

- (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

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 with the exception of the fish cleaning station. All electrical repairs shall be conducted by a qualified individual licensed by the South Dakota Electrical Commission.

- (i) Water – The Concessionaire shall be responsible for activating water service with the water provider and paying directly to the provider all water costs attributable to usage of the Resort. The Concessionaire shall be responsible for maintenance of the water systems that serve the Resort with the exception of the fish cleaning station. All water system repairs shall be performed by a qualified individual licensed by the South Dakota Plumbing Commission, unless for emergency temporary repairs required to prevent or minimize property damage or for public safety.
- (ii) Sewer – The Concessionaire shall be responsible for activating wastewater disposal service with the wastewater disposal provider and paying directly to the provider all wastewater disposal costs attributable to usage of the Resort. The Concessionaire shall be responsible for maintenance of the sanitary sewer collection system with the exception of the fish cleaning station. All sanitary sewer collection system repairs shall be performed by a qualified

individual licensed by the South Dakota Plumbing Commission, unless for emergency temporary repairs required to prevent or minimize property damage or for public safety.

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

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

- (iii) Garbage Disposal – The Concessionaire shall be responsible for contracting with a local garbage hauler and paying all costs directly to the hauler. The Concessionaire is responsible for providing dumpsters and receptacles of which the size, locations, colors and construction are acceptable to the Park Supervisor. Dumpsters shall be emptied and maintained as to not allow or encourage overflowing garbage, offensive odors or other unsightly problems. No disposal of refuse of any type shall be permitted within the Park without approval of the Park Supervisor. The Park will provide one garbage receptacle for the fish cleaning station, and be responsible for its service.
- (iv) 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.
- (v) Communications - The Concessionaire shall provide wireless internet services in the restaurant and to the marina slips. Expenses for repairs and maintenance of the telephone and wireless internet 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 Spring Creek Recreation Area 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 Spring Creek Recreation Area. Concessionaire employees, and designated representatives that are employed by the Concessionaire at the time that the training is offered, can 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 oversee all of the Resort areas are subject to Department approval.
- (ii) Each on-site resort manager must possess the necessary experience and expertise to ensure a high quality resort operation. The Concessionaire shall employ only competent and orderly employees who shall keep themselves neat and clean and accord courteous and competent treatment and service to all patrons. Whenever the Department notifies the Concessionaire that a Concessionaire employee is disorderly, incompetent or unsatisfactory, the Concessionaire shall investigate the matter thoroughly, and take appropriate action to correct.
- (iii) In providing visitor services, the Concessionaire must require its employees to observe a strict impartiality as to rates and services in all circumstances.

- (iv) 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.
- (v) The Concessionaire shall provide all personnel necessary to provide the visitor services required and authorized by this Agreement.
- (vi) The Concessionaire shall comply with all applicable laws relating to employment and employment conditions.
- (vii) 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.
- (viii) 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.
- (ix) 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 Department owned and 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. There shall be no signs visible from outside the buildings within the Resort that contain any advertisements or insignia that identify with intoxicating beverages without the written permission of the Department.

(k) Lost and Found

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

(l) Complaints

- (i) 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 equipped with at least one approved personal flotation device per rated passenger. All vessels shall comply with all state and U.S. Coast Guard regulations and laws.
- (iii) All watercraft that are on the water shall be discreetly identified with the company name and an identification number.
- (iv) The Concessionaire shall reasonably attempt to ascertain the prospective renter's ability and competency in regard to the item(s) being rented. Where reasonable doubt as to the required ability and competency exist, the Concessionaire may refuse to rent the item(s).
- (v) The Concessionaire shall clearly indicate as part of the rental agreements utilized in its operation, the specific and

implied liabilities resulting from a prospective customer's use of the rental equipment.

(p) Food and Beverage Service

- (i) The Concessionaire shall comply with all applicable health codes, laws and regulations in order to maintain the required South Dakota Department of Health food service establishment license. Copies of all inspection reports must be provided to the Department. The Concessionaire must immediately notify the Department of any deficiency or failure to comply as a result of Department of Health inspections.
- (ii) Food Safety Certification. The Concessioner 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. The Concessioner 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
- (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
 1. Guides must possess sufficient knowledge of park resources and safety procedures.

(u) Boat Slip Allocation Process

- (i) Near the first of each calendar year slip lease contracts will be sent out to all slip holders of record from the previous season. The concessionaire may only refuse issuance of a new slip contract unless the slip holder has materially breached its Department-approved slip rental contract with the Concessionaire. It is required that the previous slip holder return the slip lease with full payment by February 15 to reserve the same slip for the new season. Immediately after that date, changes to slip type or location (requested by returning slip holders) are made if available.
- (ii) Once this process is complete with last year's slip holders, the assignment of vacant slips begins. New slip lease

contracts are sent out to any person requesting a slip in writing for the new season on a first come, first served basis. In the case of an over demand for a particular size or location of slips the oldest written request will be honored first.

- (iii) The Department shall have access to all slip rental documentation and correspondence upon request.

SECTION 3. MAINTENANCE AND FACILITY IMPROVEMENTS

(a) General

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

(b) Plans and Materials

- (i) Proposals by the Concessionaire to change physical facilities, both Government Facilities and Concessionaire Facilities, shall follow procedures outlined in ARSD 41:13.
- (ii) All plans and materials are subject to Department approval.

(c) Maintenance Responsibilities-Concessionaire

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

- (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, including the Department-owned breakwater. The Department owns and is responsible for replacement of A and B-Dock decking and concessionaire is responsible for routine maintenance. Off-season storage of boat docks and slips shall be allowed in the locations approved by the Department. The dock surface, floatation and ramps must be in good condition, properly positioned and secured. They must be sturdy, free from cracks, protruding nails or boards or uneven or broken surfacing. Winch and anchor line maintenance and adjustment shall be the responsibility of the Concessionaire.
- (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 as per mowing Exhibit A-2. 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.

- (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 Park Supervisor.
- (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) Winterizing Facilities – The Concessionaire is responsible for taking appropriate measures to protect all resort owned facilities for which the Concessionaire has maintenance responsibility, including the marina sani-pump station 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. The Department will take action to appropriately address spring re-opening of marina comfort station and other state-owned facilities.
- (xi) Snow Removal. The Concessionaire shall be responsible for snow removal within the Resort including parking lots and sidewalks that serve Concessionaire facilities. The Concessionaire is responsible for marking fire hydrants, propane tanks, and other fuel storage/dispensing facilities with snow stakes/flags and for keeping snow clear around hydrants.

- (xii) 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.
- (xiii) 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. Fixture replacement within the marina comfort station should be directed to the Department.
- (xiv) 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.
- (xv) Rental Lodging. Case goods shall be well maintained and repaired to ensure a pleasant and safe guest experience. 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.
- (xvi) Restaurants. Restaurant tables and chairs shall be well maintained and repaired to ensure a pleasant and safe guest experience. 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.
- (xvii) 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) Comfort Station. The Concessionaire will be responsible for all daily routine and preventative maintenance, including replacement of soap, and appropriate paper products.
- (xxiii) Pumpout. The Concessionaire shall maintain the Department-owned pumpout to ensure its maximum functionality and availability to the marina users without contamination of any natural resources. The pumpout shall be winterized prior to November 1 of each year. Replacement parts for this pump will be ordered and installed by the Department.
- (xxiv) 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 Docks – The Department will maintain adjust the boat ramp and associated dock (s) that is located within the Resort. The docks are 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, paint-striping, pothole repair and surfacing of paved areas and necessary grading of non-paved areas. Snow Removal will be in accordance with Section 3 (d) (iii) of this Exhibit below.

- (iii) Mowing as per Exhibit A-2
- (iv) Snow Removal – The Department will be responsible for snow removal necessary to maintain access to key public and administrative areas located within the Resort. Snow removal will be performed on weekdays (Monday – Friday) during regular park employee work hours (8:00 a.m. – 5:00 p.m.). During these periods, the Department is not obligated to perform snow removal until snowfall, blowing and drifting have ceased. The Department cannot guarantee snow removal for the access road outside of regular park employee work hours, but agrees to cooperate if staff is reasonably available to perform such duties.
- (v) Fish Cleaning Station – The Department will be responsible for all routine and preventative maintenance, including cleaning of the fish cleaning station including pumping of the septic tanks.
- (vi) Vault Toilet – The Department will be responsible for routine and preventative maintenance of the vault toilet near the fish cleaning station, including pumping the vault.

SECTION 4. INSPECTIONS AND AGREEMENT COMPLIANCE REVIEWS

(a) Maintenance Inspections

- (i) Representatives from the Department and the Resort shall conduct preventative maintenance and inspections of the Resort grounds and facilities. At minimum, at least one inspection will be held in the spring prior a week before Memorial Day and in the fall no later than October 31. The purpose of the inspection will be to identify the current conditions and maintenance levels of the facilities and Personal Property therein.
- (ii) Upon analysis of the results of the inspection, the Department will present the Concessionaire with a written list of maintenance objectives for which the Concessionaire is responsible and a list of maintenance objectives the Department is responsible for in the Resort. The Department and the Concessionaire will jointly agree to the prioritization of the projects and the schedule for completing the identified maintenance work. The Department and Concessionaire shall also agree as to what projects are to be included to satisfy the Repair and Maintenance Reserve as required in Section 14 of the Concession Agreement. The

Concessionaire shall submit a repair and maintenance program and plan to the Department for approval no later than November 1 of each year.

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

(b) Health, Safety, and Fire Inspections

- (i) There may be other inspections as required by law or insurance policies pertaining to but not limited to health, safety, fire, and environmental rules and regulations that are the responsibility of other agencies or authorities. The Concessionaire must notify the Department in advance of any such inspection and allow Department staff to accompany the inspection.
- (ii) Annual electrical code compliance inspections of the marina will be required unless otherwise stated by the department in writing by the South Dakota Electrical Commission. Cost of the inspections will be the responsibility of the concessionaire.
- (iii) Copies of the inspection or report must be provided to the Department upon request. Any failures, substandard or otherwise unsatisfactory scores, inspections or individual components of an inspection must be reported to the Department immediately.

(c) Agreement Compliance Audits

- (i) The Department reserves the right to conduct Agreement Compliance Audits during the course of each Agreement year. The purpose of the Audit will be to ascertain on a qualitative and quantitative basis, the Concessionaire's compliance with all requirements of the Agreement. The form and content of such an audit may include but not be limited to; inspections, product sampling, customer surveys, blind shopping, interviews and other techniques as required to satisfy the Department that all elements and requirements are being performed at a level consistent with the Standards and other covenants of the Agreement. A written summary of the results of the performance audit will be provided to the

Concessionaire. When remedial actions are needed, a specific date will be given for a follow-up audit to ensure the necessary corrective measures have been taken. In the event that corrective measures have not been implemented by the date specified, the Department reserves the right to take the necessary action and then bill the Concessionaire for the direct cost of the corrective action taken.

EXHIBIT C

TRANSITION TO A NEW CONCESSIONAIRE

Section 1. In General

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

Section 2. Cooperation Prior to the Termination Date

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

(a) Continue Operations.

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

(b) Continue Bookings.

Continue to accept all future bookings for any hotel, lodging facilities, or other facilities and services for which advance reservations are taken; not divert any bookings to other facilities managed or owned by the Concessionaire or any affiliate of the Concessionaire; and notify all guests with bookings for any period after the Termination Date that the facilities and services are to be operated by the New Concessionaire. The Concessionaire may quote rates based upon rates approved by the Department. Promptly following notification to the Concessionaire by the Department of the selection of the New Concessionaire, the Concessionaire shall provide the New Concessionaire with a copy of Concessionaire's reservation log for visitor services as of the last day of the month prior to the selection of the New Concessionaire, and thereafter the Concessionaire shall update such log on a periodic basis

(but no less frequently than thirty (30) days) until the Termination Date. The reservation log shall include, without limitation, the name of each guest, and the guest's (1) address, (2) contact information, (3) dates of stay, (4) rate quoted, (5) amount of advance deposit received and (6) confirmation number, if applicable.

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

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

(d) Financial Reports.

Within 30 days after receipt of the notification of the selection of the New Concessionaire, provide the New Concessionaire with a financial report with respect to the operation of any assigned Real Property Improvements and the Concessionaire's operations in general as of the last day of the month prior to receipt of such notification. Thereafter, the Concessionaire shall update such financial report on a periodic basis (but no less frequently than thirty (30) days) until the Termination Date. Such financial report shall include, at a minimum:

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

(e) Inventory and Personal Property.

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

(f) Other Information and Reports.

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

(g) Access to Facilities

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

(h) Other Cooperation.

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

Section 3. Cooperation Upon the Termination Date.

Upon the Termination Date, the Concessionaire shall:

(a) Transfer of Contracts and Licenses.

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

(b) Reservation Systems.

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

(c) Fees and Payments.

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

(d) Access to Records.

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

(e) Removal of Marks.

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

(f) Other Cooperation.

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

Division of Parks and Recreation

March YTD 2019 Revenue by Item

	2018		2019		% Change
	Number	Dollar	Number	Dollar	
Annual	1,905	\$ 57,148	1,627	\$ 48,814	-15%
2nd Annual	282	\$ 4,230	347	\$ 5,205	23%
Combo	2,193	\$ 98,685	2,057	\$ 92,564	-6%
Transferable	256	\$ 16,640	262	\$ 17,030	2%
Daily License	1,309	\$ 7,856	897	\$ 5,384	-31%
Unattended Vehicle Daily	67	\$ 669	51	\$ 510	-24%
GSM Annual Trail Pass	251	\$ 3,765	284	\$ 4,260	13%
GSM Daily Trail Pass	207	\$ 828	173	\$ 692	-16%
Motorcoach Permit	392	\$ 1,176	28	\$ 84	-93%
CSP 7 Day Pass	952	\$ 19,036	1,046	\$ 20,914	10%
CSP 7 Day Bike Band	6	\$ 60	15	\$ 147	145%
Rally Bike Band	-		-	\$ -	
One-Day Special Event		\$ 500		\$ 150	-70%
PERMITS	7,820	\$ 210,593	6,787	\$ 195,754	-7%
Camping Services		\$ 3,309,119		\$ 3,127,764	-5%
Picnic Reservations		\$ 3,170		\$ 2,650	-16%
Firewood	173	\$ 865	27	\$ 135	-84%
Gift Card		\$ 5,336		\$ 2,920	-45%
LODGING	173	\$ 3,318,490	27	\$ 3,133,469	-6%
TOTAL	7,993	\$ 3,529,083	6,814	\$ 3,329,223	-6%

Division of Parks and Recreation

March 2019 YTD Revenue by District

LOCATION	2018	2019	%
Pickerel Lake			
Fort Sisseton			
Roy Lake			
Sica Hollow			
DISTRICT 1	\$ 129,801	\$ 103,695	-20%
Richmond Lake			
Mina Lake			
Fisher Grove			
Amsden			
Lake Louise			
DISTRICT 2	\$ 62,158	\$ 55,696	-10%
Pelican Lake			
Sandy Shore			
Lake Cochrane			
Hartford Beach			
DISTRICT 3	\$ 100,271	\$ 90,989	-9%
Oakwood Lakes			
Lake Poinsett			
Lake Thompson			
DISTRICT 4	\$ 245,495	\$ 224,383	-9%
Lake Herman			
Walker's Point			
DISTRICT 5	\$ 68,921	\$ 61,116	-11%
Snake Creek			
Platte Creek			
Buryanek			
Burke Lake			
DISTRICT 6	\$ 134,184	\$ 122,242	-9%
Palisades			
Big Sioux			
Lake Vermillion			
DISTRICT 7	\$ 159,487	\$ 145,369	-9%
Newton Hills			
Good Earth			
Union Grove			
Lake Alvin			
Adams			
DISTRICT 8	\$ 112,276	\$ 94,466	-16%

LOCATION	2018	2019	%
Lewis & Clarks			
Chief White Cran			
Pierson Ranch			
Springfield			
Sand Creek			
Tabor			
DISTRICT 9	\$ 466,625	\$ 435,359	-7%
North Point			
North Wheeler			
Pease Creek			
Randall Creek			
South Shore			
South Scalp			
Whetstone			
White Swan			
DISTRICT 10	\$ 155,259	\$ 148,432	-4%
Farm Island			
West Bend			
DISTRICT 11	\$ 166,574	\$ 138,367	-17%
Oahe Downstream			
Cow Creek			
Okobojo			
DISTRICT 12	\$ 112,515	\$ 99,851	-11%
West Whitlock			
East Whitlock			
Swan Creek			
Indian Creek			
Lake Hiddenwood			
Revheim Bay			
Walth Bay			
West Pollock			
DISTRICT 13	\$ 102,014	\$ 106,193	4%
Mickelson Trail			
Bear Butte			
DISTRICT 14	\$ 4,793	\$ 4,231	-12%
Shadehill			
Llewellyn Johns			
Rocky Point			
DISTRICT 15	\$ 136,949	\$ 135,554	-1%
Custer			
DISTRICT 16	\$ 1,110,264	\$ 1,088,083	-2%
Angostura			
Sheps Canyon			
DISTRICT 17	\$ 185,618	\$ 197,292	6%
PIERRE OFFICE	\$ 75,879	\$ 77,905	3%
TOTAL	\$ 3,529,083	\$ 3,329,223	-6%