

Roy Lake State Park



**Prospectus for
Lodging, Retail, Recreation
And Other Services
Marshall County, South Dakota**

**South Dakota Department of Game, Fish and Parks
Division of Parks and Recreation**

Lease Area



ROY LAKE STATE PARK

Prospectus for Lodging, Retail, Recreation and other Services

South Dakota Division of Parks and Recreation

Date Issued: November 8, 2019

Offer Must be Received By: December 9, 2019
3:00 P.M. Central Standard Time

Address Proposals to:

Scott Simpson, Director
South Dakota Department of Game, Fish and Parks
Division of Parks and Recreation
523 East Capitol
Pierre, SD 57501

Roy Lake State Park

Prospectus for Lodging, Retail, Recreation And other Services

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BUSINESS OPPORTUNITY

LODGING, RETAIL, RECREATION AND OTHER SERVICES AT ROY LAKE STATE PARK

South Dakota Division of Parks and Recreation

NATURE OF BUSINESS AND SERVICES PROVIDED

The Business Opportunity section of this Prospectus describes the commercial visitor services and essential improvements required. The following visitor services are required:

Required Services for the New Concession Contract

1. A resort store offering grocery and food items, ice, fishing and camping supplies, fishing and park entrance licenses, basic first-aid supplies, state park souvenir sales, microwave food service and coffee bar, and miscellaneous items.
2. Cabin rental.
3. Lodging room rental.
4. Boat rental and basic operating instruction.
5. Public access courtesy dock (not boat ramp dock).
6. Fishing bait and tackle sales.
7. Fishing and park entrance license sales.
8. Boat gas, oil and grease sales.
9. Minimum Resort season is daily operation beginning the Friday preceding Memorial Day through Labor Day of each year.

Gross Revenues by Year

2016	2017	2018
\$362,896	\$309,769	\$310,477

Required Investment

Purchase of Main lodge building, Cabins, 4-plex, Docks, fuel sales pump, personal property and listed intangibles from Jan Pitzl (existing concessionaire)*	\$449,000	
Total	\$449,000	

**A detailed list of assets, property and intangibles was provided by the Concessionaire and is included in the Settlement Agreement of this prospectus. Additional financials available upon request.*

The South Dakota Division of Parks and Recreation has determined that no preferred Offeror for this Concession Agreement exists. This solicitation for commercial services is fully competitive.

REPAIR AND MAINTENANCE RESERVE

The concession agreement requires the selected concessionaire to establish a Repair and Maintenance Reserve. The Repair and Maintenance Reserve for this agreement will be a minimum of 2.0 percent of gross receipts for the term of the contract. Offerors are also required to submit a facility improvement plan aimed at upgrading, improving and renovating the existing concessionaire facilities on site. This plan must clearly show how the concessionaire intends to carry out this plan during the first year of operation and include cost estimates for all components of the plan.

FEE

In lieu of a franchise fee, the Department will purchase the concessionaire's possessory interest over the term of the Concession Agreement. See "Term and Effective Date of New Agreement."

SITE VISIT

A site visit may be scheduled for intended bidders which will include a Park overview, on-site tour and inspection of resort facilities and property. Please contact Jennie Fuerst for further details regarding a site visit.

Jennie Fuerst
Concession and Lease Manager
South Dakota Department of Game, Fish and Parks
Division of Parks and Recreation
523 E Capitol Avenue
Joe Foss Building
Pierre, SD 57501
(605) 773-3391

TERM AND EFFECTIVE DATE OF NEW AGREEMENT

The agreement will be for a negotiable term of up to ten (10) years and will affect the annual payment. The effective date of the contract is subject to change prior to contract award if determined necessary by the Department. The Department will pay the Concessionaire an annual payment to be determined by the term of the agreement. The annual payment will be based upon the purchase price of the possessory interest by the new Concessionaire split into equal payments through the duration of the term. After the annual payments have been made, the possessory interest will be owned by the Department. At the end of the agreement the Department will decide who will manage the concession facilities.

Examples:

- 1) If a new Concessionaire purchases the possessory interest at \$449,000 for a term of 10 years, the annual payment made by the Department to the Concessionaire would be \$44,900 per year.
- 2) If a new Concessionaire purchases the possessory interest at \$449,000 for a term of 5 years, the annual payment made by the Department to the Concessionaire would be \$89,800 per year.

List of Concessionaire Facilities and associated possessory interest

CONCESSIONAIRE IMPROVEMENT AUTHORIZATION			
South Dakota Division of Parks and Recreation			
Exhibit A-2 attached to and made part of Agreement:			
Concessionaire:		Agreement (Effective Date):	
Roy Lake Resort			
Concessionaire Facilities and Associated Possessory Interest			
Fac. NO	Description		
	Main lodge: rental units, kitchen, dining area, C-Store, laundry room, (6200 sf)		
	Condominium Building: 4 rental condos (4200 sf)		
	Cabin 1: 2 bedroom, 1 bathroom (500 sf)		
	Cabin 2: 2 bedroom, 1 bathroom (500 sf)		
	Cabin 3: 1 bedroom, 1 bathroom (300 sf)		
	Cabin 4: 1 bedroom, 1 bathroom (300 sf)		
	Cabin 5: 2 bedroom, 1 bathroom (500 sf)		
	Cabin 6: 2 bedroom, 1 bathroom (500 sf)		
	Cabin 7: 2 bedroom, 1 bathroom (561 sf)		
	Cabin 8: 1 bedroom, 1 bathroom (435 sf)		
	Boat rental and courtesy dock system		
	Fuel pump, tank and delivery system		

PROPOSAL PACKAGE INSTRUCTIONS

Proposal to Provide Lodging, Retail, Recreation, and Other Services
At Roy Lake State Park

South Dakota Division of Parks and Recreation

PROPOSAL INSTRUCTIONS

1) Submission of Proposal

- a) Proposals must be received by the due date shown on the front page of this Prospectus.
- b) All proposals must be submitted to Scott Simpson, Director, Division of Parks and Recreation, 523 E Capital Avenue, Joe Foss Building, Pierre, SD 57501. 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 returned to the bidder. Late bids will be returned unopened.
- c) Two copies and an original, plus required electronic forms, must be submitted and signed by the authorized person in the organization.

2) Questions

- a) If you do not understand something in the Prospectus, you must submit your questions in writing to the following person no later than November 25, 2019.
Jennie Fuerst
Concessions and Lease Manager
South Dakota Department of Game, Fish and Parks
Division of Parks and Recreation
523 E Capital Avenue
Joe Foss Building
Pierre, SD 57501
- b) The Division will respond to questions in writing and will provide the questions and responses to all potential Offerors who have requested a Prospectus. Questions submitted after this date may not be answered.

3) Forms in Which Proposal Must be Submitted

- a) Offerors must follow the format provided in the Proposal Package, including in its entirety without alteration the "Offeror's Transmittal Letter," in competing for the concession opportunity. Failure to submit the Offeror's Transmittal Letter without alteration (except for filling in the indicated blanks) and a completed copy of the Proposal Package will make your proposal non-responsive.
- b) 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 factor. Each page should have a heading identifying the selection factor and subfactor to which the information contained on the page responds. Stay within the organizational framework in the Proposal Package. However, in assessing an offeror's response to a given selection factor, the Division may consider relevant information contained elsewhere in the proposal.

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:
 - Managerial and operational experience – 25%
 - Financial capabilities – 25%
 - Franchise fee, repair and maintenance reserve and other benefits offered 20%
 - Other factors, including sales and marketing – 20%
 - The proposals attention to adherence to the instructions and requests included in this prospectus – 10%
- b) The Division of Parks and Recreation reserves the right to reject or disregard any proposals submitted or 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.
- c) The bidder, by submission of this proposal, agrees that if selected by the Department, to complete the negotiation and execution of an agreement within 60 days of notification by the Department.

5) Cautions to Offerors about Submission and Evaluation of Proposals

- a) Offerors must follow the format provided in the Proposal Package, including in its entirety without alteration the "Offeror's Transmittal Letter," in competing for the concession opportunity. Failure to submit the Offeror's Transmittal Letter without alteration (except for filling in the indicated blanks) and a completed copy of the Proposal Package will make your proposal non-responsive.
- b) All information regarding this Prospectus will be issued in writing. No Department or other State of South Dakota official is authorized to make substantive oral representations relating to this matter, and no Offeror should rely on any oral representations made by government officials with respect to this transaction.
- c) 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.
- d) The information provided in this Prospectus, including the Appendices, is provided to allow Offerors to understand the operations. Offerors are encouraged to thoroughly review all information and required submittal documents before beginning to prepare a proposal.
- e) The Settlement Agreement contained in Section 4 of this prospectus has been agreed to by the Department and current Concessionaire. The Agreement contains certain terms of sale intended to expedite the closing process upon selection of a proposal to which all Offerors must agree. The Offeror is responsible for fully understanding the terms of sale contained in the Settlement Agreement which include but are not limited to the disposition of advanced deposits, inventory, existing book of business and intangible items. Offeror understands that a portion of advanced deposits will be retained by the current Concessionaire as detailed in the Settlement Agreement.
- f) If you propose to make any financial commitments and considerations in response to any selection factor, your proposal will be closely reviewed and analyzed against your financial statements and supporting documents with appropriate review of feasibility. Such documents reviewed and analyzed will include but not be limited to the Business Organization and Credit Information, pro forma income statements, audited financial statements and balance sheets required in the proposal.
- g) The proposal and related materials submitted should reflect the entire proposal you are making. The Department will consider your written submission as your full and final proposal in response to the

Prospectus and will make its selection based on the written information you have submitted and other appropriate information. Do not assume that the Department knows anything about you or your proposal. Do not assume that any information about you or your proposal, previous correspondence or previous submissions are in the possession of or will be considered by the Department. This is true even if you are the current concessionaire or have operated another concession within the State of South Dakota.

- h) The Director may amend this Prospectus including extending the date prior to the proposal due date. The Director may also cancel a solicitation at any time before the award of the concession agreement if the Director determines in its discretion that this action is appropriate in the public interest. No Offeror or other person will obtain compensable or other legal rights as a result of an amended, extended, canceled or reissued solicitation for this concession agreement.
- i) Document delivery services, including overnight delivery, to some areas may not provide true overnight delivery. Offerors are encouraged to insure the timely submittal of proposals by contacting the delivery service of their choice regarding delivery availability for the specific location specified on the front page of this Prospectus.
- j) Offerors are responsible for undertaking appropriate due diligence with respect to this business opportunity.
- k) The Department makes no representations as to the validity of the value of the required investment or the profitability or financial feasibility of the Roy Lake Resort business opportunity.
- l) The Offeror assumes all financial risks and liabilities associated with the sale transaction, investment and operation of Roy Lake Resort and further releases, indemnifies and holds harmless the Department from any responsibility for any such risk or liability.
- m) Offeror understands that, if selected, it is required to purchase existing concessionaire facilities as well as concessionaire's personal property in accordance with ARSD 41:13 (1990 Version). Offeror further understands that the advertised lease will be subject to ARSD 41:13 (2005 Version) which provides that upon future sale, the required purchase will be limited to only concessionaire facilities. Personal property purchased by the selected concessionaire pursuant to this prospectus may be sold in the future upon sale to a successor on negotiated terms but the future successor will not be required to purchase said personal property as part of a future prospectus.

PROPOSAL PACKAGE

PROPOSAL TO PROVIDE LODGING
RETAIL, RECREATION AND OTHER SERVICES
AT ROY LAKE STATE PARK

South Dakota Division of Parks and Recreation

EXHIBIT 1: THE OFFER

Scott Simpson, Director
South Dakota Division of Parks and Recreation
523 East Capitol Avenue
Pierre, SD 57501-3185

Dear Mr. Simpson:

I hereby agree to provide visitor services, facilities, and improvements at Roy Lake State Park in accordance with the terms and conditions specified in the prospectus. I have attached, to support my offer, those items as described in Exhibit 2 (Certificate of Corporate Proponent) and 3 (Proposal) of 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 the terms, conditions, and values included in the Settlement Agreement
3. 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

Witness

(Seal)

Company of Corporation

Address _____

Phone Number _____

EXHIBIT 2: CERTIFICATE OF CORPORATE PROPONENT

I _____ certify that I am the _____ of the corporation named as proponent herein; that _____, who signed this proposal on behalf of the offer; was then _____ of said corporation; that said proposal was duly signed in behalf of the corporation by authority of its governing body and within the scope of its corporate powers.

Title

EXHIBIT 3: PROPOSAL

PART 1: MANAGERIAL EXPERIENCE

STATE'S OBJECTIVES

The State is interested in appointing a concessionaire who has the relevant management and operational experience to manage the concession operation at Roy Lake State Park. The State wishes to understand the background of the Offeror in providing the same or similar types of services as those to be provided under the Concession Agreement.

QUESTIONS

Question 1.1 Resume and experience of key executive personnel

Demonstrate that your organization's key executive personnel have the experience and skills to effectively carry out the responsibilities of the Concession Agreement.

- a. Provide a resume to describe the qualifications of the corporate officer(s)/executives with responsibility for directly supervising the general manager or any other member of the management team for this concession agreement. Include relevant experience, minimum qualifications, certifications (if applicable), and education in a consistent format.

Question 1.2 Outline your organizational structure

Demonstrate that your organization is structured to effectively carry out the responsibilities of the Concession Agreement by providing the following information:

- a. Clearly outline the organizational structure you intend to use to manage and execute the services contemplated under the new Concession Agreement during peak and shoulder seasons.

Question 1.3 Outline management for Roy Lake Resort services

Demonstrate that your management team can effectively carry out the responsibilities of the Concession Agreement by describing the qualifications of the person you would employ for the position listed below. Include relevant experience, minimum qualifications, certifications (if applicable), and education in a consistent format.

- a. General Manager

Question 1.4 Prior experience

The State believes that past experience is an indication of future performance. Please provide example(s) of your experience in the operation and management of lodging, food and beverage, retail and other recreational facilities. The State will evaluate, among other factors, the length of experience, and the size and scope of the operation. For each operation discussed, provide the following information:

- a. Provide the name and location of operation
- b. Identify the owner or operator that you managed the project for including contact information (phone and email)
- c. Describe the nature and tenure of the Offeror's involvement

- d. Present information on the size of the operation: for example number of rooms, number of seats, retail square feet
- e. Provide the total number of structures associated with the operation and the square footage
- f. Describe the amenities and services offered
- g. Gross revenues for the most recent three years of operation in which the Offeror was involved with the business
- h. Provide service volume and annual operating performance metrics for the most recently completed operating year/season for each operation (e.g. occupancy, average daily rate, cover counts, average check, retail revenue per square foot, number of guests etc.)
- i. Indicate the current status of the business (e.g., owned and operated by Offeror, sold, open but no longer operated by Offeror, closed, etc.)
- j. Detail the number of full-time, part-time and seasonal employees

Question 1.5 Prior experience with external stakeholders

The Park has spent considerable time and effort to develop and foster good working relationships with the surrounding community: i.e., Chambers, tourism organizations, CVB and other associations interested in the well being of the Park. Please describe your experience with relationships with similar organizations and communities in and around locations where you currently have business operations. Please describe specific details regarding these relationships, including

- a) nature of relationship (formal versus informal)
- b) lead contact for the partner relationship including phone number and name
- c) annual time commitment
- d) funding relationships

PART 2: FINANCIAL CAPABILITIES

STATE'S OBJECTIVES

The State wishes to ensure that the future Concessionaire is financially able to meet the requirements of the Concession Agreement and has a financial history that demonstrates the ability of the Offeror to operate the concession profitably and effectively.

QUESTIONS

Question 2.1 Financial statements

Demonstrate that you are financially sound and have a history of meeting your financial obligations by providing financial statements in accordance with Generally Accepted Accounting Principles for the two most recent fiscal years, with all notes to the financial statements. Financial statements should be provided for the Offeror AND all parent companies. Personal financial statements must be provided for any owners of a sole proprietorship or general partners within a partnership.

Question 2.2 Credit report

Provide a current credit report (within the last three months) from a major credit reporting company such as Equifax, Experian or Dunn & Bradstreet.

Question 2.3 Initial Investment Schedule

Demonstrate your understanding of the financial obligations of the Concession Agreement by providing your estimates of the acquisition and start-up costs of this business using the Acquisition and Startup Cost form included at the end of this section and on the excel spreadsheet provided in the appendix. 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 fully understand how the estimates were determined.

Question 2.4 Sources of capital

Demonstrate your ability to obtain the required investment funds detailed above. Identify the source(s) of the funds and provide compelling documentation of your ability to obtain the funds from these sources. Explain fully the financial arrangements you propose, using the following guidelines:

- a. Document each source and availability of all funds with your current audited financial statements, financing agreements, letters of commitment, or similar supporting documents.
- b. If funds are to be obtained from lending institutions (banks, savings and loans, etc.), include a letter (addressed to the lender and containing all appropriate bank contact information) permitting the lender to release any information to the State concerning the financing arrangements of this opportunity. Include the contact name on the letter.
- c. If funds are to be obtained from an individual, or a corporation whose primary fund source is an individual, provide the following as appropriate:
 - Current personal financial statement for the primary source of funds.
 - Documentation of any assets to be sold.

Question 2.5 Prospective financial statements

Demonstrate that your proposal is financially viable. Using the excel spreadsheets provided in the appendix (samples of these forms are located at the end of this section) and following the guidelines below, provide estimates of prospective revenues and expenses of the concession business in the form of annual prospective income and cash flow statements for the term of the Concession Agreement. Please clearly provide the following in support of your estimates:

- a. State and incorporate the annual inflation rate and estimates of real growth you anticipate.
- b. You may expand on the information requested on the form, but do not provide less, do not reduce the captions called for, and do not change the order of items.
- c. Do not add or eliminate columns or rows on the Excel spreadsheets provided in the appendix. 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.
- d. Identify the fiscal year beginning and end dates (month and day) that the offeror proposes to operate within.
- e. 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 allow a reviewer to determine the basis for the estimates and make a determination of whether or not the projections are realistic.
- f. If you intend to assess a Management Fee, or other form of corporate overhead and profit, you must CLEARLY describe what this fee is comprised of (Officer Salaries, human resources, accounting, marketing, profit, etc.).
- g. Clearly identify your estimates for real property repair and maintenance reserve.
- h. Provide workforce estimates in Full Time Equivalents (FTE) for each operating department identified.

PART 3: REPAIR AND MAINTENANCE RESERVE

STATE'S OBJECTIVES

The State seeks to balance visitor services and resource protection with financial returns which are reinvested back into the facilities at Roy Lake State Park; and concessionaire re-investment.

Question 3.2 Repair and Maintenance Reserve

As outlined in the Business Opportunity section, the State believes that well maintained facilities at Roy Lake State Park are an integral part of the visitor experience. The Agreement will specify a Repair and Maintenance Reserve Program of at least 2.0% of annual gross receipts. In addition, the State believes that the minimum continued re-investment in repair and maintenance throughout the term of 2.0 percent of Gross Receipts will assist in preserving a high level of appearance and functionality that is integral to the visitor experience.

Given the State's objectives and the requirements discussed in the Business Opportunity section, please elaborate on your plan for facility repair and maintenance. Your plan should include the following:

1. Brief description of the plan, including a strategy to make immediate improvements in the first year of operation
2. Preliminary observations of items to be renovated (i.e. flooring, walls, windows, access, etc.), your expected schedule, and prioritization plan
3. Estimated costs (if available)
4. Policies and samples of replacement schedules currently used

Express this fee as a percentage of annual gross receipts:

_____percent of annual gross receipts

PART 4: OTHER CRITERIA

STATE'S OBJECTIVES

In addition to managerial capability, financial capabilities, and other benefits, the State has identified the following items as being critical to the success of operations at Roy Lake State Park

- Sales and Marketing
- Other facilities and services offered

QUESTIONS

Question 4.1 Sales and Marketing

The State realizes the prominent role that outdoor recreation plays in our economy, and the value of attracting additional tourism activity to the area. Additionally, the state believes that the glacial lakes area of northeast South Dakota with its abundance of natural beauty and recreational opportunity is well

established as a major recreational destination in the state. Promotion is just one part of the successful marketing efforts that a concessionaire will need to undertake in order to maximize the public perception and awareness of this resource.

Please provide a sample marketing plan for Roy Lake Resort that will provide for the maximum public use and business growth. This plan should include at a minimum the following items

- a. Background and overview
- b. Identification and segmentation of target market segments
- c. Strategy for marketing to each segment, including trends associated with each segment, an estimation of resources to be allocated to each segment, and comparable mix of business to other similar business operations
- d. Your philosophy on customer service, meeting visitor expectations, and expanding the customer base.

Question 4.2 Other Facilities and Services Offered

Please describe any additional facilities and services that you propose that will expand, enhance and improve the visitor experience at Roy Lake State Park.

ACQUISITION AND STARTUP COSTS FORM

Acquisition Cost ⁽¹⁾		\$ _____
Possessory Interest	\$ _____	
Other Incumbent Concessionaire Property		
Personal Property	\$ _____	
Inventory	\$ _____	
		\$ _____
Immediate Purchase of New Items		
Personal Property (Year One and Two total)	\$ _____	
Merchandise and Supplies	\$ _____	
		\$ _____
Initial Improvements		
Initial Improvements in facilities ⁽²⁾	\$ _____	
Deferred maintenance ⁽²⁾	\$ _____	
		\$ _____
Other Soft Costs ⁽²⁾		\$ _____
Initial Working Capital ⁽²⁾		\$ _____
Total Acquisition Cost		\$ _____

(1) All Offerors must include their estimate of the value of all property intended, whether planned for acquisition or currently owned, for use in the new Agreement
(2) Provide detail

SAMPLE INCOME STATEMENT

Refer to Part 2: Question 2.5 Prospective financial statements

Company Name		Roy Lake Resort									
Location		Roy Lake Resort									
Prospective Income Statement											
	Year 1	%	Year 2	%	Year 3	%	Year 4	%	Year 5		
Food and Beverage											
Lodging											
Boat Rental											
Retail											
Other											
Total Gross Revenue	0		0		0		0		0	0	
Total Gross Receipts (if Different)											
Cost of Sales											
Lodging	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Boat Rental	#REF!		#REF!		#REF!		#REF!		#REF!		
Retail	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Other	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Total Cost of Sales	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0	
Gross Profit	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0	
Direct Expenses											
<i>Lodging</i>											
Wages	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Taxes and Benefits	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Other Direct (specify line items in assumptions)	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
<i>Boat Rental</i>											
Wages	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Taxes and Benefits	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Other Direct (specify line items in assumptions)	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
<i>Retail</i>											
Wages	#REF!		#REF!		#REF!		#REF!		#REF!		
Taxes and Benefits	#REF!		#REF!		#REF!		#REF!		#REF!		
Other Direct (specify line items in assumptions)	#REF!		#REF!		#REF!		#REF!		#REF!		
<i>Other (Describe)</i>											
Wages	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Taxes and Benefits	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Other Direct (specify line items in assumptions)	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Total Direct Expenses	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0	
Undistributed Expenses											
Administrative and General-Payroll, Taxes and Benefits	#DIV/0!		#DIV/0!		0	#DIV/0!		#DIV/0!			
Administrative and General-Other	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Marketing	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Repair and Maintenance	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Utilities	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Management Fee	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Total Undistributed	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0	
Fixed Expenses											
Property Taxes	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Insurance	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Franchise Fees	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Repairs and Maintenance Reserve	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Capital Lease	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Personal Property Replacement											
Other	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Total Fixed Expenses	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0	
EBITDA	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0	
Interest Expense	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Depreciation	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Amortization	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Net Profit Before Taxes	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0	
Income Tax	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		
Net Income	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	0	0	

ASSUMPTIONS SAMPLE

Refer to Part 2: Question 2.5 Prospective financial statements

Company Name

CONCID

Roy Lake Resort

Assumptions

General

Contract Start Date

Revenue Inflation

Expense Inflation

Revenue Build Up	Year One	Year Two	Year Three	Year Four	Year Five
------------------	----------	----------	------------	-----------	-----------

Lodging Revenue					
-----------------	--	--	--	--	--

Number of Units

Price per night

Number of nights

Annual Revenue

Boat Rental					
-------------	--	--	--	--	--

Number of Units

rate

Annual Revenue

Retail					
--------	--	--	--	--	--

Describe, including revenue estimates

Food and beverage					
-------------------	--	--	--	--	--

Describe, including revenue estimates

Other Departmental Revenue					
----------------------------	--	--	--	--	--

Describe, including revenue estimates

CASH FLOW SAMPLE

Refer to Part 2: Question 2.5 Prospective financial statements

Company Name

CONCID

Roy Lake Resort

Prospective Cash Flow Statement

Operating Activities	Year 1	Year 2	Year 3	Year 4	Year 5
Net Income					
Adjustment to Reconcile Cash Flow					
Depreciation					
Amortization					
Gain/Loss on Sale of Fixed Assets					
Change in working capital					
Other (describe)					
Net Cash Provided by Operating Activities	-	-	-	-	-
Financing Activities					
Dividend					
Notes Payable					
Other (describe)					
Net Cash Used in Financing Activities	-	-	-	-	-
Investment Activities					
Purchase of Possessory Interest					
Creation/Acquisition of New Possessory Interest					
Proceeds from sale of Possessory Interest					
Proceeds from Sale of Personal Property and Inventory					
Other (describe)					
Net cash used in investing activities	-	-	-	-	-
Total Cash Flow	-	-	-	-	-
Cash beginning of year					
Cash end of year					

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into this 08 day of November 2019, by and between the State of South Dakota, Department of Game, Fish and Parks (hereinafter "GFP"), of 523 East Capitol, Pierre, SD 57501, and Roy Lake Resort, LLC (hereinafter "Concessionaire") of 11571 Northside Drive, Lake City, SD 57247.

WHEREAS, Concessionaire is the concessionaire under an existing concession lease agreement with GFP, for the operation of resort facilities and concessions at Roy Lake State Park, which said concession lease will expire on December 30, 2019; and

WHEREAS, the Parks and Recreation Division of GFP is presently in the process of developing a Prospectus for the issuance of a new concession lease at Roy Lake 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 Roy Lake Resort to a new concessionaire;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter made by and between the parties hereto, 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 Roy Lake State Park concession lease will provide for the following:
 - a. That a new concessionaire shall be required to purchase the following at a price of \$449,000:
 - i. Concessionaire's interest in Concessionaire Facilities and associated personal property as more fully explained and itemized on the "Asset List" attached hereto as Exhibit "A" and incorporated herein by this reference; and
 - ii. Concessionaire's intangibles used in providing concession services as itemized on the "Intangible Listing" attached hereto as Exhibit "B" and incorporated herein by this reference
 - b. Closing is anticipated to take place prior to December 31, 2020. The closing site shall be a neutral site such as a title insurance company or bank in South Dakota. Any escrow closing costs shall be the expense of the new concessionaire. Concessionaire shall cooperate with all reasonable closing requirements which 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. 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. Values and compensation for inventoried items shall be inventoried and valued as agreed upon by Concessionaire and the new Concessionaire.
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 will be necessary for new concessionaire to obtain licenses for various services such as food service, lodging, etc. Current licenses held by Concessionaire may be transferred to or purchased by 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.
4. Concessionaire agrees to cooperate with GFP in scheduling and providing staff to assist with an initial site visit by prospective prospectus bidders. The Concessionaire may conduct site visits for interested parties on a walk-in basis only, provided, however, that GFP shall be provided immediate notice of such site visit as well as contact information for the party involved and a listing of any information or documentation disclosed by Concessionaire to the party involved which is not already disclosed in the prospectus. Concessionaire acknowledges that any information it discloses to any such walk-in party shall also be disclosed by GFP to all identified interested parties of record. Additional site visits may be coordinated by either GFP or Concessionaire, and arrangements for such additional site visits shall be made by mutual written agreement at least twenty-four (24) hours in advance to keep to a minimum any disruption to Concessionaire or resort guests. Concessionaire agrees to waive any claim for compensation for the time of its principals or staff in participating in site visits of the premises. Concessionaire agrees that it will not independently respond to information inquiries or documentation requests 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 Jan Pitzl 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. 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.

5. Concessionaire agrees to cooperate with GFP in compiling any pertinent financial information and statements as may be reasonably requested by potential bidders. Concessionaire further understands that any information provided pursuant to a request from a potential bidder will be provided to all potential bidders who have made an information request. Existing financial information provided to and on file with GFP as required by the existing Concession Agreement may be disclosed to potential bidders. Any financial information disclosed to potential bidders will be under letter of confidentiality.
6. Concessionaire, its officers, and authorized representatives, agrees to take no actions or make representations of any kind which are designed or intended to discourage or influence interested parties from bidding for the new Roy Lake State Park Concession Lease 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.
7. Following selection of the new concessionaire, Concessionaire shall provide the new concessionaire and GFP with a lodging reservation summary as of the last day of the month prior to the selection of the new concessionaire and thereafter update it on a monthly basis. The reservation summary shall include, for each lodging facility, a summary of the dates of stay, estimated rates, and amounts of advanced deposits received. The names of the guest, guests' addresses, contact information and dates of stay by guests or slip renters will be held by the Concessionaire until closing unless an earlier agreement is reached between Concessionaire and a new concessionaire. At closing, Concessionaire shall provide a new concessionaire with a complete accounting of receipts for advance reservations and advance deposits received prorated to the date of possession. Concessionaire shall retain an amount equal to the lodging fee for the first night's stay for each customer reserved in advance by Concessionaire. The remainder of the advanced deposits will be paid over to the new concessionaire at the time of closing. Concessionaire agrees not to make any reservations at an amount less than the full normal rate.
8. The parties agree that upon execution of a new concession lease and transfer of Concessionaire's Possessory Interest in Concessionaire Facilities and intangibles to a successor, the Concessionaire shall be required to provide GFP with satisfactions 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.

9. 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.
10. 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.
11. This Agreement may be executed in identical counterparts. Each counterpart shall be deemed an original of this Agreement.
12. 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 and of the terms, provisions or conditions of this agreement.
13. 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, and 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.
14. 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. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.
15. Concessionaire hereby designates Jan Pitzl 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 Scott Simpson 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.

16. Both parties agree that a copy of this executed Agreement will be made a part of the Prospectus.

END OF AGREEMENT TEXT

Dated this 31st day of October, 2019.

ROY LAKE RESORT, LLC

By: Jan Pitzl
Jan Pitzl

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

By: Scott Simpson
Scott Simpson, Director, Division of Parks and
Recreation

EXHIBIT A
SETTLEMENT AGREEMENT ROY LAKE RESORT
"ASSET LIST"
Page 1 of 9

Roy Lake Resort and Lodge

Asset List "A"

Broad breakdown of Value for Roy Lake Resort Including Purchase Price & Options

Roy Lake Resort is a 14-Unit Multi-Service Resort- Lodging, Restaurant, Retail, Boat Rentals

Tangible Assets (4 Main Categories)

Main Lodge "Building A" (including Condos 14 & 15, Manager Residence, Restaurant, Housekeeping, FF&E, tools and Inventory) ~6200 SqFt

Condominium Building "Building C" (Includes 4 condos and 2 laundry rooms with common furnace/utility room, hallways, FF&E) ~4200 SqFt

Cabins 1-8 "Building B" (8 individual/Stand-Alone buildings- 6 directly on the water, 2 park and lake-view, all FF&E)... ~3600 SqFt

Outdoor Assets- Floating Dock Systems, Vehicles, Boats & Motors (Including Lifts and Trailer(s))

Intangible Assets

(all intangible assets are included with sale and are shown to show worth)

Website & Social Media Accounts + Ownership of www.roylakeresort.com domain including e-mail @roylakeresort.com domain

6,500+ person Customer list (including addresses and phone numbers)

1,000+ Customer Marketing E-mailing list

Digital Logo, Business Card designs and hundreds of documents, templates associated w/RLR- including digitized photos

Use of Roy Lake Resort/Roy Lake Lodge/Roy Lake Resort & Lodge name, reputation goodwill

Point-of-Sale Reports for last 10 years

EXHIBIT A
 SETTLEMENT AGREEMENT ROY LAKE RESORT
 "ASSET LIST"
 Page 2 of 9

Roy Lake Resort and Lodge

Page 1

Asset List "B"

FF&E Breakdown of the four (4) Main Tangible Asset Categories- Main Lodge, Condos, Cabins, Vehicles and Boats
 List of major items that are included with the sale and their respected value minus building value

Main Lodge (Building A)

Restaurant, Front Desk, Retail, Housekeeping Dept, Maintenance Dept., Condos 14 & 15, Manager Residence, Office

Office

- | Item | Office Total |
|--|--------------|
| Computer Desk | |
| Document Shredder | |
| Computer Battery-Up | |
| Dell Multi-Function Laser Printer/Fax/Scanner/Copier | |
| 3- 5 Drawer Vertical, Locking Filing Cabinets | |
| Bookcases | |
| 2 Compartment Heavy Duty Digital Fire Safe w/Employee Drop | |
| 19 inch Flat Screen TV | |
| Various Office Supplies (Staplers, Copy Paper etc.) | |

Notes:

Office Computer will be exempt from sale and retained by current owner- All agreed upon files will be copied to a flash drive for buyer

Retail & Retail Inventory

- | Item |
|--|
| Grocery Shelving Unit |
| Dell Public All-In-One Windows 8.2 Computer and Printer |
| Stand-up, Adjustable Computer Work Station |
| Slat-Wall Display Prongs/Hooks |
| RLR Promotional Items i.e. shirts, mugs, hats etc... |
| RLR Promotional Item Display Case |
| Angled Hanger Rack Display |
| 120 Gal Fresh Water Aquarium w/Roy Lake Pan Fish & all tools |
| Glass/Stainless Steel Custom Sneeze Guard |
| 3 Size Disposable cup dispenser |
| S/S Refrigerated Countertop Topping Merchandiser |
| Food Warming Merchandiser |
| Various Food/Display Racks |
| Douwe Egbert Coffee Extract Machine |
| Countertop Cabinets |
| Custom Aquarium Stand |
| 50" Flat Screen Plasma TV & DVD player |
| 2 RLR Logo signs displayed on the side of building |
| 2 Highway RLR Logo Signs displayed on Hwy. 27 and Roy Lake Rd. |
| Storage Room Shelving Units |
| All Retail Inventory for sale |
| Corner Shelving Unit |
| New LED Track Lighting Systems & Ceiling Fans |
| Self-Contained 80 gal Freshwater Bait Aquarium for Retail Bait |

Roy Lake Resort Asset List "B"

EXHIBIT A
SETTLEMENT AGREEMENT ROY LAKE RESORT
“ASSET LIST”
Page 3 of 9

Roy Lake Resort and Lodge

Page 2

Retail & Retail Inventory continued from previous page-

- Vinyl Plank Floors
- Mini-Fridge for Retail Bait
- Taxidermy Proud Angler Fish- Yellow Perch, Bluegill,
- 17lb Northern Pike, Largemouth Bass

Notes:

*Taxidermy Deer Buck Head is on a no-cost loan from Dana Nelson- Lake City, SD
A&W Single door and double door cooler merchandisers are owned by American Bottling Co.- On Loan
Good Humor Ice Cream Bar Freezer is owned by Cass-Clay Creamery- On Loan*

Following Items are exempt from sale and will be retained by current owner:

- Vintage Coca-Cola Cooler*
- Custom Metal Work- Walleye*
- Some Personal Photos at owner's discretion, Custom Painted Saws*

Front Desk

-
- Item**
- Point-of-Sale Computer, Software & HP Printer
 - Front Desk
 - Baked Goods Merchandiser
 - Key Tags for Unit Keys/Keys
 - Brochures Inventory
 - Misc. Supplies and Equipment
 - 2- Wet Stone Countertop Water Features
 - 2- Computer Battery Back-ups

Notes:

POS Software is setup for CC Processing under current owner's Account, buyer will need to have their own account previously set up for seamless transaction at date of sale or determined date. Current Software is ComCash.

Restaurant- Commercial Kitchen, Dining Room/Lounge, Outside Dining/Patio & Deck

-
- Dining Room**
- Item**
- 2- Couches w/matching pillows; Couch & Love Seat
 - Taxidermy Mounts- Bass & Bluegill, 2- Walleye Mounts, Deer Butt Mount
 - Unautographed TV Fishermen photos taken at RLR
 - High Quality Synthetic Plants
 - Geraniums
 - Fireplace Bookshelf w/heat
 - 55" Philips Flat Screen TV
 - 2- 10 Gal Freshwater Aquariums w/small aquarium fish
 - 5- 4 top Cherry Finished Tables (3 more in storage in Condo Utility Room)
 - 20 matching chairs with black leather and cherry wood (12 more in storage)
 - Washed stone/exposed stone concrete patio designed with footings in place
 - Patio Furniture
 - Wooden Deck *Included w/patio*

Notes:

*Exempt from sale are the following personal items on loan and will be retained by owner:
Autographed photos and military photos/flags, aloe plants, jade plant, coyote & pheasant mount, crappie mount, 2- duck mounts, paintings & painted saws, 2 vintage lounge chairs, 2- cherry narrow corner cabinets*

Roy Lake Resort Asset List "B"

EXHIBIT A
 SETTLEMENT AGREEMENT ROY LAKE RESORT
 "ASSET LIST"
 Page 4 of 9

Roy Lake Resort and Lodge

Page 3

Restaurant- Commercial Kitchen, Dining Room/Lounge, Outside Dining/Patio & Deck

Commercial Kitchen	Item
	Commercial Range (48" Flat top/4 burner range/double oven) (LP)
	Vulcan 40 Gal Deep Fryer (LP)
	Countertop Charbroiler (LP)
	Broiler/Salamander (220V Infrared)
	Soft-Serve Ice Cream Machine
	2- Ice Cream Cone Dispenser
	2- Dry Topping Dispenser
	Microwave
	72" 3 door Beveragair Counter Cooler
	48" 2 door cold prep/sald/pizza prep Beveragair cooler
	Double Door Subzero S/S Reach-In Freezer
	Double Door Refrigerated Reach-In Cooler
	72" Deep Freeze Chest Freezer
	48" Deep Freeze Chest Freezer
	Single Door Upright Reach-In Freezer
	Residential Refer/Freezer
	S/S French Door Refer w/ bottom Double Drawer freezer
	Commercial Dry Storage Rack
	72" Double Overhead Shelf w/Vulcan Infrared Warmer
	1000lb Scotsman Ice Maker/Bin
	18/0 Silverware and Servingware
	Plates, Misc. Holloware, platters, containers
	Baking and Cutlery
	12" Blade Power Meat Slicer
	Pots & Pans
	18" Deck Lincoln Impinger Conveyor Oven (LP)
	S/S Equipment Stand/Work Table
	S/S Shelving Units
	Hobart S/S Sanitizing Dish Washer (90 second wash)
	All Dry & Cold Storage Inventory <i>Revolving Value</i>
	Misc. Equipment (i.e. food processor, immersion blender etc...)
	Wine Glass Dishwashing racks
	Approx. 50 Red and White Long Stemmed Wine Glasses
	Employee Time Clock & Time Cards
	10ft Exhaust Hood w/Grease Traps and Exhaust Fan
	Commercial (Grease-Rated) Fire Suppression System

Notes:

*Exempt from sale are the following personal items on loan and will be retained by owner:
 Previously discounted from the above totals- Misc. Equipment, cooking wares, pots & pans.*

Continued on next page-

Roy Lake Resort Asset List "B"

EXHIBIT A
 SETTLEMENT AGREEMENT ROY LAKE RESORT
 "ASSET LIST"
 Page 5 of 9

Roy Lake Resort and Lodge

Housekeeping

-
- Item**
 2- Front Loading Washing Machines- Main Building
 2- Front Loading Dryers- Main Building
 Supplies & Inventory- All Buildings
 Bedding for all units (Comforters, Blankets, Pillows, Sheets, Pads Etc.)
 2- Top-Loading Washing Machines- Condo Building
 2- Front-Loading Dryers- Condo Building
 2- Extra-Deep Utility Sinks- Condo Building
 Dyson Animal Complete 65 Vacuum
 ~4 Panasonic Commercial Vacuums
 Storage Shelving Systems
 Rug Doctor Carpet Cleaner/Shampooer

Notes:

Maintenance/Grounds

-
- Item**
 Tools (Hand tools and power tools, wrenches, sockets, saws etc.)
 2- Briggs & Stratton Motor Mowers 21inch decks
 Weed/Edge Trimmer
 14- Heavy-Duty Commercial Picnic Tables
 Touch Up Paints/Stain
 Instant Hot Water Furnace (Electric) Heating Source
 Main Lodge Hot Water Heater (LP)
 1- Garbage Dumpster
 4- Underground Septic Tanks & Lift Station
 Briggs & Stratton Power Washer

Notes:

All power tools and hand tools marked with "Thames" or "Charles Thames" are personal property and are not included in the sale

Manager's Residence

-
- | | | |
|---|---|--|
| 3 bedroom/1 bath residence with private walkout balcony and backyard. | Item
Public and Private/Internal Server and Networks
Battery Backup System for Networks
Corner Cabinet and Network supplies | <i>L-shaped Sectional Leather Couch with recliners and Chase lounge
 Corner Computer Desk
 Adjustable Twin Bed</i> |
|---|---|--|

Notes:

All property located in the Manager's Residence is exempt from sale with the exception of the items listed above.

Condos 14 & 15

A total FF&E value will be assigned rather than a specific value for each individual item.

All units have DirecTV® Satellite Programming with Boxes and Remotes

-
- Item**
 Décor (All paintings/pictures/artwork)
 2- 48" LED Flat Screen TVs
 4- Mirrored Dressers

EXHIBIT A
 SETTLEMENT AGREEMENT ROY LAKE RESORT
 "ASSET LIST"
 Page 6 of 9

Page 5

Roy Lake Resort and Lodge
 Continued from previous page-

- Jacuzzi Jet Tub
- 2- Walk-In Showers
- 2- Microwaves
- 4- Full Size Reach-In Refrigerators
- Plates, Cups, Pots, Pans & Utensils
- 4 full-size Mattresses, frames, box springs
- 2- twin-size mattresses, frames, box springs
- King-Size Headboard
- 2- Black Leather Couches- Sofa and Love Seat
- 2- Electric ranges w/ovens
- 2-Cabinet Mounted Microwaves
- 2- Single Vanities w/Sinks
- 1- Large Double Vanity w/Sink
- Lighting Fixtures/HVAC
- 3- Standard Comodes
- 2- Private Walkout Balconies
- 2- Coffee Tables
- 2- Kitchen Tables and chairs
- 4- twin-size Rollaway Beds
- 2- Charcoal Grills
- Carpeting and Linoleum Floors
- 2- Hot Water Heaters (Electric)

Cabins 1-8 (Buildings B)

Cabins 1,2,5,6- 2bd 1ba; Cabins 3,4- 1bd 1ba, Cabins 7- 2bd 1ba w/four seasons; Cabin 8- 1bd 1ba w/four seasons
 All units have DirecTV® Satellite Programing with Boxes and Remotes

Cabins 1, 2, 5, 6

Item
8- Full-size mattress, frames, box springs
<i>*Cabins 1,2,5,6 are 2</i> 8- twin-size custom bunks, custom mattresses and covers
<i>Bedroom 1 Bath units</i> New lighting fixtures
<i>with built on decks.</i> New Floors in all units
<i>Cabins 5 & 6 also</i> 4 Sets- Full Kitchen Cabinets
<i>have covered decks.</i> 4- Microwave
<i>All include Fire Pits.</i> 4 Sets- Kitchen tables and chairs
4-LP/Electric Ignite 4 range and oven
4- LP Furnaces; 4- Electric Hot Water Heaters
Pots, Pans, Utensils & Appliances
4- Charcoal Grills
4- Full Size Reach-in Refrigerators
4 Sets- Deck Furniture and Tables
4- Custom Cherry Closet Systems
4- A/C Units
Décor- Paintings/Pictures/Lamps
4- 24" Vizio 1080p HD Flat Screen TVs- Wall Mounted
4 Sets- 3 Piece Bathroom

Roy Lake Resort Asset List "B"

EXHIBIT A
SETTLEMENT AGREEMENT ROY LAKE RESORT
“ASSET LIST”
Page 7 of 9

Page 6

Roy Lake Resort and Lodge
Cabins 3, 4

	Item
	2- Full-size mattress, frames, box springs
<i>*Cabins 3 & 4 are 1</i>	2- twin-size custom bunks, custom mattresses and covers
<i>Bedroom 1 Bath units</i>	New lighting fixtures
<i>with built on decks.</i>	New Floors in all units
<i>All Include Fire Pits.</i>	2 Sets- Full Kitchen Cabinets
	2- Microwave
	2 Sets- Kitchen tables and chairs
	2-LP/Electric Ignite 4 range and oven
	2- LP Furnaces
	Pots, Pans, Utensils & Appliances
	2- Charcoal Grills
	2- Full Size Refrigerators
	2 Sets- Deck Furniture and Tables
	2- Electric Hot Water Heaters
	2- A/C Units
	2- Custom Cherry Closet Systems
	Décor- Paintings/Pictures/Lamps
	2- 24" Vizio 1080p HD Flat Screen TVs- Wall Mounted
	2 Sets- 3 Piece Bathroom

Cabin 7

	Item
	2- Full-size mattress, frames, box springs
<i>*Cabins 7 is a 2</i>	2- twin-size custom bunks, custom mattresses and covers
<i>bedroom 1 bath unit</i>	New lighting fixtures
<i>with a built on Four-</i>	New Floors in all units
<i>Seasons Porch.</i>	1 Sets- Full Kitchen Cabinets
<i>Includes Fire Pit.</i>	1- Microwave
	1 Sets- Kitchen tables and chairs
	1-LP/Electric Ignite 4 range and oven
	1- LP Furnaces
	Pots, Pans, Utensils & Appliances
	1- Charcoal Grills
	1- Full Size Refrigerators
	1 Set- Outside Furniture and Tables
	1- A/C Units
	Décor- Paintings/Pictures/Lamps
	1- 32" TV
	1- 3 Piece Bathroom

Continued on next page-

Roy Lake Resort Asset List "B"

EXHIBIT A
 SETTLEMENT AGREEMENT ROY LAKE RESORT
 "ASSET LIST"
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Roy Lake Resort and Lodge
 Cabin 8

Page 7

	Item
	1- Full-size mattress, frames, box springs
	2- twin-size custom bunks, custom mattresses and covers
<i>*Cabins 8 is a 1 bedroom 1 bath unit with a built on Four-Seasons Porch. Includes Fire Pit.</i>	New lighting fixtures
	New Floors in all units
	1 Sets- Full Kitchen Cabinets
	1- Microwave
	1 Sets- Kitchen tables and chairs
	1-LP/Electric Ignite 4 range and oven
	1- LP Furnaces
	Pots, Pans, Utensils & Appliances
	1- Charcoal Grills
	1- Full Size Refrigerators
	1 Set- Outside Furniture and Tables
	1- A/C Units
	Décor- Paintings/Pictures/Lamps
	1- 32" TV
	1- 3 Piece Bathroom

Condominium Building (Building C)

Condos 9,10,11,12- 2 bedroom, 1 bath Condos with 2 Laundry Rooms and Utility/Furnace Room with Storage

All units have DirecTV® Satellite Programming with Boxes and Remotes

Condos 9, 10, 11, 12

	Item
	16- Full-size mattress, frames, box springs
	8- twin-size custom bunks, custom mattresses and covers
<i>*Cabins 9, 10, 11, 12 are 2 Bedroom 1 Bath units (2 full-size beds in ea. bedroom) with walkout balconies and terraces. All include Metal Ring Fire Pits.</i>	4 Sets- Full Kitchen Cabinets
	4- Cabinet Mounted Microwave
	4 Sets- Kitchen tables and chairs
	4-LP/Electric Ignite 4 range and oven
	Baseboard Electric Heat w/individual Thermostats/Unit
	Pots, Pans, Utensils & Appliances
	4- Charcoal Grills
	4- Full Size Reach-In Refrigerators
	4 Sets- Deck Furniture and Tables
	4- Mitsubishi A/C Units
	Décor- Paintings/Pictures/Lamps
	4- 48" 1080p HD Flat Screen TVs- Wall Mounted
	4- Oak Bookcases
	4 Sets- 3 Piece Bathroom
	2- Large Electric Hot Water Heaters
	2- Housekeeping Top-Loading Washing Machines
	2- Housekeeping Top-Loading Dryers

Roy Lake Resort Asset List "B"

EXHIBIT A
SETTLEMENT AGREEMENT ROY LAKE RESORT
"ASSET LIST"
Page 9 of 9

Roy Lake Resort and Lodge

Page 8

Dock Systems, Boats & Vehicles

Outdoor Assets

Item	
EZ Dock Floating Dock Systems & Tools	
Shoremaster Floating Dock Systems & Tools	
Dock Parts and Replacement Parts	
Several Galvanized 4" Pilings and Augers	
3- 6HP Mercury Outboard Motors	
4- 14' Aluminum Boat Hulls	
1- TMC 13-Person Capacity Pontoon Boat w/40HP Merc. BigFoot Motor	
1- Pontoon Boat Lift	
1- Tandem Axle Pontoon Trailer	
1- 17' Lund Pro Angler Fishing Boat w/90HP Merc. Motor	
1- Single Axel Fishing Boat Trailer	
2002 Dodge Ram Pickup Truck 1500 Quad Cab 4X4	
EZ-GO Golf Cart (Gas Powered)	
Gas Dock/500 Gallon Gas Tank with Pumps & Hoses for Boat Gas Sales	
Gas Inventory	<i>Revolving Value</i>

EXHIBIT B
SETTLEMENT AGREEMENT ROY LAKE RESORT
“INTANGIBLE LISTING”

The following is a list of intangible items relative to the operation of Roy Lake Resort which shall be transferred and provided to the successor concessionaire in accordance with Section 1.a.ii of the Settlement Agreement:

- All trademark, copyrights and other rights and title to the name “Roy Lake Resort”, “Roy Lake Lodge” and “Roy Lake Resort and Lodge”.
- All rights and ownership of the www.roylakeresort.com website
- Exclusive transfer of all administration rights to all Roy Lake Resort online social media accounts
- 6,500+ personal customer list (includes physical addresses and phone numbers)
- 1,000+ customer email marketing list
- All digital logos, business card designs, document templates associated with Roy Lake Resort including digitized photos
- Point of sale reports for previous 10 years of business
- All phone numbers currently listed for Roy Lake Resort will remain with the Resort after lease transfer.
- Beer and wine sales license

PERFORMANCE STANDARDS FOR THE OPERATIONS AND MAINTENANCE OF THE ROY LAKE STATE PARK RESORT

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. 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.

2. OPERATIONS

(a) Dates of Operation

All Resort facilities and services must be open and available to the public. The minimum season for all services that shall be considered is daily operation from the Friday preceding Memorial Day through Labor Day. Concessionaire shall have access to the Resort at all times during the term of the agreement. 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 Park Supervisor 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 from no later than 8:00 a.m. to no earlier than 8:00 p.m., seven days a week.
- (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.

(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 electrical services within the Resort. All electrical repairs shall be conducted by a qualified individual licensed by the South Dakota Electrical Commission.
- (ii) Water – The Department will provide water and maintain the water delivery system to the Resort up to the point where the plumbing enters the water meter. Water used by the Resort will be metered and the resort will pay the Department for water used at the established rural water rate charged to the Department. The Concessionaire will be responsible for paying costs involved with water meter installation and maintenance. It is the Concessionaire's responsibility to provide monthly water meter readings (on the 1st of every month) to the Park office.
- (iii) Sewer – The Department will provide sewage disposal to the Resort. The Concessionaire will be responsible for the maintenance and repair of any septic system and all sewer lines from the Resort facilities to the large sewer lift station in the Resort. The Concessionaire will ensure that any septic tank is pumped as needed and functions properly to ensure the proper operation of the sewer system.
- (iv) Garbage Disposal – The Concessionaire shall be responsible for contracting with a local garbage hauler and paying all costs directly to the hauler.
- (v) Television - The Concessionaire shall provide television services to all lodging units within the Resort. Expenses for repairs and

maintenance of the television signal delivery systems are the responsibility of the Concessionaire.

(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 Roy Lake 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 allow on an annual basis Park employees to attend and be present, or as otherwise agreed to be necessary by the Concessionaire and Park Supervisor, at an orientation session scheduled and conducted by the Concessionaire to acquaint them with the resources, features and services of Roy Lake 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 other logos affiliated with the Division of Parks and Recreation, 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 Park Supervisor.

(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 oversees the Resort are subject to Department approval.
- (ii) Managers 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 to correct.

- (iii) The Concessionaire shall provide 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 must be approved by the Park Manager prior to issuance and is valid for employees or volunteers traveling under the most direct route from the Park entrance to the Resort, during designated working hours.
- (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 the 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.

(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 Park Supervisor.
- (iii) All signs shall be of a professional quality appearance.
- (iv) Signs or other paraphernalia visible to the general public associated with political candidates or issues is expressly prohibited.
- (v) 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

1. 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) 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 Park Supervisor.
- (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.

(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 Park Supervisor immediately.
- (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 fully equipped according to the current South Dakota Boating Guide. 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. Where applicable, the Concessionaire shall have at least one full-time certified food safety manager. The manager shall be certified as a ServSafe Food Protection Manager by the National Restaurant Association. The Concessioner is required to train all employees involved in food preparation in compliance with all applicable laws.
- (iii) Liquor Laws. Where applicable, the Concessionaire shall have at least one full-time manager 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.

(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

- (ii) Display areas and shelving are to be clean and attractive and the merchandise well presented and uncluttered.
- (iii) No merchandise shall be sold which persons of normal sensitivity might consider to be obscene, sexually oriented, profane, vulgar or demeaning.
- (iv) 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. Towel service that correlates to the number of pillows
- (ii) All cabins and lodge rooms may be given daily maid service if desired by guests.
- (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, odiferous, or contain holes.
- (vi) All rugs must be kept clean and free of stains and offensive odors. Carpets and rugs must be vacuumed daily if desired by the guest.
- (vii) Non-smoking rooms shall be provided in accordance with hospitality industry and guest trends.
- (viii) The front desk shall be available for guest services during the minimum hours of the convenience store during the minimum operating season.
- (ix) Each cabin and room must be equipped with a serviced fire extinguisher. Appropriate fire exit information shall be posted in each cabin and room in accordance with South Dakota law.
- (x) Each cabin and room must be equipped with a carbon monoxide and explosive gas detection device, unless room is heated by a non-combustive heating system.
- (xi) Reservations shall be accepted via the phone, email, internet, and regular mail up to two years in advance.
- (xii) Rates, charges, check in/check out and appropriate hotel regulations should be posted in each cabin and room.
- (xiii) The Concessionaire shall comply with all applicable laws in order to maintain the required South Dakota State Department of Health lodging establishment license.

(s) Fuel Sales

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

(t) Guide Service

- (i) Fishing Guide Service
 - 2. Guides must possess sufficient knowledge of park resources and safety procedures.

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.
- (ii) All plans and materials are subject to Department approval.

(c) Maintenance Responsibilities-Concessionaire

Maintenance, for the purpose of the 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.

- (i) Buildings and Structures – The Concessionaire shall maintain all buildings and structures, including Government Facilities, assigned to or owned by the Concessionaire. Maintenance includes, but is 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.
- (ii) 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.
- (iii) Boat Docks and Slips – The Concessionaire shall maintain, replace, install and remove boat docks and slips as authorized and necessary. The dock surface, floatation and access 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.

- (iv) 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.
- (v) Grounds – Mowing, weed/pest control, and maintenance of landscaping within the Resort shall be the responsibility of the Concessionaire. The grounds shall be maintained at a level that will provide an attractive, safe, functional and nuisance-free environment. All trees shall be maintained according to generally accepted arboricultural techniques appropriate for this geographic area. All turf areas shall be established and maintained according to generally accepted turf culture appropriate to this geographic area.
- (vi) Garbage and Trash – The Concessionaire shall be responsible for all litter pickup and removal of trash in the Concession Area. 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. Concessionaire is responsible for providing additional, adequate trash receptacles for all Resort sponsored special events. The trash container enclosure and surrounding area shall be maintained at all times in a neat and orderly manner with all overflowing trash concealed from the general view.
- (vii) 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 Director.
- (viii) 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.
- (ix) 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.

- (x) Locks – The Concessionaire shall provide the Park Supervisor with Resort facility keys necessary for security, emergency or other lawful purposes.
- (xi) 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. The Concessionaire is responsible for spring re-opening while it is the concessionaire.
- (xii) Snow Removal – The Concessionaire will be responsible for snow removal within the Resort area including parking lots and sidewalks that serve Concessionaire facilities. The Concessionaire is responsible for marking fire hydrants with snow stakes 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 by the Concessionaire, 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 fire places 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-216/89. The Park Supervisor may impose fire restrictions at any and all resort locations at any time as the result of wildfire risk assessments.

- (xvi) 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.

- (xvii) 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.

- (xviii) Retail Operations. All shelving and merchandise display areas shall be sound, secure, clean and presentable.

- (xix) 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.

- (xx) 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.

- (xxi) Boilers. Inspecting, cleaning, and tuning boilers will occur annually, or more often, as conditions warrant.
- (xxii) Gas tanks, pumps, lines and leak detection. All systems included in the fuel storage, delivery, dispensing, and leak/spill detection must be maintained by the Concessionaire to ensure its optimum functionality.

(d) Maintenance Responsibilities-Department

- (i) Boat Ramp and Associated Docks – The Department will maintain the boat ramp and associated dock(s) that is located within the 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, parking lot striping, pothole repair and surfacing of paved areas and necessary grading of non-paved areas.
- (iii) Snow Removal – The Department will be responsible for snow removal necessary to maintain access to the public boat ramp at the Resort along an indicated route. 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 and is notified of any special events as prescribed in these Performance Standards.