the structures, exterior painting shall be performed on a 5-year cycle or more often if needed to provide adequate protection to the structure. Interior painting shall be performed on a 5-year schedule or more often if needed to maintain a good appearance. Latex paint with a low content of volatile organic compounds must be used unless approval is granted by Reclamation for use of an oil-based product because of the historic context or use context of the area to be painted.

3. Interior Systems

The Concession Contractor shall operate, repair, and replace lighting, and heating and cooling systems. The Concession Contractor shall clean and inspect all chimneys, fireplaces, stoves, and

exhaust ducts prior to the start of each operating season. The Concession Contractor shall also provide and install any needed winterization covers for chimneys.

4. Seasonal Closures

The Concession Contractor will notify Reclamation of the maintenance of utility systems before any action is taken. The Concession Contractor will be responsible for all utility system work supporting a seasonal operation (shut down of systems, drainage of water, charging systems, etc.). The Concession Contractor assumes sole responsibility for actions needed to correct damage that results from inadequate preventive measures on all facilities and systems that are closed down for any particular seasons.

5. Underground and Aboveground Fuel Storage Tanks

The Concession Contractor shall monitor, test, maintain, repair, upgrade, replace as necessary, remove underground and above fuel storage tanks and mitigate any soil or groundwater contamination in compliance with Section 3 “Environmental Management” of the Interim Concessions Contract. Written notification and approval by Reclamation is required before initiating work.

6. Signs

The Concession Contractor will install, maintain, and replace all interior and exterior signs relating to its operations and services within the Concession Area and directional signs outside assigned areas that relate specifically to concession operations. Signing will meet all applicable codes and comply with the intent of Reclamation’s Sign Guidelines (See Guidelines at <http://www.usbr.gov/pmts/planning/signguide2006.pdf>).

7. Litter, Garbage, and Recycling

Refuse receptacles will be kept clean, well maintained, and serviceable; sites will be free of spills, waste, and odors. Waste shall not accumulate in collection containers to the point of overflowing. Refuse collection containers shall be conveniently located and in sufficient quantity to handle the needs of the area. 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 refuse disposal site. The Concession Contractor shall comply with applicable state and local solid waste regulations. The Concession Contractor shall promote recycling and place recycling bins in convenient locations for public use. The Concession Contractor shall be responsible for the frequent litter removal from any shoreline areas within their land assignment and for the removal of debris that is floating in the lake and adjacent to their area of operation, if it is apparent that the debris is related to the Markley Cove Resort concession operation.

8. Grounds and Landscaping

The Concession Contractor is responsible for landscaping, grounds care (planting, watering, mowing, weeding, fertilizing, aerating, pruning, etc.), and maintaining required defensible space for fire management, and aesthetic improvement of the Concession Area. The Concession Contractor shall, at all times, be responsible for keeping the assigned area free and clear of safety hazards (fallen branches, leaf buildup, broken glass, sharp objects, etc.).

9. Hazardous Trees

The Concession Contractor shall notify Reclamation when potentially hazardous trees are identified. The Concession Contractor shall only remove trees within the Concession Area that have been confirmed by Reclamation as hazardous. The Area Manager or designee will approve all trees requiring removal in writing.

10. Roads, Trails, Parking Areas, and Walkways

The Concession Contractor shall operate, maintain, and repair roads, parking areas, curbing, sidewalks, walkways, and trails within the Concession Area 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. The Concession Contractor shall sweep, paint curbs, and stripe roadway surfaces to ensure that public areas are consistently safe from hazards, clean and free of litter and earthen debris, and well marked. The Concession Contractor shall maintain trails assigned for its use, to levels prescribed by Reclamation. Maintenance of any portions of external trail systems that enter and exit the assigned Concession Area shall be addressed through mutual agreement by the Parties.

11. Marina, Docks, Slips, and Anchoring Systems

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

12. Wastewater Treatment

The Concession Contractor shall operate, maintain, repair, and replace wastewater treatment service and facilities, and shall also maintain all fixtures attached to the wastewater treatment system, including building plumbing systems, all wells, wastewater treatment facilities, storage facilities, tanks, sewage ponds and leaching fields, distribution systems, master meters and valves, pumping stations, and down flow from the meter within the Concession Area in

accordance with all Applicable Laws and environmental requirements including effluent limitation requirements established in the Clean Water Act.

13. Utility Systems

The Concession Contractor shall operate, maintain, repair, and replace all interior and exterior utility systems within the Concession Area in accordance with Applicable Laws. As systems or equipment need to be replaced, the Concession Contractor shall within reason, employ products and technologies that reduce impacts, conserve resources, and improve efficiencies, including electric peak load shedding and the use of alternative fuels. The Concession Contractor will replace or repair all utility systems, regardless of location, damaged as a result of the negligence of its employees, agents, or contractors. The Concession Contractor shall be required to operate, maintain, repair, and replace the potable water system in compliance with the requirements of the State.

14. Exterior Maintenance

The Concession Contractor shall operate, maintain, repair, and replace the exterior of all Concession Contractor Improvements within the Concession Area in accordance with all Applicable Laws. Exterior refers to the foundations, exterior walls and surfaces, roofs, porches, stairways, and other structural attachments of structures, including all equipment, walkways, trails, parking lots, and other Improvements, as well as the lands, landscapes, and utilities within the assigned area of responsibility. All facilities will be harmonious in form, line, color, and texture with the existing landscape.


15. Electrical Systems

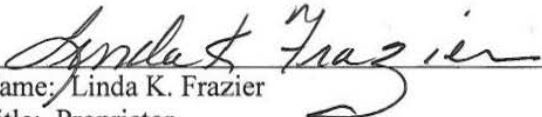
The Concession Contractor shall operate, maintain, repair and replace all wiring, conduits, fuses, breakers, fixtures, etc., within the buildings and facilities, all electrical systems and equipment, and distribution systems. Any repairs, remodeling, or upgrading shall be consistent with Applicable Laws well as the National Electrical Code. Installations must be performed by a contractor or electrician licensed by the State of California.

After consultation with the Concession Contractor and in consideration of issues of mutual concern, this Maintenance Plan reflects, as of its date of execution, the expectations, requirements, and commitments of the Concession Contractor and Reclamation.

Executed at Folsom, CA this 1st day
of May, 2013.

Concession Contractor


Name: John C. Frazier III
Title: Proprietor
Date: 5-1-13


Name: Linda K. Frazier
Title: Proprietor
Date: 5-1-13

Bureau of Reclamation


Name: Drew F. Lessard
Title: Area Manager (Acting)
Date: 5/1/13

After consultation with the Concession Contractor and in consideration of issues of mutual concern, this Maintenance Plan reflects, as of its date of execution, the expectations, requirements, and commitments of the Concession Contractor and Reclamation.

Executed at _____ this _____ day
of _____, 2013.

Concession Contractor

Name: John C. Frazier III
Title: Proprietor Date: _____

Name: Linda K. Frazier
Title: Proprietor Date: _____

Bureau of Reclamation

Name: Drew F. Lessard
Title: Area Manager (Acting) Date: _____

APPENDIX 1

Reclamation Manual

Policy

Subject: Concessions Management

Purpose: Sets forth the policy for planning, development, management, and operation 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. Concessions Management Policy.

- A. **Stewardship.** Reclamation and its managing partners will ensure that concessions are planned, developed, and managed to meet public needs, are compatible with the natural and cultural resources, and provide a variety of services which are consistent with authorized project purposes.
- B. **Authorization of Concessions.** Based on the principles contained in this policy, Reclamation will authorize concessions which establish or continue to provide necessary and appropriate facilities and services.

2. Definition.

- 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.

3. Concessions Principles. The following principles guide the planning, development, and management of concessions:

- A. Concessions will provide quality recreation facilities and services accessible to persons with disabilities, and appropriate visitor goods and services at reasonable rates.
- B. Concession operations will provide for the protection, conservation, and preservation of natural, historical, and cultural resources.
- C. Commercial facilities and services will be planned and developed through a commercial services planning and public involvement process, in cooperation with other public agencies.

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- D. Concessionaires will be provided with opportunities for a reasonable profit and may be compensated for Reclamation-approved improvements that will remain the property of the United States.
 - E. Reclamation will ensure fair competition in the awarding of concessions contracts and will not allow preferential rights of renewal.
 - F. Exclusive use of the Federal estate will not be allowed and existing exclusive use will be removed as soon as possible.
 - G. Concessions will comply with applicable Federal, State, and local laws.
4. **Supporting Directives and Standards and Guidelines.** Implementation of the Concessions Management Policy is accomplished through the use of the Reclamation Manual Directives and Standards, and Guidelines.
- Concessions Management by the Bureau of Reclamation, LND 04-01.
 - Concessions Management by Non-Federal Partners, LND 04-02.
 - Concessions Management Guidelines.

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- 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. 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.

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- (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:

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- (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.

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- (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

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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

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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

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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

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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

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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.

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- (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.

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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.

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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

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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 Commissioners'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

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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 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.

² Guidance on this issue should be obtained from an ethics counselor in the servicing Reclamation Personnel/Human Resources Office.

For Reference; Reclamation Concessions Management Guidelines may be accessed through the following website:

<http://www.usbr.gov/recreation/publications/RCMG.pdf>

Additional information for Reclamation Concession Management Directives and Standards may be found at the following website:

<http://www.usbr.gov/recman/lnd/lnd04-01.pdf>

Concessions Policy may be found at:

http://www.usbr.gov/gp/concessions/concession_policy.pdf