



Pictured: State Game Lodge

BUSINESS OPPORTUNITY



TO PROVIDE LODGING,
FOOD AND BEVERAGE,
RETAIL, JEEP TOURS,
HORSEBACK RIDING, AND
OTHER SERVICES AT
CUSTER STATE PARK



Welcome

OVERVIEW

Date of Issue:
March 10, 2026

Site Visit:
April 14, 2026

Notice of Intent to Propose:
May 8, 2026

Closing Date and Time:
June 5, 2026

Contract Start Date:
February 1, 2027

Single Point of Contact:
Sean Blanchette
sean.blanchette@state.sd.us

Dear Prospective Concessionaire:

It is my pleasure to announce a significant business opportunity to provide resort services in Custer State Park. Custer State Park is located in the Black Hills of South Dakota and has provided millions of visitors with quality outdoor recreational opportunities going back to the early 19th century. Within the 71,000-acre park boundary, there are four developed resort areas: the State Game Lodge & Resort, Sylvan Lake Resort, Blue Bell Lodge and Resort, and Legion Lake Resort. Additionally, the Park's new Bison Center was completed in May 2022. Each has a rich history of tradition and excellence in providing a variety of services and accommodations to many of the park's over 2.3 million annual visitors. It is our goal to continue to enhance the visitor's overall experience in the park, and the concession management program plays a key role in this initiative.

Regency Inns Management has successfully operated these state-owned resort complexes for over 19 years. The concession agreement that authorizes the current concessionaire to operate the resorts is set to expire on January 31, 2027. The Department is seeking a qualified commercial operator to provide continued resort services at all five locations under a new 10-year contract. Regency Inns Management is an eligible applicant under this fully competitive proposal process.

This prospectus contains the terms and conditions under which you may submit a proposal for consideration for this concession opportunity. I invite you to visit Custer State Park and consider the potential of becoming involved in this well-established resort operation. Questions and inquiries may be directed in writing to Sean Blanchette, State Parks Business Administrator, or you may visit the Custer State Park website at www.CusterStatePark.info.

Sincerely,

Kevin Robling
Department Secretary
South Dakota Game, Fish & Parks



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Pictured: Blue Bell Lodge Dining and Registration

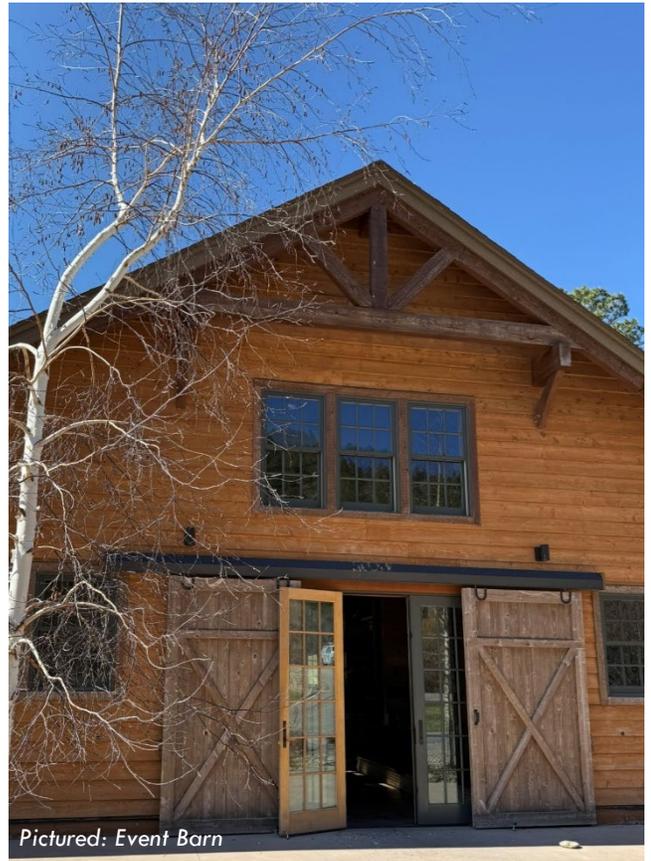
SUMMARY

This Summary below provides a synopsis of the key elements of the Draft Concession Contract for Custer State Park Resort, SD. Required Services include overnight lodging, food and beverage, retail, jeep tours, horseback riding and other services. Additional services may be authorized with approval from South Dakota Game, Fish & Parks (“SDGFP”)

NOTIFICATION OF INTENT TO PROPOSE

If you plan to submit a proposal in response to this solicitation, you must notify Sean Blanchette no later than 3:00 p.m. CDT on the date listed on page 2 of this Prospectus. SDGFP will not accept proposals from entities that do not provide notice on or before this deadline.

Your email notification must include the name of the Offeror exactly as it will be provided in the Offeror’s Transmittal Letter or the name of the individual who will sign the proposal on behalf of the Offeror.



DRAFT CONTRACT TERMS AND CONDITIONS

LOCATION

CUSTER STATE PARK, SD

2027 PROJECTED GROSS REVENUES

\$23 - \$25 MILLION

DRAFT CONTRACT TERM

TEN YEARS

ESTIMATED INITIAL INVESTMENT

\$12.97 MILLION

PROJECTED EFFECTIVE DATE

FEBRUARY 1, 2027

MINIMUM FRANCHISE FEE

19.6% OF GROSS RECEIPTS

REQUIRED SERVICES

Overnight lodging, food and beverage, retail, jeep tours, horseback riding and other services

COMPONENT RENEWAL RESERVE

5.5% OF GROSS RECEIPTS

PERSONAL PROPERTY RESERVE

3.4% OF GROSS RECEIPTS

SITE VISIT

SDGFP will host a prospective offeror site visit for organizations interested in bidding on this opportunity on the date listed on page 2 of this Prospectus. The site visit will provide interested organizations with an overview of the concession operation along with a tour of some of the facilities assigned to the Concessionaire under the Draft Contract. **Each interested Offeror is limited to three persons attending the site visit, and all attendees must be over the age of eighteen.** Be prepared to spend a full day at the Park. SDGFP will provide boxed lunches and ground transportation within the park to facilitate the tour.



To attend the site visit, registration is required no later than April 7, 2026. To register, please contact Sean Blanchette at sean.blanchette@state.sd.us. You must provide your name, contact information, the name of the entity interested in submitting a proposal that you represent, the primary contact for the entity, and the number and names of people in your party. SDGFP will provide further information and additional directions by return email to the primary contact.

Site visit participants are responsible for obtaining their own lodging, meals, and transportation to the park. Please be prepared for varied weather. Attendance at the site visit is not required to submit a proposal for the Prospectus; however, attendance is encouraged.

INFORMATION REGARDING THIS SOLICITATION

The Prospectus describes in general terms the existing business operation and the business opportunity for services allowed pursuant to the Concession Contract or the “Draft Contract.” It is comprised of four parts:

- I. **Business Opportunity (this document)**
- II. **Proposal Package with Instructions**
- III. **Draft Concession Contract Including Contract Exhibits**
- IV. **Appendices**

This Prospectus includes SDGFP’s estimates of revenue and expenses to assist Offerors in developing financial projections. These estimates reflect SDGFP’s assumptions based on planning decisions, historical concession operating data, industry standards, economic conditions, and comparable/competitive operations. SDGFP does not guarantee these projections will materialize and assumes no liability for their accuracy. Offerors must compile and present their own financial projections based on independent assumptions, due diligence, and industry knowledge.

Offerors must review all sections of this Prospectus, especially the terms and conditions of the Draft Contract, including its exhibits (Part III), to determine the full scope of a future Concessionaire’s responsibilities. In the event of any inconsistency between the description of the terms contained in this Prospectus and the Draft Contract, the Draft Contract will control.

“Concessionaire” refers to the entity that will be the Concessionaire under the Draft Contract.

“Existing Operator” refers to Regency Inns Management, managing Custer State Park Resort under a concession contract. The existing agreement expires January 31, 2027, or until award of the Draft Contract.

After initial evaluation of offers, SDGFP may require follow-up interviews for up to three of the top bidder. These interviews would be conducted in person in either Pierre or Sioux Falls, South Dakota.

SDGFP intends to award the Draft Contract around October 1, 2026, or about four months prior to the anticipated effective date when the Concessionaire would commence operations on February 1, 2027. Although the Draft Contract begins in the “off-season”, the resort remains open year-round, offering limited guest services. SDGFP intends to announce the selected Offeror around September 1, 2026, or about one month prior to award. This should give the selected Offeror the opportunity to observe the operations prior to the start date. Award of a concession contract does not occur until the competitive process has been completed and both the selected Offeror and SDGFP have signed the concession contract. While SDGFP will make every effort to meet this schedule, it is subject to change. If necessary, SDGFP may change the effective date before award. If that happens, SDGFP will modify the term to reflect an expiration date allowing for ten years of operations.



Pictured: Blue Bell Lodge Bar and Dining Room

“We serve and connect people and families to the outdoors through effective management of our state’s parks, fisheries, and wildlife resources”

-SDGFP Mission Statement

PROPOSAL OVERVIEW

Part II of this Prospectus contains the instructions for submitting proposals. Offerors must carefully read and comply with those instructions.

Part III of this Prospectus contains the proposal package Offerors must complete in its entirety. The proposal package contains a required transmittal letter and five principal selection factors. Each selection factor identifies the minimum and maximum points SDGFP may award depending on the quality of the response. The following paraphrases the information sought under each selection factor. The wording of the actual selection factors controls.

SELECTION FACTORS



SELECTION FACTOR 1

requires Offerors to describe how they will **maintain the resources** of the park (including historic structures).



SELECTION FACTOR 2

requires Offerors to describe how they would **improve the visitor experience**.



SELECTION FACTOR 3

requires Offerors to describe their organizational structure and provide documentation to SDGFP so it can understand the Offeror and its relationship to other entities. Additionally, Selection factor 3 asks Bidders about **similar experience operating similar enterprises**.



SELECTION FACTOR 4

requires Offerors to provide documentation demonstrating that they have **the financial resources** to commence and carry-on operations under the Draft Contract, including a business history form. Offerors also must complete the provided Excel workbook and provide other information to demonstrate an understanding of the operations under the Draft Contract.



SELECTION FACTOR 5

requires Offerors to provide the **franchise fee** they will pay on gross receipts generated under the Draft Contract. Failure to agree to pay at least the minimum franchise fee set out in this selection factor will result in SDGFP finding the proposal non-responsive and ineligible for award of the Draft Contract.

SDGFP AND ITS MISSION

Our story begins where all good stories should, and where many of us spend most of our time, outdoors. South Dakota's outdoors is world class and much of that is due to the work that we all do here at South Dakota Game, Fish and Parks. To really tell our story to others, we have to realize that we have cool jobs. What we do day in and day out is to care for South Dakota's wild spaces and wild things make an impact on our residents and those who visit and vacation here. As a Game, Fish and Parks employee, you might be researching fish production, enhancing habitat on our Game Production Areas, working hard to keep our parks awesome, or helping a family while they are out enjoying the outdoors... whatever your job is within the department, it is pretty cool.

Our story comes from the results of this hard work. It is told by the cheers of a family as someone reels in their first fish. It's told by the crackle of a fire as a family makes memories in one of our state parks.

It's told by a prairie chicken dancing on a spring lek, the gobble of a turkey and a pheasant brood in a sea of grass. And when you really break it down, our story is told by our customers. It is told on tailgates every fall; the tales of flushes, shots and retrieves. It's told around campfires and retold at work every Monday in the hallways and breakrooms. The opportunities, successes, and the excitement that just comes with being outside is our story.

Stories build connections. Connections enhance customer relationships. And those relationships foster trust. Keep telling our story - through the hard work, the excellent customer service, and by personally being an advocate and a user of our resources. This story is a critically important one to tell and share to ensure our love and passion for South Dakota's outdoor resources are here to enjoy for our kids and grandkids. It's why we live in South Dakota and why thousands of visitors cannot get here fast enough.

As outlined in our [Strategic Plan](#), the four pillars of our mission are: Habitat and Access, Asset Management, Customer Service, and Operational Excellence. We are looking for a partnership with a Concessionaire with these same priorities, and we expect our partner to align operations with SDGFP's mission, particularly related to Asset Management and Customer Service pillars.

SERVE.

CONNECT.

MANAGE.



ORIENTATION TO CUSTER STATE PARK

Custer State Park is located in the southern Black Hills of southwestern South Dakota, approximately 20 miles south of Rapid City and just east of the town of Custer. The park lies within a diverse landscape of granite peaks, pine forests, open grasslands, and clear mountain lakes, offering contrasts in elevation and terrain. Major landmarks nearby include Mount Rushmore National Memorial to the north and Wind Cave National Park to the south, placing Custer State Park at the center of one of the region’s most scenic and historic areas.

Access to the park is provided by several state and federal highways, including U.S. Highway 16A (Iron Mountain Road) and State Highway 87 (Needles Highway)—both renowned for their narrow tunnels, bridges, and panoramic views. U.S. Highway 385 also connects the park to nearby communities and other attractions throughout the Black Hills.

The park experiences a continental climate, with warm summers and cold winters. Summer temperatures typically range between 70°F and 85°F, while winter temperatures often fall below freezing, averaging 20°F to 40°F. Snowfall is common in winter months, transforming the park into a quiet, scenic landscape for year-round visitors. The park’s combination of accessibility, natural diversity, and managed recreation makes it one of South Dakota’s most significant public lands.

LOCATION OF CUSTER STATE PARK

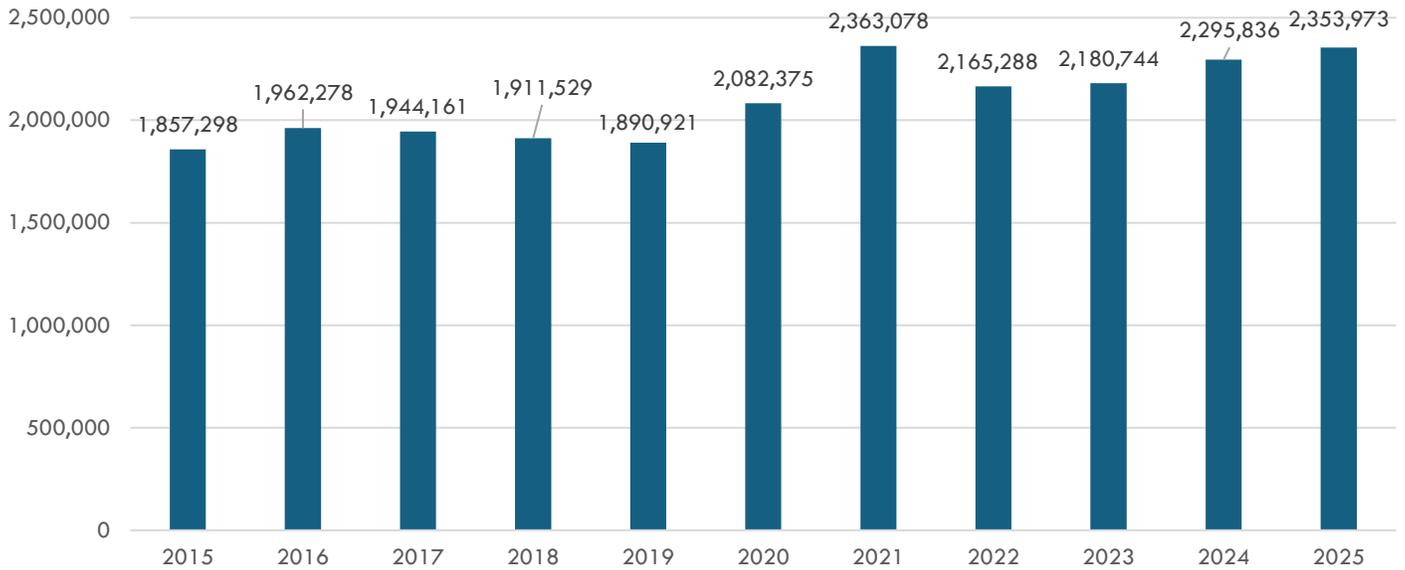


The following chart shows the annual visitation at Custer State Park since 2015, highlighting consistent long-term growth in visitation over the past decade. Total visitation increased from 1.86 million in 2015 to 2.30 million in 2024, representing a compound annual growth rate (CAGR) of 2.4 percent. Growth was particularly strong following 2019, with visitation exceeding two million annually since 2020. The park saw its highest visitation in

CUSTER STATE PARK CONCESSION OPPORTUNITY

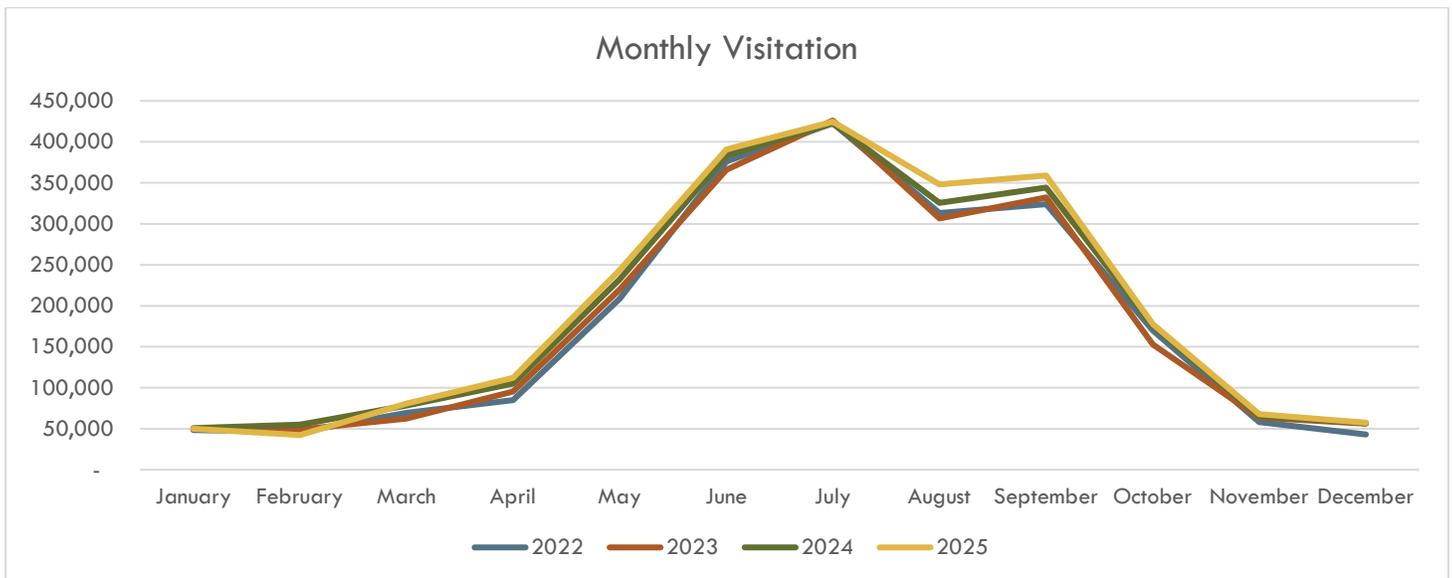
2021 at 2.36 million, likely reflecting the surge in outdoor recreation demand during the post-pandemic period. Between 2020 and 2025, visitation grew at a 2.5 percent CAGR, highlighting steady visitor interest supported by the park's diverse recreation opportunities and natural beauty. 2025 visitation exceeded 2024's total annual visitation by 2.5 percent.

ANNUAL VISITATION TO CUSTER STATE PARK



Visitation typically begins to rise sharply in April and May, coinciding with warmer weather and the reopening of seasonal park facilities, before peaking in July, which consistently records more than 420,000 visitors. Following the summer peak, visitation gradually declines through October, and reaches its lowest levels between November and February, when fewer facilities are open and colder temperatures limit outdoor activity. The following exhibit illustrates clear seasonal visitation patterns, with the park's busiest period occurring during the summer months of June through September.

SEASONALITY OF VISITATION



OVERVIEW OF CONCESSION OPPORTUNITY

The Custer State Park Resort Concession Contract includes overnight lodging (lodge rooms and cabins), food and beverage, retail, jeep tours, stable operations, and recreational equipment rental across four distinct areas of the Park, as well as a portion of the Bison Center. In addition, the contract includes catering venues at State Game Lodge, Sylvan Lake Lodge and Blue Bell Lodge.

The following exhibit summarizes the Draft Contract's Required Services. The Concessionaire must provide the required services. Additional authorized services are subject to approval. The Draft Contract, including its exhibits and attachments, contains details regarding visitor services.

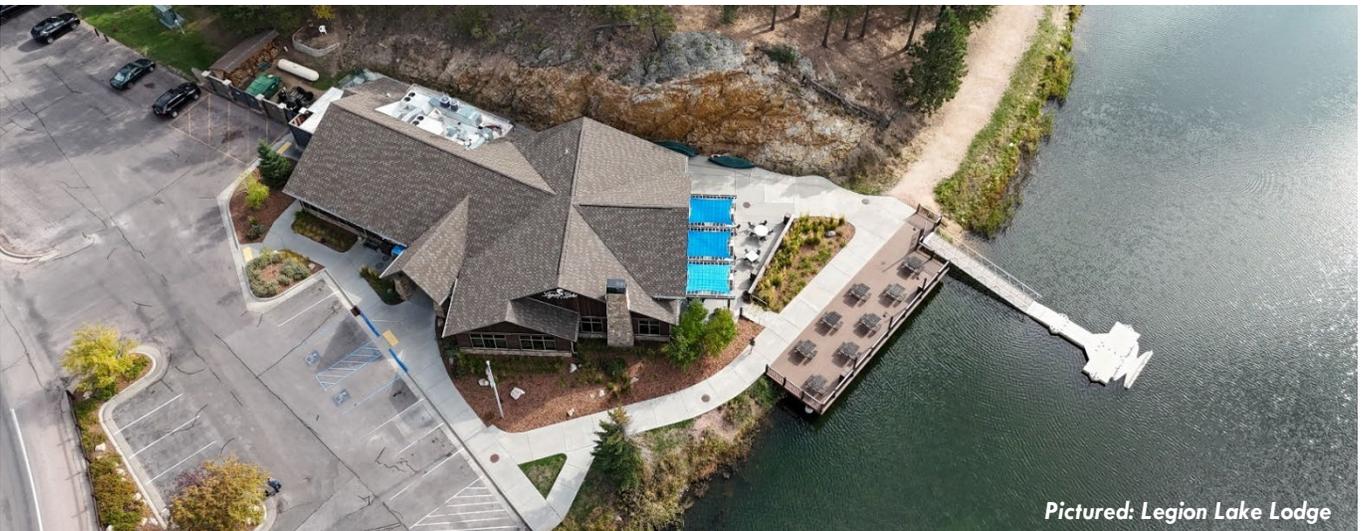
Required Service	Location	Details
Lodging	Blue Bell Lodge	30 rental cabins
	State Game Lodge	40 motel rooms, 30 Creekside rooms, 6 historic rooms, and 26 cabins
	Legion Lake Lodge	27 Cabins
	Sylvan Lake Lodge	35 rooms, 31 Cabins
Food and Beverage	Blue Bell Lodge	Restaurant and Lounge
	State Game Lodge	Restaurant and Lounge
	Legion Lake Lodge	Restaurant and Lounge
	Sylvan Lake Lodge	Restaurant and Lounge
Retail Stores	Blue Bell Lodge and General Store	Gift Shop and Convenience
	State Game Lodge	Gift Shop and Convenience
	Coolidge General Store	Gift Shop and Convenience
	Legion Lake Lodge	Gift Shop and Convenience
	Sylvan Lake Lodge and General Store	Gift Shop and Convenience
	Bison Center	Gift Shop and Convenience
Rentals	Sylvan Lake Lodge	Non-motorized canoe, kayak, and paddle boats
	Legion Lake Lodge	Non-motorized canoe, kayak, and paddle boats
Guide Services	Blue Bell Lodge	Horseback riding, chuckwagon rides and cookouts
	State Game Lodge	Fishing guide service, jeep tours
Catering	State Game Lodge	54' x 51' Event Barn 25' x 51' Outdoor Patio 60' x 76' Pavilion
	Creekside Lodge	21' x 27' Norbeck Room 33' x 29' Coolidge Room
	Sylvan Lake Lodge	84' x 42 Auditorium 10' x 84' Patio 22 x 12 Lodge Meeting Room 1,700 SF Veranda (within restaurant)
	Blue Bell Lodge	38' x 28' White Buffalo Room 25' x 18' French Creek Room
Wireless Internet Services	All lodge locations	Available in lodging, lounge, restaurant, and lobby areas, at minimum
Automotive Fuel Sales	Coolidge General Store and Blue Bell General Store	8,000 SF Coolidge Store 3,775 SF Blue Bell Store

SDGFP further defines the lodging and food and beverage service standards in the Operating Plan, Exhibit B to the Draft Contract. The historic status of all Concession Facilities can be found in Exhibit D Assigned Land and Real Property Improvements. At this time, SDGFP is soliciting offers to provide the Required Services only. Offers

to provide any additional services, in the hopes they could be authorized, will not be considered in the evaluation of Offer, but may be approved over the contract term.

DRAFT CONTRACT TERM

The Draft Contract will have a term of ten (10) years with an estimated effective date of February 1, 2027. SDGFP may entertain a contract extension during the term of the contract, if appropriate, due to Concessionaire Capital Investments which could be approved over the contract term. At this juncture, SDGFP will not contemplate any Bidder's offers to make such investments. However, we understand the dynamic marketplace and the need for Operators to adapt to changing consumer tastes and preferences as well as industry trends and innovations. For this reason, SDGFP will consider future Authorized Services and capital investments, as approved by the Park Superintendent.



OVERVIEW OF REQUIRED SERVICES

Lodging

The Draft Contract requires the Concessionaire to provide a total of 111 lodging rooms and 114 cabins at four main locations within the Park. Information regarding service level classifications for lodging is included in the Operating Plan Exhibit to the Draft Contract. Rates are subject to Park approval annually and must be submitted by November 30 each year for the following year.

Location	# Cabins	# Lodge Rooms	Minimum Operating Season
State Game Lodge	26	76	Creekside rooms must remain open-your round and offer free continental breakfast in the lobby when State Game Lodge restaurant is closed. All other rooms and cabins minimum operating season Friday before Mother's Day to the Tuesday after the Buffalo Round Up (late September).
Legion Lake Lodge	27	0	Friday before Mother's Day to the Tuesday after the Buffalo Round Up (late September).
Sylvan Lake Lodge	31	35	Friday before Mother's Day to the Tuesday after the Buffalo Round Up (late September).
Blue Bell Lodge	30	0	Friday before Mother's Day to the Tuesday after the Buffalo Round Up (late September).

Food and Beverage

The Concessionaire will operate food and beverage outlets on a seasonal, daily basis at various locations throughout the Park. SDGFP considers the various food and beverage outlets to be a mix of family casual, fast casual, and upscale casual, depending on location. All menus must maintain a selection and associated price range that accommodates the general range of Park visitors appropriate to the service classification level. Additionally, the Concessioner will provide banquet services at approved locations throughout the Park.



Pictured: Blue Bell Lodge Dining

Concessionaire acknowledges and agrees that the State makes available for purchase and use by Concessionaire within the Resort the alcoholic beverages licenses that are identified in Exhibit A-4. Concessionaire agrees to purchase from Regency Inns Management on the Effective Date the alcoholic beverages licenses for the amount of \$250,000. Concessionaire shall comply with all laws and regulations applicable to the alcoholic beverages licenses, including but not limited to the timely payment of all sales taxes assessed upon sales of alcoholic beverages. Upon the termination or expiration of this Agreement, Concessionaire agrees to sell to the Department or to a New Concessionaire the alcoholic beverages licenses for the same prices paid by Concessionaire as set forth in Exhibit A-4 and to cooperate in the transfer of the licenses.

All restaurants must be open from 8:00am to 8:00pm daily from May 1 to October 1, at minimum. Creekside, which is operated year-round, shall offer a complimentary continental breakfast daily to all guests staying on property between October 2 and April 30. Bars/lounge are to be open from 12:00pm to 11:00pm daily. The following summarizes the classification of each food and beverage outlet at the Resort.

Location	Classification
State Game Lodge	Family Casual restaurant and lounge
Blue Bell Lodge	Family Casual restaurant and lounge
Sylvan Lake Lodge	Upscale Casual dining and terrace
Legion Lake Lodge	Family Casual and patio

Banquet Services

The Draft Contract includes several event spaces that may be used to provide banquet services to guests.

Banquet Services	State Game Lodge	54' x 51' Event Barn 25' x 51' Outdoor Patio 60' x 76' Pavilion
	Creekside Lodge	21' x 27' Norbeck Room 33' x 29' Coolidge Room
	Sylvan Lake Lodge	84' x 42 Auditorium 10' x 84' Patio 22 x 12 Lodge Meeting Room 1,700 SF Veranda (within restaurant)
	Blue Bell Lodge	38' x 28' White Buffalo Room 25' x 18' French Creek Room



Retail

The Concessionaire will operate retail operations on a seasonal basis at State Game Lodge, Legion Lake Lodge, Sylvan Lake Lodge, Blue Bell Store, Coolidge Store, and the Bison Center. Minimum operating season for the retail stores should match lodges' operating season.

The Concessionaire will provide a range of merchandise including souvenirs, Authentic Native Handicrafts, camper/hiker supplies, and apparel and convenience items including groceries. Coolidge Store, Bison Center, and Sylvan Lake Lodge Store will also offer grab and go food items such as premade sandwiches. The Concessionaire must offer opportunities to buy merchandise related to messages that highlight Park interpretive themes and appeal to a range of ages. Examples of desired general merchandise are collectibles, such as cups, spoons, caps, water bottles, etc., and clothing items for hikers and sightseers. The retail stores must stock some convenience items such as feminine products, sunscreen, lip balm, analgesics, etc. Fuel should be made available at Coolidge and Blue Bell Stores. In addition, the Concessionaire will become an approved vendor with [Go Outdoors South Dakota](#).

The following table summarizes minimum operating requirements for each retail outlet in the Draft Contract.

Location	Type of Retail	Minimum Hours
State Game Lodge	Merchandise and Convenience Items	8:00am – 8:00pm
Legion Lake Lodge	Merchandise and Convenience Items	8:00am – 8:00pm
Sylvan Lake Lodge	Merchandise and Convenience Items	8:00am – 8:00pm
Blue Bell Lodge	Merchandise and Convenience Items	8:00am – 8:00pm
Coolidge General Store	Merchandise and Convenience Items	8:00am – 8:00pm
Bison Center	Merchandise and Convenience Items	8:00am – 8:00pm



Jeep Tours



The current Concessionaire offers off-road safari tours in an open-air Jeep in search of pronghorns, elk, and the noble buffalo. SDGFP expects this service to continue as a signature offering within the Park. Currently tours are 1.5 to 2 hours in length, but there will be no requirement for tours to be of specific length. Jeep tours are to be offered year-round, weather-permitting. During the off-season a minimum of two rides daily is required. In-season, the Concessionaire will offer a minimum of four tours daily departing no earlier than 6am and returning no later than 9pm. Current advertised group

tour rates range from \$64 – \$82 per person. Private tours are offered in-season only at premium rates.

Horseback Riding



In season, the Concessionaire must provide a minimum of two guided rides per day, unless weather affects safety for the riders and/or horses. The maximum group size is 25 riders per two wranglers. The current Concessionaire offers a variety of rides at different price points. A one-hour ride is currently advertised at \$80 per person, and a two-hour ride is \$165 per person. Longer half and full day ride options are available to intermediate and advanced riders at premium rates. As long as the Concessionaire meets minimum operating requirements and standards set forth in the operating plan, they may offer

services based on market demand. There are stables within the land assignment, but it is expected that an Operator will need additional acreage outside the park for grazing and stabling some horses, as more horses are required to operate during the peak season than there is room for on-site.

Chuckwagon Cookouts



The Concessionaire will offer chuckwagon cookouts at a site located in the Blue Bell area of the Park. There is no electricity at the site and no permanent restroom facilities. Chuckwagon rides are restricted to established roads and operating hours for the facility of departure.



Watersport Rentals



The Concessionaire will provide watercraft equipment rental at Legion Lake and Sylvan Lake Lodges, including at least one approved personal flotation device per passenger. Rental availability will coincide with store operating hours. Non-motorized watercraft such as kayaks, canoes, and Stand-Up Paddle (SUP) boards are permitted. Motorized vessels are not permitted by the Draft Contract.

Events

SDGFP relies heavily on the Custer State Park Resort as a partner in hosting annual events. The most significant event is the Buffalo Round Up and Arts & Crafts Festival that occurs each year in late September. During the one-day Buffalo Round Up, attendance reaches roughly 25,000 people. Feeding this crowd near the Buffalo Corrals with no kitchen on-site is a significant undertaking, requiring precision and efficiency. As a signature event, Bidders must explain how they will deliver high quality service and optimize throughput given the unique logistics of the event (see Proposal Package). Additionally, several high-profile guests attend each year requiring special considerations.



The Art & Craft Festival attracts nearly 19,000 people over three days, and the Concessionaire secures all vendors (approximately 150), provides security, and keeps grounds free of litter. The event takes place at the same time as the Buffalo Roundup in the grassy area near State Game Lodge.

The Sturgis Motorcycle Rally is another high-profile event that brings increased visitation to the Park. The event occurs annually from early to mid-August.

Employee Housing

Five residential lodging units are provided to house full-time key resort staff for each location as well as an on-site Maintenance Supervisor. The Concessionaire may not charge rental fees to employees for these five units. Additionally, the facilities assigned to the Draft Concession Contract include several dormitories for Employee Housing. Total employee housing can accommodate up to 297 people. There shall be reasonable fees charged to employees for group housing, and these fees must be approved by the Superintendent annually. Residents must be direct employees or volunteers at the resort. The following table details the capacity for each of the Employee Housing Units by location.

EMPLOYEE HOUSING CAPACITIES

Dorm Type	# of Bedrooms	Capacity
State Game Lodge		
Dorm 1	16	32
Dorm 2	16	32
Dorm 3	16	32
Rec Dorm	2	4
Man Camp	6	12
4 Plex - 1	4	8
4 Plex - 2	4	8
4 Plex - 3	4	8
Caretaker's Residence	3	6
Total Employee Housing State Game Lodge	68	136
Legion Lake Lodge		
Dorm 1	1	2
Dorm 2 (2 bathrooms)	2	6
Dorm 3	3	5
Residence Home	3	5
Governors House 1	2	4
Governors House 2	2	4
Governors House 3	2	4
Total Employee Housing Legion Lake Lodge	15	30
Sylvan Lake Lodge		
Dorm 1	16	32
Dorm 2	16	32
Rec Dorm	2	4
Man Camp	6	12
Total Employee Housing Sylvan Lake Lodge	40	80
Blue Bell Lodge		
4 Plex	4	8
4 Plex (Stables)	4	8
Man Camp	6	12
Duplex 1 (both sides)	2	4
Duplex 2 (both sides)	2	4
Rec Dorm (both sides)	5	9
Total Employee Housing Blue Bell Lodge	23	45

HISTORICAL OPERATING DATA

This section presents information regarding historical financial, utilization, and operating data to assist Offerors in developing projections for future operations associated with the Draft Contract. Visitor services are currently being provided by Regency Inns Management under a concession contract, which is to expire January 31, 2027.

HISTORICAL LODGING RATES

The following exhibit presents 2025 rates for the existing concession agreement.

State Game Lodge (including Creekside Lodge)	Total Count	Room/Cabin #s	2025 RACK RATE
Creekside Lodge - King Room (1 king bed & 1 sofa sleeper)	6	C138, C143, C147, C241, C242, C243	\$288.00
Creekside Lodge - Handicapped Accessible King Room (1 king bed & 1 sofa sleeper)	1	C132	\$292.00
Creekside Lodge - Queen Room (2 Queen beds & 1 sofa sleeper)	12	C131, C135, C136, C137, C141, C231, C232, C235, C236, C237, C238, C247	\$295.00
Creekside Lodge- Queen Room (2 Queen beds & 1 sofa sleeper) Creek View Balcony/Patio	6	C133, C139, C145, C233, C239, C245	\$351.00
Creekside Lodge - Queen Room (2 Queen beds & 1 sofa sleeper) Hillside View Balcony/Patio	4	C134, C140, C234, C240	\$323.00
Creekside Lodge - Handicapped Accessible Queen Room (2 Queen beds, no sleeper)	1	C142	\$284.00
Pine Creek Cabin – private bedroom cabin (2 double beds)	2	G1, G3	\$289.00
CC Gideon Cabin - private bedroom cabin (1 Queen bed)	1	G2	\$278.00
Scovel Johnson Cabin – One-room cabin (2 Queen beds)*	2	G28, G32	\$232.00
Creekside Cabin and Bunkhouse - 2-for-1 rental. Two-bedroom cabin, full kitchen, fireplace, adjacent bunkhouse, yard along the creek. In the CABIN---Bedroom 1: 1 King Bed. Bedroom 2: 1 Queen Bed. Living Space: 2 Sleeper Sofas. In the BUNKHOUSE: 4 Twin-Twin Bunk Beds and 1 Sofa Sleeper.	1	G20, G20A	\$699.00
Gamekeeper’s Cabin - Five (5) bedrooms, (2) baths	1	G21	\$771.00
Reunion Cabin - Designer cabin, (4) bedrooms, (5) baths, loft. One bedroom has (1) King and a twin sleeper sofa, and the other three bedrooms have two queen beds. The oversized loft adds extra sleeping space with (2) sets of twin-over-full bunk beds.	1	G525	\$1,750.00
Duplex Cabin- Each side offers one (1) private bedroom, living space with one queen and a sleeper sofa*	4	G526, G27, G530, G531	\$238.00
Big Horn Cabin - Spacious one-room cabin with two queen beds and a sofa sleeper*	1	G29	\$238.00
Otis Cabin - (2)-bedroom log cabin, Bedroom 1: 2 Queen beds. Bedroom 2: 1 Queen Bed, 1 Sofa Sleeper	3	G533, G534, G535	\$323.00

Eisenhower Room - Historic Room upstairs in the lodge. 1 Queen Bed.	1	G36	\$305.00
Coolidge Room - Historic Sunroom Suite upstairs in the lodge. 1 King Bed.	1	G37	\$390.00
Expedition Room - Historic Sunroom Suite upstairs in the lodge. 1 Queen Bed.	1	G38	\$331.00
Norbeck Room - Historic Sunroom Suite upstairs in the lodge. 1 Queen Bed.	1	G39	\$331.00
Mary Shields Pile Suite - King Suite (2 bedroom), walk-in shower. King and two twin beds in bedroom 2. Historic Room upstairs in the lodge.	1	G40	\$385.00
Grace Coolidge Room - Historic Room upstairs in the lodge. 1 King Bed.	1	G41	\$285.00
Standard Queen/Queen	19	G101-G116, G118-G120	\$238.00
Deluxe Queen/Queen	17	G201-G216, G218-G220	\$255.00
Standard Queen Accessible	2	G211, G212	\$238.00
Deluxe Corner King	2	G117, G217	\$255.00
Lover's Leap Cabin - King cabin with private bedroom. Bedroom: 1 King bed. Living Space: 1 Sofa Sleeper	1	G508	\$475.00
Tatanka Cabin - Designer cabin, (4) bedrooms, (5) baths, loft. Three of the bedrooms are set up with 2-queen beds and the fourth bedroom has one king. The oversized loft has two (2) sets of twin-over-full bunk	1	G522	\$1,650.00
Pheasant Cabin - Two (2) private bedrooms (Queen/Queens), (2) baths,	3	G506, G507, G523	\$556.00
Antelope Cabin - Two (2) private bedrooms (One Queen in each, (2) baths	4	G504, G505, G509, G510	\$447.00
Elk Cabin - Two (2) private bedrooms (king and Queen/Queen), (2) baths	1	G524	\$556.00

**Expected to be replaced during the contract term*

Legion lake Lodge	Total Count	Room/Cabin #s	2025 RACK RATE
5 Person Housekeeping Cabin (2 rooms/2 double beds & 1 twin bed)	6	L4, L6, L8, L9, L10, L11	\$306.00
5 Person Housekeeping Cabin (2 rooms/2 double beds & 1 twin bed) Deck/View	3	L1, L2, L3	\$363.00
7 Person Housekeeping Cabin (3 rooms/1 queen, 1 double, 1 twin & 1 sofa sleeper)	3	L5, L7, L12	\$346.00
Sleeping Cabin (2 queen beds)	9	L15, L16, L17, L18, L19, L20, L21, L22, L23,	\$265.00
Sleeping Cabin (1 queen bed & 1 sofa sleeper)	4	L13, L14, L24, L25	\$265.00
Centennial Cabin (3 queen beds, 2 sofa sleepers, & 2 twin beds)	1	L26	\$635.00
12 Person Housekeeping Cabin (2 Rooms/4 Queen with Queen Loft)	1	L 27	\$567.00

Sylvan Lake Lodge	Total Count	Room/Cabin #s	2025 RACK RATE
Handicapped Accessible Lodge Room (2 queen beds)	2	S126, S226	\$309.00
Lodge Room (2 queen beds)	2	S125 & 225	\$349.00
Lodge Room (1 king bed & 1 sofa sleeper)	1	S211	\$260.00
Lodge Room (2 room combo/1 queen bed & 2 twin beds) - 301 & 302 share a bathroom so they are sold as a 2-room suite	1	S301, S302	\$244.00
Lodge Room (1 queen bed)	13	S101, S103, S105, S106, S107, S202, S203, S205, S207, S208, S209, S303, S305	\$198.00
Lodge Room (2 double beds)	4	S104, S206, S304, S306	\$209.00
Lodge Room (2 queen beds) - located in the new addition	8	S121, S122, S123, S124, S221, S222, S223, S224	\$329.00
Lodge Room (2 queen beds & 1 sofa sleeper)	4	S102, S201, S204, S210	\$282.00
Sleeping Cabin (2 queen beds)	11	S401, S402, S403, S404, S405, S406, S408, S409, S410, S411, S412	\$284.00
Housekeeping Cabin (1 queen bed & 1 sofa sleeper)	1	S413	\$289.00
Housekeeping Cabin (2 queen beds)	4	S510, S514, S517, S518	\$334.00
Housekeeping Cabin (1 queen bed)	3	S511, S512, S513	\$266.00
10 Person Housekeeping Cabin (2 bedrooms/4 double beds & 1 sofa sleeper)	4	S504, S508, S515, S516	\$498.00
Senators Cabin (3 bedrooms/3 queen beds & 2 sofa sleepers)	1	S518	\$555.00
Sleeping Cabin (2 rooms/1 queen bed & sofa sleeper)	1	S519	\$273.00
Honeymoon Cabin (1 king bed)	1	S407	\$368.00
Cathedral Spires	1	S505	\$1,650.00
2 Bedroom/2Bath View Cabin	1	S506	\$482.00
2 Bedroom/2 Bathroom Cabin	3	S503, S504, S507	\$453.00

Blue Bell Lodge	Total Count	Room/Cabin #s	2025 RACK RATE
4 Person Housekeeping Cabin (1 room/1 double bed & 1 sofa sleeper)	6	B1, B2, B3, B4, B6, B7	\$244.00
6 Person Housekeeping Cabin (1 room/2 double beds & 1 set of bunk beds) *	4	B8, B9, B10, B11	\$273.00
3 Room Housekeeping Cabin (3 double beds & 1 sofa sleeper)	2	B12, B14	\$360.00
Commissioners Cabin (4 rooms/3 double beds & 1 sofa sleeper)	1	B13	\$414.00
Sleeping Cabin (2 double beds)	13	B5, B15, B17, B18, B19, B20, B21, B22, B23, B24, B25, B26, B27	\$320.00
Handicapped Accessible Sleeping Cabin (2 double beds)	2	B28, B29	\$320.00
Honeymoon Cabin (1 room/1 king bed & 1 sofa sleeper)	1	B16	\$355.00
Ponderosa Cabin	1	B30	\$1,650.00

*Expected to be replaced during the contract term



Pictured: Kitchen in a Designer Cabin

HISTORICAL CONCESSION INFORMATION

Department	2024	2025
Lodging	\$ 8,591,000	\$ 9,143,000
Food and Beverage*	\$ 5,898,000	\$ 6,266,000
Retail**	\$ 5,293,000	\$ 5,671,000
Jeep Tours	\$ 1,677,000	\$ 1,609,000
Stables	\$ 519,000	\$ 595,000
Vending/Other***	\$ 219,000	\$ 116,000
TOTAL GROSS REVENUE	\$ 22,197,000	\$ 23,400,000

*Includes banquets revenue

**Includes Gasoline sales at Coolidge and Blue Bell

***Includes no show fees, cancellations, guest laundry, ATM, etc.

ANTICIPATED SDGFP-FUNDED PROJECTS

Blue Bell Store and Gas Tanks/Pumps

SDGFP anticipates constructing a new Blue Bell Store, using the same footprint, in 2031. Estimated completion date would be May 31, 2032. Work is to be performed in the off-season, with only minimal service disruption during April/May 2032. All costs associated with the construction are the responsibility of SDGFP as is project oversight. The Concessionaire may need to purchase some new FF&E for the new space, but it is not a requirement. This potential personal property outlay was included in the personal property replacement life cycle analysis and is accounted for in calculating the 3.4 percent personal property reserve fund requirement.



Blue Bell Shed

SDGFP will construct a new storage shed to be located in another area of the Blue Bell developed area. This storage shed will replace the two existing storage buildings behind the Blue Bell Store. Estimated work is to be completed in the off-season in 2030, with no disruption to operations. All costs associated with the construction are the responsibility of SDGFP as is project oversight.



Replace Four Blue Bell Cabins

SDGFP expects to replace four guest rental cabins at Blue Bell and to relocate within the Blue Bell area. All construction costs associated with the project, as well as project oversight, are the responsibility of SDGFP. All work is expected to occur during the off-season in 2030, with no disruption to services. The Concessionaire may need to purchase some new FF&E for the new cabins, but it is not a requirement. This potential personal property outlay was included in the personal property replacement life cycle analysis and is accounted for in calculating the 3.4 percent personal property reserve fund requirement. The specific cabins to be replaced are identified as Cabins 8, 9, 10 and 11. The



2025 rack rate for these cabins was \$273. SDGFP expects the replacement cabins to be superior to the ones currently in place, justifying higher future rack rates for this cabin types.

Replace/Relocate Blue Bell Dorms

SDGFP anticipates replacing or relocating three employee dormitories at Blue Bell. All construction costs associated with the project, as well as project oversight, are the responsibility of SDGFP. All work is expected to occur during the off-season in 2029, with no disruption to services. There is no assumed personal property investment required of the Concessionaire.



Replace/Relocate 3 Dorms at Legion

SDGFP anticipates replacing or relocating three employee dormitories at Legion Lake. All construction costs associated with the project, as well as project oversight, are the responsibility of SDGFP. All work is expected to occur during the off-season in 2028, with no disruption to services. There is no assumed personal property investment required of the Concessionaire.



Replace Five Cabins (7 rentable units) at State Game Lodge

SDGFP expects to replace six guest rental cabins at State Game Lodge. All construction costs associated with the project, as well as project oversight, are the responsibility of SDGFP. All work is expected to occur during the off-season prior to May 1, 2030, with no disruption to services. The Concessionaire may need to purchase some new FF&E for the new cabins, but it is not a requirement. This potential personal property outlay was included in the personal property replacement life cycle analysis and is accounted for in calculating the 3.4 percent personal property reserve fund requirement. The specific cabins to be replaced are identified as Cabins 26 through 32 (two cabins are duplex units). The 2025 rack rates for these cabins were \$232 to \$238. SDGFP expects the replacement cabins to be superior to the ones currently in place, justifying higher future rack rates for this cabin type.



Add Fiber Optic Lines at Sylvan Lake Lodge

SDGFP(expects to add fiber optic lines to Sylvan Lake Lodge to facilitate better connectivity. All work is expected to occur during the off-season prior to May 1, 2029, with no disruption to operations.



ESTIMATES OF FUTURE OPERATING PERFORMANCE

In developing prospective revenue estimates, SDGFP assumed changes from historical revenue based in part, but not limited to, the following:

- Rates are based on slight increases over current pricing in year one and adjusted for inflation in future years.
- Replacement of four cabins at Blue Bell and five cabin structures (seven rentable units) at State Game Lodge.
- Anticipated trends in Park visitation
- A prudent Operator

PROJECTED GROSS REVENUE RANGE, BY DEPARTMENT

Department	2027 (Year One)	2032 (After Projects Completion)
Lodging	\$9,000,000 - \$9,900,000	\$10,400,000 - \$11,500,000
Food and Beverage*	\$5,800,000 - \$6,400,000	\$6,900,000 - \$7,700,000
Retail**	\$5,600,000 - \$6,200,000	\$6,500,000 - \$7,100,000
Jeep Tours	\$1,600,000 - \$1,800,000	\$1,800,000 - \$2,000,000
Stables	\$600,000 - \$700,000	\$700,000 - \$800,000
Vending Other	\$100,000 - \$150,000	\$150,000 - \$200,000
GROSS RECEIPTS	\$22,700,000 - \$25,150,000	\$26,450,000 - \$29,200,000

*Includes catering revenue

**Includes Gasoline sales at Coolidge and Blue Bell



Pictured: Bathroom in a Designer Cabin

SUMMARY OF PROJECTED OPERATING STATISTICS

Lodging- State Game Lodge	2027	2032
Occupied Room Nights	14,522 - 15,266	14,522 - 15,266
ADR	\$287.00 - \$301.00	\$332.00 - \$349.00
Lodging- Legion Lake Lodge	2027	2030
Occupied Site Nights	2,891 - 3,039	3,015 - 3,169
ADR	\$308.00 - \$324.00	\$350.00 - \$368.00
Lodging- Sylvan Lake Lodge	2027	2030
Occupied Site Nights	8,837 - 9,291	9,069 - 9,535
ADR	\$304.00 - \$320.00	\$346.00 - \$363.00
Lodging- Blue Bell Lodge	2027	2030
Occupied Site Nights	3,801 - 3,995	3,905 - 4,105
ADR	\$323.00 - \$340.00	\$370.00 - \$389.00

Food and Beverage- State Game Lodge	2027	2032
Annual Covers	47,775 - 50,225	49,725 - 52,275
Average Check	\$29.00- \$30.00	\$33.00 - \$34.00
Banquet Revenue	\$730,000 - \$807,000	\$872,000 - \$964,000
Food and Beverage- Legion Lake Lodge	2027	2032
Annual Covers	25,838 - \$27,163	26,569 - 27,931
Average Check	\$26.00- \$28.00	\$30.00 - \$31.00
Food and Beverage- Sylvan Lake Lodge	2027	2032
Annual Covers	26,813 - 28,188	28,275 - 29,725
Average Check	\$26.00- \$28.00	\$30.00 - \$32.00
Banquet Revenue	\$544,000 - \$602,000	\$663,000 - \$733,000
Food and Beverage- Blue Bell Lodge	2027	2032
Annual Covers	36,075 - 37,925	37,050 - 38,950
Average Check	\$25.00- \$26.00	\$28.00 - \$29.00
Banquet Revenue	\$892,000 - \$986,000	\$1,087,000 - \$1,201,000

Retail- State Game Lodge	2027	2032
Annual Transactions	10,043 - 10,558	10,140 - 10,660
Average Sale	\$42.00 - \$44.00	\$47.00 - \$50.00
Retail- Legion Lake Lodge	2027	2032
Annual Transactions	19,744 - 20,756	19,988 - 21,013
Average Sale	\$26.00 - \$27.00	\$30.00 - \$31.00
Retail- Sylvan Lake Lodge	2027	2032
Annual Transactions	62,400 - 65,600	63,375 - 66,625
Average Sale	\$29.00 - \$31.00	\$33.00 - \$35.00
Retail- Blue Bell Store	2027	2032
Annual Transactions	25,594 - 26,906	26,033 - 27,368
Average Sale	\$24.00 - \$26.00	\$28.00 - \$29.00
Retail- Coolidge Lodge	2027	2032
Annual Transactions	41,438 - 43,563	42,413 - 44,588
Average Sale	\$32.00 - \$33.00	\$36.00 - \$38.00
Retail- Bison Center	2027	2032
Annual Transactions	27,300 - 28,700	28,275 - 29,725
Average Sale	\$32.00 - \$34.00	\$37.00 - \$39.00

Note: ADRs, average checks and average sales rounded to nearest dollar

EXPENSE ASSUMPTIONS

In developing projected expense estimates, SDGFP assumed adjustments of certain direct, indirect and fixed expenses to reflect costs associated with changes in operations. SDGFP projects that most expenses will be within industry average ranges.

- Wages were estimated in accordance with South Dakota's state minimum wage requirements.
- Other operating expenses, including utilities and repairs and maintenance—were estimated using industry benchmarks and averages.
- Utilities- The Concessionaire must activate electrical service directly with an electrical provider; SDGFP provides water and sewage disposal to the resort. The Concessionaire must contract with an outside source for garbage disposal.
- Insurance- The Draft Contract sets out the minimum insurance requirements for these concession operations.

INVESTMENT ANALYSIS

As shown in the following exhibit, the Concessionaire's total estimated required initial investment as projected by SDGFP is **\$12,967,414 in 2027 dollars**. This includes possessory interest, personal property, inventory, supplies, start-up costs (staff hiring, training, etc.), acquisition/lease of grazing pastures for horses, and working capital (investment needed to cover expenses incurred in advance of offsetting revenues).

PERSONAL PROPERTY

SDGFP estimates the initial personal property investment associated with the Draft Contract includes, but is not limited to, personal property such as furniture, trade fixtures, equipment, and vehicles. A list of the Existing Concessionaire's personal property is available upon request. The Existing Contract does not require the Existing Concessionaire to sell and transfer to a successor, or a successor to purchase from the Existing Concessionaire, the Existing Concessionaire's personal property associated with the concession operations. In 2026, SDGFP contracted with a third party to obtain a personal property evaluation, valuation and life cycle analysis related to the Concession operation. This analysis provides the basis for the initial personal property investment requirement and the future personal property reserve requirement.

INVENTORY AND WORKING CAPITAL

The Concessionaire will need to invest a certain amount of working capital in the operation to cover the first few months of operating expenses the Concessionaire likely will incur in advance of offsetting revenues. SDGFP estimates the working capital requirement will include inventory consisting of retail merchandise and food and beverage items.

START-UP COSTS

The Concessionaire will incur start-up costs prior to commencing operations under the Draft Contract. Start-up costs include staff hiring, training that may involve compensation in addition to normal wages, systems implementation, legal support services, and marketing and advertising beyond normal annual expenditures. In addition, a Concessionaire will need to acquire, through lease or purchase, nearby grazing land for the horses needed to provide minimum required horseback riding services.

POSSESSORY INTEREST

As specified in the Draft Contract, **beginning Possessory Interest (PI) is \$1.3 million**. The Concessionaire will not be required to make any additional capital investments that will be eligible to obtain additional PI during the contract term.

INITIAL INVESTMENT SUMMARY

The Concessionaire's total estimated required initial investment as projected by SDGFP is presented in the following table.

ESTIMATED INITIAL INVESTMENT	
Possessory Interest (Dorms)	\$1,300,000
Personal Property	\$8,130,940
Grazing Land for Horses	\$950,000
Inventory	\$1,000,000
Working Capital	\$791,836
Start-up Costs	\$794,638
TOTAL	\$12,967,414

DEFERRED MAINTENANCE OF CONCESSION FACILITIES

SDGFP anticipates that any identified deferred maintenance will be cured by the Draft Contract start date. A comprehensive Facilities Condition Assessment was completed in 2026.

ONGOING FINANCIAL AND OPERATIONAL REQUIREMENTS

In addition to the investments listed above, the Draft Contract includes the following requirements that are ongoing through the term of the Draft Contract. The Offeror's proposal in response to Part III of this Prospectus should address how it intends to fund these items or account for them.

REPAIR AND MAINTENANCE OF CONCESSION FACILITIES

The Draft Contract requires the Concessionaire to maintain the Concession Facilities, including but not limited to maintenance, repairs, housekeeping, and groundskeeping (as defined in Section 2 of the Draft Contract) to the satisfaction of the Director. The Maintenance Plan (Exhibit B to the Draft Contract) has specific requirements regarding planning and executing the Concessionaire's responsibilities. The Draft Contract, (Exhibit A), Assigned Land and Real Property Improvements (Concession Facilities), contains a complete list and maps of assigned land and real property improvements.

COMPONENT RENEWAL RESERVE

The Draft Contract requires the Concessionaire to establish a Component Renewal Reserve to fund component renewal of Concession Facility building systems that is non-recurring within a seven-year time frame. The Concessionaire must fund the Component Renewal Reserve under the Draft Contract by allocating to the Reserve five and five-tenths percent (5.5%) of the Concessionaire's annual gross receipts. This establishes the minimum amount the Concessionaire must expend on Component Renewal Reserve activities. As further explained in the CUSTER STATE PARK CONCESSION OPPORTUNITY

Draft Contract, the Concessionaire must expend sufficient additional monies, as needed beyond the Reserve, to maintain and repair the Concession Facilities to the satisfaction of the Director. Any funds not used during the term of the contract shall revert to SDGFP.

PERSONAL PROPERTY RESERVE

The Concessionaire shall establish a Personal Property Replacement Program. The Personal Property Replacement Program shall be developed in consultation with the Department following a review of the quality and condition of Personal Property by the Department.

To fund the replacement outlined above and upon commencement of the Draft Contract, the Concessionaire shall accrue three and four-tenths percent (3.4%) of annual Gross Receipts, to be expended by Concessionaire in purchasing and replacing Personal Property during the term of this Agreement. In 2026, SDGFP contracted with a third party to obtain a personal property evaluation, valuation and life cycle analysis related to the Concession operation. This analysis provides the basis for the 3.4 percent personal property reserve requirement.

FRANCHISE FEES

Offerors must agree to pay the minimum franchise fee, as set out in Principal Selection Factor 5 of the Proposal Package (Part III of this Prospectus), although Offerors may propose higher franchise fees in accordance with the terms of the Prospectus. The Concessionaire must pay the franchise fee monthly.

The minimum required franchise fee is **19.6 percent** annually.



19.6%

**Minimum
Franchise Fee**



5.5%

**Component Renewal Reserve
Requirement**



3.4%

**Personal Property
Reserve Requirement**

PROMOTION FEES

The Draft Contract requires the Concessionaire to collect a promotion fee from all guests equal to two percent (2.0%) of all gross receipts within the Resort or Park. These fees are treated as a pass-through, collected by the Concessionaire on behalf of SDGFP, and these fees are remitted to SDGFP on a monthly basis based on all gross revenue. Only revenue derived from State-operated lotteries may be excluded in the calculation of the promotion fee.

OPENING, CLOSING AND WINTERKEEPING

At the end of each facility's operating season, the Concessionaire must winterize most facilities and prepare for winterkeeping and spring re-opening. At the beginning of the season, the Concessionaire must inspect each facility to ensure it is ready for reopening. See Exhibit B) for further information.

MARKET OVERVIEW

LODGING SERVICES

Custer State Park Resort operates within a competitive lodging market that includes a variety of overnight accommodations throughout the Black Hills region. Lodging alternatives include cabins, lodges, ranch-style accommodations, camp resorts, RV parks, and traditional hotel properties located in the communities of Custer, Hill City, Keystone, and Rapid City. These properties serve visitors traveling to the area for outdoor recreation, wildlife viewing, scenic drives, and visits to regional attractions within Custer State Park and the greater Black Hills.

Many of the lodging properties in the competitive market offer a range of accommodation types and amenities, including cabin-style units, lodge rooms, on-site dining, community gathering spaces, and recreational amenities. These lodging options compete for overnight visitors seeking access to the park and surrounding attractions, with variations in location, scale, services, and price point. The following exhibit presents a summary of comparable lodging operations in the competitive market.



Pictured: State Game Lodge

Name	Location	Distance to Subject*	Accommodations	Amenities	Rates (per night)
Custer State Park Resort	Custer, SD	N/A	Cabins, reunion cabins, lodge rooms	Gift shops, on-site dining, guided tours, laundry	Lodge rooms: \$192-\$390, Cabins: \$244-\$555, Reunion cabins: \$699-\$1,750
Calamity Peak Lodge	Custer, SD	10 mi (20 min)	10 Cabins	Grills, firepits, community outdoor space	Cabins: \$90-\$225
Roost Resort	Custer, SD	12 mi (20 min)	11 cabins, campground	Playground, courts, grills, firepits, community space	Cabins: \$140-\$220
Rock Crest Lodge & Cabins	Custer, SD	15 mi (25 min)	14 lodge rooms, 20 cabins & French Creek Ranch (6-bed ranch house)	Seasonal pool & hot tub, breakfast included	Lodge rooms: \$140-\$225, Lodge suites: \$200-\$286, Cabins \$200-\$500, Cabins w/ kitchen: \$350-\$640, Ranch \$750-\$1,200
Buffalo Ridge Camp Resort	Custer, SD	15 mi (30 min)	Cabins, treehouses, glamping tents, RV & tent sites	Pool, snack shack & bar, general store	Economy cabin: \$70, Luxury cabin: \$240-\$270, Treehouse: \$270-\$300, Glamping: \$115-\$250, RV sites: \$58-\$80, Tent sites: \$30
Rafter J	Hill City, SD	25 mi (40 min)	21 cabins, 190 RV/tent sites	Pool, playground, courts, firepits	Camper cabin: \$84-\$90, Comfort cabin: \$110-\$164, Ranch cabin: \$155-\$250, Campsites: \$77-\$114
Mount Rushmore Lodge at Palmer Gulch	Hill City, SD	30 mi (45 min)	62 lodge rooms, 35 cabins, RV park	Pools, gift shop, on-site dining, bike/golf cart/UTV rentals	Lodge: \$300-\$550, Cabins: \$200-\$530, RV Park: \$52-\$88
K Bar S Lodge	Keystone, SD	20 mi (40 min)	96 lodge rooms	Hot tub, banquet space, free breakfast, picnic area	Lodge: \$144-\$298
Mountain View Lodge & Cabins	Hill City, SD	30 mi (50 min)	13 lodge rooms, 5 cabins	Pool, grills	Lodge: \$125-\$225, Cabins: \$195-\$295
Powder House Lodge	Keystone, SD	20 mi (45 min)	Motel rooms, 10 cabins	Pool, restaurant, gift shop, playground	Motel Rooms: \$140-\$180, Cabins: \$200-\$250
Canyon Lake Resort	Rapid City, SD	40 mi (1 hr.)	Motel rooms, cabins, 3 reunion lodges	Pool, complimentary paddle boats, grills, picnic tables	Motel rooms: \$120-\$193, Cabins: \$130-\$220, Reunion lodge: \$750-\$1,099

FOOD & BEVERAGE & RETAIL SERVICES

Food and beverage, retail, and recreational services in the market are provided by a combination of resort-based operators and independent businesses throughout the region. Restaurants, gift shops, and outfitters located in nearby communities serve both overnight guests and day visitors and offer dining, souvenirs, and outdoor equipment rentals. Several lodging properties in the market also provide on-site food and beverage service and retail offerings as part of their guest experience.

RECREATIONAL SERVICES

Recreational services in the competitive market include private outfitters and tour operators offering activities such as guided hikes, horseback riding, wildlife viewing tours, water-based recreation, and sightseeing excursions. These services compete for visitor participation and discretionary spending and represent alternatives to resort-affiliated recreational programming.



END OF BUSINESS OPPORTUNITY

PARTS II AND III

PROPOSAL PACKAGE INSTRUCTIONS AND PROPOSAL PACKAGE

South Dakota Game, Fish & Parks
Custer State Park Resort



Proposal To Provide Lodging, Food and Beverage, Retail, Jeep Tours, Horseback Riding, and Other Services at Custer State Park

PROPOSAL SUBMISSION TERMS & CONDITIONS

1. The Offeror's Transmittal Letter set forth below indicates your acceptance of the terms and conditions of the concession opportunity as set forth in this Prospectus. It indicates your intention to comply with the terms and conditions of the Contract. **The letter, submitted without alteration, must bear appropriate signature.** The South Dakota Game, Fish and Parks (SDGFP) will review the entire Proposal Package to determine whether your proposal, in fact, accepts without condition the terms and conditions of this Prospectus. If it does not accept without condition the terms and conditions of this Prospectus, your proposal may be considered non-responsive, even if you submitted an unconditional Offeror's Transmittal Letter.
2. The Proposal Package is drafted upon the assumption that an Offeror is the same legal entity that will execute the new concession Contract as the Concessionaire. If the entity that is to be the Concessionaire is not in existence as of the time of submission of a proposal, the proposal must demonstrate that the individual(s) or organization(s) (hereinafter Offeror-Guarantor) that intends to establish the entity that will become the Concessionaire has the ability and is legally obliged to cause the entity to be financially and managerially capable of carrying out the terms of the Contract. In addition, the Offeror-Guarantor must unconditionally state and guarantee in its proposal that the Offeror-Guarantor will provide the Concessionaire with all funding, management, and other resources that the Draft Contract requires and the proposal offers.

OFFEROR'S TRANSMITTAL LETTER

Jeffrey A. VanMeeteren, Director
South Dakota Division of Parks and Recreation
523 East Capitol Avenue
Pierre, SD 57501-3185

Dear Mr. VanMeeteren:

I hereby agree to provide lodging, food and beverage Retail, Jeep Tours, Horseback Riding, and Other Services at Custer State Park. in accordance with the terms and conditions specified in the prospectus, draft concession agreement provided in the Prospectus; and to execute the draft concession agreement. I have attached, to support my offer, those items as described in the Prospectus.

By submitting this Proposal I hereby agree, if selected for award of the next concession lease:

- 1. To commence operations under the next concession lease on the effective date of the lease
- 2. To resolve any disputes that may occur in accordance with the Administrative Rules of South Dakota.

If selected by the Game, Fish and Parks Commission, I agree, within 30 days of notification and acceptance of my offer, to enter into negotiations with the South Dakota Department of Game, Fish and Parks for a concession agreement to furnish the accommodations and services as described in the prospectus

Sincerely,

SIGNATURE

_____ DATE _____

(Type or Print Name

TITLE

ADDRESS

(END OF OFFEROR'S TRANSMITTAL LETTER)

CERTIFICATE OF BUSINESS ENTITY OFFEROR

(OR OF OFFEROR-GUARANTOR IF OFFEROR IS NOT YET FORMED)

(Offerors who are individuals should skip this certificate)

I, _____, certify that I am the _____ of the [specify one] corporation/partnership/limited liability company/joint venture named as Offeror (or Offeror-Guarantor, if applicable) herein; that I signed this proposal for and on behalf of the Offeror (or Offeror-Guarantor, if applicable), with full authority under its governing instrument(s), within the scope of its powers, and with the intent to bind the entity.

NAME OF ENTITY: _____

BY _____ DATE _____
(Type or Print Name)

ORIGINAL SIGNATURE _____

TITLE _____

ADDRESS _____

PROPOSAL INSTRUCTIONS

1) Submission of Proposal

- a) Proposals must be received by the due date shown on the front page of this Prospectus.
- b) Proposals must include completion of the forms provided within this Prospectus.
- c) All proposals must be submitted digitally to Sean Blanchette sean.blanchette@state.sd.us. Any information received in the proposals will be confidential and will not be released by the Division unless requested by the bidder to do so. Unsuccessful bids or bids received after the deadline will be deleted.

2) Questions

- a) If you have questions, please contact the following person no later than April 21, 2025.

Sean Blanchette
South Dakota Department of Game, Fish and Parks
Division of Parks and Recreation
523 E Capital Avenue
Joe Foss Building
Pierre, SD 57501
1-605-773-3391

3) Response Format

- a) Please number each page and section in your completed proposal. Add information to your proposal only to the extent that it is necessary and relevant to respond to the selection factor. Each page should have a heading identifying the selection factor and subfactor to which the information contained on the page responds. It is important that your response stays within the organizational framework in the Proposal Package and provides all relevant information directly in response to each selection factor.
- b) The evaluation panel will only take firm commitments into account when evaluating proposals. Responses that include terms such as “look into,” “research,” “may,” “if feasible,” and similar terms are not considered as firm commitments. In addition, the SDGFP considers responses that include a specific time for commitment implementation as a stronger response.
- c) Where page limits are set out in the Proposal Package, the SDGFP will not review or consider the information on any pages that exceed the page limitations stated, including attachments, appendices, or other additional materials the Offeror submits. The SDGFP would like to see clear and concise answers. A longer answer will not necessarily be considered a better answer.
- d) Offerors must use letter-size paper unless a subfactor asks for schematics or drawings, in which case Offerors may use legal or ledger-size paper for the schematics or drawings. Offerors must use 11 or 12 point font for all text within the proposal, including all tables, charts, graphs, and provided forms. The SDGFP will accept images of sample material with smaller fonts.
- e) Page margins must be 1 inch. Page numbers and identifications of confidential information may appear within the margins.

4) Evaluation of Offers

- a) All proposals received by the deadline will be evaluated by the Division of Parks and Recreation based on the following factors:
 - Facilities Maintenance
 - Visitor Experience

- Business Entity and Experience with Similar Operations
 - Financial Capabilities
 - Franchise Fee Offer
- b) The Division of Parks and Recreation reserves the right to reject or disregard any proposals submitted.
- c) Prior to a selection, the Division may conduct followup interviews with up to three top Bidders after initial evaluation. These interviews would take place in person in either Pierre or Sioux Falls, South Dakota.
- d) The Division of Parks and Recreation reserves the right to make counter proposals which it may consider reasonable or desirable, and it reserves the right to negotiate with the bidder making the proposal deemed best to achieve the most desirable Agreement.
- e) The bidder, by submission of this proposal, agrees that if selected by the Department, to complete the negotiation and execution of an agreement within 30 days of notification by the Department.

5) Cautions to Offerors about Submission and Evaluation of Proposals

- a) The proposal includes the selection factors to be used by the Department to evaluate proposals. Under each factor, the Department identifies subfactors to ensure that all elements of the factor are considered. You, the Offeror, should ensure that you fully address all of the selection factors and related subfactors.
- b) Offerors are responsible for undertaking appropriate due diligence with respect to this business opportunity

SELECTION FACTOR 1:

The responsiveness of the proposal to the objectives, as described in the prospectus, of maintaining the resources of Custer State Park. (0-15 points)

SDGFP OBJECTIVES:

SDGFP strives to provide superior outdoor recreational experiences by showcasing South Dakota's natural landscapes and world class state park system while ensuring sustainability of the resource. SDGFP's objective for this factor is to ensure that the Concessionaire's operations prioritize the ongoing maintenance, upkeep, and long-term stewardship of the facilities used by outdoor enthusiasts.

QUESTIONS:

1.A.: Maintenance of Concession Facilities (0-10 points)

Using no more than three (3) pages, including all text, pictures, graphs, etc.

- 1) Describe how you will implement a comprehensive maintenance program for all structures. Include in your description your general practices to address scheduled and unscheduled maintenance, preventive and recurring maintenance, repairs, and component renewal, and minimize impacts to operations and visitors.
- 2) Describe how maintenance activities and repairs will be documented and reported to the Park/Department.
- 3) Identify how emerging issues or urgent preservation concerns will be communicated.

1.B.: Experience with maintaining historic properties. (0-5 points)

Using no more than two (2) pages, including all text, pictures, graphs, etc.

- 1) Describe your overall approach to routine, preventative, and corrective maintenance of historic structures. Explain how your approach differs from maintenance of non-historic facilities.
- 2) Describe your experience complying with applicable historic preservation standards, guidelines, or review processes.
- 3) Explain your rationale and decision-making process relative to contracting with historic preservation/maintenance expertise to address items that may be particularly sensitive or beyond your competencies.
- 4) Explain how and when you will coordinate with the Park/Department prior to undertaking repairs, replacements, or alterations.

SELECTION FACTOR 2:

The responsiveness of the proposal to the objectives, as described in the prospectus, of providing an enhanced visitor experience. (0-15 points)

SDGFP OBJECTIVES:

At our core, we provide incredible opportunities and experiences that keep our customers coming back to the outdoors. We are often the first connection customers have before venturing outside so the way we communicate about how awesome South Dakota's recreational opportunities should be a lot like the outdoor experience itself. It's our job to make sure we deliver on those opportunities, not only in the work we do, but in the words we choose when talking about them and promoting them. Think about what our customers are doing, they are having fun and making memories. They choose to spend their time with us – to connect with us. We want to be welcoming, inviting, relatable, and easy to understand. SDGFP's objective for this factor includes providing the best possible visitor experience and related customer satisfaction that serves to recruit, retain and reactivate outdoor enthusiasts.

QUESTIONS:

2.A: VOLUME OF PEOPLE DURING EVENTS SUCH AS BUFFALO ROUNDUP (0-5 points)

Many park events and peak-use days can draw large crowds and create operational pressure on facilities, staffing, and visitor services. **Using no more than eight (8) pages**, describe how your proposed concession operation will plan for, manage, and continuously improve service delivery during high-attendance events (e.g., festivals, concerts, tournaments, holiday weekends, special programs), while maintaining a safe, efficient, and high-quality visitor experience in addition to normal operations of the Resorts.

In your response, address at minimum the following:

Evaluation Considerations:

The Park hosts a signature event in late September related to the Buffalo Roundup and the Arts and Crafts Festival that occurs the same weekend. The events attract approximately **25,000 attendees over a three-day period**, with concentrated peak demand during limited service windows. Describe in detail how your proposed concession operation will **successfully plan for, staff, and execute food and beverage service at this scale**, while maintaining a **high-quality, safe, efficient, and positive visitor experience** throughout the event.

At a minimum, responses shall address the following:

1. Event-Specific Planning & Capacity Assumptions

- Describe your planning assumptions for serving 25,000 attendees over three days, including:
- Explain how these assumptions inform menu design, staffing levels, equipment needs, and inventory planning.

2. Staffing Plan for High-Volume Service

- Provide a detailed staffing strategy for the event, including:
 - Total number of staff per day and per shift
 - Staff roles (e.g., food prep, point-of-sale, runners, supervisors, sanitation)

3. Menu Design & Production Strategy

- Describe how your menu will be designed to support **speed, consistency, and quality** at high volume.
- Explain preparation methods (pre-event prep, batch cooking, holding strategies) and how you will balance efficiency with freshness and dietary accommodations.

4. Queue Management, Ordering & Throughput

- Describe your approach to managing long lines and minimizing wait times, including:
 - Number and configuration of service points
 - Use of express menus, prepackaged items, or limited-time event menus
 - Cashless or mobile ordering options, if applicable

5. Site Operations, Logistics & Resupply

- Describe your plan for:
 - Inventory storage and rapid resupply during the event
 - Power, water, and waste management

6. Safety, Risk Management & Emergency Coordination

- Describe food safety protocols specific to high-volume, outdoor event conditions.
- Describe coordination procedures with Park staff, public safety, and event management.

7. Visitor Communication & Service Recovery

- Describe how you will communicate menus, pricing, wait-time expectations, and sold-out items to visitors.
- Explain your approach to handling complaints and service recovery in a fast-paced, crowded environment while maintaining positive visitor interactions.

8. Post-Event Recovery & Evaluation

- Describe your post-event closeout plan, including cleanup, waste removal, inventory reconciliation, and equipment breakdown.
- Explain how you will evaluate performance using measurable indicators (e.g., wait times, transactions per hour, health inspections, customer feedback) and apply lessons learned to future events.

Proposals will be evaluated on demonstrated experience with events of comparable scale, realism of capacity assumptions, operational clarity, staffing adequacy, food safety and risk management, and the proposer's ability to deliver a high-quality visitor experience under extreme peak demand.

2.B: ATTRACTING INCREASED VISITATION THROUGH EVENTS/PROGRAMMING (0-5 points)

SDGFP strives to actively recruit, retain, and reactivate outdoor enthusiasts and to provide superior outdoor recreational experiences by showcasing South Dakota's natural landscapes and world class state park system while ensuring sustainability of the resource. The event described in Question 2.A. occurs near the end of the peak visitation season, but there are currently no large-scale events to kick-off the season in early May. **Using no more than three (3) pages**, describe how you might seek to attract visitors during the spring shoulder season through creating a new signature event. Better responses will include:

- A robust description of the event.
- The expected impact the event would have on Park visitation.
- Potential effect on lodging operations.
- How the event would be marketed.
- How you would collaborate/communicate with the local businesses in the area to ensure the event is a success for all stakeholders.

2.C: DIVERSIFICATION OF LODGING, DINING, AND RETAIL ACROSS PARK LOCATIONS (0-5 points)

The Park includes multiple lodging, restaurants, and retail locations, each situated in distinct areas of the Park. Describe how your organization will strategically diversify lodging experiences, dining concepts, and retail offerings across park locations to enhance the visitor experience among diversified user groups, reflect the character of each site, and avoid unnecessary duplication, while operating as a coordinated, park-wide concession program. Please include the following in your response:

1. Lodging Differentiation

- Explain how lodging diversification will serve different visitor needs and economic strata while maintaining consistent quality and operational standards.

2. Restaurant and Food & Beverage Concepts

- Describe how dining options will be differentiated by location
- Explain how menus, pricing, hours, and service models will be tailored to location-specific demand while avoiding redundancy across the park.

3. Retail Diversification

- Describe how retail offerings will vary among locations to reflect visitor needs, site context, and length of stay.
- Explain how essentials, souvenirs, locally relevant products, and higher-value or specialty items will be distributed across retail locations.

4. Complementarity and Cohesion

- Explain how you will encourage exploration of multiple locations while maintaining a cohesive brand identity and service standards.

SELECTION FACTOR 3.

The experience and related background of the offeror, including the past performance and expertise of the offeror in providing the same or similar visitor services as those to be provided under the concession contract. (0-10 points)

Note to Offeror: To assist the SDGFP in the evaluation of proposals under this and other selection factors, provide the following information regarding the organizational structure of the business entity that will execute the Draft Contract. This organizational structure information will not be scored for selection purposes but may be used for assessing responses to various selection factors. If the Offeror is not yet in existence, the Offeror-Guarantor(s) should describe its own experience and explain how such experience will carry over to the Offeror entity.

OFFEROR'S ORGANIZATIONAL STRUCTURE

Describe the entity with which the SDGFP will contract, specifying whether it is currently in existence or is to be formed. Clearly explain and define the Offeror's relationship to any related entities that will affect how the Offeror will perform under the Draft Contract. Identify the entity, if other than the Offeror, that has the authority to allocate funds, and hire and fire management employees, of the Offeror. Identify any individual or business entity that holds or will hold a controlling interest in the Offeror. If the Offeror is an unincorporated sole proprietorship, identify and provide information about the individual who owns and operates the business. If the Offeror is a limited liability company, a partnership, or a joint venture, identify and provide information about each managing member or manager, general partner or venturer, respectively.

Submit your organizational documents (e.g., partnership agreement, articles of incorporation, operating agreement).

Using the appropriate Business Organization Information form (as applicable) at the end of this Selection Factor 3, identify the Offeror and each business entity and/or individual to be involved in the management of the proposed concession operation. Use the form appropriate for your business entity or sole proprietorship and include all information necessary to make the relationship among the parties clear. When completed, the Business Organization Information form should convey the following information:

- 1) The full legal name of the Offeror and any trade name under which it proposes to do business.
- 2) The legal form of the Offeror, if other than an individual.
- 3) The name, address and, if applicable, form of business entity of all owner(s) of the Offeror, including, the precise extent of their ownership interests.
- 4) The name, address and, if applicable, form of business entity of all related business organizations and/or individuals that will have a significant role in managing, directing, operating, or otherwise carrying out the services to be provided by the Offeror. Describe in detail how these relationships will work formally and in practice. Use additional pages if the information does not fit within the forms provided.
- 5) If applicable, the length of Offeror's existence as a business entity.

If the Offeror is not yet formed, submit a Business Organization Information form for each Offeror-Guarantor.

3.A.: OPERATIONAL EXPERIENCE (0-5 points)

The SDGFP believes that past experience is an indication of future performance. Experience operating multi-faceted, mixed-use resorts inclusive of lodging, food and beverage retail and recreation across a diverse landscape and in disparate locations is most relevant. SDGFP will also consider experience with private facilities if the relevance to a public, high-use resort environment is not part of their portfolio. In assessing relevant experience, the Department will evaluate how each example demonstrates the proposer's ability to operate a safe, high-volume, multi-use resort destination. In considering relevancy the

SDGFP will evaluate, among other factors, the length of service at the resort operation, the size and scope of the operation, the number of annual visitors, and the rates charged.

Using no more than **three (3) pages**, including all pictures, graphs, charts, etc., provide example(s) of your experience in the operation and management of high volume resort operations and facilities in the last five years. For each example, provide, at minimum, the following information:

- Facility name
- Facility location
- Annual visitation to facility
- Amenities and other services offered
- Type of arrangement (owner, manager, other)
- Type of facility (public, private, etc.)
- Recent year revenue
- Timeframe and number of years at the operation
- Explain the relevance of each operational experience to Custer State Park. Describe how the experience demonstrates suitability for operating a high-volume, destination resort operation over disparate locations.
- Reference and contact information

Responses will be evaluated based on the proposer’s understanding of the asset classes included in the Draft Contract as well as specific experience working with State agencies and describing successful past collaborations.

3.B.: STAFF TRAINING AND RECRUITMENT (0-5 points)

Operating a large, multi-department concession in disparate park locations presents unique challenges related to recruitment, training, housing, and long-term staff retention. Describe how your organization will **build, train, support, and retain a skilled and service-oriented workforce** capable of delivering consistent, high-quality lodging, retail, and food and beverage services throughout the term of the concession contract.

At a minimum, address the following:

1. Workforce Recruitment Strategy

- Describe how you will recruit employees for this location, including target labor markets, seasonal versus year-round staffing strategies, and use of local, regional, national, and international recruitment pipelines.

2. Training & Service Consistency.

- Explain how training will promote consistent service standards, safety, accessibility awareness, and understanding of the Park’s mission and visitor expectations.

3. Retention, Incentives & Seasonal Continuity

- Describe strategies you will use to retain employees throughout the operating season and encourage return staff in subsequent seasons.

4. Performance Management & Continuous Improvement

- Describe how employee performance will be evaluated and how feedback will be used to improve training, service delivery, and retention.

- Identify workforce-related metrics you will track (e.g., turnover rates, return-season percentage, training completion, employee satisfaction).

Responses will be evaluated based on the proposer's understanding of workforce challenges, realism and completeness of training and retention strategies, ability to support multi-department operations, and demonstrated capacity to maintain a stable, well-trained workforce over time.



BUSINESS ORGANIZATION INFORMATION
Corporation, Limited Liability Company, Partnership, or Joint Venture
(Principal Selection Factor 3- Form A)

Note: Either Form A OR For B is completed for each proposal, depending on the nature of ownership of the company.

Complete separate form for the submitting business entity and any and all parent entities.

Name of Individual and Tradename, if any		
Address		
Telephone Number		
Fax Number		
Email Address		
Contact Person		
Title		
Tax ID #		
State of Formation		
Date of Formation		
Ownership	Percentage of Ownership Interests	Current Value of Investment
Names and Addresses of those with controlling interest and key principals of business		

Total Interests Outstanding and Type(s):		
--	--	--

Officers and Directors or General Partners or Managing Members or Venturers	Address	Title and/or Affiliation

Attach the following:

- Description of relationship of any Offeror-Guarantor to the Offeror with respect to funding and management.

BUSINESS ORGANIZATION INFORMATION

Individual* or Sole Proprietorship

(Principal Selection Factor 3- Form B)

Note: Either Form A OR For B is completed for each proposal, depending on the nature of ownership of the company.

Complete separate form for the submitting business entity and any and all parent entities.

Name of Individual and Tradename, if Any**	
Address	
Telephone Number	
Fax Number	
Email Address	
Contact Person (if other than the Offeror)	
Tax ID #	
Years in Business (of same type as required service(s))	
Current Value of Business	
Role in Providing Concession Service(s)	

SELECTION FACTOR 4.

The financial capability of the offeror to carry out its proposal. (0-5 points)

Notes to Offeror:

In the event the Offeror is not yet in existence, provide the information described below with respect to both the to-be-formed Offeror and the Offeror-Guarantor(s). The submission must include the Offeror's Transmittal Letter signed by each Offeror-Guarantor that unconditionally states and guarantees the Offeror-Guarantor will provide the Offeror with all funding, management and other resources that the Draft Contract requires and the proposal offers. Failure to provide the required documentation may lead to the SDGFP determining your offer is non-responsive and ineligible for award of the Draft Contract.

All forms are provided electronically as an Appendix to the prospectus. The Offeror must complete all forms provided and submit the Excel spreadsheet file.

This selection factor has no subfactors. SDGFP will score the selection factor based upon the entirety of the response.

Demonstrate that you have a credible, proven track record of meeting your financial obligations. The Offeror (or each Offeror-Guarantor) must provide comprehensive materials to demonstrate that it has a history of meeting its financial obligations by providing the following:

- 1) The completed **Business History Information** form provided at the end of this section for the Offeror AND any entity that will provide financial or management assistance. If the Offeror is not yet formed, provide a business history form for each Offeror-Guarantor.
- 2) A completed credit report in the name of the Offeror and a complete credit report for any entity that will provide financial assistance that includes scores and is dated within six months prior to the date of the proposal. The report must be from a major credit reporting company such as Equifax, Experian, TRW, or Dun & Bradstreet. If the Offeror is not yet formed, include a credit report for each Offeror-Guarantor.

Demonstrate the Offeror's business experience and financial capacity by providing the following:

Submit the Offeror's audited financial statements for the two most recent fiscal years, with all notes to the financial statements. Audited financial statements must also be provided for any general partners in a partnership (or deemed partnership, such as husband and wife), and all venturers in a joint venture. If the Offeror is not yet formed, submit audited financial statements for each Offeror-Guarantor.

If audited financial statements are not available, explain in detail why they are not available.

If audited financial statements are not available but reviewed statements are, explain why the statements were reviewed rather than audited.

If neither audited nor reviewed statements are available, explain in detail why they are not available and submit:

Certified financial statements. The Offeror (or Offeror-Guarantor(s), as applicable) must submit its financial experience including financial statements that are certified as to accuracy and completeness by an authorized officer of the entity or by the individual Offeror, as appropriate.

If none of the above are available, explain in detail why they are not available and submit:

Personal financial statements. The Offeror (or Offeror-Guarantor(s), as applicable) must submit personal financial statements certified as to accuracy and completeness by the submitting individual for each of the Offeror's principals.

Demonstrate that your proposal is financially viable and that you understand the financial obligations of the Draft Contract by providing the following:

Provide your estimate of the acquisition and start-up costs of this business using the Initial Investment and Start-Up Expense and the Initial Investments and Start-Up Expense Assumptions forms included in the Excel spreadsheets provided as an Appendix to the prospectus. Explain fully the methodology and the assumptions used to develop the estimate. The information provided should be of sufficient detail to allow a reviewer to understand how the estimates were determined. If you are the Existing Concessionaire and do not anticipate any additional initial investment or start-up costs, please state that you consider the current personal property and assets adequate to operate this concession opportunity successfully.

Using the Excel spreadsheets provided as an Appendix to the prospectus, complete the Income Statement and Income Statement Assumptions forms and the Cash Flow Statement and the Cash Flow Statement Assumptions forms found in tabs within the Excel workbook. Provide estimates of prospective revenues and expenses of the concession business in the form of annual prospective income and cash flow statements for the entire term of the Draft Contract. Complete the Operating Assumptions tab to explain your financial projections. Also complete the Recapture of Investment and the Recapture of Investment Assumptions forms. Recapture amounts should also be included in the cash flow proforma, not the proforma income statement.

Below are some general notes regarding the provided forms found in the Appendices attached to the Prospectus.

- The SDGFP has provided forms that request the information in the format it desires. These forms may differ from the format and requirements set forth in generally accepted auditing standards (GAAS) with regard to prospective financial statements. The SDGFP does NOT request that the prospective financial statements be reviewed in accordance with GAAS.
- Do not add or eliminate rows on the Excel spreadsheets provided in the appendix. Columns should not be deleted; however, columns may be added to reflect the number of years in the Draft Contract term, if necessary. If you wish to provide additional information, do so in additional spreadsheets, outside of the ones provided. If additional information is provided, clearly identify how it fits into the income statement, cash flow, and/or assumption tables. For the purpose of the pro forma statements, use the calendar year as the fiscal year.
- Provide a clear and concise narrative explanation of the method(s) used to prepare the estimates and the assumptions on which your projections are based. Information must be sufficiently detailed to provide a full understanding of how the estimates were determined.
- **Complete all of the forms provided and submit the completed electronic Excel workbook file using the template provided.**

Demonstrate your ability to obtain the required funds for the initial investment, as listed in the Business Opportunity, and other investing activities under the Draft Contract by providing credible, compelling documentation, particularly evidence from independent sources, such as bank statements, audited or reviewed financial statements, and signed loan commitment letters. Fully explain the financial arrangements you propose, using the following guidelines.

The more definite the terms stated in the documentation, the more credible the SDGFP is likely to find the Offeror's ability to obtain the required funds.

- 1) If funds are to be obtained from cash on hand or operating cash flows from the Offeror's current business, document each source and the availability of these funds by providing your previous and current audited financial statements for the two most recent fiscal years, with all notes to the financial statements. Depending on the Offeror's form of entity, provide audited financial statements for any individual Offerors, general partners in a partnership, and all venturers in a joint venture.
- 2) If the Offeror is not formed and the Offeror-Guarantor is funding the required start-up costs, provide for each Offer-Guarantor the documentation for the appropriate type of Offer-Guarantor (individual, business entity) as described below.

- 3) If funds are to be obtained from lending institutions (banks, savings and loans, etc.), provide supporting documents including but not limited to documents that describe the approximate amount of the loan, the term of the loan and any proposed encumbrances on the Draft Contract. Include a letter (addressed to the SDGFP from the lender on the lending institution's letterhead) stating the amount of funds available to the Offeror at the date of the letter. In addition, the letter must outline the Financial Institution's historical relationship with the Offeror. Specifically, the Financial Institution should provide the following information: number of years of the relationship; description and amount of all credit facilities extended along with their average annual outstanding balance and current outstanding balance; current account balance; and statement of whether the Offeror has met all obligations with the Financial Institution as required.
- 4) If funds are to be obtained from an individual, or a business entity whose primary fund source is an individual, provide the following as appropriate with respect to such individual:
 - Signed funding commitment from the individual (stating the approximate amount of the loan, the term, and any proposed encumbrances on the Draft Contract)
 - Current personal financial statement certified as to accuracy and completeness by the individual submitting it
 - Current bank/financial institution documents that verify the account(s) and account balance(s) for the primary fund source
 - Documentation of any assets to be sold
 - Any other assurances or documents that demonstrate that the funds are available
- 5) If funds are to be obtained from working capital liabilities (such as advance deposits), please provide estimates and a rationale for each estimate. The information provided should be of sufficient detail to allow a reviewer to fully understand how the estimates were determined.
- 6) If funds are to be obtained from another source (e.g., a business entity whose primary fund source is not an individual), provide the following as appropriate:
 - Signed funding commitment from the fund source stating the approximate amount of the loan, the term, and any proposed encumbrances on the Draft Contract
 - Current audited financial statements for the most recent year (see 4(b) above if audited financial statements are not available)
 - If the current audited financial statements do not evidence that the source has the necessary funds to make the funding commitment, provide additional documentation.

NOTE: *If the Offeror is obtaining even a part of the necessary funds from another, the SDGFP must be able to determine from the documents submitted that the Offeror is highly likely to obtain either a stated amount or an unlimited amount of funding from an entity with sufficient financial capability to provide the funds.*



**BUSINESS HISTORY INFORMATION FORM
PROPOSAL PACKAGE
Custer State Park Resort
(Selection Factor 4)**

Business history information should be provided for the Offeror AND any entity that will provide financial or management assistance. If the Offeror is not yet formed, provide a business history form for each Offeror-Guarantor.

The information provided below is for the entity: _____

(1) Has Offeror ever defaulted from or been terminated from a management or concession contract, or been forbidden from contracting by a public agency or private company?

YES NO

If YES, provide full details of the circumstances.

(2) List any Bankruptcies, Receiverships, Foreclosures, Transfers in Lieu of Foreclosure, and/or Work-Out/Loan Modification Transactions during the past five years. Include an explanation of the circumstances, including nature of the event, date, type of debt (e.g., secured or unsecured loan), type of security (if applicable), approximate amount of debt, name of lender, resolution, bankruptcy plan, and/or other documentation as appropriate. If none, check the box below. Otherwise, provide full details below.

NONE

(3) Describe any pending litigation or administrative proceeding (other than those covered adequately by insurance) which, if adversely resolved, could materially impact the financial position of the Offeror. If none, check the box below. Otherwise, provide full details below.

NONE

(4) Describe any lawsuit, administrative proceeding or bankruptcy case within the past five years that concerned the Offeror's alleged inability or unwillingness to meet its financial obligations. If none, check the box below. Otherwise, provide full details below.

NONE

(5) Describe any liens recorded against the Offeror within the past five years (whether from taxing authorities or judgments) and, if resolved, provide a copy of any lien release. If none, check the box below. Otherwise, provide full details below.

NONE

SELECTION FACTOR 5.

The amount of the proposed minimum franchise fee and the other forms of financial consideration to the Director. (0-5 POINTS)

The minimum franchise fee acceptable to the SDGFP is **19.6% of gross receipts**.

The offer of a higher franchise fee than this minimum is generally beneficial to the SDGFP and accordingly will generally result in a higher score under this selection factor; however, consideration of revenue to the Department is subordinate to the objectives of protecting, conserving, and preserving resources of the Park area and of providing necessary and appropriate visitor services to the public at reasonable rates.

State the amount of franchise fee you propose. Such fee must be at least equal to the minimum franchise fee set forth above. Express this fee as a percentage of annual gross receipts. **Do not propose a tiered franchise fee**, e.g., 5.0% on the first \$10,000 of gross receipts, 6.0% on gross receipts between \$10,001 and \$25,000, 7.0% on gross receipts from \$25,001 and above.

_____ percent of annual gross receipts

**CONCESSION AGREEMENT
CUSTER STATE PARK RESORT**

This Concession Agreement is made and entered into on _____ ("Effective Date") by and between the South Dakota Department of Game, Fish and Parks ("Department") 523 East Capitol, Pierre South Dakota 57501, and the _____ ("Concessionaire")

_____. This Agreement is authorized by the South Dakota Game, Fish and Parks Commission and is subject to and governed by the requirements of ARSD Article 41:13 subtitled Park Concession Leases effective October 17, 2005, (the "Rules") a copy of which has been provided to Concessionaire.

WITNESSETH

Whereas, Custer State Park is administered by the Department for providing park and related services, tourism, and resource management; and

Whereas, the Department desires to have a limited and prescribed portion and areas of Custer State Park operated by a concessionaire as a resort open to the general public; and

Whereas, the Department chooses to commercially operate the area through a private concessionaire to provide services to the general public; and

Whereas, the Department has provided grounds and facilities of the area, and desires a private concessionaire to operate the same; and

Whereas, the Commission has promulgated the Rules relating to concession leases under which certain powers and authority to enter into concession leases and agreements have been delegated to the Department; and

Whereas, Concessionaire desires to enter into a concession agreement with the Department to operate a resort concession in portions of Custer State Park and be a concessionaire, as defined in the Rules.

Now therefore, for the purposes of carrying out concession operations in part of the Park pursuant to the terms and conditions of this Agreement, the parties agree as follows:

Section 1. Term of Agreement

- (a) This Agreement shall be for a term of ten (10) years, commencing on February 1, 2027 and ending on January 31, 2037.

Section 2. Definitions

- (a) "Agreement" means this Concession Agreement, and all its amendments, addendums, exhibits, and attachments.
- (b) "Commission" means the South Dakota Game, Fish and Parks Commission.
- (c) "Concessionaire" means as defined under ARSD 41:13:01.
- (d) "Concessionaire Facilities" means as defined under ARSD 41:13:01.
- (e) "Department" means the South Dakota Department of Game, Fish and Parks.
- (f) "Division" means the Division of Parks and Recreation, a division of the Department of Game, Fish and Parks responsible for the administration of the state park system, including Custer State Park.
- (g) "Director" means the Director of the Division of Parks and Recreation, acting on behalf of the Secretary of the Department of Game, Fish and Parks, and his or her duly authorized representatives.
- (h) "Fair Market Value" means as defined under ARSD 41:13:01.
- (i) "Government Facilities" means as defined under ARSD 41:13:01
- (j) "Gross Receipts" means all revenue received, to be received, or realized by Concessionaire from all sales for cash or credit, of services, accommodations, materials and other merchandise made pursuant to the rights granted under this Agreement, Gross Receipts of SubConcessionaires, commissions earned on leases or agreements with other persons or companies operating in the Resort, and revenue earned from sales through electronic media, mail order or otherwise. Concessionaire shall report all of its revenues to the Department without allowances, exclusions or deductions of any kind. For purposes of franchise fee calculation, gasoline sales will be excluded from Gross Receipts.
- (k) "Gross Receipts of SubConcessionaires" means all revenue received, to be received, or realized by SubConcessionaires from all sales for cash or credit, of services, accommodations, materials and other merchandise made as a result of the exercise of the rights conferred by a lease, license or agreement between the Concessionaire and a SubConcessionaire at the Resort, revenues

of Sub-SubConcessionaires, commissions earned on leases or agreements between SubConcessionaires and other persons or companies operating in the Resort, and revenue earned from sales through electronic media, mail order or otherwise. A Sub Concessionaire shall report all its revenues to the Concessionaire without allowances, exclusions or deductions of any kind or nature.

- (l) "Park" means the property within the boundaries of Custer State Park.
- (m) "Personal Property" means as defined in ARSD 41:13:01.
- (n) "Possessory Interest" means as defined in ARSD 41:13:01.
- (o) "Qualified Appraiser" means as defined in ARSD 41:13:01.
- (p) "Resort" means the geographic area as set forth in Exhibit A-1 that includes Government Facilities and Concessionaire Facilities assigned to the Concessionaire as set forth in Exhibit A-2 and A-3, and the operation thereof as permitted under this Agreement.
- (q) "SubConcessionaire" means a third party that, with the approval of the Director, has been granted rights by Concessionaire to operate under a concession lease, license or agreement (or any portion thereof) between Concessionaire and a third party, or between a SubConcessionaire and a third party, whether in consideration of a percentage of revenues or otherwise.
- (r) "Superintendent" means the Superintendent of Custer State Park or his or her duly authorized representatives.

Section 3. Accommodations, Facilities and Services

- (a) Concessionaire shall provide the following accommodations, facilities, and services within the Resort, subject to the Performance Standards for the Operation and Maintenance of Custer State Park Resort attached to the Agreement as Exhibit B:

Minimum Required Accommodations, Facilities and Services

Required Service	Location	Details
Lodging	Blue Bell Lodge	30 rental cabins
	State Game Lodge	40 motel rooms, 30 Creekside rooms, 6 historic rooms, and 26 cabins
	Legion Lake Lodge	27 Cabins
	Sylvan Lake Lodge	35 rooms, 31 Cabins
Food and Beverage	Blue Bell Lodge	Restaurant and Lounge
	State Game Lodge	Restaurant and Lounge
	Legion Lake Lodge	Restaurant and Lounge
	Sylvan Lake Lodge	Restaurant and Lounge
Retail Stores	Blue Bell Lodge and General Store	Gift Shop and Convenience
	State Game Lodge	Gift Shop and Convenience
	Coolidge General Store	Gift Shop and Convenience
	Legion Lake Lodge	Gift Shop and Convenience
	Sylvan Lake Lodge and General Store	Gift Shop and Convenience
	Bison Center	Gift Shop and Convenience
Rentals	Sylvan Lake Lodge	Non-motorized canoe, kayak, and paddle boats
	Legion Lake Lodge	Non-motorized canoe, kayak, and paddle boats
Guide Services	Blue Bell Lodge	Horseback riding, chuckwagon rides and cookouts
	State Game Lodge	Fishing guide service, jeep tours
Catering	State Game Lodge	54' x 51' Event Barn 25' x 51' Outdoor Patio 60' x 76' Pavilion
	Creekside Lodge	21' x 27' Norbeck Room 33' x 29' Coolidge Room
	Sylvan Lake Lodge	84' x 42 Auditorium 10' x 84' Patio 22 x 12 Lodge Meeting Room 1,700 SF Veranda (within restaurant)
	Blue Bell Lodge	38' x28' White Buffalo Room 25' x 18' French Creek Room
Wireless Internet Services	All lodge locations	Available in lodging, lounge, restaurant, and lobby areas, at minimum
Automotive Fuel Sales	Coolidge General Store and Blue Bell General Store	8,000 SF Coolidge Store 3,775 SF Blue Bell Store

- (b) The Department retains the right to authorize additional accommodations, facilities, services and merchandise within the Park. The Department shall give the Concessionaire first opportunity to provide such additional accommodations, facilities, services and merchandise. If Concessionaire does not desire to provide such additional accommodations, facilities, services and merchandise, or if the Department and Concessionaire are unable

to agree upon the terms under which Concessionaire would provide such additional accommodations, facilities, services and merchandise, the Department shall be entitled to contract with a third party to provide said additional accommodations, facilities, services and merchandise within the Resort under terms acceptable to the Department.

- (c) The Department reserves the right to establish reasonable standards as to the nature, type and quality of Concessionaire's merchandise. The Department retains the right to disapprove types of merchandise that do not meet these standards. The Operating Plan provided in Exhibit B provides a descriptions of the Department's merchandise standards.

Section 4. Rates and Quality Control

- (a) All rates, fees and prices charged the public by Concessionaire must be reasonable and comparable to the fees, rates and charges charged for similar accommodations, facilities, services and merchandise in the region or outside the region if similar accommodations, facilities, services and merchandise are not provided in the region. All rates and prices for accommodations, facilities, services and merchandise shall be clearly posted or marked.
- (d) The Department reserves the right to establish reasonable standards as to the nature, type and quality of the Concessionaire's s, accommodations, facilities, services and merchandise. The Operating Plan provided in Exhibit B provides a descriptions of the Department's standards related to the required services offered in the contract. All accommodations, facilities, services and merchandise sold are subject to the rules and laws of the State of South Dakota and the United States.
- (b) Concessionaire may grant complimentary or reduced rates under such circumstances as are customary in businesses of the character conducted under this Agreement. However, the Director reserves the right to review and modify Concessionaire's and/or SubConcessionaire's complimentary or reduced rate policies and practices.

Section 5. Capital Development and Improvements

- (a) Concessionaire, with prior written approval of the Director, may construct, modify or install at its cost such fixtures, structures, or improvements to Government Facilities or Concessionaire Facilities necessary for the operations required or authorized hereunder, subject to the Possessory Interest (and extent thereof) as authorized by ARSD 41:13. Concessionaire shall acquire no

Possessory Interest to any fixtures, structures, and improvements made to Government Facilities or Concessionaire Facilities without the written approval of the Director. Requests shall be made in writing to the Department in sufficient detail to determine the scope, financing and scheduling of the proposed project. Drawings, maps or illustrations shall accompany the written request which accurately describe the location and design of all proposed fixtures, structures and improvements and affected areas. All requests must address the requirements of the Americans with Disabilities Act.

Unless otherwise agreed upon by the parties in advance, professionally developed design and construction plans for each project contemplated and requested by Concessionaire, prepared by architects, engineers and/or contractors, shall be submitted to the Director for approval. The design and construction plans shall include: a written narrative of the proposed work, the estimated cost of the fixtures, structures and improvements contemplated and any required regulatory or permit information applicable. No construction, modification, or installation of fixtures, structures and improvements shall commence without receipt of written approval from the Director. Once approved, Concessionaire shall make no changes or alterations to the construction plans except upon the Director's written approval. Concessionaire agrees that any review or approval by the Director of Concessionaire's construction plans is solely for the benefit of the Department, and without any representation, warranty or liability whatsoever to Concessionaire or any other person with respect to the adequacy, correctness or sufficiency thereof or any compliance with all local, state and federal laws, regulations and building codes, or otherwise. All designs and construction of the fixtures, structures and improvements shall be in compliance with all local, state and federal laws, regulations and building codes. The Director may require plans to be prepared, approved and signed off by a professional licensed architect and/or engineer for a proposed project.

Concessionaire shall timely commence and complete construction of the fixtures, structures and improvements in accordance with the construction plans as approved by the Director. During the process of construction and upon its completion, the Director shall have the right to periodically inspect the construction project. Upon completion of construction, Concessionaire shall submit to the Director a certification of an architect, engineer and/or contractor certifying that the fixtures, structures and improvements have been completed in accordance with the construction plans.

Upon completion of these projects, Exhibit A shall be amended to include the additions and value of Possessory Interest associated with the fixtures, structures and improvements.

- (b) In addition to any rights and remedies afforded to the Department for breach of Agreement, the construction of any unauthorized fixtures, structures and improvements to or of Concessionaire Facilities and/or Government Facilities, at the discretion of the Department, must either be;
- restored to their original condition at the expense of Concessionaire, or
 - become Government Facilities with no Possessory Interest compensation.
- (c) Activities involving any ground disturbance, placement of fill material, prescribed burning of vegetation or tree removal shall require prior written approval from the Department. Any requests for these activities shall be made to the Department in writing in sufficient detail to determine the scope and schedule of the proposed project. Drawings, maps or illustrations accurately describing the location of these activities shall accompany the written request. All activities involving any ground disturbance, placement of fill material, prescribed burning of vegetation or tree removal shall be completed in compliance with all local, state and federal laws and regulations.
- (d) In the event that the Department approves the Concessionaire to construct fixtures, structures or improvements to Concessionaire Facilities or Government Facilities, Concessionaire shall be responsible for securing all necessary licenses and permits required under local, state and federal laws and regulations.
- (e) All construction activities must meet or exceed existing levels of craftsmanship. No Department owned resources or materials from the Park shall be used in any project, except by written consent of the Department.
- (f) Concessionaire shall not cause, permit or suffer any lien or encumbrance to attach to the Resort, the Concessionaire Facilities or Government Facilities, except for capital development improvements to Concessionaire Facilities as outlined in Section 5. If Concessionaire shall cause, permit or suffer a lien or encumbrance to attach, Concessionaire shall cause the same to be cancelled and discharged of record by bond or otherwise as allowed by law at the expense of Concessionaire within thirty (30) days after the filing thereof. Concessionaire shall defend on behalf

of the Department, at Concessionaire's sole cost and expense, any action, suit or proceeding which may be brought thereon for the enforcement of such lien or encumbrance. Concessionaire shall pay any damages, including payment of any legal expenses incurred by the Department for doing the same in the event Concessionaire fails to obtain cancellation or discharge of the lien or encumbrance, fails to satisfy and discharge any judgment entered thereon and/or fails to save the Department harmless from any claim or damage resulting therefrom.

Section 6. Facilities

- (a) The Department hereby assigns for use by Concessionaire, the Government Facilities identified in Exhibit A-3, located within the Resort as identified in Exhibit A-1. The Department also assigns to Concessionaire the Concessionaire Facilities set forth in Exhibit A-2. Upon execution of this Agreement, Concessionaire shall pay to Regency Inns Management Inc., d/b/a Custer Resort Company ("Regency"), or to the Department if the Department has previously purchased from Regency the Concessionaire Facilities for the value of the Possessory Interest, the sum of \$1,300,000 for the Concessionaire Facilities, which amount is identified and set forth in Exhibit A-2.
- (b) Concessionaire has inspected the Government Facilities and Concessionaire Facilities identified in Exhibit A-2 and A-3 and is thoroughly acquainted with their condition and accepts them and other items in an "as is" condition.
- (c) The Department reserves the right to withdraw or expand the land, Government Facilities and/or Concessionaire Facilities located within the Resort during the term of this Agreement for the purposes of protecting the Park and its visitors, and/or to restrict or provide additional accommodations, facilities, services and/or merchandise. Any material adjustment shall require an appropriate adjustment to the franchise fees, if necessary, and the terms of ARSD 41:13:03:04 (4) shall apply.
- (d) Both parties understand that the State of South Dakota may self-insure Government Facilities. Therefore, if a Government Facility is damaged beyond functional use, the Department makes no assurance that the Government Facility shall be repaired, improved or replaced.
- (e) If Government Facilities are damaged by the acts or conduct of Concessionaire, its agents, employees or customers, but not beyond its functional use, it shall be the responsibility of

Concessionaire to make necessary repairs at its own expense to a condition satisfactory to the Department. If Government Facilities are damaged by the acts or conduct of Concessionaire, its agents, employees or customers, but beyond its functional use, it shall not be the responsibility of Concessionaire to make necessary repairs, but the provisions of Section 6(d) shall apply.

- (f) The Department shall have the right to enter the Resort, Government Facilities and Concessionaire Facilities for the proper administration of the terms of this Agreement and other purposes the Department deems necessary, including health and safety inspections.
- (g) In the event that a Concessionaire Facility is removed, abandoned, demolished, or substantially destroyed and no other improvement is constructed on the site, Concessionaire shall at its own expense, promptly restore the site to its natural condition to the extent that the Concessionaire Facility had an impact upon the site.

Section 7. Operations and Maintenance

- (a) Concessionaire shall operate the Resort in compliance with the terms and conditions of this Agreement including the performance standards for the Operation and Maintenance of the Resort set forth in Exhibit B. The performance standards are established in order to maintain a high standard of public service, physical appearance, operation, repair and maintenance.
- (b) Concessionaire shall comply with the specific dates and hours of services specified in Section 2 of Exhibit B.
- (c) Concessionaire, at its expense, shall provide all maintenance of Concessionaire Facilities, Government Facilities and Personal Property located within the Resort, and perform such work in accordance with the performance standards contained in Exhibit B. Concessionaire shall also be responsible for keeping the Resort free from litter, complying with environmental laws and regulations, complying with safety rules, laws and regulations, and maintaining in good order and in a safe condition the grounds, Government Facilities, Concessionaire Facilities, and Personal Property of and within the Resort and in accordance with the performance standards contained in Exhibit B.
- (d) At the expiration or termination of this Agreement, Concessionaire shall return to the Department the Government Facilities in the same condition or better condition than existed at the initiation of this Agreement, reasonable wear and tear excepted.

- (e) Concessionaire must provide the Department with an Operations Plan each year. Specific requirements of the Plan are outlined in Exhibit B Section 2 (a).
- (f) Concessionaire shall not do or permit to be done any act or thing within the Resort and within Concessionaire's operations which shall or might subject the Department to any liability or responsibility or injury to any person or to property by reason of any business or operation being carried on or upon the Resort or by Concessionaire. Concessionaire shall comply with all laws, orders and regulations of federal, state and local authorities, and with any direction of any public officer or officers pursuant to applicable laws which impose any order or duty upon Concessionaire with respect to the Resort, the use or occupation thereof, or with respect to Concessionaire's business and operations.
- (g) Concessionaire shall occupy the Resort as of the Effective Date and thereafter will continuously use the Resort solely for the purpose of providing the accommodations, facilities, services and merchandise identified in Section 3 and other uses incidental thereto. Concessionaire shall not use or knowingly permit any part of the Resort to be used for any unlawful purpose and shall not conduct, or allow to be conducted, any activity that shall constitute a nuisance.
- (h) Concessionaire acknowledges and agrees that the State makes available for purchase and use by Concessionaire within the Resort the alcoholic beverages licenses that are identified in Exhibit A-4. Concessionaire agrees to purchase from Regency on the Effective Date the alcoholic beverages licenses for the purchase prices set forth in Exhibit A-4. Concessionaire shall comply with all laws and regulations applicable to the alcoholic beverages licenses, including but not limited to the timely payment of all sales taxes assessed upon sales of alcoholic beverages. Upon the termination or expiration of this Agreement, Concessionaire agrees to sell to the Department or to a New Concessionaire the alcoholic beverages licenses for the same prices paid by Concessionaire as set forth in Exhibit A-4 and to cooperate in the transfer of the licenses.
- (j) Any names, logos, trademarks, or copyrights (the "Intellectual Property") developed during or pursuant to this Agreement that in any way associates with, identifies, implicates, or infers an affiliation with the State of South Dakota, the Department, the State Park System, Custer State Park, and/or the Resort must receive prior approval from the Commission and belongs to the State of South Dakota upon creation and continues in the State of South Dakota's exclusive ownership upon termination of this Agreement.

For all Intellectual Property approved by the Commission, Concessionaire shall receive a non-exclusive, non-transferable license to use the Intellectual Property with respect to the accommodations, facilities, services and merchandise offered for sale by Concessionaire. The license shall be limited to the sale of accommodations, facilities, services and merchandise from the Resort only. Concessionaire shall not offer for sale outside of the Resort, including by mail order, other store locations and the Internet, the services and merchandise without the Department's prior written consent. Concessionaire shall not be permitted to sublicense any of the Intellectual Property without the Department's consent. Concessionaire agrees to cooperate in the filing of any affidavits and applications by providing proof of use of the Intellectual Property upon the Department's reasonable request. Concessionaire acknowledges that the Department has the unrestricted authority to set the standards for the use of the Intellectual Property, as well as the standards, specifications and qualities of the accommodations, facilities, services and merchandise. As such, the Department shall have the right, at all reasonable times, to inspect Concessionaire's business locations, services and merchandise for quality verification purposes. The Department, on behalf of the State of South Dakota, does not make any representation or warranty with respect to the Intellectual Property and the use thereof, and expressly disclaims all representations and warranties including, without limitation, the warranty of non-infringement. Concessionaire agrees to promptly notify the Department of any possible infringement of the Intellectual Property by third parties or, of any claims of infringement against Concessionaire and/or the State of South Dakota made by a third party. The State of South Dakota shall have the sole right to bring any action for infringement and to recover and retain any and all damages. Exhibit E lists specific intellectual property retained by SDGFP.

Section 8. Utilities

Concessionaire shall pay utility costs for electricity and garbage disposal. Water and sewer shall be provided by the Department. Maintenance responsibilities of Concessionaire for Department-owned utility systems within the Resort shall be in accordance with the performance standards set forth in Exhibit B.

Section 9. Accounting Records and Other Reports

- (a) Concessionaire shall prepare and maintain operation and accounting records of the Resort as outlined in Exhibit B. Records

shall be made available for inspection by the Department on reasonable notice during normal working hours.

- (b) All capital costs of any fixtures, structures or improvements for which Concessionaire claims a Possessory Interest shall be recorded at actual cost and the depreciation schedule shall be based on generally accepted accounting principles, all of which shall be submitted to the Department at the time such capital assets are entered on Concessionaire's books.

Section 10. Fees

Franchise Fees: Concessionaire shall pay to the Department a franchise fee which shall be a sum of money equal to _____ percent (___%) of all Gross Receipts during each year of the Agreement term. Payments shall be made monthly by the 15th of June – October for each preceding month. Payments for the months of October and November shall be paid before the 31st day of December, and payments for December through April shall be paid before the 31st day of May. Payments to the Department by Concessionaire not received on or before the due date shall be considered to be in arrears and subject to an interest payment equivalent to one and one-half percent (1 ½%) per month of the unpaid amount which shall be added to the following month's remittance.'

- (a) Component Renewal Reserve: In addition to the franchise fees as hereinbefore provided, Concessionaire is hereby required to establish a Component Renewal Reserve as further described in Section 14 of this Agreement. This reserve shall be credited by the 15th of every month based upon the preceding month's Gross Receipts.
- (b) Promotion Fee: In accordance with SDCL 41-17-22.1 Concessionaire shall be responsible for collecting and remitting to the Department a two percent (2%) promotion fee on all sales of tangible personal property consisting of goods, wares, merchandise and of any services or accommodations, within the Resort or Park. The promotion fee shall be paid on a monthly basis and shall be based on all Gross Receipts. Payments shall be due on the same dates as are the franchise fees.
- (c) Rental Fees: Concessionaire shall pay rental housing fees on any housing rented in excess of the five housing units identified in Exhibit B. The tenancies shall be month-to-month. The rental fees shall be established by negotiation with the Department prior to occupancy, and shall be due on the 15th of every month for rental of housing for the successive month. Rental fees shall be consistent with housing rental rates charged within the region for similar housing.

Section 11. Remedies, Termination or Expiration of the Agreement

- (a) Procedures upon termination or expiration of this Agreement shall be in accordance with ARSD 41:13.
- (b) Upon termination or expiration of this Agreement for any reason, and, in the event that Concessionaire is not to continue the operations authorized under this Agreement after its expiration, Concessionaire shall comply with all applicable requirements of Exhibit C to this Agreement, "Transition to New Concessionaire." This section and Exhibit C shall survive the expiration of this Agreement.
- (c) The Department may elect any and all remedies available to the Department under applicable law, including but not limited to the termination of this Agreement upon written notice in whole or in part at any time for default, and may terminate this Agreement upon written notice in whole or in part when necessary for the protection of visitors or area resources. Termination for default may be utilized in circumstances where the Concessionaire has materially breached any requirements of this Agreement, including but not limited to failure to maintain and operate the minimum required accommodations, facilities, services and merchandise as provided in Section 3 herein, sale of merchandise disapproved for sale, failure to meet the requirements of the operations and maintenance performance standards as set forth in Exhibit B, and has failed to cure the breach as set forth in this Subsection. If Concessionaire materially defaults on any of the terms or conditions of this Agreement, and does not cure or remedy such default within ten (10) days of receipt of written notice from the Department, or Concessionaire is not diligently proceeding to cure such default if the curing of such default cannot be reasonably effected within such ten (10) day period, the Department may terminate this Agreement without further notice.
- (d) In the event of termination of this Agreement for default, the provisions of this Section apply.
- (e) To avoid interruption of service at the Resort upon expiration or termination of this Agreement, Concessionaire shall, at the option of the Department:
 - (i) Continue to provide visitor services for a reasonable time, as agreed upon in writing by the parties, to enable the Department to select a successor, and to allow the successor to otherwise comply with the terms of this Agreement in the ordinary course of business and endeavor

to meet the standards of service and quality that are required by the Department in order to maintain customer service in conjunction with Exhibit B; or

- (ii) Consent to the assignment of a temporary operator, or operation by the Department, for the operation of the Concessionaire Facilities and Personal Property for a period not to exceed 365 days; provided that the temporary operator or the Department pays Concessionaire a reasonable fee for the use of the Concessionaire Facilities and Personal Property, not to exceed ten percent (10%) annually of the depreciated book value of such Concessionaire Facilities and Personal Property used by the temporary operator or the Department, and prorated for the amount of time they are in use by the temporary operator or the Department.
- (iii) Consent to the purchase of Concessionaire's inventory and supplies by the temporary operator or the Department for use or resale purposes. The temporary operator or the Department must reimburse Concessionaire for any inventory and supplies purchased by Concessionaire and retained by the temporary operator or the Department for use or resale purposes. The value of the inventory and supplies retained by the temporary operator or the Department shall be determined by actual invoice amounts submitted to or paid by Concessionaire.
- (f) The Department shall have a right of offset against amounts owed the Department for all amounts owed by the Department under this Agreement.
- (g) The Department shall be entitled to recover as damages all costs and expenses caused by Concessionaire's default, including but not limited to the Department's attorneys' fees. In addition, all amounts due the Department hereunder shall accrue interest at the rate of one and one-half percent (1.5%) per month from the date the amount is due until paid.
- (h) In addition to the rights and remedies provided for herein, the Department and Concessionaire shall each have all remedies at law or in equity, all remedies being cumulative.

Section 12. Possessory Interest Provisions

Possessory Interests for Government Facilities and Concessionaire Facilities shall be determined in accordance with ARSD 41:13. The Department shall have a right of offset against amounts owed the Department for all amounts owed by the Department for any Possessory Interests purchased by the Department.

Section 13. Indemnification, Waiver of Claims and Insurance

- (a) Concessionaire agrees to defend, hold harmless and indemnify the State of South Dakota, its officers, agents and employees, from and against any and all actions, suits, damages, liabilities and expenses, including but not limited to attorneys' fees, in connection with the loss of life, personal injury and/or damages to property of third persons that may arise from or out of the occupancy, use or maintenance of the Resort, and as a result of performing services hereunder. This section does not require Concessionaire to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, its officers, agents or employees. This indemnification shall survive the termination or expiration of this Agreement.
- (b) Concessionaire agrees that during the term of this Agreement Concessionaire shall maintain such insurance as Concessionaire deems necessary but agrees that the minimum amount of insurance Concessionaire shall acquire and maintain in full force and effect throughout the period of time covered by this Agreement shall be as set forth below. Concessionaire shall maintain the following coverages and limits, but may attain the same by means of supplementing the respective coverages with Excess Umbrella Liability
 - (i) Commercial General Liability Insurance: Concessionaire shall maintain occurrence based commercial general liability insurance or equivalent form with a limit of not less than Two Million Dollars (\$2,000,000.00) for each occurrence and a per location aggregate limit of not less than Two Million Dollars (\$2,000,000.00). If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two times the occurrence limit.
 - (ii) Business Automobile Liability Insurance: Concessionaire shall maintain business automobile liability insurance or equivalent form with a combined single limit of not less than One Million Dollars (\$1,000,000.00). Such insurance shall include coverage for owned, hired and non-owned vehicles.

- (iii) Excess Umbrella Liability Insurance: This coverage may be used to supplement any of the above liability coverage policies in order to arrive at the required minimum limit of liability coverage. In addition, coverage shall be at least as broad as that provided by underlying insurance policies, and the limits of underlying insurance shall be sufficient to prevent any gap between such minimum limits and the attachment point of the coverage afforded under the “Excess Umbrella” liability policy.
- (iv) Workman’s Compensation Insurance and Unemployment Insurance: This coverage shall be as required by South Dakota law covering Concessionaire employees as will protect itself and the State of South Dakota and agencies thereof from claims under the Workman’s Compensation laws and unemployment insurance laws of the State of South Dakota.
- (v) Personal Property Insurance:
1. Amount of Insurance: 100% of replacement value, without deduction for physical depreciation
 2. Insurance shall cover the Personal Property contained in all buildings, structures, improvements & betterments for all Government Facilities and Concessionaire Facilities and/or used in Concessionaire's operations.
 3. Coverage shall apply on an “All Risks” or “Special Coverage” basis.
 4. The policy shall provide for loss recovery on a replacement value basis, without deduction for physical depreciation.
 5. “Blanket Amount” insurance is to be provided. The amount of insurance (limit of liability) should represent no less than 100% of the replacement value of the sum total of all insured property, without deduction for physical depreciation.
 6. The coinsurance provision, if any, shall be waived or suspended by an Agreed Amount or Agreed Value clause.
 7. The vacancy and unoccupancy restriction, if any, must be eliminated for Personal Property that shall be vacant or unoccupied beyond any time period specified in the policy.

- (vi) Real Property Insurance: Concessionaire shall provide real property insurance to cover against loss to Concessionaire Facilities at 100% of replacement value (without deduction for physical depreciation).
- (vii) Liquor Liability Insurance: Concessionaire shall maintain liquor liability insurance with a limit of not less than One Million Dollars (\$1,000,000.00).
- (c) These minimum requirements are subject to evaluation and revision every two years during the term of this Agreement or upon renewal or modification of this Agreement.
- (d) South Dakota state employees shall be included as an additional insured under all insurance policies identified in Section 13(b) (i), (ii), (iii) and (vii).
- (e) Concessionaire, prior to engaging in and/or providing the services described herein, shall furnish satisfactory proof of such insurance by filing with the Department, a Certificate of Insurance from the Insurance Company verifying and certifying to the existence and limits of the required insurance. Such Certificate shall provide therein that no cancellation of said insurance shall be made or become effective without at least thirty (30) days' written notice being provided to the Department. Concessionaire is required to provide to the Department a current certificate of insurance at all times.
- (f) The Department has no obligation to and is not responsible for payment of any money to Concessionaire that results from disruption of services.
- (g) Except as set forth in Section 6(e), neither the Department nor Concessionaire shall be liable to the other, nor to any SubConcessionaires, for any loss or damage to any building, structure or other tangible property owned by the other, including but not limited to lost rents, income and profits, even through such loss or damage might have been occasioned by the negligence of such party, its employees, agents, contractors or invitees. Concessionaire shall include in any lease, contract or agreement with a SubConcessionaire a provision in accordance with this Subsection.

Section 14. Component Renewal Provisions

- (a) A Component Renewal Reserve (CRR) requirement equal to five percent (5.5%) of the annual Gross Receipts has been established based on a Condition Assessment. This process evaluated building systems and anticipated replacements over the contract term. As a result, the 5.5% reserve requirement is to be used as prescribed annually during the capital planning process with the Park.
- (b) Tracking Work Orders. The Concessionaire will establish a system to track the Component Renewal Reserve fund draw down and work order closeout. The specific system agreed to by the parties will be included in the Maintenance Plan in Exhibit B of the contract post-award.
- (c) Use of Funds. Funds in the Component Renewal Reserve shall be used to address facility improvements in building systems as identified in the Department's CMMS System of Government Facilities included in this Agreement.
- (d) Unallowable Uses. Funds in the Component Renewal Reserve shall not be used for the following:
 - (i) Seasonal salaries of Concessionaire's employees, SubConcessionaire's employees, and/or independent contractors, including but not limited to those salaries of persons performing housekeeping and grounds keeping activities associated with Concessionaire's and SubConcessionaire's respective operations.
 - (ii) Routine maintenance including, but not limited to, periodic and/or occasional inspection, adjustment, lubrication, cleaning, painting, replacement of parts, repairs, and other activities intended to prolong service and prevent unscheduled breakdown.
 - (iii) Preventative maintenance, including planned or scheduled servicing, inspection and adjustment activities that result in continued service, fewer breakdowns, and intended to prevent premature failure of equipment and materials.
- (e) Possessory Interest. Concessionaire does not obtain any right to a Possessory Interest for repair and maintenance of Government Facilities funded from the Component Renewal Reserve.
- (f) Approval process. An annual Component Renewal plan of action shall be developed jointly by Concessionaire as outlined in Exhibit B. In addition, Concessionaire shall provide the Department with a detailed report of activities and the costs expended and incurred, for the annual Component Renewal and General Repair and

Maintenance work completed each year as outlined in Exhibit B. If any unexpected component failures arise at any time, and are not already contemplated in the current year Component Renewal Plan, the Concessionaire may fund such project upon written approval from the Department.

- (g) Carryover of funds on an annual basis. If a Component Renewal project costs more than the balance included in the Component Renewal Reserve, then Concessionaire, at Concessionaire's discretion may fund the repair and maintenance costs in excess of funds in the Component Renewal Reserve. The excess costs shall be refunded, without interest, to Concessionaire from funding to occur in subsequent years.
- (h) Treatment of reserve funds at end of term. The parties agree to make every effort to exhaust all funds in the Component Renewal Reserve by the end of the Agreement term. If there is a surplus at the end of the term, any remaining Component Renewal Reserve funds shall be transferred to the Department for the purpose of ongoing maintenance of Government Facilities associated with this Agreement. If there is a deficit at the end of the Agreement term, Concessionaire shall be compensated by the Department in the amount of the deficit.
- (i) If this Agreement is terminated by the Department before the established expiration date, the Department shall reimburse Concessionaire for the cost of approved repairs and maintenance activities expended by Concessionaire which have been prepaid and un-recovered by application of the annual Component Renewal Reserve.

Section 15. Personal Property and Personal Property Improvement Program

- (a) Concessionaire shall provide all Personal Property, including without limitation, removable equipment, furniture and goods for the operations under this Agreement. Concessionaire, at its expense, shall maintain in good order and repair and shall replace on an as-needed basis, all Personal Property utilized in the Resort. All Personal Property shall be managed in accordance with the performance standards outlined in Exhibit B.
- (b) Concessionaire hereby covenants and agrees to purchase Personal Property for utilization in the Resort.
- (c) In addition to the replacement outlined above and upon commencement of this Agreement, the Concessionaire shall

maintain a Personal Property Replacement Reserve for each year with a value of at least 3.4% of annual Gross Receipts, unless otherwise agreed upon by the Department and Concessionaire. However, the amount expended by Concessionaire in purchasing Personal Property during the term of this Agreement must be at least 3.4% of Gross Receipts over the contract period.

- (d) An annual Personal Property Replacement plan of action shall be developed by Concessionaire and submitted to the Department annually as outlined in Exhibit B. The plan of action shall outline proposed Personal Property items to be purchased or replaced. If the Concessionaire and the Department cannot agree on the plan of action, then the Commission shall make the final determination of the specifics of the plan.
- (e) During the purchase period of February 1, 2027, to January 31, 2037, Concessionaire shall provide the Department with documentation to demonstrate that the Personal Property Improvement Program is being undertaken.
- (f) All items of Personal Property acquired by Concessionaire shall remain property of Concessionaire at the end of the term of this Agreement. No compensation is due Concessionaire from a successor concessionaire for Concessionaire's Personal Property created under the Personal Property Replacement Program. However, a successor concessionaire may purchase such Personal Property from Concessionaire subject to mutually agreed upon terms.

Section 16. General Provisions

- (a) Reference to the Department in this Agreement shall include the Secretary, Director, Superintendent and his/her authorized representative.
- (b) Concessionaire shall comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to operating the Resort and providing services pursuant to this Agreement and shall be solely responsible for obtaining current information on such requirements.
- (c) This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

- (d) All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.
- (e) This Agreement and any operations and services authorized thereunder may not be assigned, sublet, extended, renewed or amended in any respect, except when agreed to in writing by the Department and Concessionaire.
- (f) Concessionaire may not use SubConcessionaires, subcontractors or sublessees to perform the services described herein without the express prior written consent of the Department. Concessionaire shall include provisions in its Department-approved SubConcessionaire agreements requiring its SubConcessionaires, subcontractors, or sublessees to comply with all provisions of this Agreement, to indemnify the Department, and to provide insurance coverage for the benefit of the Department in a manner consistent with this Agreement. Concessionaire shall cause its SubConcessionaires, subcontractors, sublessees, and their agents and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements, and shall adopt such review and inspection procedures as are necessary to assure such compliance. Concessionaire shall remain responsible to the Department for obligations, responsibilities, and rights assigned to another by Concessionaire. Concessionaire is responsible for collection and payment to the Department of all Promotion Fees due from the SubConcessionaire sales pursuant to Section 10 (b). Such payment shall be made in full notwithstanding the fact Concessionaire did not collect the full amount of the Promotion Fees from the SubConcessionaires.
- (g) In addition to the remedies afforded to the Department for breach of the terms of this Agreement, the Department reserves the right to bill Concessionaire for, and the Concessionaire agrees to pay to the Department, the actual costs incurred by the Department to provide any minimum required accommodations, facilities, services and merchandise for sale specified in Section 3 of this Agreement in the event Concessionaire fails to provide those minimum required accommodations, facilities, services and merchandise for sale.
- (h) In the event that the applicable court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

- (i) Concessionaire acknowledges and supports the Department's effort to collect park entrance fees to provide for the continued maintenance of the South Dakota state park system.
- (j) In each instance where the consent, approval or acceptance of the Department is required under the terms of this Agreement, such consent, approval or acceptance shall not be unreasonably withheld by the Department.
- (k) Concessionaire agrees that in performance of this Agreement it is acting as an "independent contractor" and not as an employee of the Department.
- (l) Concessionaire agrees to reimburse the Department for any payments made by the Department to any school district, including the Custer County School District pursuant to SDCL 41-17-10 for any children residing in Custer State Park as a result of the Concessionaire providing services under this Agreement.
- (m) Any notice or other communication required under this Agreement shall be in writing and sent or delivered to the address set forth below. Notices shall be given by and to the Director on behalf of the Department, and by and to the president on behalf of Concessionaire, or such authorized designees as either party may from time to time designate in writing.

Department

Director
 Division of Parks & Recreation
 523 East Capitol
 Pierre, South Dakota 57501

Concessionaire

Notices or communications to or between the parties shall be deemed to have been delivered when emailed or mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail or, if personally delivered, when received by such party. Copies of all correspondence from Concessionaire to the Department or Director shall be sent simultaneously to the Superintendent.

- (n) No amendment or modification of this Agreement shall be effective for any purpose unless the same be in writing and signed by authorized representatives of the parties.

Section 17. Discrimination.

Concessionaire shall not discriminate against any person based upon race, color, national origin, religion, sex and disability in the operation and maintenance of the Resort and shall fully comply with Title VI of the 1964 Civil Rights Act, and applicable federal and state laws and regulations.

Discrimination on the Basis of Residence. Discrimination on the basis of residence, including preferential reservation, membership or annual permit systems is prohibited except to the extent that reasonable differences in admission and other fees may be maintained on the basis of residence.

Concessionaire shall not discriminate on the basis of disability, and is subject to Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, and applicable federal and state laws and regulations.

Section 18. Park Entrance License Provisions.

- (a) All individuals entering or utilizing the Resort are subject to the park entrance license requirements and payment of the required fee except for the following:
 - (i) Employees or volunteers traveling under the most direct route from the park entrance or employee housing unit to their designated work duty stations during designated working hours. Concessionaire shall provide employees with entrance license exemption decals, approved by the Superintendent, to display in their vehicles.
 - (ii) Guests of Resort employees or volunteers residing in the park traveling under the most direct route from the park entrance to the employee or volunteer housing unit and back.
 - (iii) Any commercial or service vehicles doing direct business with the Resort.
- (b) Concessionaire shall take reasonable steps to ensure that its patrons, employees, agents, and volunteers comply with the park entrance license fee requirements.

Section 19. Resident Use

- (a) Portions of the facilities or Resort assigned hereunder shall be used for the purposes of seasonal or permanent residency as specified in this Agreement under Exhibit B.

Section 20. Procedure for Assignment, Sale or Transfer of Agreement

- (a) The parties agree that the provisions of SDCL 41-17-22.4 and ARSD 41:13 shall apply to the sale, lease, or transfer of this Agreement.

Section 21. Promotions and Marketing

- (a) The parties agree that the provisions of SDCL 41-17-22.1 relating to the imposition and collection of the Promotion Fee shall apply to this Agreement.
- (b) Concessionaire shall submit to the Department a marketing and promotions plan as part of the Operations Plan as required under Section 7-(e).

Section 22. Collateral

- (a) Concessionaire shall furnish the Department with a surety bond, certificate of deposit or letter of credit to be approved by the Department in the name of the Department of Game, Fish and Parks effective for each year of the Agreement in the amount of \$500,000.00 conditioning and guaranteeing Concessionaire's faithful fulfillment and performance of the terms and conditions of this Agreement.

END OF AGREEMENT TEXT

The above and foregoing CONCESSION AGREEMENT was approved by the Game, Fish and Parks Commission on _____, ____, 200__ authorizing the Chairman to execute the same on behalf of the Commission."

Dated at _____, South Dakota, this ____ day of _____, 2026.

SOUTH DAKOTA DEPARTMENT OF GAME, FISH AND PARKS

BY: _____
Jeffrey A. VanMeeteren, Director,
Division of Parks and Recreation

BY: _____
CONCESSIONAIRE

DRAFT

List of Exhibits

Exhibit A

A-1 – Land Assignments (Resort) Maps for areas including Concessionaire and Government Facilities Assigned to the Concessionaire

A-2 – List of Concessionaire Facilities and associated possessory interest

A-3 – List of Buildings and Structures Constituting Government Facilities Assigned to the Concessionaire

A-4 – List of Alcoholic Beverages Licenses

Exhibit B

PERFORMANCE STANDARDS FOR THE OPERATIONS AND MAINTENANCE OF THE CUSTER STATE PARK RESORT

Exhibit C

TRANSITION TO A NEW CONCESSIONAIRE

Exhibit D

ADMINISTRATIVE RULES OF SOUTH DAKOTA ARTICLE 41:13, PARK CONCESSION LEASES

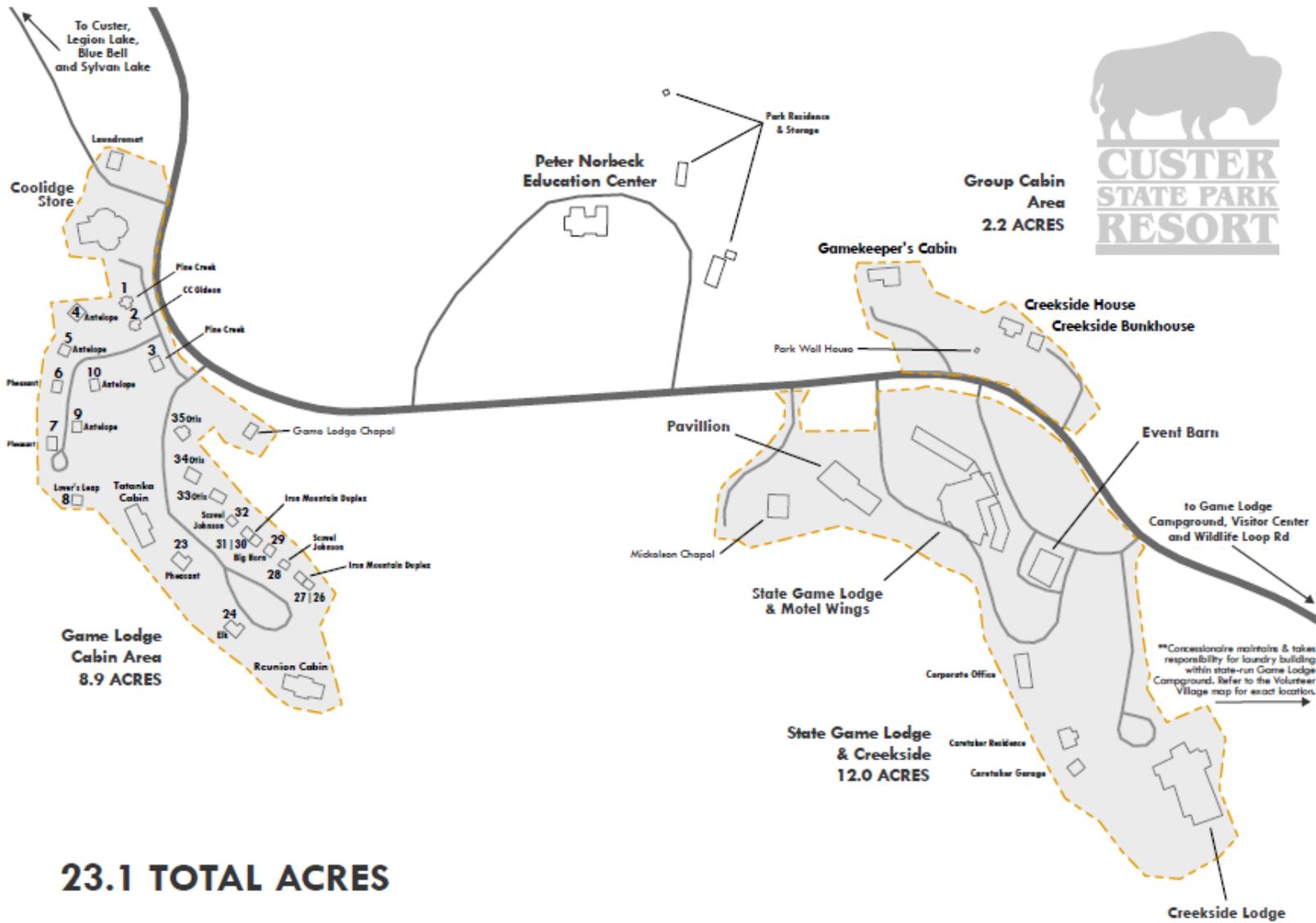
Exhibit E

INTELLECTUAL PROPERTY

EXHIBIT A-1

Land Assignments (Resort) Maps for areas including Concessionaire and Government Facilities Assigned to the Concessionaire

DRAFT



23.1 TOTAL ACRES

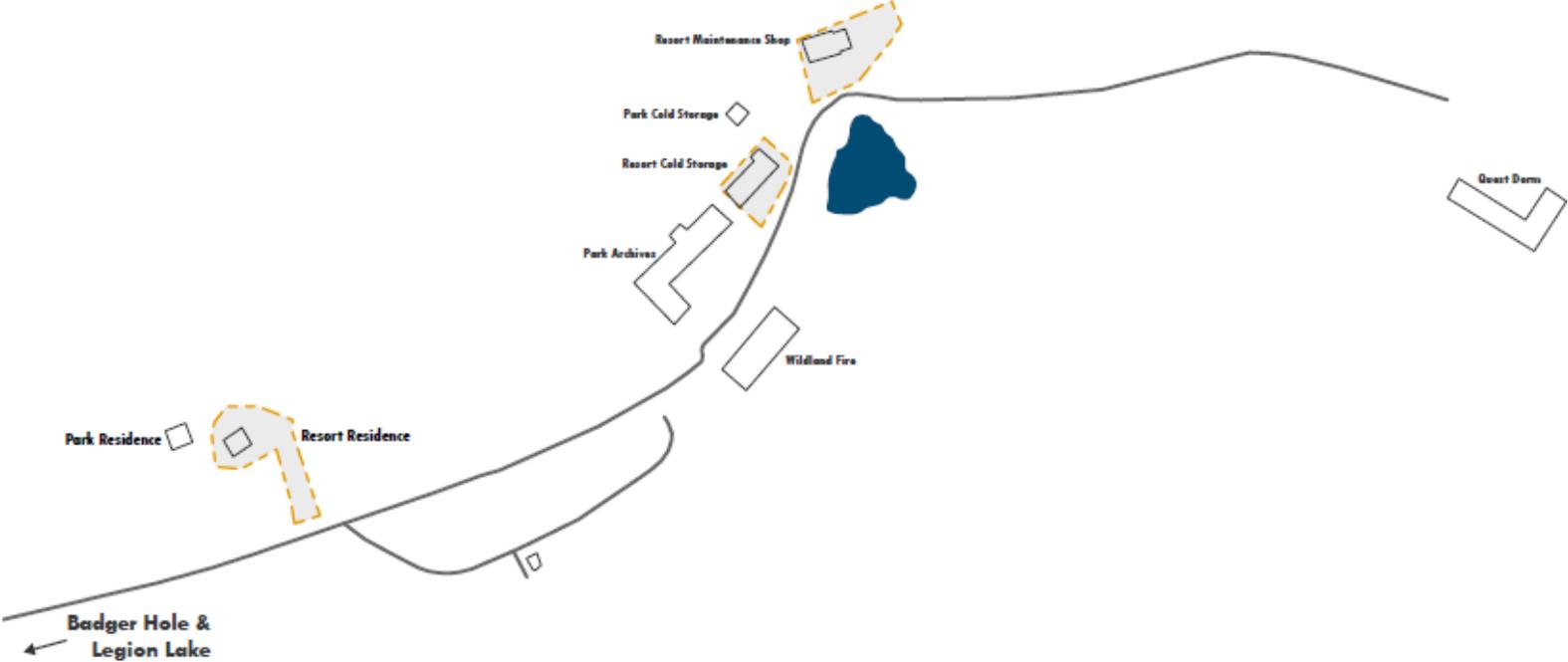


Concession Boundary

STATE GAME LODGE

HIDDEN VALLEY

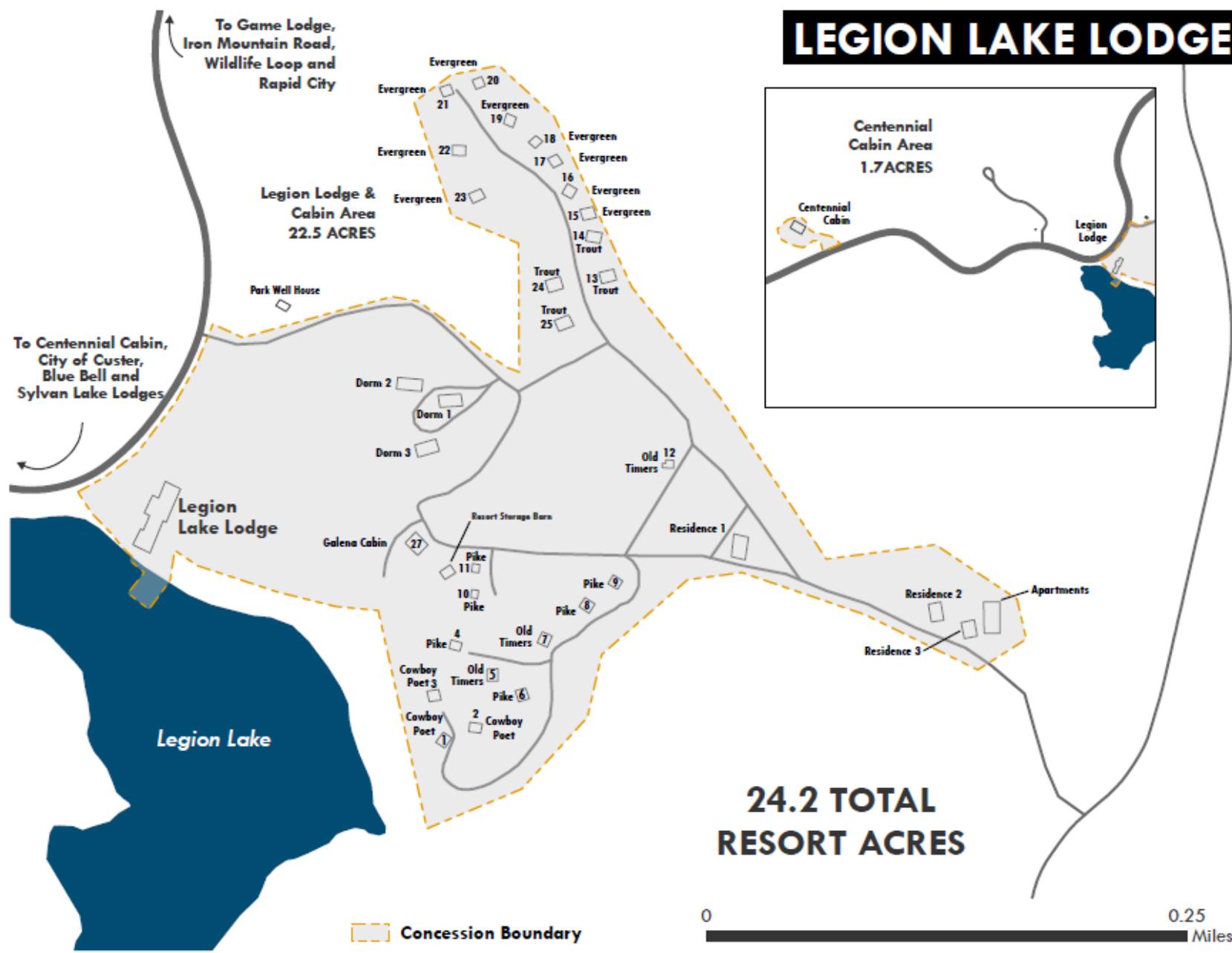
0.75 TOTAL ACRES



0 0.25 Miles

Concession Boundary

LEGION LAKE LODGE



SYLVAN LAKE LODGE

To Hill City

Sylvan Lodge & Cabins
8.7 ACRES

19.0 TOTAL ACRES



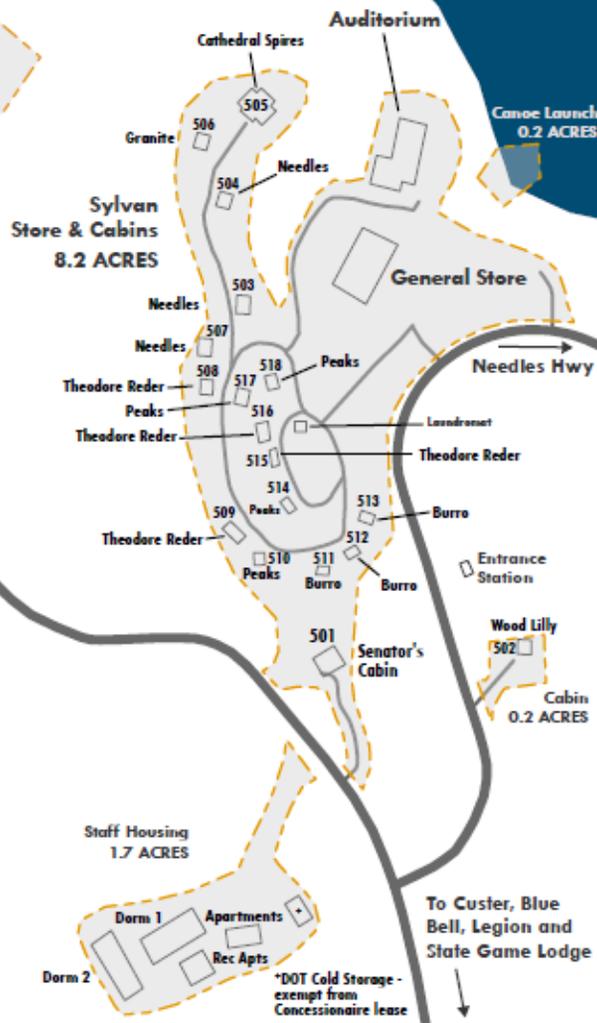
0 0.25 Miles

Concession Boundary

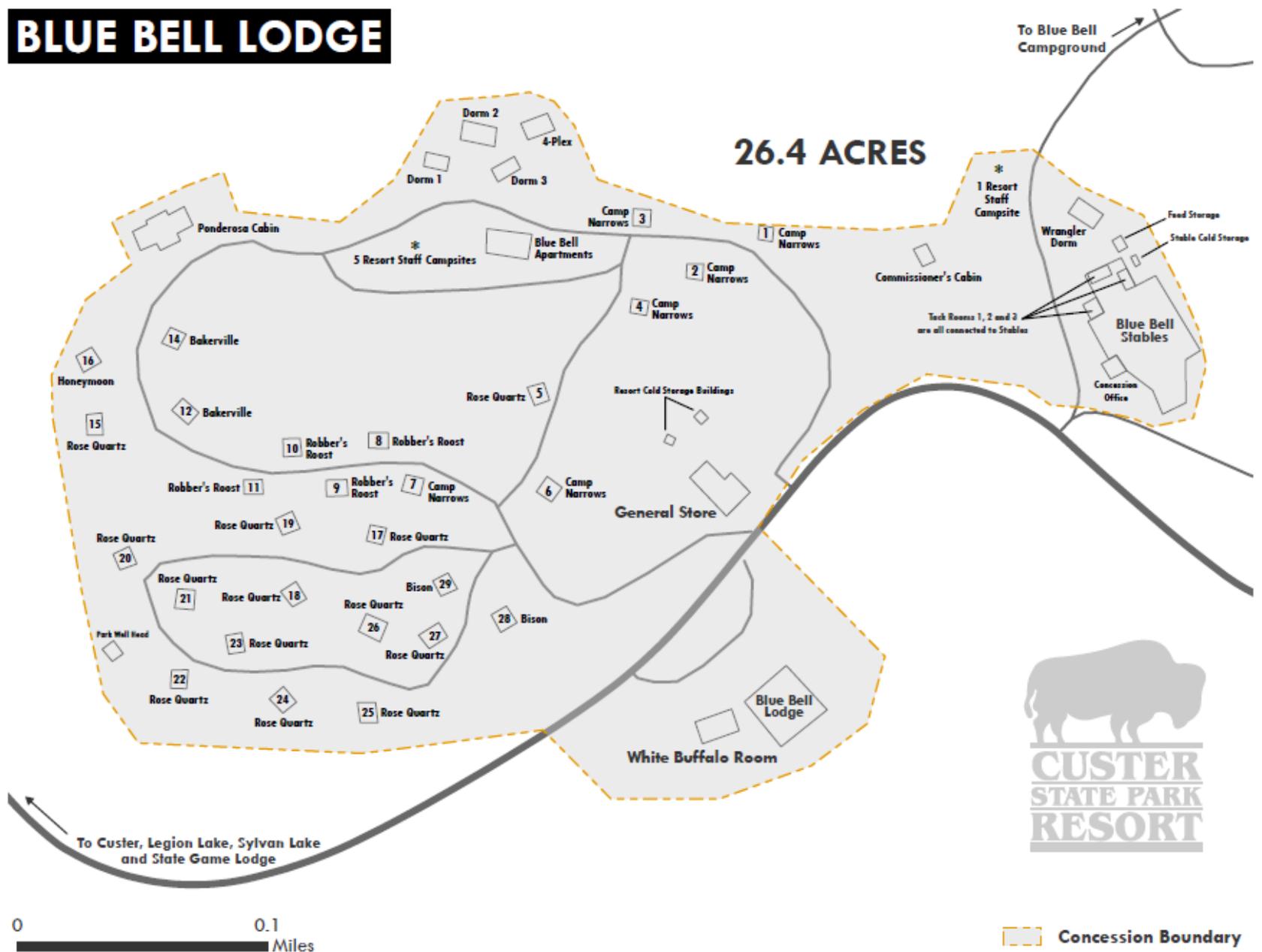
Park Maintenance Building

Sylvan Lake Lodge

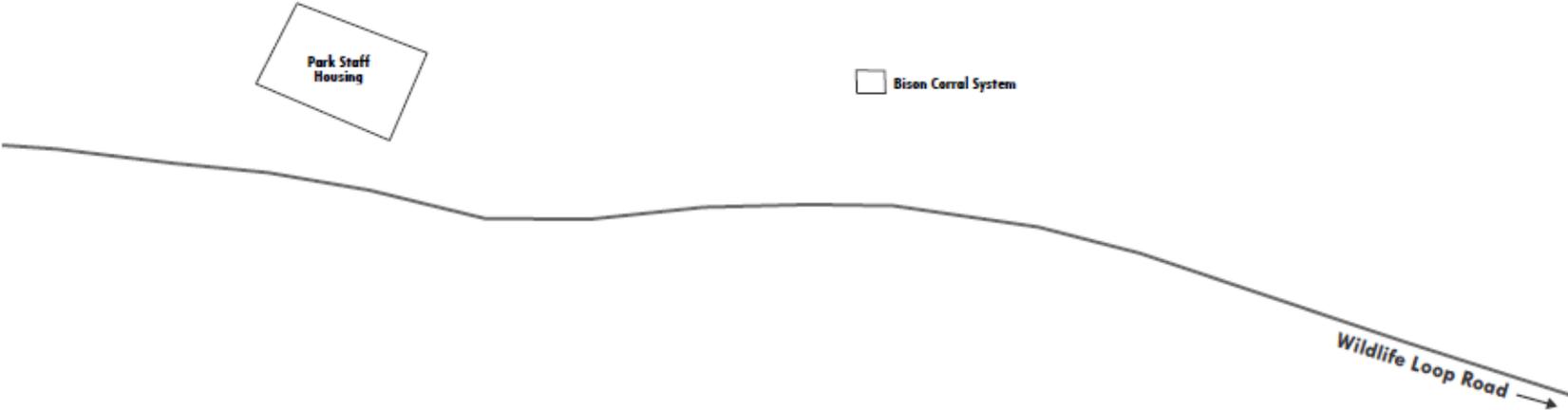
Sylvan Lake



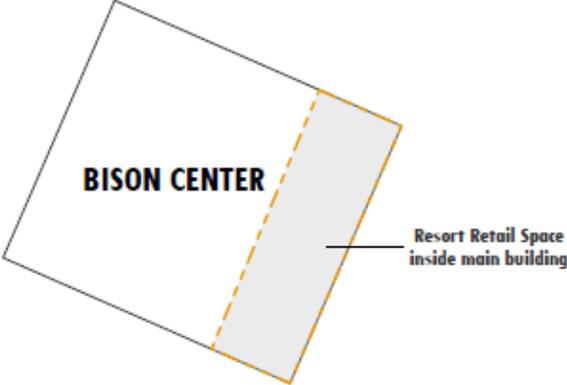
BLUE BELL LODGE



BISON CENTER



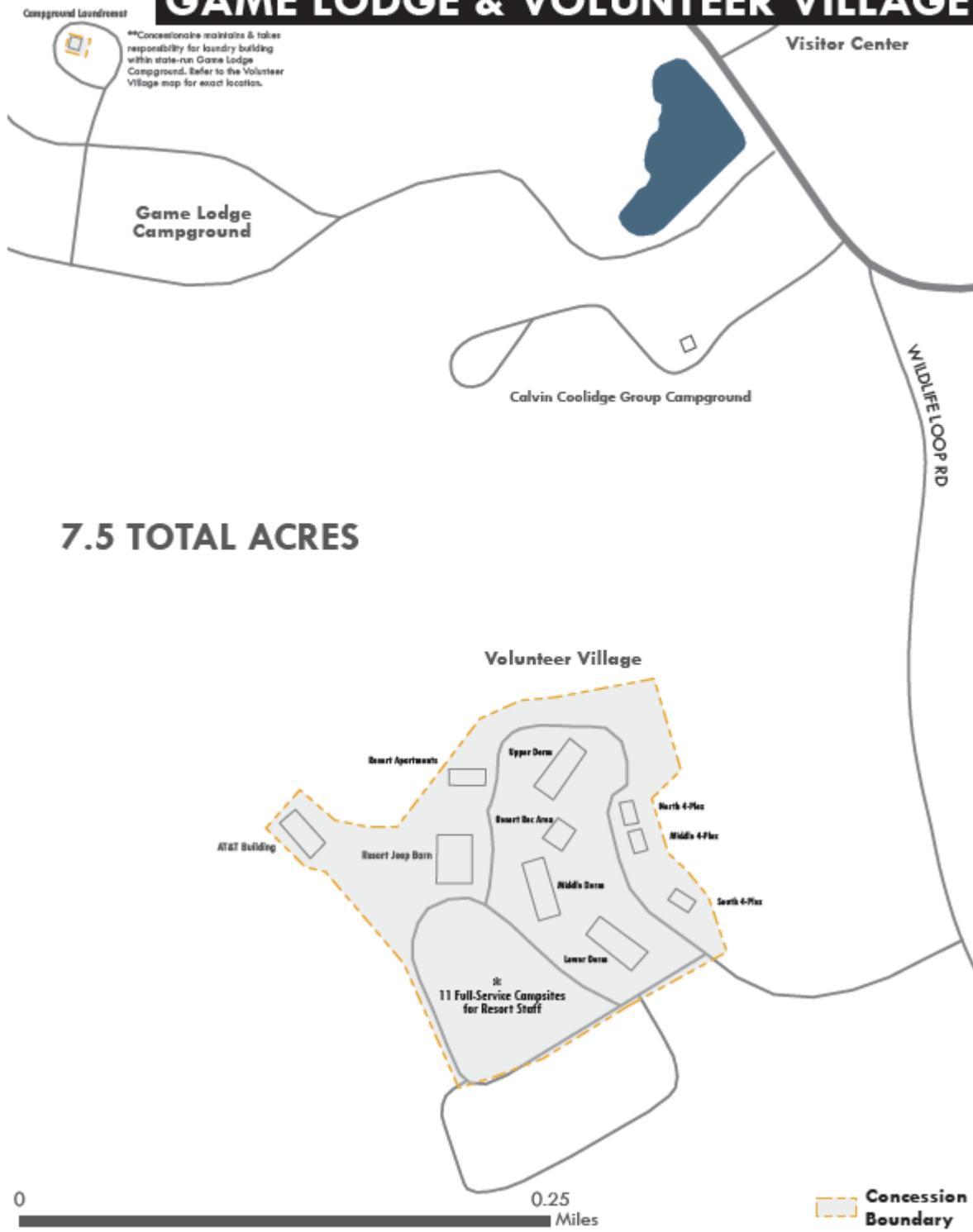
0.08 TOTAL ACRES



0 0.25 Miles

Concession Boundary

GAME LODGE & VOLUNTEER VILLAGE



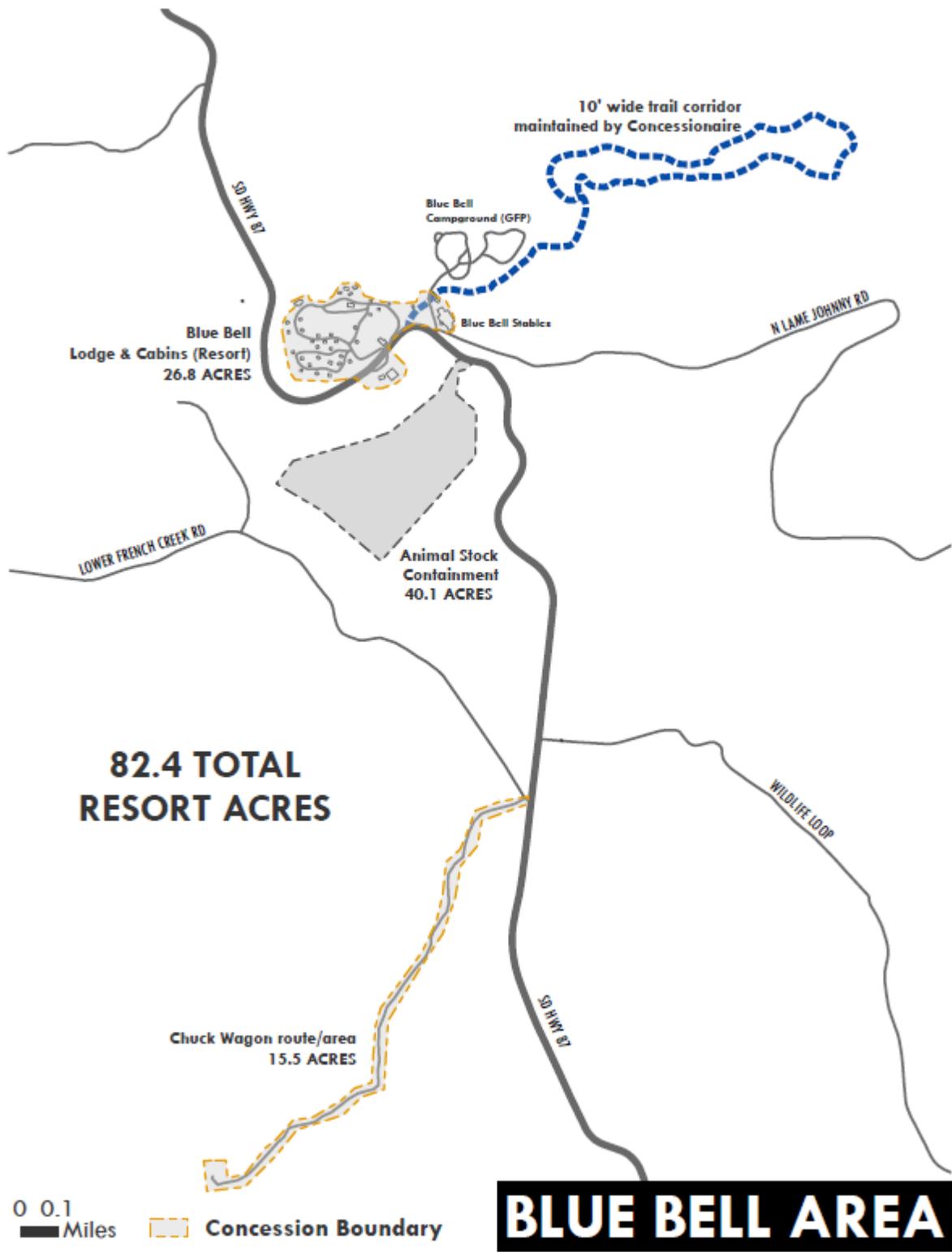


EXHIBIT A-2

List of Concessionaire Facilities and associated Possessory Interest

CONCESSIONAIRE IMPROVEMENT AUTHORIZATION AND DETERMINATION OF POSESSORY INTEREST South Dakota Division of Parks and Recreation	
Exhibit A-2 attached to and made part of Agreement:	
Concessionaire: Regency Inns Management, Inc.	Agreement (Effective Date):
CONCESSIONAIRE FACILITIES AND ASSOCIATED POSSESSORY INTEREST	
Description	
Centennial Cabin- 1 bedroom, 2 bath with separate living room and kitchen	
State Game Lodge 4-plex Dormitory (no kitchen)	
State Game Lodge 4-plex Dormitory (no kitchen)	
State Game Lodge 4-plex Dormitory (no kitchen)	
State Game Lodge 4-plex Dormitory (no kitchen)	
Blue Bell Lodge 4-plex Dormitory (no kitchen)	
State Game Lodge Man Camp Dormitory (6 rooms, shared kitchen)	
Legion Lake Lodge Man Camp Dormitory (6 rooms, shared kitchen)	
Sylvan Lake Lodge Man Camp Dormitory (6 rooms, shared kitchen)	
Blue Bell Lodge Man Camp Dormitory (6 rooms, shared kitchen)	
TOTAL POSSESSORY INTEREST as of February 1, 2027 (rounded)	\$1,300,000.00

EXHIBIT A-3
List of Buildings and Structures Constituting
Government Facilities Assigned to the Concessionaire

BUILDINGS AND STRUCTURES CONSTITUTING GOVERNMENT FACILITIES			
Concessionaire:		Concession Agreement (Effective Date):	
Buildings and Structures			
LOCATION INFORMATION		GPS COORDINATES	
CMMS ID	Location Description	Latitude (to be completed by Contractor)	Longitude (to be completed by Contractor)
CSP-BB-Dorm1	Blue Bell Seasonal Dormitory #1	43.717856	-103.485933
CSP-BB-Dorm2	Blue Bell Seasonal Dormitory #2	43.717978	-103.48569
CSP-BB-Dorm3	Blue Bell Seasonal Dormitory #3	43.717828	-103.485519
CSP-BB-Horse Concession	Horse Concession Office	43.717024	-103.48205
CSP-BB-Lodge	Blue Bell Lodge	43.715627	-103.483968
CSB-BB-Stable	Blue Bell Stables	43.717237	-103.481961
CSP-BB-Store	Blue Bell Store	43.716513	-103.484318
CSP-BB-Tack2	Blue Bell resort cold storage building	43.717331	-103.482084
CSP-BB-Tack3	Blue Bell Tack Room #3	43.717123	-103.481928
CSP-BB-Tack1	Blue Bell Tack Building	43.717273	-103.482186
CSP-BB-WhiteBuffalo	White Buffalo Meeting Room	43.715486	-103.484324
CSP-BB-Wrangler Dorm	Blue Bell Wrangler Dorm - 4 Plex	43.717676	-103.482232
CSP-BBell-Res-Cabin1	Blue Bell Rental Cabin 1	43.717577	-103.484058
CSP-BBell-Res-Cabin10	Blue Bell Rental Cabin 10	43.716684	-103.486795
CSP-BBell-Res-Cabin11	Blue Bell Rental Cabin 11	43.71652	-103.487019
CSP-BBell-Res-Cabin12	Blue Bell Rental Cabin 12	43.716789	-103.487336
CSP-BBell-Res-Cabin14	Blue Bell Rental Cabin 14	43.717139	-103.487478
CSP-BBell-Res-Cabin15	Blue Bell Rental Cabin 15	43.71678	-103.487936
CSP-BBell-Res-Cabin16	Blue Bell Rental Cabin 16 (Honeymoon)	43.717051	-103.487973
CSP-BBell-Res-Cabin17	Blue Bell Rental Cabin 17	43.716321	-103.486308
CSP-BBell-Res-Cabin18	Blue Bell Rental Cabin 18	43.716071	-103.486785
CSP-BBell-Res-Cabin19	Blue Bell Rental Cabin 19	43.716352	-103.486796
CSP-BBell-Res-Cabin2	Blue Bell Rental Cabin 2	43.717419	-103.484466
CSP-BBell-Res-Cabin20	Blue Bell Rental Cabin 20	43.716221	-103.487762
CSP-BBell-Res-Cabin21	Blue Bell Rental Cabin 21	43.716029	-103.487393

CSP-BBell-Res-Cabin22	Blue Bell Rental Cabin 22	43.715679	-103.487402
CSP-BBell-Res-Cabin23	Blue Bell Rental Cabin 23	43.715885	-103.487109
CSP-BBell-Res-Cabin24	Blue Bell Rental Cabin 24	43.715631	-103.486847
CSP-BBell-Res-Cabin25	Blue Bell Rental Cabin 25	43.715579	-103.486357
CSP-BBell-Res-Cabin26	Blue Bell Rental Cabin 26	43.715933	-103.486327
CSP-BBell-Res-Cabin27	Blue Bell Rental Cabin 27	43.715899	-103.485978
CSP-BBell-Res-Cabin28	Blue Bell Rental Cabin 28	43.715957	-103.485542
CSP-BBell-Res-Cabin29	Blue Bell Rental Cabin 29	43.716112	-103.485912
CSP-BBell-Res-Cabin3	Blue Bell Rental Cabin 3	43.717643	-103.484774
CSP-BBell-Res-Cabin4	Blue Bell Rental Cabin 4	43.717271	-103.484789
CSP-BBell-Res-Cabin5	Blue Bell Rental Cabin 5	43.716908	-103.48537
CSP-BBell-Res-Cabin6	Blue Bell Rental Cabin 6	43.71651	-103.485309
CSP-BBell-Res-Cabin7	Blue Bell Rental Cabin 7	43.716528	-103.486096
CSP-BBell-Res-Cabin8	Blue Bell Rental Cabin 8	43.716713	-103.486295
CSP-BBell-Res-Cabin9	Blue Bell Rental Cabin 9	43.716515	-103.486537
CSP-BBell-Res-CommCabin	Blue Bell Commissioner's Cabin	43.717358	-103.483282
CSP-BBell-Res-Ponderosa	Blue Bell Ponderosa Cabin	43.717572	-103.487527
CSP-BB-CSB	Blue Bell resort cold storage building	43.716811	-103.484432
CSP-BB-Stable CSB	Blue Bell Stable	43.717237	-103.481961
CSP-CrkSide-Bunkhouse	Creekside Bunkhouse	43.765215	-103.380347
CSP-CrkSide-GameKeep	Gamekeeper's Cabin	43.76563	-103.381661
CSP-CrkSide-House	Creekside House	43.765306	-103.380564
CSP-GL-Apt	Game Lodge Rec and Apt	43.757422	-103.372422
CSP-GL-Cabin-Reunion	Game Lodge Reunion Cabin	43.763031	-103.386764
CSP-GL-Cabin-Tatanka	Tatanka at Game Lodge	43.764054	-103.38819
CSP-GL-Caretaker-Garage	Caretakers Residence Garage	43.762528	-103.380003
CSP-GL-Chapel	Game Lodge Chapel	43.764634	-103.387199
CSP-GL-CoolidgeStore	Coolidge Inn Store	43.765924	-103.388516
CSP-GL-CreeksideInn	Creekside Inn	43.762423	-103.378993
CSP-GL-DormLow	Game Lodge Lower Unit Dormitory	43.756885	-103.372032
CSP-GL-DormMid	Game Lodge Middle Unit Dormitory	43.757153	-103.372546
CSP-GL-DormUp	Game Lodge Upper Unit Dormitory	43.757742	-103.372414
CSP-GL-EventBarn	Event Barn - Old Jeep Barn	43.763787	-103.38026
CSP-GL-Lodge	State Game Lodge	43.764182	-103.380944
CSP-GL-MickChurch	Mickelson Church	43.764211	-103.382906
CSP-GL-MotelWings	State Game Lodge Motel Wings	43.764469	-103.381018
CSP-GL-Pavillion	Pavillion Game Lodge - includes 30'x40' enclosed restrooms and separate changing room for brides. Pavillion proper is 60' x 76'.	43.764318	-103.382038
CSP-GL-Res-Cabin1	Game Lodge Rental Cabin 1	43.765464	-103.388313
CSP-GL-Res-Cabin10	Game Lodge Rental Cabin 10	43.764972	-103.388584
CSP-GL-Res-Cabin2	Game Lodge Rental Cabin 2	43.765321	-103.388236
CSP-GL-Res-Cabin23	Game Lodge Rental Cabin 23	43.763818	-103.387729
CSP-GL-Res-Cabin24	Game Lodge Rental Cabin 24	43.7634	-103.387369
CSP-GL-Res-Cabin26	Game Lodge Rental Cabin 26	43.763662	-103.386694
CSP-GL-Res-Cabin27	Game Lodge Rental Cabin 27	43.763704	-103.386763
CSP-GL-Res-Cabin28	Game Lodge Rental Cabin 28	43.763786	-103.386902
CSP-GL-Res-Cabin29	Game Lodge Rental Cabin 29	43.763884	-103.387044

CSP-GL-Res-Cabin3	Game Lodge Rental Cabin 3	43.765075	-103.388049
CSP-GL-Res-Cabin30	Game Lodge Rental Cabin 30	43.763957	-103.387181
CSP-GL-Res-Cabin31	Game Lodge Rental Cabin 31	43.764	-103.387251
CSP-GL-Res-Cabin32	Game Lodge Rental Cabin 32	43.764081	-103.387388
CSP-GL-Res-Cabin33	Game Lodge Rental Cabin 33	43.764237	-103.387512
CSP-GL-Res-Cabin34	Game Lodge Rental Cabin 34	43.764368	-103.387734
CSP-GL-Res-Cabin35	Game Lodge Rental Cabin 35	43.764639	-103.387819
CSP-GL-Res-Cabin4	Game Lodge Rental Cabin 4	43.76534	-103.388746
CSP-GL-Res-Cabin5	Game Lodge Rental Cabin 5	43.765123	-103.388832
CSP-GL-Res-Cabin6	Game Lodge Rental Cabin 6	43.764903	-103.388923
CSP-GL-Res-Cabin7	Game Lodge Rental Cabin 7	43.764571	-103.388965
CSP-GL-Res-Cabin8	Game Lodge Rental Cabin 8	43.764356	-103.388802
CSP-GL-Res-Cabin9	Game Lodge Rental Cabin 9	43.764648	-103.38871
CSP-Laundromat	Laundromat	43.761315	-103.375716
CSP-Residence-Caretaker	Game Lodge Caretaker's Residence	43.762709	-103.380063
CSP-Resort-CorpOffice	Resort Company Corporate Office	43.763134	-103.380452
GL-Laundromat	State Game Lodge Laundromat By Coolidge General Store	43.766358	-103.388413
CSP-GL-JeepBarn	Resort Jeep Barn	43.757299	-103.373135
CSP-GL-ATT-Bldg	AT&T Building	43.757433	-103.374178
CSP-Star-ResortCSB	Star E Campus Resort Cold Storage	43.748682	-103.43129
CSP-HV-Resort-CSB	Star E Campus Shop	43.749226	-103.430867
CSP-Dorm-StarE-Resort	Star E Campus Resort Housing	43.747601	-103.434205
CSP-LL-Dorm1	Legion Lake Seasonal Dormitory #1	43.762312	-103.460423
CSP-LL-Dorm2	Legion Lake Seasonal Dormitory #2	43.762373	-103.460787
CSP-LL-Dorm3	Legion Lake Seasonal Dormitory #3	43.762044	-103.460665
CSP-LL-Lodge	Legion Lake Lodge	43.761691	-103.462728
CSP-LL-Res-Cabin1	Legion Lake Housekeeping Rental Cabin 1	43.760426	-103.46062
CSP-LL-Res-Cabin10	Legion Lake Sleeping Rental Cabin 10	43.761269	-103.460338
CSP-LL-Res-Cabin11	Legion Lake Sleeping Rental Cabin 11	43.76141	-103.46033
CSP-LL-Res-Cabin12	Legion Lake Sleeping Rental Cabin 12	43.761973	-103.458878
CSP-LL-Res-Cabin13	Legion Lake Sleeping Rental Cabin 13	43.762987	-103.459297
CSP-LL-Res-Cabin14	Legion Lake Sleeping Rental Cabin 14	43.76326	-103.459456
CSP-LL-Res-Cabin15	Legion Lake Sleeping Rental Cabin 15	43.763431	-103.459523
CSP-LL-Res-Cabin16	Legion Lake Sleeping Rental Cabin 16	43.763545	-103.459654
CSP-LL-Res-Cabin17	Legion Lake Sleeping Rental Cabin 17	43.763715	-103.459907
CSP-LL-Res-Cabin18	Legion Lake Sleeping Rental Cabin 18	43.763817	-103.460047
CSP-LL-Res-Cabin19	Legion Lake Sleeping Rental Cabin 19	43.763927	-103.460174
CSP-LL-Res-Cabin2	Legion Lake Housekeeping Rental Cabin 2	43.760518	-103.460318
CSP-LL-Res-Cabin20	Legion Lake Sleeping Rental Cabin 20	43.764043	-103.460306
CSP-LL-Res-Cabin21	Legion Lake Sleeping Rental Cabin 21	43.764001	-103.460548
CSP-LL-Res-Cabin22	Legion Lake Sleeping Rental Cabin 22	43.763789	-103.460496
CSP-LL-Res-Cabin23	Legion Lake Sleeping Rental Cabin 23	43.763598	-103.460378
CSP-LL-Res-Cabin24	Legion Lake Sleeping Rental Cabin 24	43.762911	-103.459751
CSP-LL-Res-Cabin25	Legion Lake Sleeping Rental Cabin 25	43.762695	-103.459743
CSP-LL-Res-Cabin3	Legion Lake Housekeeping Rental Cabin 3	43.76069	-103.460633
CSP-LL-Res-Cabin4	Legion Lake Housekeeping Rental Cabin 4	43.760932	-103.460479
CSP-LL-Res-Cabin5	Legion Lake Housekeeping Rental Cabin 5	43.760782	-103.460206
CSP-LL-Res-Cabin6	Legion Lake Housekeeping Rental Cabin 6	43.760688	-103.459987

CSP-LL-Res-Cabin7	Legion Lake Housekeeping Rental Cabin 7	43.760986	-103.459808
CSP-LL-Res-Cabin8	Legion Lake Housekeeping Rental Cabin 8	43.761183	-103.459514
CSP-LL-Res-Cabin9	Legion Lake Housekeeping Rental Cabin 9	43.761334	-103.459279
CSP-LL-Residence1	Legion Lake Employee Residence #1	43.761482	-103.458323
CSP-LL-Residence2	Legion Lake Employee Residence #2	43.761172	-103.456866
CSP-LL-Residence3	Legion Lake Employee Residence #3	43.761079	-103.456616
CSP-LL-Reunion	Legion Lake Cabin 27 (Galena)	43.761543	-103.460775
CSP-LL-Resort Barn	Legion Lake Resort Storage Barn	43.761388	-103.46054
CSP-Bison Center	Bison Center - Retail Space	43.65051	-103.373146
CSP-Sylv-Resort Storage	Resort Storage	43.84672	-103.568502
CSP-Sylv-Auditorium	Sylvan Lake Auditorium	43.844168	-103.563306
CSP-Sylv-Dorm1	Sylvan Lake Dormitory #1	43.840487	-103.56477
CSP-Sylv-Dorm2	Sylvan Lake Dormitory #2	43.840361	-103.565142
CSP-Sylv-Lodge	Sylvan Lake Lodge	43.84476	-103.566499
CSP-Sylv-Rec Apts	Sylvan Lake Employee Apartment Building	43.840335	-103.56462
CSP-Sylv-Store	Sylvan Lake Store	43.843689	-103.563497
CSP-Sylv-Res-Cabin401	Sylvan Lake Guest Rental Cabin 401	43.845246	-103.569211
CSP-Sylv-Res-Cabin402	Sylvan Lake Guest Rental Cabin 402	43.845389	-103.569067
CSP-Sylv-Res-Cabin403	Sylvan Lake Guest Rental Cabin 403	43.845253	-103.568833
CSP-Sylv-Res-Cabin404	Sylvan Lake Guest Rental Cabin 404	43.845432	-103.568739
CSP-Sylv-Res-Cabin405	Sylvan Lake Guest Rental Cabin 405	43.845479	-103.568546
CSP-Sylv-Res-Cabin406	Sylvan Lake Guest Rental Cabin 406	43.845561	-103.56843
CSP-Sylv-Res-Cabin407	Sylvan Lake Guest Rental Cabin 407	43.8459	-103.568261
CSP-Sylv-Res-Cabin408	Sylvan Lake Guest Rental Cabin 408	43.845628	-103.568693
CSP-Sylv-Res-Cabin409	Sylvan Lake Guest Rental Cabin 409	43.845596	-103.569001
CSP-Sylv-Res-Cabin410	Sylvan Lake Guest Rental Cabin 410	43.845437	-103.569198
CSP-Sylv-Res-Cabin411	Sylvan Lake Guest Rental Cabin 411	43.845337	-103.569474
CSP-Sylv-Res-Cabin412	Sylvan Lake Guest Rental Cabin 412	43.845149	-103.569419
CSP-Sylv-Res-Cabin413	Sylvan Lake Guest Rental Cabin 413	43.845078	-103.568842
CSP-Sylv-Res-Cabin502	Sylvan Lake Housekeeping Rental Cabin 502	43.841892	-103.5625
CSP-Sylv-Res-Cabin503	Sylvan Lake Housekeeping Rental Cabin 503	43.843503	-103.564337
CSP-Sylv-Res-Cabin504	Sylvan Lake Housekeeping Rental Cabin 504	43.843995	-103.564459
CSP-Sylv-Res-Cathedral	Sylvan Lake Housekeeping Rental Cabin 505	43.844413	-103.564239
CSP-Sylv-Res-Cabin506	Sylvan Lake Housekeeping Rental Cabin 506	43.844272	-103.564607
CSP-Sylv-Res-Cabin507	Sylvan Lake Housekeeping Rental Cabin 507	43.843304	-103.564587
CSP-Sylv-Res-Cabin508	Sylvan Lake Housekeeping Rental Cabin 508	43.843116	-103.564575
CSP-Sylv-Res-Cabin509	Sylvan Lake Housekeeping Rental Cabin 509	43.842432	-103.564397
CSP-Sylv-Res-Cabin510	Sylvan Lake Housekeeping Rental Cabin 510	43.842307	-103.564232
CSP-Sylv-Res-Cabin511	Sylvan Lake Housekeeping Rental Cabin 511	43.842253	-103.563816
CSP-Sylv-Res-Cabin512	Sylvan Lake Housekeeping Rental Cabin 512	43.842338	-103.563626
CSP-Sylv-Res-Cabin513	Sylvan Lake Housekeeping Rental Cabin 513	43.842501	-103.563531
CSP-Sylv-Res-Cabin514	Sylvan Lake Housekeeping Rental Cabin 514	43.842559	-103.564043
CSP-Sylv-Res-Cabin515	Sylvan Lake Housekeeping Rental Cabin 515	43.842783	-103.564133
CSP-Sylv-Res-Cabin516	Sylvan Lake Housekeeping Rental Cabin 516	43.842905	-103.564207
CSP-Sylv-Res-Cabin517	Sylvan Lake Housekeeping Rental Cabin 517	43.84314	-103.564149
CSP-Sylv-Res-Cabin518	Sylvan Lake Housekeeping Rental Cabin 518	43.843069	-103.564344
CSP-Sylv-Senator	Sylvan Lake Senators Cabin 501	43.841825	-103.563776
Sylv-Laundromat	Sylvan Lake Area Laundromat - Resort	43.84293	-103.563963

EXHIBIT A-4

LIST OF ALCOHOLIC BEVERAGES LICENSES

<u>License Description</u>	<u>License Number</u>	<u>Purchase Price</u>
Blue Bell Lodge & Resort On-sale liquor	RL-5521	\$60,000
Legion Lake Resort On-sale liquor	RL-5522	\$60,000
Sylvan Lake Resort On-sale liquor	RL-5527	\$60,000
State Game Lodge On-sale liquor	RL-6141	\$60,000
State Game Lodge & Coolidge Inn Off-sale liquor	PL-4513	\$10,000

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EXHIBIT B

PERFORMANCE STANDARDS FOR THE OPERATIONS AND MAINTENANCE OF THE CUSTER STATE PARK RESORT

The following Performance Standards (“Standards”) of the operation and maintenance of the Resort sets forth the specific responsibilities to be performed by the Concessionaire as required by the Agreement entered into on _____ . These Standards are an integral element of the Agreement. These Standards set forth the general, operational, and maintenance requirements of the Concessionaire with respect to all services, Government Facilities, Concessionaire Facilities and land assigned for use by the Concessionaire at the Resort, unless specifically provided for elsewhere in the Agreement between the parties. The Standards are subject to annual review and may be amended by mutual written agreement of the parties.

Any material deviation from the Standards set forth herein shall be a breach by the Concessionaire of the Agreement and shall be subject to the applicable terms and conditions set forth in the Agreement.

Section 1. General

All operations and activities shall be conducted in compliance with local, state and federal laws, regulations and standards applicable within the Resort. Use of the assigned area by the Concessionaire is limited to operation of the Resort set forth in the Agreement or as approved by the Department which are necessary to provide the minimum required and authorized services as outlined in Section 3 of the Agreement. The assigned area is defined by Exhibit A-1 of the Agreement. The Department reserves the right for the public to travel across the land, trails, and roads within the Resort boundaries. The Concessionaire shall not restrict access to public waters along the frontage of the Resort boundaries.

Section 2. OPERATIONS

(a) Dates of Operation

- (i) All Resort facilities and services must be open and available to the public. The minimum season for all locations and services that shall be considered is daily operation no later than the Friday prior to Mother’s Day through the Tuesday following the Annual Buffalo Roundup. In the event the Buffalo Roundup is not scheduled, that date shall be October 1. In addition, the facilities at Creekside Lodge, must be open to the public and provide year around lodging rental

services. Concessionaire shall have access to the Resort at all times during the term of the Agreement.

- (ii) During those periods when the facilities and services are not open to the public, the Concessionaire’s activities shall be limited to those necessary to accomplish its administrative, maintenance, capital improvement and security obligations and responsibilities under the Agreement. Any exceptions to this must be approved by the Department. If the Resort is open or offering services beyond the minimum required dates as required by this Agreement, the Concessionaire must provide a schedule of the days, hours and services that shall be available to the Superintendent in advance of any changes in said schedule.

(b) Hours of Operation

- (i) On dates when the minimum required services are open and available to the public, operating hours shall be in accordance with the following schedule. Minimum hours of operation shall be required. Maximum hours of operation shall not be exceeded.

Blue Bell			
		Minimum	Maximum
	Restaurant	8 a.m. to 8 p.m.	8 a.m. to 11 p.m.
	Lounge	12 p.m. to 11 p.m.	12 p.m. to 11 p.m.
	Horse Trail Rides	8 a.m. to 8 p.m.	8 a.m. to 8 p.m.
	Chuckwagon Cookouts	8 a.m. to 8 p.m.	8 a.m. to 8 p.m.
	General Store	8 a.m. to 8 p.m.	7 a.m. to 11 p.m.
	White Buffalo Room		8 a.m. to 11 p.m.
Game Lodge			
	Restaurant	8 a.m. to 8 p.m.	8 a.m. to 11 p.m.
	Lounge	12 p.m. to 11p.m.	12 p.m. to 11 p.m.
	Jeep Tours	8 a.m. to 8 p.m.	6 a.m. to 9 p.m.
	Creekside Meeting Rooms	8 a.m. to 10 p.m.	8 a.m. to 10 p.m.
	Event Barn		8 a.m. to 11 p.m.
	Chapel		8 a.m. to 11 p.m.
	Coolidge General Store	8 a.m. to 8 p.m.	7 a.m. to 11 p.m.
Legion Lake			
	Restaurant	8 a.m. to 8 p.m.	8 a.m. to 11 p.m.
	Lounge	12 p.m. to 11 p.m.	12 p.m. to 11 p.m.
	Boat/Bike Rentals	8 a.m. to 8 p.m.	8 a.m. to 8 p.m.
	General Store	8 a.m. to 8 p.m.	7 a.m. to 11 p.m.
Sylvan Lake			
	Restaurant	8 a.m. to 8 p.m.	8 a.m. to 11 p.m.

Lounge	12 p.m. to 11 p.m.	12 p.m. to 11 p.m.
Boat Rental	8 a.m. to 8 p.m.	8 a.m. to 8 p.m.
Auditorium	8 a.m. to 11 p.m.	8 a.m. to 11 p.m.
Store	8 a.m. to 8 p.m.	7 a.m. to 11 p.m.

- (ii) Deviations from this standard must be submitted in writing and in advance of any modifications and shall be subject to approval by the Department.
- (iii) An authorized representative of the Concessionaire shall be available to the Department's on-site representative at all times to respond to and handle emergencies. A listing of authorized Concessionaire representatives and their permanent residence telephone numbers shall be provided to the Department at the commencement of the Agreement and annually thereafter to be included in the annual operating plan. Modifications to the listing shall be communicated to the Department within twenty-four hours of the same.
- (iv) Delivery times for delivery trucks at all facilities should not interfere with business and park operations during peak visitor times of day. Deliveries should utilize non-public areas to the extent possible.

(c) Utilities

- (i) Electricity – The Concessionaire shall be responsible for activating electrical service with the electric provider and paying directly to the provider all electrical costs attributable to usage of the Resort. The Concessionaire shall be responsible for maintenance of the Park's secondary electrical services within the Resort. Expenses for repairs and maintenance of electric systems herein defined in this Section that fall into the categories outlined under Section 14 (c) are the responsibility of the Concessionaire.

All non-emergency repairs to the electric delivery system as defined above in this section must receive prior approval from the Superintendent. All electrical repairs shall be conducted by a qualified individual licensed by the South Dakota Electrical Commission.

In the event that Department personnel and resources are used for repairs to the electric delivery system as defined

above in this section, the Superintendent reserves the right to bill the Concessionaire and the Concessionaire agrees to pay the costs incurred by the Department to conduct the necessary repairs.

- (ii) Water – The Department shall provide water to the water delivery system within the Resort. The Concessionaire shall be responsible for maintenance of the Park’s water systems that serve the Resort from the point where the plumbing exits the curb stop water valve. Expenses for repairs and maintenance of water systems herein defined in this Section that fall into the categories outlined under Section 14 (c) are the responsibility of the Concessionaire. All non-emergency repairs to the water delivery system as defined above in this section, must receive prior approval from the Superintendent. All water system repairs shall be performed by a qualified individual licensed by the South Dakota Plumbing Commission. In the event that Department personnel and resources are used for repairs to the water delivery system as defined above in this section, the Superintendent reserves the right to bill the Concessionaire and the Concessionaire shall pay the costs incurred to conduct the necessary repairs.

At the request of the Superintendent, the Concessionaire shall institute water conservation measures by limiting lawn watering and other appropriate conservation measures. The Superintendent shall only make such a request when, in his/her best judgment, he/she determines the water supply is insufficient to meet demand absent the implementation of conservation measures. All water systems and facilities shall be maintained by the Concessionaire as to prevent any unnecessary water consumption or loss.

- (iii) Sewer – The Department shall provide sewage disposal to the Resort. The Concessionaire shall be responsible for maintenance of the Department’s sanitary sewer collection system from all points of entry within each Resort building to the nearest access point into the sanitary sewer collection system outside each building. Access points include any septic tank, cleanout, junction, or lift station that provides access into the sanitary sewer collection system. Expenses for repairs and maintenance of sanitary sewer collection systems herein defined in this Section that fall into the categories outlined under Section 14 (c) are the responsibility of the Concessionaire. All non-emergency

repairs to the sanitary sewer collection system as defined above, in this section must receive prior approval from the Superintendent. All sanitary sewer collection system repairs shall be performed by a qualified individual licensed by the South Dakota Plumbing Commission. In the event that Department personnel and resources are used for repairs to the sanitary sewer collection system as defined above in this section, the Superintendent reserves the right to bill the Concessionaire and the Concessionaire shall pay the costs incurred to conduct the necessary repairs.

The Concessionaire shall ensure that any septic tank within the Resort is pumped as needed and functions properly to ensure the proper operation of the sewer system.

The Concessionaire shall not discharge or permit to be discharged any chemicals, substances or materials into any sanitary or storm sewer system that are not lawful and labeled or designated as acceptable for such discharge into the sewer systems.

- (iv) Garbage Disposal – The Concessionaire shall be responsible for contracting with a local garbage hauler and paying all costs directly to the hauler. The Concessionaire is responsible for providing dumpsters and receptacles of which the size, locations, colors and construction are acceptable to the Superintendent. Dumpsters shall be emptied and maintained as to not allow or encourage overflowing garbage, offensive odors or other unsightly problems. No disposal of refuse of any type shall be permitted within the Park without approval of the Superintendent.
- (v) Television - The Concessionaire shall provide television services to all lodging units within the Resort. The Concessionaire shall be responsible for maintenance of the Park's television signal delivery systems that serve the Resort. The Park's television signal delivery system shall be defined as all television equipment, cable and hardware purchased or installed by the Park or Department as part of its repair and maintenance, capital development, or operations programs. Expenses for repairs and maintenance of the Park's television signal delivery systems herein defined in this Section that fall into the categories outlined under Section 14 (c) are the responsibility of the Concessionaire. All non-emergency repairs to the Park's

television signal delivery system as defined above in this section, must receive prior approval from the Superintendent. In the event that Department personnel and resources are used for repairs to the Park's television signal delivery system as defined above in this section, the Superintendent reserves the right to bill the Concessionaire and the Concessionaire shall pay the costs incurred to conduct the necessary repairs.

- (vi) Communications - The Concessionaire shall provide wireless internet services to the all resort complexes. The Park's telephone and wireless internet systems shall be defined as all communications equipment and hardware purchased or installed by the Park or Department as part of its repair and maintenance, capitol development, or operations programs. The Concessionaire shall be responsible for maintenance of the Park's telephone and wireless internet systems that serve the Resort. Expenses for repairs and maintenance of the Park's telephone and wireless internet systems herein defined in this Section that fall into the categories outlined under Section 14 (c) are the responsibility of the Concessionaire. All non-emergency repairs to the Park's telephone and wireless internet systems as defined above in this section, must receive prior approval from the Superintendent. In the event that Department personnel and resources are used for repairs to the Park's telephone and wireless internet systems as defined above in this section, the Superintendent reserves the right to bill the Concessionaire and the Concessionaire shall pay the costs incurred to conduct the necessary repairs.

(d) Department Activities

The Department shall advise the Concessionaire in advance of activities other than maintenance, law enforcement and inspections to be conducted within the Resort, notwithstanding the Department's rights to access as specified in the Agreement.

(e) Visitor Information

- (i) The Concessionaire shall make available and provide without charge to all patrons and Resort visitors, informational literature, safety precautions and notification of potential hazards with respect to Custer State Park as provided by the Department at no expense to the Concessionaire.

- (ii) The Department shall cooperate with the Concessionaire in the distribution and communication of available concession services and customer satisfaction surveys, so long as all materials are provided to the Department free of charge, and Department resources are available to perform the requested distribution and/or communication.
- (iii) In an effort to evaluate and improve public services provided by Concessionaires throughout the state park system, the Department may wish to implement customer satisfaction surveys for Concessionaire patrons. The Concessionaire shall cooperate with the Department for the distribution, collection, and administration of any customer satisfaction surveys or comment cards.

(f) Orientation Training for Resort and Park Employees

- (i) All Resort employees and volunteers shall be able to effectively and courteously respond to the public to inform them of all the Resort's and Park's services, activities, and information.
- (ii) The Concessionaire agrees to arrange for and allow on an annual basis Park employees to attend and be present, or as otherwise agreed to be necessary by the Concessionaire and Superintendent, at an orientation session scheduled and conducted by the Concessionaire to acquaint them with the resources, features and services of Custer State Park. Concessionaire employees, and designated representatives that are employed by the Concessionaire at the time that the training is offered, shall participate in training provided by the Department on Park regulations and informational topics
- (iii) The Concessionaire shall ensure that all of its employees are trained in risk management, customer relations and food safety (where applicable for staff involved in food handling).

(g) Advertising

- (i) In addition to the provisions under 41:13:02:08, use of the State seal, Department or Custer State Park logo, and the Annual Buffalo Roundup is expressly prohibited without prior written approval of the Department.
- (ii) Promotional material distributed within the Park is restricted to services and facilities within the Park and region and is subject to approval by the Superintendent.

(h) Special Events

- (i) Special events planned or promoted by the Concessionaire must be proposed in writing and receive prior written approval of the Department. Written proposals shall be made at least 15 days in advance of the planned special event.
- (ii) Special events are those activities which materially deviate from the minimum required and authorized Resort services. In addition to the written approval of the Department, special events permits may be necessary. Conformance to all Department regulations related to special events shall be required.

(i) Employees

- (i) Any changes or appointments proposed by the Concessionaire to the management personnel that oversee all of the Resort areas are subject to Department approval.
- (ii) Each on-site resort manager must possess the necessary experience and expertise to ensure a high-quality resort operation. The Concessionaire shall employ only competent and orderly employees who shall keep themselves neat and clean and accord courteous and competent treatment and service to all patrons. Whenever the Department notifies the Concessionaire that a Concessionaire employee is disorderly, incompetent or unsatisfactory, the Concessionaire shall investigate the matter thoroughly and take appropriate action.
- (iii) The Department shall issue to all employees and volunteers of the Concessionaire a park entrance license exemption decal to be placed and properly displayed in employee and volunteer vehicles at all times when the vehicles are parked within the Resort. The exemption shall be valid only for current employees and volunteers of the Resort while actively working at the Resort. The exemption decal is valid for employees or volunteers traveling under the most direct route from the Park entrance or employee housing unit to their designated work duty station, during designated working hours. Guests of Resort employees or volunteers residing in the park must also obtain a visitor's pass from the Park office. It shall be valid only for those guests traveling under the most direct route from the park entrance to the employee or volunteer housing unit and back.

- (iv) In providing visitor services, the Concessionaire must require its employees to observe a strict impartiality as to rates and services in all circumstances.
- (v) The Concessionaire shall ensure that its employees are hospitable and exercise courtesy and consideration in their relations with the public. The Concessionaire shall have its employees who come in direct contact with the public, so far as practicable, wear a uniform or badge by which they may be identified as the employees of the Concessionaire.
- (vi) The Concessionaire shall provide all personnel necessary to provide the visitor services required and authorized by this Agreement.
- (vii) The Concessionaire shall comply with all applicable laws relating to employment and employment conditions.
- (viii) The Concessionaire shall establish pre-employment screening, hiring, training, employment, termination and other policies and procedures for the purpose of providing visitor services through its employees in an efficient and effective manner and for the purpose of maintaining a healthful, law abiding, and safe working environment for its employees. The Concessionaire shall conduct appropriate background reviews of applicants to whom an offer for employment may be extended to assure that they conform to the hiring policies established by the Concessionaire.
- (ix) The Concessionaire shall review the conduct of any of its employees whose actions or activities are considered by the Concessionaire or as reported to the Concessionaire by the Department to be inconsistent with the proper administration of the Area and enjoyment and protection of visitors and shall take such actions as are necessary to correct the situation.
- (x) The Concessionaire shall maintain, to the greatest extent possible, a drug-free environment, both in the workplace and in any Concessionaire employee housing, within the Resort. The Concessionaire shall publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and in the Resort and specifying

the actions that shall be taken against employees for violating this prohibition.

- (xi) The Concessionaire shall maintain smoke and vape-free facilities both in the workplace and in any Concessionaire employee housing, within the Resort. The Concessionaire shall publish a statement notifying employees that smoking and/or vaping inside facilities (including employee housing) is prohibited. Staff may smoke/vape only in designated areas approved by the Superintendent.

(j) Signs

- (i) The Department is responsible for providing and maintaining all traffic control signs within the Resort. The Concessionaire is responsible for providing and maintaining all other signs within the Resort. All signs must be approved in advance by the Department and be of a design and fabrication that is consistent with the signage program of the overall Park.
- (ii) No signs, permanent or temporary, may be erected or placed outside of the Resort, on Department property without the prior written approval of the Superintendent.
- (iii) All signs shall be of a professional quality appearance.
- (iv) Signs or other paraphernalia visible to the general public endorsing political candidates or issues is expressly prohibited. There shall be no signs visible from outside the buildings within the Resort that contain any advertisements or insignia that identify with intoxicating beverages without the written permission of the Department.

(k) Lost and Found

Items found by or turned in to the Concessionaire shall be returned to the owner if identifiable. All other items shall be tagged, showing the location found, name and address of the finder and turned into the Concessionaire office.

(l) Complaints

- (i) It is anticipated that from time to time a minimal number of complaints shall be received from the public who utilize the Resort and its services. The Concessionaire shall document and attempt to resolve any and all such complaints, including forwarding a copy of any written communications regarding the same to the Department and the Superintendent.
- (ii) Any complaints regarding the Resort received by the Department shall be documented and forwarded to the Concessionaire for resolution.

(m) Pets

Pets maintained by Resort employees or guests must be kept under control in accordance with established state park rules. Pets shall not be allowed in public areas such as the restaurants and stores with the exception of service animals pursuant to SDCL 20-12-23.2 and 23.4 and applicable federal laws. Pets allowed in Concessionaire employee residences are covered in Section 2 (s) of this Exhibit regarding employee housing.

(n) Safety

- (i) The Concessionaire must maintain and test all life and property safety equipment, devices and systems according to established and applicable laws, rules, regulations, and codes. Such equipment, devices, and systems may include but are not limited to smoke detectors, fire extinguishers, fire suppression systems, alarms, escape routes and egress openings. Any malfunctions of safety equipment, devices and systems must be reported to the Superintendent immediately. The Concessionaire is responsible for having all alarm systems monitored by an Underwriters Laboratory listed central station in addition to local numbers and contacts as approved by the Superintendent.
- (ii) The Concessionaire shall immediately notify the Department of any accident it has knowledge of that occurs involving visitors, patrons or employees. The Department shall immediately notify the Concessionaire of any accident that involves personal injury or property damage in the Resort in addition to any pending or actual litigation.

- (iii) The Concessionaire must provide and promote policies and training to its employees on how to detect, report and minimize any unsafe or hazardous situations.

(o) Rentals

- (i) All equipment offered to the public for rental shall be maintained in good operating condition and appearance. Defective or damaged equipment shall not be rented at any time.
- (ii) All watercraft that are available for rent shall be equipped with at least one approved personal flotation device per rated passenger. All vessels shall comply with all state and U.S. Coast Guard regulations and laws.
- (iii) All watercraft that are on the water shall be discreetly identified with the company name and an identification number.
- (iv) The Concessionaire shall reasonably attempt to ascertain the prospective renter's ability and competency in regard to the item(s) being rented. Where reasonable doubt as to the required ability and competency exist, the Concessionaire may refuse to rent the item(s).
- (v) The Concessionaire shall clearly indicate, as part of the rental agreements utilized in its operation, the specific and implied liabilities resulting from a prospective customer's use of the rental equipment.

(p) Food and Beverage Service

- (i) The Concessionaire shall comply with all applicable health codes, laws and regulations in order to maintain the required South Dakota Department of Health food service establishment license. Copies of all inspection reports must be provided to the Department. The Concessionaire must immediately notify the Department of any deficiency or failure to comply as a result of Department of Health inspections.
- (ii) Food Safety Certification. The Concessionaire shall have at least one full-time certified food safety manager at each location during all operating hours. The manager shall be certified as a ServSafe Food Protection Manager by the National Restaurant Association. The Concessionaire is

required to train all employees involved in food preparation in compliance with all applicable laws.

- (iii) Liquor Laws. The Concessionaire shall have at least one full-time manager at each resort complex that has attended a liquor law training program and is required to train all employees involved in alcoholic beverage service in compliance with all applicable laws.
- (iv) On and off-sale alcoholic beverages shall be permitted to the extent that those services authorized under the Concession Agreement and subject to the Concessionaire's securing of all applicable licenses and permits and complying with all applicable state laws.
- (v) All foods, drinks, beverages, confections, refreshments and the like sold or kept on the premises for sale shall be of first quality, wholesome and pure and shall conform in all respects to the applicable federal, state and municipal laws and regulations. No imitation, adulterated or misbranded article shall be sold or kept for sale, and all material on hand shall be sorted and handled with due regard for sanitation.
- (vi) Food and Beverage Service standard classifications:
 - State Game Lodge and Blue Bell Lodge- Family Casual dining serves from one to three meals a day. Guests are seated and served by wait staff in booths or tables. Table service is casual, relaxed and relatively fast. The menu offers a wide selection of value-conscious items featuring familiar favorites or home-style foods. Children's menus are typically available. Table settings are basic and simple.
 - Legion Lake Lodge- Family Casual facilities provide cafeteria or counter services. Menu items offer a selection of value-conscious familiar favorites or home-style foods. Seating is provided.
 - Sylvan Lake Lodge- Upscale Casual. Guests are seated and served by wait staff in booths or tables. Table service and dining ambiance are more casual than Fine Dining, but more formal than Family Casual. The menu offers a selection of items featuring familiar or regional favorites. Children's menus may be available. Bar service is usually available

(q) Merchandise, Convenience Items and Accessories Sales

- (i) All merchandise, convenience items and accessories and the like sold or kept on the premises for sale shall be of the first quality, wholesome and pure and shall conform in all respects to the applicable federal, state and municipal laws and regulations. No imitation, adulterated or misbranded article shall be sold or kept for sale. Concessionaire shall be responsible for collecting and remitting all sales taxes as required by law.

At minimum, store locations must provide the following:

1. First aid items such as bandages, antiseptics, pain relievers, skin ointments, sunscreen, and bug repellent.
 2. Basic grocery, toiletry and personal items.
 3. Ice
 4. Firewood
- (ii) Grab and go food items such as premade sandwiches are to be made available at Bison Center, Sylvan Lake Lodge Store, and Coolidge General Store
- (iii) Display areas and shelving are to be clean and attractive and the merchandise well presented and uncluttered.
- (iv) No merchandise shall be sold which persons of normal sensitivity might consider to be obscene, sexually oriented, profane, vulgar or demeaning.
- (v) Fireworks shall not be sold, stored or used at the Resort.

(r) Rental Lodging

- (i) At a minimum, all cabins and lodge rooms shall provide the following amenities:
1. Beverage containers (plastic or glass)
 2. Amenity package that includes soap and shampoo/conditioner; bulk dispensers are preferred
 3. Clock radio or clock
 4. Towel service that correlates to the number of pillows

5. Iron and ironing board available upon request (irons must be equipped with automatic shut-offs)
 6. Complimentary toiletries available upon request, e.g. toothpaste, toothbrush, sewing kits
- (ii) Housekeeping. At a minimum, the Concessionaire must offer housekeeping every third day, or upon guest request. The Concessionaire must provide fresh linens and bathroom supplies upon request; however, the Concessionaire must encourage linen reuse during a guest's stay.
 - (iii) Posted check in time must be no later than 4:00 p.m. and check out time must be no earlier than 11:00 a.m.
 - (iv) Each cabin and lodge room shall contain adequate furnishings jointly acceptable to the Department and Concessionaire.
 - (v) Carpets, sheets, bedspreads, pillowcases, blankets, terry and window coverings must not be frayed, faded, worn, stained or contain holes.
 - (vi) All rugs must be kept clean and free of stains and offensive odors.
 - (vii) All lodging rooms and cabins are to be Non-smoking in accordance with hospitality industry and guest trends.
 - (viii) The front desk shall be available for guest services 24-hours per day, seven days a week from Memorial Day to Labor Day at each resort area.
 - (ix) Each cabin and room must be equipped with a serviced fire extinguisher and appropriate fire exit information shall be posted in accordance with South Dakota law.
 - (x) Reservations shall be accepted via the phone, email, and regular mail at a minimum of up to one year in advance, but reservations may be made up to two years in advance. .
 - (xi) Rates, charges, check in/check out and appropriate hotel regulations should be posted in each cabin and room.
 - (xii) The Concessionaire shall comply with all applicable laws in order to maintain the required South Dakota State Department of Health lodging establishment license.

(s) Concession Housing

- (i) The Concessionaire may provide one residential rental lodging unit at each of the four resort locations for the purpose of housing a full-time resort manager and his/her family for that location in and one on-site maintenance supervisor for a total not to exceed five residential rental lodging units. There shall be no concession housing rental fees charged for these five units. Additional housing requests shall be considered by the Department and shall be levied a housing rental fee payable to the Department. Specific conditions for manager housing is as follows:
1. The units may not be sublet or used by any other person(s) other than the manager and his/her direct family or dependents.
 2. The units may not be used for any business outside the responsibilities directly associated with the Resort without permission of the Superintendent.
 3. The units are part of the overall concession, and all terms and conditions that provide for maintenance, modifications and repair covered under this Agreement shall apply to the residence facilities as well.
 4. Occupant shall keep the premises in a clean, sightly and safe condition at all times. Upon moving in and upon vacating, the occupant and Park Staff may do a joint inspection with the Concessionaire.
 5. The grounds associated with the units shall be kept clean, neat and uncluttered by using discretion in placement of clothes lines, garden plots, children's swing sets, and pet houses and pens. Personal items such as toys, bicycles and wagons should be put away when not in use. Installation of apparatus such as satellite dishes must have written approval of the Superintendent.
 6. Employees may keep dogs, cats and other household pets at the units provided facilities are built and maintained at no expense to the state, accommodations are kept clean and neat, and animals are not a public nuisance or hazard. Horses, livestock, and poultry are not permitted. Damage by pets to carpets, woodwork, and other property of the Department is not considered to be normal wear and tear and costs of repairs/replacement shall be the responsibility of the employee or Concessionaire. Pets shall have inoculations and be cared for in accordance with all applicable laws and must be controlled at all times.

7. Any lease agreements for managers administered by the Concessionaire are subject to the terms and conditions of this Concession Agreement, and approval by the Department.

(ii) The five assigned Housing Concession Units are as follows:

Location	Unit
State Game Lodge	Caretakers Residence
Legion Lake Lodge	Residence Home
Legion Lake Lodge	Governors House 1
Legion Lake Lodge	Governors House 2
Legion Lake Lodge	Governors House 3

(t) Employee Group Housing

- (i) The dorm facilities identified in Exhibit A of this Agreement are available for providing employee or volunteer housing. The Concessionaire may charge reasonable rates for seasonal employee housing. These rates should be set based on Concessionaire’s actual cost and must be approved annually by the Superintendent. Rates must be submitted for approval by March 15 each year.
- (ii) Residents must be direct employees or volunteers of the Resort.
- (iii) Quiet hours are 10:00 p.m. to 8:00 a.m.
- (iv) The employee group housing facilities are part of the overall concession, and all terms and conditions that provide for maintenance, modifications and repair covered under this Agreement shall apply to the residence facilities as well.
- (v) Occupants shall keep the premises in a clean, sightly and safe condition at all times. Upon moving in and upon vacating, the occupant and Department may do a joint inspection with the Concessionaire.
- (vi) The employee group housing grounds shall be kept clean, neat and uncluttered by using discretion in placement of clothes lines, garden plots, children’s swing sets, and pet houses and pens. Personal items such as toys, bicycles and wagons should be put away when not in use. Installation of apparatus such as satellite dishes must have written approval of the Superintendent.
- (vii) Employees may not keep dogs, cats and other household pets at the residence with the exception of service animals pursuant to SDCL 20-13-23.2 and 23.4, and applicable federal laws.
- (viii) Any lease agreements for Resort Managers administered by the Concessionaire are subject to the terms and conditions

of this Concession Agreement, and approval by the Department.

- (ix) Campsites may be available for Resort employees/volunteers to be determined by the Superintendent.
- (x) The following table details the assigned Employee Group Housing:

Dorm Type	# of Bedrooms	Capacity
State Game Lodge		
Dorm 1	16	32
Dorm 2	16	32
Dorm 3	16	32
Rec Dorm	2	4
Man Camp	6	12
4 Plex - 1	4	8
4 Plex - 2	4	8
4 Plex - 3	4	8
Total Employee Housing State Game Lodge	68	136
Legion Lake Lodge		
Dorm 1	1	2
Dorm 2 (2 bathrooms)	2	6
Dorm 3	3	5
Total Employee Housing Legion Lake Lodge	6	13
Sylvan Lake Lodge		
Dorm 1	16	32
Dorm 2	16	32
Rec Dorm	2	4
Man Camp	6	12
Total Employee Housing Sylvan Lake Lodge	40	80
Blue Bell Lodge		
4 Plex	4	8
4 Plex (Stables)	4	8
Man Camp	6	12
Duplex 1 (both sides)	2	4
Duplex 2 (both sides)	2	4
Rec Dorm (both sides)	5	9
Total Employee Housing Blue Bell Lodge	23	45

(u) Fuel Sales

- (i) Concessionaire shall be responsible for the proper fueling of all vehicles, instructing the public who wish to fuel their own vehicles on the appropriate safety measures that must be undertaken prior to fueling the vehicle, and must directly supervise the fueling of the vehicle by the public.
- (ii) The fuel storage tanks and dispensing systems shall be operated in accordance with applicable laws

(v) Guide Service

- (i) Jeep Tours
 1. All rides are restricted to established roads, routes and trails approved by the Superintendent.
 2. Riders should not be allowed out of the vehicle amidst buffalo or other wildlife.
 3. Operators must obey all established and posted rules and traffic laws.
- (ii) Chuckwagon Rides
 1. Chuckwagon rides are restricted to established roads and hours for the facility unless authorized by the Superintendent.
- (iii) Horseback Trail Rides
 1. In the annual operating plan provided to the Department as required under Section 7 (e) of this Agreement, the Concessionaire must request and identify the specific portions of the park trails to be used by the trail riding services. The Superintendent reserves the right to close, restrict or re-designate the trails that are provided to the public for resource management objectives.
 2. All rides are restricted to designated and approved trails.
 3. Hours and dates are subject to the Superintendent's approval.
 4. Stock and tack must be inspected and adjusted daily.
 5. All hay, feed and supplements must be certified weed free.

SECTION 2. REPORTING REQUIREMENTS

- (a) Concessionaire must provide the Department with an Operations Plan each year. The Operations Plan is subject to Department approval. The Operations Plan is due on March 1 of each year. At a minimum, the Operations Plan must address:
 - (i) Hours of operation for all locations, facilities and services.
 - (ii) Rates, fees, and prices charged for lodging, food, merchandise and services.
 - (iii) Marketing, promotion and signage requests.
 - (iv) Employee and emergency contact information.
 - (v) Special events scheduled for the upcoming year.
 - (vi) Improvement requests.

- (vii) Maintenance projects.
 - (viii) Preliminary Personal Property replacement requests.
 - (ix) Locations and provisions for all vending machines, catering, and group accommodations located in the Park.
 - (x) All Sub Concessionaire contract proposals.
 - (xi) Guide services, locations, routes and policies.
 - (xii) Emergency response plans including notification, communication and evacuation of Resort visitors and Concessionaire staff.
- (b) Concessionaire shall prepare and maintain accounting records of the Resort segregated by profit center under generally accepted accounting principles that are customary for resort operating businesses. The records shall be made available for inspection by the Department on reasonable notice during normal working hours.
- (c) Concessionaire shall submit to the Department monthly accounting records and reports separated for the operation of each of the four resorts (Game Lodge, Blue Bell, Sylvan Lake and Legion Lake) to include Gross Receipts broken down by profit center. These records and reports along with state tax remittance forms are to be provided to the Department with the corresponding franchise fee payments as provided for in Section 10.
- (d) Concessionaire shall within one hundred twenty (120) days of the close of Concessionaire's fiscal year submit to the Department annual audited accounting records and reports for the operation of each of the four resorts (Game Lodge, Blue Bell, Sylvan Lake and Legion Lake) to include a consolidated balance sheet and income statement for all operations. Additionally, Concessionaire shall provide a profit and loss statement by profit center and all necessary supporting schedules.
- (e) The Concessionaire shall retain all records and reports required by law and under this Agreement for a period not less than five years following the expiration or termination of this Agreement and its amendments. The Department shall, at any time during the term of the Agreement and until five years after the expiration or termination of this Agreement, have access to and the right to examine any of the pertinent books, records, documents, and papers of Concessionaire related to this Agreement, including state and federal income tax records and returns.
- (f) In addition to the accounting records mentioned above, Concessionaire shall provide to the Department a monthly lodging utilization report which shall include information relating to available

rooms, occupied rooms, resulting levels of occupancy, revenues and resulting average daily rates (ADR) for each lodging property. These reports shall also include year-to-date summaries and year-to-date comparisons with the previous year. These reports shall be submitted to the Department by the 15th of each month for the previous month.

- (g) From time to time, the Department may require Concessionaire to submit other reports and data regarding the Resort, Concessionaire's performance under this Agreement or otherwise, including but not limited to, operational information.
- (h) Concessionaire agrees to waive any right to confidentiality of all records and reports identified in this section for Commission purposes. This waiver is not intended to apply to third parties or the public at large, except as provided by State law and Subsection (i) below.
- (i) Concessionaire agrees to waive any right to confidentiality of records, reports and information contained therein for the purposes of preparing a prospectus and other documents for leasing the Resort, as necessary for any subsequent concessionaire to operate the Resort, or for other legislative or administrative purposes.
- (j) Concessionaire agrees to report to the Superintendent any event encountered in the course of performance of this Agreement which results in injury or loss to any person or property, or which may otherwise subject Concessionaire, the State of South Dakota and/or their respective officers, agents or employees to liability. Concessionaire shall report any such event to the Superintendent immediately upon discovery. Concessionaire's obligation under this section shall only be to report the occurrence of any event to the Superintendent and to make any other report provided for by Concessionaire's duties or applicable law. Concessionaire's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the Superintendent under this section shall not excuse or satisfy any obligation of Concessionaire to report any event to law enforcement or other authorities under the requirements of any applicable law.
- (k) An annual Personal Property Replacement plan of action shall be developed by Concessionaire and submitted to the Department for approval by November 1 of each year. The plan of action shall outline proposed Personal Property items to be purchased or replaced. If the Concessionaire and the Department cannot agree

on the plan of action, then the Commission shall make the final determination of the specifics of the plan. The Personal Property Replacement plan shall be performed as approved prior to December 15 of the following year, unless the approval contemplated the extension thereof, or unless an extension is granted by the Department. Concessionaire shall provide the Department an annual report of all expenditures of the Personal Property Replacement Program, with a detailed listing of all items purchased in the prior year. The report shall include acquisition dates and amounts. Auditable receipts for all purchases shall be maintained and submitted upon request of the Department. This statement is due by November 1, unless an extension of time is granted by the Department.

- (l) Concessionaire shall provide the Department with a detailed report of activities and the costs expended and incurred, for the annual Component Renewal and General Repair and Maintenance work completed each year. This report is due by January 1 of each year, unless an extension of time is granted.
- (m) Reporting Summary Table. A summary of the dates outlined above appears in the table below:

Requirement Name	Summary	Frequency	Due Date
Operations Plan	Annual operating plan detailing hours, pricing, marketing, staffing, events, maintenance, improvements, emergency plans, etc.	Annual	1-Mar
Accounting Records	Maintain accounting records, segregated by profit center, and make available for inspection	Ongoing	Upon reasonable notice
Monthly Accounting Reporting	Monthly accounting reports, including gross receipts by profit center; submitted with tax forms and franchise fee payments	Monthly	With franchise fee payments (outlined in Section 10 of Agreement)
Audited Financial Statements	Audited financials for each resort, including balance sheet, income statement, P&L by profit center, supporting schedules	Annual	Within 120 days after fiscal year end
Records/Reports related to Agreement	Maintain all required records/reports for at least 5 years post-term, including books, records, documents, and papers related to agreement	Ongoing	Not less than 5 years after expiration
Lodging Utilization Report	Available rooms, occupied rooms, occupancy, ADR, revenue for each property, along with YTD summary and comparisons	Monthly	15th of each month (for prior month)
Additional Reporting	Any additional operational/performance reports required by the Department	As requested	As required
Incident Reporting	Report injuries, losses, or liability events	As needed	Immediately upon discovery
Personal Property Replacement Plan	Annual plan, expenditure reporting, list of all purchases	Annual	Plan due Nov 1, implementation by Dec 15 (following year)

Component Renewal & Maintenance Report	Detailed report of activities and costs expended and incurred prior year	Annual	1-Jan
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SECTION 3. MAINTENANCE AND FACILITY IMPROVEMENTS

(a) General

All maintenance and facility improvements shall meet all federal, state or local legal and regulatory requirements, including the Americans with Disabilities Act.

(b) Plans and Materials

(i) Proposals by the Concessionaire to change physical facilities, both Government Facilities and Concessionaire Facilities, shall follow procedures outlined in ARSD 41:13.

(c) Maintenance Responsibilities-Concessionaire

(i) Maintenance, for the purpose of this Agreement shall include, but not be limited, to all routine, preventative and cyclical maintenance of facilities, equipment, utilities, and grounds necessary for the quality operation and appearance of the Resort.

Maintenance of all facilities, except roads and parking areas shall be completed by the Concessionaire without further action by the Department. The following responsibilities apply within the Resort assigned to the Concessionaire:

- (ii) Buildings and Structures – The Concessionaire shall maintain all buildings and structures assigned to or owned by the Concessionaire including, but not limited to painting, electrical and plumbing maintenance and cleaning. Maintenance and cleaning should be equivalent to that generally provided by skilled workers using commercial quality building maintenance equipment and materials. Exterior and interior paint and roof colors must be approved in advance by the Department.
- (iii) Personal Property – The Concessionaire shall maintain all Personal Property assigned to or owned by the Concessionaire including, but not limited to painting, re-finishing, cleaning, and repairing. Maintenance and cleaning should be equivalent to that generally provided by skilled workers using commercial quality maintenance equipment and materials.

- (iv) Boat Docks and Slips – The Concessionaire shall maintain, replace, install and remove boat docks and slips as authorized and necessary. Off-season storage of boat docks and slips shall be allowed in the Resort provided such storage does not interfere with snow removal and/or winter activities. The dock surface, floatation and ramps must be in good condition, properly positioned and secured. They must be sturdy, free from cracks, protruding nails or boards or uneven or broken surfacing.
- (v) Sidewalks, Steps, Decks and Landings – The Concessionaire shall maintain all concrete, wood and gravel sidewalks, steps, decks and landings within the Resort. All walking surfaces shall be in good condition, level, smooth, and properly positioned and secured. They must be sturdy, free from cracks, protruding nails or boards or uneven or broken surfacing.
- (vi) Grounds – Mowing, weed/pest control, and maintenance of landscaping within the Resort shall be the responsibility of the Concessionaire.
- (vii) Garbage and Trash – The Concessionaire shall be responsible for all litter pickup and removal of trash caused by guests. Garbage and trash from the Resort shall be disposed of on a regular basis through a Concessionaire maintained contract with a local garbage hauler. The Concessionaire shall provide outdoor receptacles in high traffic areas. All receptacles are to be provided by the Concessionaire and shall be kept clean, well maintained, serviceable and contained where necessary.
- (viii) Flagpoles, Television and Radio Antennas, Satellite Dishes – The Concessionaire shall provide maintenance for all masts and electronic systems for entertainment/communication devices. As with other structures, construction, modification or relocation of these devices require prior written approval of the Superintendent.
- (ix) Health and Safety – Facilities assigned to the Concessionaire are subject to periodic inspections for health and safety requirements. Repairs, corrections, improvements or operational changes determined necessary by the Department as a result of these inspections shall be at the sole cost and responsibility of the Concessionaire.

- (x) Fire Protection Equipment – The Concessionaire shall provide and maintain in good working order, fire detection and protection systems that conform to and comply with applicable laws. The Concessionaire shall comply with all directives or recommendations of the Fire Marshall’s office.
- (xi) Locks – The Concessionaire shall provide the Superintendent with Resort facility keys necessary for security, emergency or other lawful purposes.
- (xii) Winterizing Facilities – The Concessionaire is responsible for taking appropriate measures to protect all facilities for which the Concessionaire has maintenance responsibility from winter weather and to have all such protective measures accomplished by November 1st of each year or sooner depending on weather conditions or temperature. Protective measures may include (but not limited to), draining and flushing of water lines, window bracing, and utility shut offs. Temperature-controlled facilities must be kept to a minimum 50 degrees Fahrenheit when not in use. The Concessionaire is responsible for spring re-opening.

Snow Removal. The Concessionaire shall be responsible for snow removal within the Resort including parking lots and sidewalks that serve Resort facilities. The Concessionaire is responsible for marking fire hydrants and all propane tanks with snow stakes/flags and for keeping snow clear around hydrants.

- (xiii) Grease Traps (if applicable). The Concessionaire shall be responsible for maintaining grease traps. Grease traps must be pumped on a regular basis, with documentation available to the Department, and the grease disposed of outside the Park and in accordance with applicable laws. The Concessionaire shall notify the Department within 24 hours in the event of a grease trap failure.
- (xiv) Restrooms. All restrooms within Resort shall be well maintained, cleaned and restocked with paper products a minimum of two times per day, and with greater frequency during peak periods. Fixtures and equipment shall be fixed immediately upon notification of a problem. No bathroom fixture shall be left out of order for more than 24 hours.

- (xv) Fire Grates. All fire grates and fireplaces must be properly maintained. Outdoor fireplaces must be maintained in accordance with “Guidelines for Minimum Acceptable Safety Requirements for Outdoor Fireplaces” developed by the South Dakota Department of Agriculture, Division of Forestry document no. AG-DOF-Oct/89. The Superintendent may impose fire restrictions at any and all resort locations at any time as the result of wildfire risk assessments.
- (xvi) Animal Stock Containment – The Animal Stock Containment area assigned in Exhibit A is limited for horses and livestock necessary to providing services required under this Agreement. The Concessionaire is responsible for weed and pest control in the area and requiring certified weed-free hay to be fed to all livestock.
- (xvii) Rental Lodging: Case goods shall be well maintained and repaired to ensure a pleasant and safe guest experience. Any scratches and/or defacement of case goods shall be fixed or the piece of furniture shall be replaced prior to the room being rented. All case goods (unless historic) shall be replaced or refurbished at least once every 15 years, based on current estimated age and expected life cycle, or sooner if a furnishing does not meet facility standards. Mattresses shall be replaced every 10 years or sooner, based on estimated age if their condition warrants it. Soft goods shall be clean and free from any stains, holes or tears. An adequate inventory of replacement soft goods shall be kept on hand in order to replace damaged soft goods prior to renting a rental unit. Soft goods shall be replaced every seven years or sooner if the condition warrants it.
- (xviii) Restaurants. Restaurant tables and chairs shall be well maintained and repaired to ensure a pleasant and safe guest experience. Any scratches and/or defacement of items shall be fixed, or the piece of furniture shall be replaced prior use. All tables and chairs (unless historic) shall be replaced or refurbished at least once every 10 years, based on current estimated age and expected life cycle, or sooner if a furnishing does not meet facility standards. Soft goods, including linen, shall be clean and free from any stains, holes or tears. An adequate inventory of replacement soft goods shall be kept on hand in order to replace damaged soft goods.

The Concessionaire is responsible for annually cleaning and inspecting active chimneys and exhaust ducts, Inspecting range/grill hoods monthly and cleaning as required.

- (xix) Retail Operations. All shelving and merchandise display areas shall be sound, secure, clean and presentable.
- (xx) Service stations. The Concessionaire will ensure that fuel dispensers and other pieces of equipment are maintained by a qualified professional. The Concessionaire will calibrate weights and measures annually or more frequently in accordance with applicable laws. The calibration will be conducted by a state or local sealer. Each pump will have a current seal indicating it is within the prescribed tolerance. All dispensing systems, including nozzles and hoses, will be inspected each week to ensure they are in proper working order as to minimize gasoline vapor losses.
- (xxi) Corral Maintenance. The Concessionaire will keep corrals clean and free of an accumulation of manure. Manure shall not be stockpiled but shall be removed from the Park at least weekly.
- (xxii) Jeep and Trailers. All jeeps and trailers used in wildlife tours and Chuckwagon rides must be maintained and operated in a safe manner.
- (xxiii) Removable equipment. All Concessionaire operated appliances, machinery, and equipment; including parts, supplies and related materials will be maintained, serviced, and repaired per manufacturer's recommendations, and replaced as necessary.
- (xxiv) Boilers. Inspecting, cleaning, and tuning boilers will occur annually, or more often, as conditions warrant.
- (xxv) Concessionaire shall not during the term of this Agreement, or during any period of holdover, use, store, generate or treat any Hazardous Materials on or within the Resort, except in accordance with all applicable, federal, state and local laws and regulations. Concessionaire shall not release or allow to be released into the environment any Hazardous Materials. Concessionaire shall indemnify, defend and hold harmless the Department from and against any loss, cost, damage, liability, or expense, including but not limited to attorneys' fees and disbursements, arising by reason of any

clean-up, removal, remediation or detoxification action required under applicable federal, state and local laws and regulations by reason of the use, generation, storage, treatment or release of Hazardous Materials. The foregoing covenants and indemnity obligation shall survive the expiration or any termination of this Agreement. "Hazardous Materials" shall mean (i) any biologically or chemically active or other toxic or hazardous wastes, pollutants or substances, including, without limitation, asbestos, PCBs, petroleum products and by-products, substances defined or listed as "hazardous substances" or "toxic substances" or similarly identified in or pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., and as hazardous wastes under the Resources Conservation and Recovery Act, 42 U.S.C. § 6010 et seq., (ii) any chemical substance or mixture regulated under the Toxic Substance Control Act of 1976, as amended, 15 U.S.C. § 2601 et seq., (iii) any "toxic pollutant" under the Clean Water Act, 33 U.S.C. §466 et seq., as amended, (iv) any hazardous air pollutant under the Clean Air Act, 42 U.S.C. § 7401 et seq., 9v) hazardous materials identified in or pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq., and (vi) any hazardous or toxic substances or pollutant regulated under any federal, state or local law.

(d) Maintenance Responsibilities-Department

- (i) Fishing Dock – The Department will maintain the public fishing dock that is located at Legion Lake resort. The dock is for the use of the general public including Resort patrons.
- (ii) Roads and Parking Lot – The Department will be responsible for maintenance of roads and parking lots within the Resort. This maintenance will include necessary crack seal, pothole repair and surfacing of paved areas and necessary grading of non-paved areas. Snow Removal will be in accordance with Section 3 (d) (iii) of this Exhibit below.
- (iii) Snow Removal – The Department will be responsible for snow removal necessary to maintain access to key public and administrative areas located within the Resort. Snow removal will be performed on weekdays (Monday – Friday) during regular park employee work hours (8:00 a.m. – 5:00 p.m.). During these periods, the Department is not obligated

to perform snow removal until snowfall, blowing and drifting have ceased. The Department cannot guarantee snow removal for the access road outside of regular park employee work hours, but agrees to cooperate if staff is reasonably available to perform such duties.

SECTION 4. INSPECTIONS AND AGREEMENT COMPLIANCE REVIEWS

(a) Maintenance Inspections

- (i) Between October 15 and November 30th of each year, the Department shall inspect the Resort grounds and facilities with a representative of the Resort. The purpose of the inspection will be to identify the current conditions and maintenance levels of the facilities and Personal Property therein.
- (ii) Upon analysis of the results of the inspection, the Department will present the Concessionaire with a written list of maintenance objectives for which the Concessionaire is responsible and a list of maintenance objectives the Department is responsible for in the Resort. The Department and the Concessionaire will jointly agree to the prioritization of the projects and the schedule for completing the identified maintenance work. The Department and Concessionaire shall also agree as to what projects are to be included to satisfy the Component Renewal Reserve as required in Section 14 of the Concession Agreement. The Concessionaire shall submit a Component Renewal program and plan to the Department for approval no later than November 1 of each year for the next year.

The Department and Concessionaire shall also agree as to what projects are to be included to satisfy the Personal Property Replacement Program as required in Section 15 of the Concession Agreement. The Concessionaire shall submit a Personal Property Replacement Program and plan to the Department for approval no later than November 1 of each year.

- (iii) Between March 15th and May 15th of each Agreement year, the Department shall inspect the Resort grounds and facilities. The purpose of the inspection will be to ascertain the Concessionaire's completion of the maintenance objectives identified as a result of the previous fall

inspection. In the event that the Concessionaire refuses or fails to perform any of the projects identified by a date and time specified in the written inspection report, the Department specifically reserves the right to complete the project(s) and charge the resulting expenses to the Concessionaire

(b) Health, Safety, and Fire Inspections

- (i) There may be other inspections as required by law or insurance policies pertaining to but not limited to health, safety, fire, and environmental rules and regulations that are the responsibility of other agencies or authorities. The Concessionaire must notify the Department in advance of any such inspection and allow Department staff to accompany the inspection.
- (ii) Copies of the inspection or report must be provided to the Department upon request. Any failures, substandard or otherwise unsatisfactory scores, inspections or individual components of an inspection must be reported to the Department immediately.

(c) Agreement Compliance Audits

- (i) The Department reserves the right to conduct Agreement Compliance Audits during the course of each Agreement year. The purpose of the Audit will be to ascertain on a qualitative and quantitative basis, the Concessionaire's compliance with all requirements of the Agreement. The form and content of such an audit may include but not be limited to; inspections, product sampling, customer surveys, blind shopping, interviews and other techniques as required to satisfy the Department that all elements and requirements are being performed at a level consistent with the Standards and other covenants of the Agreement. A written summary of the results of the performance audit will be provided to the Concessionaire. When remedial actions are needed, a specific date will be given for a follow-up audit to ensure the necessary corrective measures have been taken. In the event that corrective measures have not been implemented by the date specified, the Department reserves the right to take the necessary action and then bill the Concessionaire for the direct cost of the corrective action taken.

(d) **Summary of Inspection Requirements**

Requirement Name	Summary	Frequency	Due Date
Maintenance Inspection (fall)	Inspection of resort grounds and facilities with a representative	Annual	Between October 15 and November 30
Maintenance Objectives	Provide maintenance list, prioritize projects, and completion schedule	Annual	Post-inspections
Component Renewal Plan	Develop annual Component Renewal plan with Department	Annual	1-Nov
Personal Property Replacement Plan Submission	Submit annual Personal Property Replacement plan for approval	Annual	1-Nov
Maintenance Inspection (spring)	Ascertain completion of prior maintenance items	Annual	Between March 15 and May 15
Health, Safety, & Fire Inspections	External regulatory inspections	As required	Advance notice required
Inspection Reports & Deficiencies	Provide reports and report any failures/issues	As required	Upon request
Agreement Compliance Audit	Department audit of compliance, written summary of results	As required	Upon Request

EXHIBIT C
TRANSITION TO A NEW CONCESSIONAIRE

Section 1. In General

The Department and the Concessionaire hereby agree that, in the event of the expiration or termination of this Agreement for any reason (hereinafter "Termination" for purposes of this Exhibit) and the Concessionaire is not to continue the operations authorized under this Agreement after the Termination Date, the Department and the Concessionaire in good faith will fully cooperate with one another and with the new Concessionaire or Concessionaires selected by the Department to continue such operations ("New Concessionaire" for purposes of this Exhibit), to achieve an orderly transition of operations in order to avoid disruption of services to park area visitors and minimize transition expenses.

Section 2. Cooperation Prior to the Termination Date

At such time as the Director may notify the Concessionaire that it will not continue its operations upon the Termination of this Agreement, the Concessionaire shall, notwithstanding such notification:

(a) Continue Operations.

Continue to provide visitor services and otherwise comply with the terms of the Agreement in the ordinary course of business and endeavor to meet the same standards of service and quality that were being provided previously, and with a view to maintaining customer satisfaction.

(b) Continue Bookings.

Continue to accept all future bookings for any hotel, lodging facilities, or other facilities and services for which advance reservations are taken; not divert any bookings to other facilities managed or owned by the Concessionaire or any affiliate of the Concessionaire; and notify all guests with bookings for any period after the Termination Date that the facilities and services are to be operated by the New Concessionaire. Promptly following notification to the Concessionaire by the Department of the selection of the New Concessionaire, the Concessionaire shall provide the New Concessionaire with a copy of Concessionaire's reservation log for visitor services as of the last day of the month prior to the selection of the New Concessionaire, and thereafter the Concessionaire shall update such log on a periodic basis (but no less frequently than thirty (30) days) until the Termination Date. The reservation log shall include, without limitation, the name of each

guest, and the guest's (1) address, (2) contact information, (3) dates of stay, (4) rate quoted, (5) amount of advance deposit received and (6) confirmation number, if applicable.

(c) Designating a Point of Contact and Other Actions.

Cooperate with the Department and the New Concessionaire to ensure the smooth transition of operations by: (1) designating one of the Concessionaire's executives as the point of contact for communications between the Concessionaire and the New Concessionaire; (2) providing the Department and the New Concessionaire with access to any assigned Real Property Improvements, including "back-of-house areas" and including copies of the keys to assigned Real Property Improvements; (3) providing the Department and the New Concessionaire with full access to the books and records, licenses and all other materials pertaining to any assigned Government Facilities and Concessionaire Facilities and the Concessionaire's operations in general; (4) providing the Department and the New Concessionaire with copies of all maintenance agreements, equipment leases (including short-wave radio) service contracts and supply contracts, including contracts for on-order merchandise (collectively, "Contracts"), and copies of all liquor licenses and other licenses and permits (collectively, "Licenses"); (5) allowing the New Concessionaire to solicit and interview for employment all of the Concessionaire's salaried and hourly employees, including seasonal employees through a coordinated process implemented by the Concessionaire; and (6) not entering into any contracts or agreements that would be binding on any assigned Government Facilities or Concessionaire Facilities or operations in general after the Termination Date without the prior written agreement of the New Concessionaire.

(d) Financial Reports.

Within 30 days after receipt of the notification of the selection of the New Concessionaire, provide the New Concessionaire with a financial report with respect to the operation of any assigned Real Property Improvements and the Concessionaire's operations in general as of the last day of the month prior to receipt of such notification.

Thereafter, the Concessionaire shall update such financial report on a periodic basis (but no less frequently than thirty (30) days) until the Termination Date. Such financial report shall include, at a minimum:

- (i) A balance sheet for the Concessionaire's assigned Real Property Improvements, if any;
- (ii) a schedule of pending accounts payable; and
- (iii) a schedule of pending accounts receivable.

(e) Inventory and Personal Property.

Provide the New Concessionaire with a complete, detailed and well-organized list of physical inventory, supplies, and other Personal Property owned or leased by the Concessionaire in connection with its operations under the Agreement (including a list of such items that are on-order) The list shall be provided to the New Concessionaire within thirty (30) days following receipt of the notification of the selection of the New Concessionaire, shall be updated monthly thereafter, and shall designate those items that the Concessionaire believes are essential to maintaining the continuity of operations or the special character of its operations. The Concessionaire shall assist the New Concessionaire in reviewing and validating the list.

(f) Other Information and Reports.

Provide the New Concessionaire with all other information and reports as would be helpful in facilitating the transition, including, without limitation, a list of maintenance records for the Concessionaire's operations for the period of one year prior to notification of the selection of the New Concessionaire, and complete information with respect to: (1) utilities, including gas and electric; (2) telephone service; (3) water service; and, (4) specific opening and closing procedures. Such information shall be provided within thirty (30) days after receipt of notification of the selection of the New Concessionaire, and shall be updated periodically (but no less frequently than thirty (30) days) until the Termination Date.

(g) Access to Facilities

Provide the New Concessionaire reasonable access to Concessionaire Facilities and Government Facilities to facilitate the transition and transfer.

(h) Other Cooperation.

Provide the Department and the New Concessionaire with such other cooperation as may be reasonably requested.

Section 3. Cooperation Upon the Termination Date.

Upon the Termination Date, the Concessionaire shall:

(a) Transfer of Contracts and Licenses.

Cooperate with the transfer or assignment of all Contracts and Licenses entered into by the Concessionaire that the New Concessionaire elects to assume.

(b) Reservation Systems.

- (a) Provide the New Concessionaire with an update of the reservation log through the Termination Date;
- (b) disconnect its operations from the Concessionaire's centralized reservation system, if any; and
- (c) cooperate with the New Concessionaire in transitioning to the New Concessionaire's reservation system.

(c) Fees and Payments.

Within ten (10) days after the Termination Date, the Concessionaire shall provide the Department with an itemized statement of all fees and payments due to the Department under the terms of the Agreement as of the Termination Date, including, without limitation, all deferred, accrued and unpaid fees and charges. The Concessionaire shall, within ten (10) days of its delivery to the Department of this itemized statement, pay such fees and payments to the Department. The Concessionaire and the Department acknowledge that adjustments may be required because of information that was not available at the time of the statement.

(d) Access to Records.

Notwithstanding any other provision of this Agreement to the contrary, upon the Termination Date, the Concessionaire shall make available to the Department for the Department's collection, retention and use, copies of all books, records, licenses, permits and other information in the Concessionaire's possession or control that in the opinion of the Department, are related to or necessary for orderly and continued operations of the related facilities and services.

(e) Removal of Marks.

Concessionaire shall within thirty (30) days after Termination, remove (with no compensation to Concessionaire) all items of inventory and supplies as may be marked with any trade name or trademark belonging to the Concessionaire.

(f) Other Cooperation.

Provide the Department and the New Concessionaire with such other cooperation as may be reasonably requested.

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EXHIBIT D
ADMINSTRATIVE RULES
CHAPTER 41:13:01

DEFINITIONS

Section

[41:13:01:01](#)

Definitions.

41:13:01:01. Definitions. Terms used in this article are defined as follows:

(1) "Concessionaire," an operator of resort, restaurant, or marina services in the state park system who is authorized under a written lease or agreement directly with the Department of Game, Fish and Parks;

(2) "Concessionaire facilities," buildings, structures, fixtures, and other improvements permanently affixed to a building, structure, or lands subject to concession leases or agreements in such a manner as to be a part of the realty, provided by the concessionaire at the concessionaire's expense for the purposes of its concession lease or agreement. This term includes marina docks and slips provided by the concessionaire;

(3) "Government facilities," any buildings, structures, utility systems, fixtures, and other improvements permanently affixed to a building, structure, or lands subject to the concession leases or agreements that are constructed or acquired by the government and provided by the government for use by the concessionaire as provided in a concession lease or agreement;

(4) "Possessory interest," the financial interest of a concessionaire in concessionaire facilities, but not in the land on which such facilities are located, and in improvements to government facilities made at the concessionaire's expense with prior written approval of the commission;

(5) "Fair market value," as defined by the Uniform Standards of Professional Appraisal Practice, copyright 2003, by The Appraisal Foundation;

(6) "Personal property," any equipment, furniture, and goods necessary for concession operations that is not recognized as a fixture;

(7) "Commission," the South Dakota Game, Fish and Parks Commission;

(8) "Department," the South Dakota Department of Game, Fish and Parks; and

(9) "Qualified appraiser," a professional appraiser who holds the designation of a member of the Appraisal Institute or other similar designation.

Source: 16 SDR 148, effective March 21, 1990; 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

Reference: Uniform Standards of Professional Appraisal Practice, 2003 edition, The Appraisal Foundation. Copies may be obtained from The Appraisal Foundation, 1029 Vermont Avenue, N.W., Suite 900, Washington, DC 20005-3517. Cost: \$20.

**CHAPTER 41:13:02
GENERAL PROVISIONS**

Section

41:13:02:01	Application of article.
41:13:02:02	Establishment of possessory interest.
41:13:02:03	Compliance with performance standards.
41:13:02:04	Treatment of personal property.
41:13:02:05	Franchise fee.
41:13:02:06	Repair and maintenance reserve.
41:13:02:07	Fees, rates, and prices for services and merchandise offered by a concessionaire.
41:13:02:08	Names, logos, trademarks, and copyrights.
41:13:02:09	Information and reporting.
41:13:02:10	Insurance.
41:13:02:11	Collateral.
41:13:02:12	Breach of lease or agreement.

41:13:02:01. Application of article. Unless an existing concession lease or agreement provides to the contrary, this article applies to new leases of concessionaires executed after the effective date of this article. As it relates to the current concession leases or agreements for Custer State Park and Spring Creek Resort, the following sections from the existing (1990) administrative rules shall apply between the effective date of this article and the expiration of the current lease in effect: subdivision 41:13:01:01(4), § 41:13:02:02, and §§ 41:13:03:02 to 41:13:03:04, inclusive.

Source: 16 SDR 148, effective March 21, 1990; 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:02:02. Establishment of possessory interest. A possessory interest may be established by a concessionaire in concessionaire facilities or government facilities to the extent the interest is purchased from a previous concessionaire, or paid for and constructed by the concessionaire with prior approval from the commission. Before construction, the commission shall identify all improvements and additions to the concession as either concessionaire facilities or government facilities. Possessory interest shall be transferred at the time a concession lease or agreement is executed and shall be so acknowledged in the new concession lease or agreement. Possessory interest values, including initial values at the beginning of a concession lease or agreement, shall be defined in or included as an exhibit to that document. The approval process for crediting of a possessory interest for improvements and additions funded by the concessionaire shall be defined in the lease or agreement with prior approval of the commission.

Source: 16 SDR 148, effective March 21, 1990; 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:02:03. Compliance with performance standards. A concession lease or agreement shall include minimum performance standards. The concessionaire shall comply with these performance standards to the satisfaction of the commission. Such compliance constitutes satisfactory performance of the terms of the concession lease or agreement. Failure to comply with such standards constitutes grounds for termination of the concession lease or agreement.

Source: 16 SDR 148, effective March 21, 1990; 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:02:04. Treatment of personal property. A concessionaire shall provide and be responsible for the maintenance, upkeep, and replacement of any personal property required under the terms of a lease or agreement.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:02:05. Franchise fee. The concession lease or agreement shall provide for payment of a franchise fee or other monetary consideration as determined by the commission. In establishing a fee the concessionaire's reasonable opportunity to realize a profit on its operations commensurate with its capital invested and the obligations assumed shall be considered. A franchise fee shall be subordinate to protecting park values and providing quality visitor service.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:02:06. Repair and maintenance reserve. In addition to a franchise fee, the concession lease or agreement may contain provisions that require the concessionaire to set aside a percentage of gross receipts or otherwise establish a reserve fund for repair, maintenance, and renovation to be used by the concessionaire for maintenance, repair, and renovation of concessionaire facilities and government facilities located in park areas and utilized by the concessionaire in the concessionaire's operations. The concessionaire and the commission shall review the reserve fund on an annual basis and agree upon a budget for the use of the reserve fund for the year in advance. The lease or agreement shall included project review and approval procedures. Projects to be funded entirely with reserve funds are not eligible for possessory interest credit. In certain circumstances, the lease or agreement or the

commission may authorize the expenditure of repair and maintenance reserve funds or the establishment of another reserve for the replacement of personal property if the personal property is integral to the visitor experience or visitor safety. The concessionaire shall maintain the reserve fund. The concessionaire shall provide the commission with an annual accounting of the reserve fund's use. The commission and the concessionaire shall make every effort to expend all reserve funds by the end of the lease or agreement term. If there is a surplus at the end of the lease or agreement term, any remaining reserve funds shall be transferred to the commission for the purpose of ongoing maintenance of concessionaire facilities and government facilities associated with the respective concession lease or agreement. If there is a deficit at the end of the lease or agreement term, the concessionaire shall be granted possessory interest credit in the amount of the deficit.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:02:07. Fees, rates, and prices for services and merchandise offered by a concessionaire. All fees, rates, and prices offered to the public by a concessionaire shall be reasonable and comparable to the fees, rates, and prices offered for similar services in the region of the concessionaire's operations or outside the region if similar services are not provided in the region. In addition, the commission reserves the right to establish reasonable standards as to the nature, type, and quality of the concessionaire's service and merchandise.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:02:08. Names, logos, trademarks, and copyrights. Any names, logos, trademarks, or copyrights developed during or pursuant to a concession lease or agreement that in any way associates with, identifies, implicates, or infers an affiliation with the State of South Dakota Division of Parks and Recreation or the state park system, must receive prior approval from the commission and belongs to the state upon creation and continues in the state's exclusive ownership upon termination of the lease or agreement.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:02:09. Information and reporting. The department, commission, or their representative shall have access to concessionaire books and records for the purposes of examination. The lease or agreement shall include requirements for reporting of financial data or reports, including any audit requirements and other operation reports and indicate the required frequency of the reporting. The lease or agreement shall include provisions that the concessionaire waive any right to the confidentiality of

propriety information concerning the lease or agreement that the department determines to include in a prospectus issued under this article.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:02:10. Insurance. The lease or agreement shall include minimum requirements for insurance, including types of insurance and amounts of coverage levels, and those to be named as additionally insured.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:02:11. Collateral. The lease or agreement may require the concessionaire to furnish appropriate forms of collateral to insure performance of the obligations included in the lease or agreement.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:02:12. Breach of lease or agreement. The lease or agreement shall contain provisions addressing breach of the lease or agreement by the commission or the concessionaire.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

CHAPTER 41:13:03

EXPIRATION OR AMENDMENT OF LEASE

Section

[41:13:03:01](#)

Duration of concession lease or agreement.

[41:13:03:02](#)

Procedure to determine compensation to a concessionaire upon expiration of lease or agreement.

[41:13:03:03](#)

Procedure for binding arbitration.

[41:13:03:04](#)

Compensation to concessionaire.

[41:13:03:05](#) to [41:13:03:07](#)

Repealed.

[41:13:03:08](#)

Responsibilities and procedures prior to issuance of new lease or agreement.

[41:13:03:09](#)

Procedures for selection and award.

[41:13:03:10](#)

Prospectus requirements.

[41:13:03:11](#)

Principal selection factors.

[41:13:03:12](#)

Publication of notice of issuance of prospectus.

[41:13:03:13](#)

Minimum period to respond to prospectus.

[41:13:03:14](#)

Rejection by commission.

[41:13:03:15](#)

Proposal review -- Selection of successor -- Continuation of existing lease.

[41:13:03:16](#)

Requirements in the event of termination or expiration.

41:13:03:01. Duration of concession lease or agreement. The concession lease or agreement, except for existing concession leases or agreements under negotiation, amendment, or renegotiation on the effective date of this article, may be issued for a term that the commission determines is required to allow the concessionaire a reasonable opportunity to realize a profit on the concessionaire's operations commensurate with the concessionaire's capital invested and the obligations assumed for the planned and negotiated investments by a concessionaire.

If, during the term of a concession lease or agreement, the commission and concessionaire agree that an authorized major addition, renovation, repair, or replacement should be made to the concessionaire's facilities or governmental facilities, to be provided by the concessionaire at the concessionaire's expense, the commission may extend the lease or agreement as provided in this section. At such time, all terms and conditions of the lease shall be reevaluated. This paragraph does not apply during the last 18 months before the expiration of the concession lease or agreement.

During the term of the concession lease or agreement, but not during the last 18 months before the expiration of the concession lease or agreement, the concessionaire may present to the commission for authorization a proposal for a major project that the concessionaire believes warrants an extension to the lease or agreement. This proposal shall include the following:

- (1) A description of the proposed project, including consistency with park goals, and a description of why the improvements are in the public interest;
- (2) An independent assessment of the market and financial viability of the proposed project;
- (3) An independent cost estimate of the proposed project; and
- (4) An analysis of the number of additional years required as part of the extension of the lease or agreement.

The commission shall review the proposal within 60 days and evaluate the proposal using the criteria listed above.

If determined by the commission to be in the public's best interest, the commission may at least 12 months prior to the termination of an existing concession lease or agreement negotiate with the concessionaire new lease terms and conditions. If the commission determines not to negotiate or the concessionaire does not accept the commission's terms and conditions, the existing agreement shall terminate according to the terms of the agreement. The commission shall select and award a new concession or lease agreement as provided in § 41:13:03:09 and this chapter. Nothing in this section is intended to provide a concessionaire with any expectation of concession lease or agreement extension or renewal.

Source: 16 SDR 148, effective March 21, 1990; 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:03:02. Procedure to determine compensation to a concessionaire upon expiration of lease or agreement. Prior to the expiration of a concession lease or agreement, the following procedure shall be used:

(1) At least 12 months before expiration of a concession lease or agreement the commission shall determine the fair market value of the possessory interest of the concessionaire in the concessionaire facilities or government facilities pursuant to the end date of the contract and subdivision 41:13:03:04(1). The fair market value shall be determined by an appraisal performed by a qualified appraiser. A copy of the appraisal shall be provided to the concessionaire upon its completion. The department and the concessionaire shall each pay 50 percent of the cost of the appraisal. Upon recommendation of the department, the department and concessionaire shall mutually select the qualified appraiser. If agreement cannot be reached within 15 days, the commission shall have the final determination of the qualified appraiser;

(2) If the department or the concessionaire is not satisfied with the appraised fair market value, either party may request in writing, within 30 days after receipt of the appraisal value, that the fair market value be determined by binding arbitration as provided in § 41:13:03:03; and

(3) Upon receipt of the appraisal or the valuation determined by arbitration, the commission shall prepare and publish a prospectus containing the valuation of the possessory interest of the concessionaire facilities or government facilities in an attempt to find a qualified successor concessionaire.

Source: 16 SDR 148, effective March 21, 1990; 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:03:03. Procedure for binding arbitration. The procedure for binding arbitration is as follows:

(1) The department or concessionaire may, by written notice to the other within 30 days after receipt of the appraisal, appoint an arbitrator of its choice. The other party, by written notice within 15 days after receipt of notice, shall appoint a second arbitrator of its choice. In default of a second appointment, the first arbitrator appointed shall be the sole arbitrator;

(2) When two arbitrators have been appointed, they shall, if possible, agree on a third arbitrator and appoint the arbitrator by written notice signed by them. A copy of their notice shall be mailed to each party within 15 days after notice has been given of the appointment of a second arbitrator;

(3) If 18 days elapse after the appointment of the second arbitrator without notice of appointment of the third arbitrator, then both parties shall select the third arbitrator from members of the alternative dispute resolution section of the State Bar of South Dakota; and

(4) The arbitrators shall hold an arbitration hearing at a location determined by the arbitrators within 30 days after the final appointment of the arbitrators. The arbitrators shall allow each party to present their case, evidence, and witnesses, if any, in the presence of the other party and shall determine the fair market value of the property.

Each party shall pay the cost and expense of its appointed arbitrator. The costs and expenses of a sole arbitrator or the third arbitrator shall be paid equally by the department and the concessionaire.

The determination of the majority of the arbitrators is binding on the parties to the arbitration although each party retains his right to appeal any questions of law arising at the hearing.

Source: 16 SDR 148, effective March 21, 1990; 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

Cross-Reference: Evidence, SDCL title [19](#).

41:13:03:04. Compensation to concessionaire. Compensation for a possessory interest held by the concessionaire upon expiration of the concession lease or agreement, unless otherwise provided in the lease or agreement, shall be determined as follows:

(1) Possessory interest in concessionaire facilities or government facilities authorized by the commission shall be valued for purposes of compensation to the concessionaire by the successor concessionaire at fair market value; and

(2) No compensation is due the concessionaire from a successor concessionaire for the concessionaire's personal property used in operations under a lease or agreement. However, a successor concessionaire may purchase such personal property from the concessionaire subject to mutually agreed upon terms;

(3) The department retains the option to purchase concessionaire possessory interest in concessionaire facilities if the Legislature appropriates funds for acquisition in the amount of the fair market value or the value determined by arbitration as provided in § 41:13:03:03; and

(4) If the department chooses not to issue a subsequent lease or agreement, the department retains the option to direct the concessionaire to remove the concessionaire facilities from the park and restore the premises to the extent that the facilities had an impact upon the grounds. In this situation, the concessionaire shall be compensated for the concessionaire's possessory interest in concessionaire facilities or government facilities in the amount of book value and the cost to the concessionaire of restoring the premises to the extent that the facilities had an impact on the grounds. Book value is the unrecovered cost of the possessory interest in concession facilities or government facilities that have been identified in the lease or agreement and are represented as such on the concessionaire's federal tax return or audited financial statements.

Source: 16 SDR 148, effective March 21, 1990; 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:03:05. Preferential right of renewal. Repealed.

Source: 16 SDR 148, effective March 21, 1990; repealed, 32 SDR 55 effective October 17, 2005.

41:13:03:06. Procedures for preferential right of renewal. Repealed.

Source: 16 SDR 148, effective March 21, 1990; repealed, 32 SDR 55, effective October 17, 2005.

41:13:03:07. Consideration by commission. Repealed.

Source: 16 SDR 148, effective March 21, 1990; repealed, 32 SDR 55, effective October 17, 2005.

41:13:03:08. Responsibilities and procedures prior to issuance of new lease or agreement. Prior to the issuance of a new concession lease or agreement, the commission may require the assistance of the concessionaire in developing materials for a public solicitation. This assistance may include access to facilities and records for performing a condition assessment of the facilities (including concessionaire facilities and government facilities), listings of personal property, financial and utilization reports, and other cooperation. The concessionaire shall provide such assistance as reasonably requested. Prior to commencement of the steps included in this section, the concessionaire and the commission shall agree on terms of confidentiality and treatment of provided information not addressed in § 41:13:02:09.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:03:09. Procedures for selection and award. Except as provided in § 41:13:03:01, the commission shall award concession leases or agreements through a public solicitation process. The public solicitation process shall commence with the issuance of a prospectus. The prospectus shall invite the public to submit proposals for the contract. The prospectus shall describe the terms and conditions of the concession lease or agreement to be awarded and the procedures to be followed in the selection of the best proposal. The commission may not issue a prospectus earlier than 12 months prior to the expiration of a related existing concession lease or agreement.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:03:10. Prospectus requirements. The prospectus shall include:

- (1) Minimum visitor service requirements;
- (2) The minimum franchise fee or other forms of consideration required by the state;
- (3) Lease term;
- (4) Minimum performance standards;
- (5) Measures requested to ensure the protection and preservation of park resources;
- (6) Capital investments, if any;
- (7) Facilities and services provided to the concessionaire by the state for the concessionaire's use and operation over the course of the lease;
- (8) An estimate of the possessory interest compensation due to the existing concessionaire at signing;
- (9) Gross receipts by category for the last three years and the most recent year's concessionaire's personal property and merchandise inventory;
- (10) Selection factors, including minimum requirements; and
- (11) Other such information that the commission may deem necessary to assist bidders in the preparation of a prospectus.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:03:11. Principal selection factors. The principal selection factors are:

- (1) Managerial experience;
- (2) Financial capabilities;
- (3) Franchise fees and benefits offered to the department and the state; and
- (4) Any other criteria considered by the commission to be pertinent, including any additional proposed capital investment.

A prospectus shall indicate the maximum potential scoring available for each of the selection factors.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:03:12. Publication of notice of issuance of prospectus. Upon issuance of the prospectus, the department shall publish notice of issuance in a manner selected to notify persons likely to be interested in providing a response to the prospectus. Notice shall include a narrative description of the prospectus; the solicitation process; where to obtain a copy of the prospectus; and the place, date, and time responses to the prospectus are due. Two publications of the notice of issuance of the prospectus in at least three newspapers of general circulation in different parts of the state, with the first

publication seven to ten days prior to the second, shall be construed as compliance with the publication requirement.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:03:13. Minimum period to respond to prospectus. Interested parties shall have a minimum of 30 days to respond to the prospectus, with the actual numbers of days to be specified in the prospectus.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:03:14. Rejection by commission. A proposal may be rejected by the commission if the proposal has not met the minimum requirements and is unresponsive to criteria outlined in the prospectus.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:03:15. Proposal review -- Selection of successor -- Continuation of existing lease. Six months prior to the expiration date of the concession lease or agreement, the department shall review the proposals it has received from prospective concessionaires.

Three months prior to the expiration date of the concession lease or agreement, the commission shall select the successor concessionaire based upon criteria outlined in the prospectus.

If the commission does not find a qualified prospective concessionaire or does not select a successor concessionaire by the expiration date of the concession lease or agreement, the commission may continue the existing concession lease or agreement on an annual basis.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:03:16. Requirements in the event of termination or expiration. Upon termination of the lease or agreement for any reason, or upon its expiration, and except as otherwise agreed upon between the concessionaire and the department, the concessionaire shall, at the concessionaire's expense, promptly vacate the area defined in the lease or agreement. The concessionaire shall remove all personal property and

repair any damage caused by installation or removal of such personal property, except as agreed upon between the concessionaire and the department.

In addition to these actions, the lease or agreement may include specific actions to be taken by the concessionaire to assist in the continuation of operations.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

CHAPTER 41:13:04 SALE OF INTEREST IN LEASE

Section

41:13:04:01	Conflicting rules not applicable to Custer State Park.
41:13:04:02	Assignment, sale, or transfer.
41:13:04:03	Sale -- Change in controlling interest.
41:13:04:04	Notice of intent to sell, bankruptcy, or insolvency.
41:13:04:05	Department to issue prospectus.
41:13:04:06	Repealed.
41:13:04:06.01	Procedures for selection and award under sale and transfer.
41:13:04:07	Repealed.

41:13:04:01. Conflicting rules not applicable to Custer State Park. Any application of a rule in this chapter that conflicts with SDCL [41-17-22.4](#) does not apply to concessionaire leases of property located in Custer State Park.

Source: 16 SDR 148, effective March 21, 1990; 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:04:02. Assignment, sale, or transfer. A concessionaire may assign, sell, or transfer the concessionaire's possessory interest in a concession lease or agreement in the event of death to a beneficiary, assignment for collateral purposes to a lender, or a transfer to existing partners or shareholders only with prior written approval of the commission.

Source: 16 SDR 148, effective March 21, 1990; 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:04:03. Sale -- Change in controlling interest. The sale referred to in § 41:13:04:02 includes any sale, assignment, or transfer of an interest in a concession lease or agreement, assets not in the ordinary course of business, shares of stock, or any other interest in the business entity, including a corporation, partnership, or other association of persons, which has the effect of transferring controlling interest of the business entity from that which was present at time of execution of the original lease or

agreement or as subsequently approved by the commission to another person or business entity.

Source: 16 SDR 148, effective March 21, 1990; 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:04:04. Notice of intent to sell, bankruptcy, or insolvency. A concessionaire shall submit in writing to the department notice of the concessionaire's intention or desire to sell, assign, or transfer any of the property referred to in § 41:13:04:02. The notice of intent is not effective for purposes of this chapter if it is submitted within 18 months of the expiration of the concession lease or agreement. The notice of intent can be withdrawn at any time by the concessionaire if all reasonable costs and expenses incurred by the department for the prospectus are paid by the concessionaire.

The concessionaire shall give the commission notice, within five days, after the filing of any petition in bankruptcy, filing any petition seeking relief under any federal bankruptcy laws, or making any assignment for the benefit of creditors. The concessionaire shall also give the commission, within five days, notice of any petition or other proceeding against the concessionaire for the appointment of a trustee, receiver, or liquidator, or the taking by any person or entity of the rights granted by the concession lease or agreement, or any part thereof upon execution, attachment, or other process of law or equity.

Source: 16 SDR 148, effective March 21, 1990; 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:04:05. Department to issue prospectus. Upon receipt of the notice of intent to sell, the commission shall prepare and the department shall publish a prospectus for the lease of its facilities and the sale and transfer of the possessory interest of the concessionaire in government facilities or concessionaire facilities used to provide the concession services in an attempt to find a qualified successor concessionaire. The concessionaire shall provide to the department for inclusion in the prospectus a listing of personal property that the concessionaire is willing to sell to a successor concessionaire as provided in subdivision 41:13:03:04(2). This listing and any value the concessionaire provides for this personal property to the department shall be included in the prospectus for informational purposes. The value of the concessionaire's possessory interest in concessionaire facilities or government facilities shall be in accordance with subdivision 41:13:03:02(1) and the value shall be published accordingly in the prospectus. With the approval of the commission, the prospectus may or may not be consistent with the terms of the existing concession lease or agreement. If a written agreement is not reached within six months from the first publication of the prospectus and approved by the commission, the commission may, if requested in writing by the concessionaire, publish another prospectus as provided in this section.

Source: 16 SDR 148, effective March 21, 1990; 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:04:06. Commission to select successor. Repealed.

Source: 16 SDR 148, effective March 21, 1990; repealed, 32 SDR 55, effective October 15, 2005.

41:13:04:06.01. Procedures for selection and award under sale and transfer. The commission shall select the successor concessionaire based upon criteria outlined in the prospectus.

Source: 32 SDR 55, effective October 17, 2005.

General Authority: SDCL [41-17-1.1\(6\)](#).

Law Implemented: SDCL [41-17-1.1\(6\)](#).

41:13:04:07. Consideration by commission. Repealed.

Source: 16 SDR 148, effective March 21, 1990; repealed, 32 SDR 55, effective October 17, 2005.

EXHIBIT E INTELLECTUAL PROPERTY

Custer State Park
Custer State Park Resort
Bison Center
Buffalo Roundup
State Game Lodge
Creekside Lodge
Creekside Bunkhouse
Creekside Care Takers
Gamekeeper's Cabin
Custer State Park Event Barn
Custer State Park Pavillion
Game Lodge Chapel
Mickelson Memorial Chapel
Reunion Cabin
Tatanka Cabin
Coolidge General Store
Buffalo Safari Jeep Tours
Custer State Park Buffalo Safari
Custer State Park Jeep Rides
Custer State Park Jeep Tours
Custer State Park Jeep Safari
Otis Cabin
Iron Mountain Cabin
Pheasant Cabin
CC. Gideon Cabin
Pine Creek Cabin
Antelope Cabin
Scovel Johnson Cabin
Elk Cabin
Big Horn Cabin
Creekside Cabin
Sylvan Lake Lodge
Sylvan Lake General Store
Sylvan Lake Auditorium
Cathedral Spires Cabin
Granite Cabin
Senator's Cabin
Needles Cabin
Burro Cabin
Granite Cabin
Spruce Cabin
Aspen Cabin
Wood Lily Cabin
Peaks Cabin
Theodore Reder Cabin
Legion Lake Resort
Legion Lake Lodge
Galena Cabin
Centennial Cabin
Trout Cabin
Cowboy Poet Cabin
Pike Cabin
Evergreen Cabin
Old Timers Cabin
Blue Bell Resort
Blue Bell Lodge
Blue Bell General Store
Blue Bell Stables
White Buffalo Room
Commissioner's Cabin
Robber's Roost Cabin
Camp Narrows Cabin
Bakerville Cabin
Bison Cabin
Rose Quartz Cabin
Ponderosa Cabin
Commissioner's Cabin
Wrangler Dorm
Trout Cabin
Cowboy Poet Cabin
Pike Cabin
Evergreen Cabin
Old Timers Cabin
Galena Cabin

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into this 5th day of March, 2026, by and between the State of South Dakota, Department of Game, Fish and Parks (hereinafter "GFP"), of 523 East Capitol, Pierre, SD 57501, and U.S. Hotel and Resort Management, Inc. (formerly known as Regency Inns Management, Inc.) and Regency CSP Ventures Limited Partnership (also known as Regency CSP Ventures L.P.), (hereinafter "Concessionaire") of 13389 US Hwy 16A, Custer, SD 57730.

WHEREAS, Concessionaire is the concessionaire under an existing concession agreement, as amended, with GFP, for the operation of resort facilities and concessions at Custer State Park, which said concession agreement will expire on January 31, 2027; and

WHEREAS, the Parks and Recreation Division of GFP is presently in the process of developing a Prospectus for the issuance of a new ten-year concession lease at Custer State Park (hereinafter "New Concession Lease"); and

WHEREAS, the parties desire to enter into an agreement in advance to resolve issues that may arise in connection with the Prospectus, solicitation of bids, and awarding of the New Concession Lease, and to anticipate the possibility of transfer of the operations and assets at Custer State Park Resorts to a new concessionaire.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter made by and between the parties hereto, and in conjunction with the provisions contained in Exhibit C – Transition To A New Concessionaire of the existing Concession Agreement, the parties agree as follows:

1. The parties hereby agree that the Prospectus which is currently being developed in connection with soliciting bids for the new Custer State Park resorts concession lease will provide for the following:
 - a. A new concessionaire shall be required to purchase Concessionaire's Possessory Interest in Concessionaire Facilities at the price of \$1,300,000 as more fully explained and itemized on the "Revised-Restricted Fair Market Value Appraisal Report Possessory Interest in Concessionaire Improvements – Various Locations in Custer State Park" dated November 12, 2025 (the "Appraisal"), attached hereto as Exhibit "A".
 - b. In the event of a new concessionaire being awarded the Concession Agreement, closing is anticipated to take place on February 1, 2027. The closing site shall be a neutral site, such as a title insurance company or bank in Custer, South Dakota. Any escrow closing costs shall be borne by the new concessionaire. Concessionaire shall cooperate with all reasonable closing requirements that are necessary to close the transaction in a business-like manner. Concessionaire will, upon full payment for all such

property on the Appraisal, provide a Bill of Sale to the new concessionaire at closing.

- c. All payments required under this Agreement and under the Prospectus to Concessionaire by the new concessionaire or GFP shall be made in full at the time of closing.
2. Concessionaire and GFP agree that if any terms or conditions of this Agreement conflict with any terms or conditions contained in Exhibit C – Transition To A New Concessionaire in the existing concession agreement, the terms and conditions of Exhibit C shall prevail. The Concessionaire and GFP shall honor all terms of Exhibit C.
3. The parties agree that upon transition of management and operations from Concessionaire to a new, as yet to be identified or selected concessionaire at the termination of the current concession agreement, it may be necessary for purposes of purchase by a new concessionaire to conduct an inventory of equipment, personal property, and perishable items maintained in stock and in the possession of Concessionaire at the termination of the concession agreement. All such items shall be inventoried and valued as agreed upon by Concessionaire and the new concessionaire.
4. The parties agree that upon transition of management and operations from Concessionaire to a new, as yet to be identified or selected concessionaire at the termination of the current concession agreement, Concessionaire will transfer ownership of the custerresorts.com website domain to GFP at no cost other than the transfer fee charged by the domain's registrar, Network Solutions, LLC, per Section 7(l) of the existing concession agreement. The parties further agree that this section applies solely to the website domain, and does not contemplate transfer of website content. Website content is considered intellectual property of the Concessionaire and shall remain with Concessionaire at the termination of the current concession agreement.
5. The parties agree that the intellectual property listed on Exhibit A "GFP Intellectual Property Marks" attached hereto and made a part hereof by this reference is and will remain the property of GFP at the termination of the current concession agreement.
6. The parties agree that upon transition of management and operations from Concessionaire to a new, as yet to be identified or selected concessionaire at the termination of the current concession agreement, it will be necessary for the new concessionaire to obtain licenses for various services such as alcohol sales, food service, lodging, etc. Current licenses held by Concessionaire may be transferred to or purchased by the new concessionaire, where allowable, as agreed upon by Concessionaire and the new concessionaire. In any event, it shall be the responsibility of the new concessionaire to obtain and secure all applicable licenses.

- a. The sale price of the 5 liquor licenses from the Concessionaire to a new concessionaire shall be as established in Exhibit A-4 of the current Concession Agreement for a total price of \$250,000.00.
7. The parties acknowledge that an existing Repair and Maintenance Reserve credit exists on the part of the Concessionaire pursuant to Section 14 of the current Concession Agreement and that in accordance with Section 14(f), any existing credit at the time of expiration shall be calculated to the date of transfer, then paid to Concessionaire. The parties acknowledge that a 2026 Repair and Maintenance Fund project list has been previously approved by GFP and further agree that any additional projects eligible for the Repair and Maintenance fund, which are identified, may be carried out prior to the closing date only with prior written authorization from GFP. The Concessionaire agrees to submit to GFP any invoices for eligible projects as soon as they are received. GFP agrees to make a determination on the eligibility of submitted invoices, calculate a current Repair and Maintenance Reserve balance in as timely a manner as possible, and provide written notice of such determination and adjusted balance.
8. Concessionaire agrees to cooperate with GFP in scheduling a site visit by prospective prospectus bidders. Concessionaire agrees that it will not independently respond to inquiries received from potential prospectus bidders. In the event it receives such inquiries, Concessionaire agrees to advise any potential prospectus bidders that any inquiries must be made in writing, directed to GFP. If GFP is unable to provide a satisfactory response to such inquiries, it will forward such inquiries to Josh Schmaltz as Concessionaire's designated representative, who shall within seven (7) days of his receipt thereof provide GFP with Concessionaire's reasonable written response to such inquiries which response will not include confidential or proprietary information of Concessionaire. Upon its receipt of Concessionaire's responses, GFP will forward responses to inquiries to all Prospectus bidders. In addition, Concessionaire agrees to waive any claim for compensation for the time of its principals or staff spent in participating in a tour of the premises and reasonable review of the property with a prospective or new concessionaire.
9. Concessionaire, its officers, and its authorized representatives agree to take no actions or make representations of any kind that are designed or intended to discourage or influence interested parties from bidding for the new Custer State Park Resort Concession Agreement or to influence the amount of the bid by a prospective concessionaire. Concessionaire will not misrepresent any matters concerning the resort facilities or concessions to a prospective concessionaire.
10. Following selection of the new concessionaire, Concessionaire shall provide the new concessionaire and GFP with a lodging reservation and event booking summary as of the last day of the month prior to the selection of the new concessionaire, and thereafter Concessionaire shall update it on a monthly basis. The reservation and event booking summary shall include, for each lodging facility and booked event, a summary of the dates of stay or event, estimated rates, and amounts of advanced

deposits received. The names of the guests, guests' addresses, contact information, and dates of stay by guests or date of event will be held by Concessionaire until closing unless an earlier agreement is reached between Concessionaire and the new concessionaire. At closing, Concessionaire shall provide the new concessionaire with a complete accounting of receipts for advance reservations and event bookings, and advance deposits received prorated to the date of possession. The advance lodging and event deposits received by Concessionaire that represent unearned fees shall be paid over to the new concessionaire at the time of closing with the new concessionaire and are exempt from Gross Receipts under the existing concession agreement.

11. The parties agree that upon execution of a new concession agreement and transfer of Concessionaire's Possessory Interest in Concessionaire Facilities to a successor, the Concessionaire shall be required to provide satisfactions, acceptable to GFP, of all collateral assignments, financing statements, and mortgages which Concessionaire has provided to any financial institution in connection with the property interests being sold and transferred to the new concessionaire.
12. This Agreement reflects the complete and final expression of the parties' agreement, superseding all prior negotiations or agreements, whether written or oral. This agreement may not be modified or amended except in writing executed by both parties.
13. Any reference in this Agreement to a party shall be construed to include that party and its officers and directors, shareholders, members, successors, assigns, heirs, devisees, administrators, parents and subsidiaries, affiliates, employees, and agents. This Agreement is binding upon and inures to the benefit of each party to this Agreement, and to all officers, directors, shareholders, members, successors, assignees, devisees, administrators, parents and subsidiaries, affiliates, employees, and agents.
14. This Agreement may be executed in identical counterparts. Each counterpart shall be deemed an original of this Agreement.
15. The parties agree to execute, file, and deliver such additional documents and instruments, and to perform such additional acts as are necessary, appropriate, or reasonably requested to effectuate, consummate, or perform any of the terms, provisions, or conditions of this Agreement.
16. The parties each warrant and represent that they have read this Agreement and have been fully informed and have full knowledge of the terms, conditions, and effects of this Agreement, and they have either personally or through their attorneys, fully investigated to their full satisfaction the facts surrounding the various issues and matters sought to be addressed and resolved herein. The parties understand and are satisfied with the terms and effects of this Agreement, which are contractually binding. The parties agree that no promise or inducement had been offered or made

except as herein set forth, and that this Agreement is executed of their own free act and deed without reliance on any statement or representation except as herein set forth.

17. Any interpretation or construction of the terms and conditions set forth in this Agreement shall be governed by the laws of the State of South Dakota. Venue for any lawsuit pertaining to or affecting this agreement shall be in the Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.
18. Concessionaire hereby designates Josh Schmaltz as its authorized representative for all purposes under this Agreement including but not limited to the authority to execute same on behalf of Concessionaire. GFP hereby authorizes Jeffrey A. VanMeeteren as its authorized representative for all purposes under this Agreement including but not limited to the authority to execute same on behalf of GFP. The parties warrant that they have taken or will take within a reasonable period of time, all action necessary in order to authorize and/or ratify the making and execution of this Agreement and will verify the same with authenticated copies of corporate and commission resolutions appropriate for the same.
19. Both parties agree that a copy of this executed Agreement will be made a part of the Prospectus.

END OF AGREEMENT TEXT

Dated this 5th day of MARCH, 2026.

U.S. HOTEL AND RESORT MANAGEMENT, INC.
f/k/a REGENCY INNS MANAGEMENT INC.

By: 
Josh Schmaltz, President

REGENCY CSP VENTURES LIMITED PARTNERSHIP

By: U.S. Hotel And Resort Management, Inc.
Its: General Partner

By: 
Josh Schmaltz, President

THE STATE OF SOUTH DAKOTA,
DEPARTMENT OF GAME, FISH AND PARKS

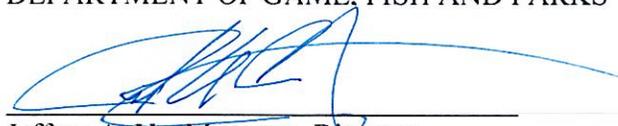
By: 
Jeffrey A. VanMeeteren, Director,
Division of Parks and Recreation

EXHIBIT A
GFP INTELLECTUAL PROPERTY MARKS

Custer State Park
Custer State Park Resort
Bison Center
Buffalo Roundup
State Game Lodge
Creekside Lodge
Creekside Bunkhouse
Creekside Care Takers
Gamekeeper's Cabin
Custer State Park Event Barn
Custer State Park Pavillion
Game Lodge Chapel
Mickelson Memorial Chapel
Reunion Cabin
Tatanka Cabin
Coolidge General Store
Buffalo Safari Jeep Tours
Custer State Park Buffalo Safari
Custer State Park Jeep Rides
Custer State Park Jeep Tours
Custer State Park Jeep Safari
Otis Cabin
Iron Mountain Cabin
Pheasant Cabin
CC. Gideon Cabin
Pine Creek Cabin
Antelope Cabin
Scovel Johnson Cabin
Elk Cabin
Big Horn Cabin
Creekside Cabin

Sylvan Lake Lodge
Sylvan Lake General Store
Sylvan Lake Auditorium
Cathedral Spires Cabin
Granite Cabin
Senator's Cabin
Needles Cabin
Burro Cabin
Granite Cabin

Spruce Cabin
Aspen Cabin

Wood Lily Cabin
Peaks Cabin
Theodore Reder Cabin

Legion Lake Resort
Legion Lake Lodge
Galena Cabin
Centennial Cabin
Trout Cabin
Cowboy Poet Cabin
Pike Cabin
Evergreen Cabin
Old Timers Cabin

Blue Bell Resort
Blue Bell Lodge
Blue Bell General Store
Blue Bell Stables
White Buffalo Room
Commissioner's Cabin
Robber's Roost Cabin
Camp Narrows Cabin
Bakerville Cabin
Bison Cabin
Rose Quartz Cabin
Ponderosa Cabin
Commissioner's Cabin
Wrangler Dorm

Trout Cabin
Cowboy Poet Cabin
Pike Cabin
Evergreen Cabin
Old Timers Cabin
Galena Cabin