

AN INVITATION TO BID

MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PARKS AND RECREATION DIVISION

RIVERWOODS LODGING, CAMPGROUND & DAY USE AREA

Bid Package Includes

- Section 1. Standard Bid Requirements
- Section 2. Specific Bid Information
- Section 3. Bid Forms
- Bid Proposal Form
 - Bidder Qualification Statement
- Section 4. Sample Lease

Time and Date	Description	Location
10:00 am, November 2, 2021	Pre-bid meeting	Blue Star Highway, South Haven, Michigan 49090 (entrance located just south of the Black River and north of 2 nd Avenue)
2:00 pm, November 23, 2021	Bidder questions due to DNR	GreenL9@michigan.gov
5:00 pm, November 24, 2021	DNR responses posted to DNR website	www.michigan.gov/StateParkConcessions
2:00 pm, December 7, 2021	Bids due	8717 North Roscommon Road, Roscommon MI 48653
5:00 pm, December 28, 2021 (approximate)	Bid award finalized	Bidders will receive notification

SECTION 1, STANDARD BID REQUIREMENTS:

Act 451, P.A. of 1994 authorizes the Director of the Department of Natural Resources to contract public service privileges in state parks. Through this authority, the Department desires to invoke the widest possible interest to obtain the most qualified and capable partner available.

Pre-Bid Meeting:

All interested bidders are encouraged to attend an on-site pre-bid meeting. The pre-bid meeting will take place at the premises located on Blue Star Highway, South Haven, Michigan 49090 (entrance located just south of the Black River and north of 2nd Avenue). Department staff will provide an outline of the bidding process, provide a tour, and answer questions. Please send an email to GreenL9@michigan.gov to register for the on-site pre-bid meeting.

Bid Instructions:

Bids must be enclosed in a sealed envelope. The bid envelope must be plainly marked on the outside, "Bid for Riverwoods." Large documents such as development plans must be enclosed and appropriately labeled. Only sealed bids properly addressed and identified can be accepted.

This bid will be opened on **December 7, 2021**, at **2:00 p.m.** Bid documents received after this date and time will not be accepted. Incomplete bids will not be accepted. Bids will be opened in the Roscommon Customer Service Center. You may either hand deliver your bid or mail it to:

Roscommon Customer Service Center
Attn: Concession and Lease Manager
8717 North Roscommon Road
Roscommon, MI 48653

To bid on this lease, you must complete the following:

1. Attend the on-site pre-bid meeting at **10:00 a.m. on November 2, 2021**
2. Submit bid prior to **2:00 p.m. on December 7, 2021**, including:
 - Bid Proposal Form (see below)
 - Bidder Qualification Statement (see below)
 - Bank Statement of Credit in the amount of **\$300,000**
 - Sealed envelope and marked as "Bid for Riverwoods"

Bidder Selection:

The bids will be evaluated on previous business experience, financial stability and monetary compensation to be paid to the State. Personal interviews may be required to assist in evaluating each bidder's proposal and qualifications. If such interviews are required, bidders will be contacted to make arrangements. Each bidder may select one (1) additional representative to monitor the interview.

General Bid Information:

1. Act 451, Public Acts of 1994, allows the Director of the Department of Natural Resources to enter into long-term Leases. The Lease for this operation shall be awarded for an initial twenty (20) years and include an additional twenty (20) years of renewal options.
2. The successful bidder will be required to sign a Lease. The terms and conditions stated in the enclosed sample Lease are to be considered as requirements for this Invitation to Bid. The Lessee must pay the Department a fee for the privilege of entering into the Lease.
3. It is recommended that applicants make a personal visit to the premises to determine the conditions to be encountered, plus any factors affecting the operation. In so doing, it is best to contact the Unit Supervisor or representative. Bids received from applicants who fail to do this do not, as a rule, receive favorable consideration.
4. Bidders must accept the premises and its facilities in their present condition. The Department will not perform any repairs or remodeling unless specifically stated in this Invitation to Bid.
5. The submission of a bid shall be deemed evidence that the bidder has participated in the required pre-bid meeting, carefully examined these instructions, the proposal form, and the sample Lease terms and is fully aware of the responsibilities of the Lessee. In addition, the bidder agrees to abide by all applicable laws relating to the operation of the premises if granted this Lease.
6. Bids are to be made only based on the Invitation to Bid. A bidder shall not be relieved of their bid because of mistakes.
7. Deviations from the specific terms, qualifications and requirements, as set forth in the Invitation to Bid are not permissible as a part of the bid. But, alternate or additional bids or suggested revisions, if any, may be submitted separately and apart from, but enclosed with, the proposal. Such alternate proposals will be reviewed only as to their merit and potential benefits to the

public and the Department and may or may not have a bearing in the selection of a bidder.

8. The Department of Natural Resources reserves the right to reject any or all bids.
9. Performance Bond: The bidder that is awarded a Lease must provide the Department with a Performance Bond for the amount specified in the specific information and requirements for this bid **within twenty-one (21) days of receipt of the Lease award**. Failure to do so will result in the forfeiture of the award. The bond guarantees that the bidder will perform all requirements and provisions in this Invitation to Bid. The Performance Bond will be due within 10 days of the Lease award. The Performance Bond for the Lease will be **\$50,000**.

Performance Bonds can be accepted in four different types. All types must be approved by the Department of Natural Resources, Parks and Recreation Division, and remain in effect for the entire Lease term or be effective for the entire period of operation for each year of the Lease. Bonds are to be mailed to:

DNR, Parks and Recreation Division
Roscommon Customer Service Center
Attn: Concession and Lease Manager
8717 North Roscommon Road
Roscommon, MI 48653

- a) Surety Performance Bond is issued by a bonding company. This type of Bond shall be executed by a surety company authorized to do business in the State of Michigan. The Bond shall be payable to the State of Michigan.
- b) Cash Bond can be paid by check or money order made payable to the State of Michigan, or currency in of the United States of America.
- c) Certificate of Deposit (CD) shall have a minimum maturity of one (1) year. Certificates must be negotiable and must be of a type that pays interest on maturity only. The State's Federal employee I.D. number (38-6001134) should be used on all certificates. The CD should be automatically renewable and must be registered as follows:

Chief, Parks and Recreation Division
Michigan Department of Natural Resources

- d) Letter of Credit is issued by a bona fide financial institution. Letters shall have a minimum maturity of one (1) year. They must be

registered as follows: Chief, Parks and Recreation Division, Michigan Department of Natural Resources

10. Statement of Credit: The Statement of Credit reflects a conservative estimate of what it will cost to set up and begin operations. The Statement of Credit amount required for this Lease shall be **\$300,000**. To meet this requirement, the bidder must provide a certified document prepared by a licensed financial institution.

SECTION 2, SPECIFIC BID INFORMATION:

Lease Requirements:

1. Liability Insurance (see Sample Lease Section 21):

General Aggregate:	\$1,000,000
Product Aggregate:	\$1,000,000
Personal Injury.....:	\$1,000,000
Occurrence.....:	\$1,000,000
Fire Damage Limit:	\$ 500,000
2. Workers Compensation Insurance pursuant to Sample Lease Section 21.C.
3. A **minimum** Lease Fee of **10% of Gross Annual Sales** pursuant to Sample Lease Section 10.
4. The selected bidder will be required to utilize the Department's central reservation system.

General Information:

The Michigan Department of Natural Resources, after gathering community input and renewing the Parks and Recreation Strategic Plan, would like to develop a unique lodging, camping and day use experience located at Riverwoods on the trail in [South Haven](#). The intent is to attract new visitors to [South Haven](#) and the Kal-Haven Trail through a long-term lease with a private recreation services operator.

Unparalleled Opportunity

The property is located just a two-hour drive from Chicago and adjacent to the Kal-Haven Trail, which is well-known for touring bicyclists and snowmobilers. With 1,000' of frontage on the Black River, it provides access to two [underwater preserves](#) and the Bangor to South Haven Heritage Water Trail, this site has the potential to attract a wide variety of visitors.

For these reasons, the agency is seeking a management company to provide a variety of unique lodging experiences such as luxury camping, often referred to

as “Glamping” or glamorous camping, vintage campers, rustic hammock-camping, and other on-trend outdoor lodging experiences that would appeal to a wide array of potential visitors. The property would also provide access to the trail, river, and could offer reservable venue opportunities for day use which would require overnight accommodations.

About Riverwoods on the Trail

This 58-acre property was once privately held with the intention of developing a tiny house community but became property of the State of Michigan in 2014. The property has easy access to I-94. Currently zoned for resource development, there are currently 39 lots that have been created as full hook-up sites, including roadways, electric, sewer, water, and gas lines. There are 167 total lots plotted in the original subdivision, much of which the State has designated as areas for rustic camping development. There currently are no water or restroom facilities and no roads integrated into the rustic portion of the site.

A 1,000-foot boardwalk along the Black River water’s edge connects to the Kal-Haven Trail which is 33.5 miles long. A variety of fish inhabit the Black River for year-round fishing opportunities. To the east, the site is just a short walk/bike ride to a reproduction covered bridge. Heading west, the site is a short half-mile biking distance to downtown South Haven and a boating access site. The sugar sands of South Haven public beach are within a half mile. The popular beaches at Van Buren State Park are located four miles south of South Haven and connected to this site via the Kal-Haven Trail.

PLEASE NOTE: During recent high-water levels, the boardwalk and gazebo have been under water. When water levels recede, the Department will assess the safety and condition of these structures and, if needed, develop an action plan for repairs, removal and/or reconstruction.

About South Haven

Located in the southwest corner of the Lower Peninsula, this lakeside community is an undiscovered gem. From the beautiful beaches along Lake Michigan and the eclectic eateries, to the award-winning wineries, quaint boutiques and the natural scenic surroundings - there’s just something special about this place.

The charming beach town of South Haven offers lakeside fun for the entire family, electrifying nightlife and entertainment, and enough culture to keep you coming back time and time again. The surrounding area offers beautiful nature trails, gorgeous golf courses and stunning inland lakes. Just a short drive is the town of Paw Paw, with its quaint downtown and fabulous wineries. No matter the season, there’s always a reason to stop by and stay awhile.

Development Cost for the Existing 39 Sites

The City of South Haven will charge a water buy-in fee of \$4,000 multiplied by the number of Residential Equivalency Units (REU). For Riverwoods, 0.25 REU's per campsite is used, therefore: 39 lots x 0.25 REU's per campsite = 10 REU's for phase one for a **\$40,000 total water buy-in fee**. In addition, the City of South Haven will charge the cost of a water meter.

The original one-time hook-up fee for the developer was \$11,000 per REU. Since the developer has paid a portion of this hook-up fee for the initial infrastructure, the remaining cost for the hook-up fee is \$6,050 per REU for a total **\$60,500 water hook-up fee**.

The original one-time acreage fee for the developer was \$6,300 per acre. The original developer paid a portion of this fee for the initial infrastructure, remaining cost for the acreage fee is \$3,465 for the 'shaded' portion of the development. 10.89 acres x \$3,465 per acre for a **\$37,733 one-time acreage fee**.

The following development costs remain to be determined:

- Final asphalt lift on existing asphalt roads. Base asphalt lift currently exists on the roads.
- Each of the 39 (full hookup) camp sites need to be developed to include the following: grading, seeding, and tree removal and/or replacement as needed for each site, asphalt pad for camper/vehicle(s), electrical pedestal box, water spigot, sewer connector, and natural gas hookup (if desired).
- No improvements exist in the remaining portions of the site. These areas are in their natural state. Improvements will be needed if these areas are to include camping sites. Additional fees (water buy-in fee, water hook-up fee, and a one-time acreage fee) due and payable to the City of South Haven will be required if additional full hook-up sites are desired. These fees will depend on the number of additional sites desired beyond the existing 39 sites.

Americans with Disabilities Act (ACA) and Overall Accessibility:

All improvements to the site must meet the Michigan Building Code and comply with the 2010 ADA Standards for accessibility. Compliance with the Outdoor Developed Areas Guide is recommended for amenities such as picnic areas, trails, trailheads, campsites, etc. Although these are federal guidelines and not legally required, PRD expects the Lessee to comply with this Guide, unless specific exceptions are requested.

Products and Services:

Camping trends indicate that customers desire alternative accommodations. It is the Department's intent to enter into a long-term Lease with a Lessee that can develop, operate and maintain this facility. The development should include a combination of

luxurious and adventurous lodging alternatives as well as day use outdoor recreation opportunities.

The Department retains the right to approve the sale of all products and services. The Lessee shall not sell any product or service of which the Department does not approve. Products and services, which are permitted, are identified in the sample Lease.

Visa and MasterCard credit cards should be accepted by the Lessee for all products and services.

Minimum Season:

The minimum season for this Lease is identified in Sample Lease, Section 2.A.2.

Equipment:

The necessary and required equipment for this Lease is identified in Sample Lease, Section 11.C.

Utilities and Telephone:

The successful bidder will be required to pay for certain utilities, which are identified in Sample Lease, Section 2.A.11.

Maintenance Responsibilities:

The required maintenance responsibilities, which will be required of the successful bidder, are identified in Sample Lease, Section 2.A.8.

Inspection of Facilities:

To arrange for a personal inspection of the facilities, contact the Unit Supervisor of Van Buren State Park at 269-637-2788 or Chuck Allen at (989) 305-1684.

Attachments:

- Attachment A** Map
- Attachment B** Phase I Site Plan
- Attachment C** Supporting Analysis
- Attachment D** Due Care Plan
- Attachment E** Abonmarche – Utility Investigation
- Attachment F** 2010 ADA Standards for Accessible Design
- Attachment G** Outdoor Developed Areas Guide

SECTION 3, BID FORMS:

BID PROPOSAL FORM

Parks and Recreation Division
Michigan Department of Natural Resources
Roscommon Customer Service Center
8717 North Roscommon Road
Roscommon, MI 48653

To Whom It May Concern:

I offer to develop, operate and maintain the Riverwoods lodging, camping and day use area Lease, for the convenience of the public, in accordance with requirements set forth in the Invitation to Bid, for a term of twenty years, which may be extended for an additional twenty years, and to make payment to the Michigan Department of Natural Resources, for the privilege of so doing, the following:

A Percentage of Gross Sales Fee, in the amount of _____%, payable to the State, as identified in Sample Lease Section 10.

If selected, I AGREE, that within thirty (30) days of notification of acceptance of my offer, I will enter into negotiations with the Department of Natural Resources for a Lease to furnish services as required, for the period specified above, the provisions of which will be based on the Lease prescribed by the Department of Natural Resources.

Attached are the following documents and references to support my offer:

- Bid Proposal Form
- Bidder Qualification Statement
- Bank Statement of Credit in the amount of **\$300,000**
- Other: _____

Printed Name: _____ Title: _____

Signature: _____

Telephone: _____ Cell: _____

Business Name: _____

Business Address: _____

Date of Submittal: _____

BIDDER QUALIFICATION STATEMENT

Submitted by: _____

With principal office at: _____

The completion and submission of the following questions and the required attachments reflects accurate and truthful statements of the signatory.

BUSINESS EXPERIENCE:

1. Describe the experience you/your organization has had in businesses related to the one being bid.
2. Please provide your proposal and cost estimate for development of **Riverwoods**.
3. Please provide your proposal for lodging at **Riverwoods**, including the type of lodging unit(s), number of units, how many persons can be accommodated, plans for placement of the units, and other information you think the Department needs to know in order to select your company as the successful bidder.
4. Please describe your proposal for development of a day use area at Riverwoods, including the amenities and facilities and other information you think the Department needs to know in order to select your company as the successful bidder.
5. Please describe your proposal for camping at Riverwoods, including the amenities and number of camp sites and other information you think the Department needs to know in order to select your company as the successful bidder.
6. Describe your plans for maintenance and repair of the property.
7. Describe the services and/or merchandise you would offer. Make the list as comprehensive as possible.
8. If you plan to use an on-site manager, describe the manager's experience and qualifications.
9. Do you plan to sublet or assign any portion or the entire Lease to another party? If yes, explain.
10. The diversity of Michigan's people is one of our state's greatest strengths. When the State of Michigan acts inclusively, the state benefits from the

enhanced contribution, commitment, participation, and satisfaction of its employees, improved workplace relationships, and through increased productivity and health outcomes. State policies and procedures that encourage non-discriminatory and equal treatment provide desirable models for local government and the private sector and build upon successful procedures of public and private-sector job providers. All Michigan residents deserve fair treatment and respect from their government—in employment, state contracting, and when accessing services from state government. Please describe your staffing plan.

11. Describe your marketing, advertising, and sales promotion plans including the annual budget specifically for each activity.
12. List all major equipment you will supply to provide products and services required in this bid document.
13. Describe your methods for daily bookkeeping, accounting, and recording revenues daily.
14. Provide financial statements prepared by a Certified Public Accountant in accordance with generally accepted accounting principles for your organization's last fiscal year demonstrating the firm's ability to operate.
15. How much working capital, for the initial investment are you prepared to provide?
16. Approximately what portion of the aggregate of initial investment and working capital do you plan to finance?
17. In what other businesses are you financially interested?
18. Have you ever failed in business or been compromised with creditors?
19. Have you or your company ever failed to fulfill the requirements of a contract?
20. Have any liens ever been filed against any of your work?
21. Are there any judgments, suits, or claims pending against you?
22. Are you acting as endorser for others on their notes or accounts?
23. List names, address, phone number, and contact person of insurance carrier who will provide your liability and vehicle insurance.
24. What is your insurance coverage deductible, if any?

25. Provide a copy of the operational limitations required by your proposed insurance carrier.
26. List a minimum of two (2) personal and two (2) business references, with addresses and telephone numbers.
27. It is encouraged that you provide a narrative that would include anything you feel might assist the Department in evaluating your experience or plan of operation. If appropriate, describe plans you may have for site development, including projected expenditures.
28. Sign, date and notarize your bid.



Michigan Department of Natural Resources

LEASE

#PRD- -

BETWEEN

THE STATE OF MICHIGAN, AS LESSOR

AND

, AS LESSEE

This Lease is entered into by the State of Michigan through its **Department of Natural Resources** (DNR), hereinafter called "DNR" and/or "Lessor," and _____, hereinafter called "Lessee," whose address is _____.

WHEREAS, pursuant to Section 503 (1) of Public Act 451 of 1994 (1994 PA 451), as amended, MCL 324.503 (1), the DNR is required to: protect and conserve the natural resources of the State; provide and develop facilities for outdoor recreation; prevent the destruction of timber and other forest growth by fire or otherwise; promote the reforestation of forest lands belonging to the State; prevent and guard against the pollution of lakes and streams within the State and enforce all laws provided for that purpose with all authority granted by law; and foster and encourage the protection and propagation of game and fish; and create, maintain, operate, preserve, and protect Michigan's significant natural and historic resources.

WHEREAS, the Purpose of this Lease is to allow Lessee to develop, operate and maintain a unique lodging and camping facility and day use area within the Premises known as **Riverwoods** located in South Haven.

WHEREAS, the Director of the DNR, or his or her lawful designated Representative, has determined that the purpose of this Lease is necessary to implement Part 5 of 1994 PA 451, as amended, because use of the Premises in a regulated fashion will protect and conserve the natural resources and provide facilities for outdoor recreation.

WHEREAS, Lessee is willing to develop, operate and maintain a unique lodging and camping facility and day use area at the Premises, which is located in South Haven, Michigan.

THEREFORE, Lessor and Lessee, for consideration specified in this Lease, agree to the following terms and conditions:

_____ INIT

1. **DESCRIPTION OF PREMISES** - Lessor hereby leases to Lessee the Premises, located in Section 2, Town 1 South, Range 17 West as identified in **Attachment A**, which is land owned by the State of Michigan and/or the DNR.

This Lease is subject to the DNR's public notice process.

2. **USE OF PREMISES**

- A. Lessee hereby acknowledges that the use and occupancy of the Premises shall be subject to the provisions of 1994 PA 451, as amended, and confined to the following specific uses:
 - 1) To develop, operate and maintain a unique lodging and camping facility within the leased Premises. The campground shall provide an authentic outdoor recreation experience including unique, rustic to upscale lodging options and a day use area.
 - 2) The term of operation shall be a minimum of Memorial Day through Labor Day. Lessee is encouraged to operate year-round lodging and day use where conditions allow.
 - 3) Lessee agrees to allow rental options for a daily or weekend basis, but not to exceed more than 15 consecutive days.
 - 4) Additional services and/or goods may only be sold by the Lessee with the Lessor's prior approval and should help fulfil the mission of the Department.
 - 5) Day use areas could be defined as rentable space for events, access to recreational activities related to use of the Kal-Haven Trail, State Park and/or the Black River.
 - 6) The Lessee shall submit engineered design plans and a site layout plan to the Lessor for approval prior to construction. The Department shall not unreasonably withhold authorization. Prior to construction, the Lessee will provide all applicable permits for building and connections to utilities including but not limited to LARA, EGLE, Township water and sewer, and Health Department.
 - 7) Development shall meet Americans with Disabilities Act (ADA) requirements. These regulations may be found at www.ada.gov/
 - 8) Lessee shall comply with the United States Access Board's guidelines for Outdoor Developed Areas. These guidelines can be found at www.access-board.gov/files/aba/guides/outdoor-guide.pdf
 - 9) Lessee may utilize alternative forms of lodging such as tiny homes, cabins, geo-descent domes, vintage campers, glass igloos for night sky viewing, or riverside yurts with feather beds with Lessor approval.
 - 10) Lessee shall utilize the Lessor's central reservation system (CRS) for all sales. Reservations are created, modified and canceled using the single toll-free number 800-44PARKS or by going online to www.midnrreservations.com.
 - a) Lessee shall comply with CRS and PCI training and hardware inspection schedule.

_____ INIT

- b) Lessee shall keep contact information current with the Lessor's Reservation System Liaisons at least annually or upon change.
- 11) The Lessee's operation shall include all customer service includes but is not limited to check-in and check-out, handling complaints, and addressing special needs.
 - 12) The Lessee's maintenance shall consist of but not be limited to infrastructure repairs, lodging unit repairs, landscaping, cleaning and janitorial duties, trash pick-up and disposal, mowing, trimming, plowing, and ice removal. The maintenance operations shall meet Department standards. All maintenance equipment shall be in a safe and workable condition.
 - 13) Lessee's operations shall be in compliance with the Department's Lodging Policy (PRD #8.4 Lodging), see **Attachment B**.
 - 14) Customers shall be provided with Lessee's site manager 24-hour contact information including name and phone number. Customers shall also be provided Lessee's email address and mailing address for future communication.
 - 15) The Department does not warrant the provision of any water, sewer, gas, electric or telephone utilities. Any utility required to operate the Premises shall be at the cost of the Lessee.
 - 16) Lodging prices and adjustments shall be pre-approved by the Lessor.
 - 17) The Lessee acknowledges that the Lessor is not liable for any theft, vandalism, or damage that may occur to Lessee equipment or supplies.
 - 18) All promotions, contracts, scripts, texts and layouts must be submitted to the Lessor for written approval prior to execution or implementation.
 - 19) Off-road vehicles (ORV) such as golf carts are not permitted on the Premises without the prior authorization of the Lessor.
 - 20) Any other use which is agreed to in writing by both parties.
- B. Lessee shall obtain Lessor's prior consent, in writing, signed by Lessor, to use the Premises for any purpose not listed in this Section. Lessor may terminate this Lease, as provided in Section 26, if at any time, Lessee uses the Premises, without express written permission by Lessor, for purposes other than those enumerated in this Section.
- C. **PROHIBITED ACTIVITIES** - The following activities on the Premises are prohibited:
- 1) Authorizing public use of Premises in violation of any State law, order or regulation.
 - 2) Smoking is prohibited in all facilities. The Lessee shall place "no smoking" signs in each unit.
 - 3) No motor vehicles will be allowed off paved or gravel surfaces and may only park in designated parking spaces.

- 4) Any planting of plants, removal of plants, landscaping or earthmoving on the Premises without the prior written consent of Lessor.
 - 5) Storage of equipment, placement of signs without prior written approval of Lessor.
 - 6) Any clearing activity outside the Premises.
 - 7) Dumping or disposal of garbage/trash, spare parts, hazardous material, scrap metal and other waste onto the Premises.
 - 8) Disposal of trees, treetops, branches, roots, stumps, and other vegetative debris onto the Premises.
 - 9) Authorization of "Naming Rights" for any portion of the Premises without prior Lessor approval.
- D. Lessor may terminate this Lease, as provided in Section 26, if prohibited activities occur on the Premises at any time during the term of this Lease.

3. EMPLOYEES – Lessee acknowledges that from a public viewpoint, Lessee employees are direct representatives of the Lessor. Therefore, Lessee shall require all employees conduct themselves in a professional manner befitting a State employee. Professional requirements include but are not limited to the following:

- A. Annually and prior to any person working or volunteering on the Premises, Lessee shall provide Lessor with a background check and sex offender registry check. Reports shall be emailed to the Concession and Lease Manager. The Lessor reserves the right to deny the right to work or volunteer to any person whose check reflects substantial charges.
- B. Lessee shall prohibit gambling, drinking, discourtesy to guests, and other illegal and/or undesirable acts by employees, agents, and volunteers whether on or off duty on the Premises.
- C. All employees and volunteers shall use appropriate ("G" rated) language and actions at all times.
- D. If, at any time, the Lessor shall be of the opinion that any employee, agent or volunteer of the Lessee has violated a law or park rule, performed inappropriate customer service, or engaged in improper conduct on the Premises, the Lessor shall notify the Lessee whom shall take appropriate action to correct the employee, agent or volunteer related problem, including discharge of employee, agent, or volunteer or reassigning such employee, agent or volunteer to duties not related to the Lease. Lessor reserves the right to suspend or remove an employee, agent or volunteer from the Premises if the Lessee is not available to handle the situation.
- E. The Lessor prohibits alcohol consumption or drug use while on duty, possession of a drug or an open alcoholic beverage container on state-owned or leased property or in a state-owned or leased vehicle and reporting to duty or being on duty with a prohibited level of alcohol or drugs.

Lessee and employees, agents and volunteers of the Lessee shall not consume alcohol or use drugs while on duty. Possession of a drug or an open alcoholic beverage container by a Lessee or employee, agent, or

_____ INIT

volunteer while on state-owned or leased property or in a state-owned or leased vehicle, is likewise prohibited.

A Lessee and employee, agent or volunteer of the Lessee shall not report to duty or be on duty with a level of alcohol or drugs in his or her bodily fluids that is prohibited by [Michigan Civil Service Commission \(CSC\) Rule 2-7.1](#) and [Civil Service Commission \(CSC\) Regulation 2.07](#) and [2.08](#). If there is reasonable suspicion that a Lessee or employee, agent, or volunteer of the Lessee has reported for duty or is on duty with a prohibited level, the Lessee or employee, agent, or volunteer of the Lessee shall submit to a drug test or an alcohol test.

A Lessee and employee, agent, or volunteer of the Lessee who 1) consumes alcohol or uses drugs while on duty; 2) possess a drug or an open alcoholic beverage container while on state-owned or leased property or in a state-owned or leased vehicle; 3) reports to duty or is on duty with a level of alcohol or drugs prohibited by [CSC Rule 2-7.1](#) and [CSC Regulation 2.07](#) and [2.08](#); 4) refuses to submit to a drug test or an alcohol test when there is reasonable suspicion the Lessee and employee, agent, or volunteer of the Lessee is in violation of [CSC Rule 2-7.1](#) and [CSC Regulation 2.07](#) and [2.08](#), OR 5) interferes or tampers with reasonable suspicion drug or alcohol testing, shall be subject to disciplinary action, up to and including termination of the Lease.

As used in this Lease, the terms "drug" and "drugs" means a controlled substance, or a controlled substance analogue listed in Schedule 1 or 2 of Part 72 of the Michigan Public Health Code.

- F. All Lessee employees, agents, and volunteers who come in contact with the public shall be neat, clean, and in uniforms identifiable by the public, complete with name tag identification. Uniforms shall be approved by the Lessor.
 - G. Annually, Lessee shall provide Lessor with a list of employee names including emergency contact telephone number.
 - H. This Lease does not grant the Lessee the ability to go directly to the front of the line when entering the Premises.
4. **WASTE** - Lessee agrees not to commit, or allow to be committed, any waste or nuisance on the Premises and will not use, or permit to be used, the Premises for any unlawful purpose.
5. **LESSOR'S OPERATIONS** - Lessee covenants that its use of the Premises shall, at no time, interfere with the uses or operations of Lessor or the Public on the Premises. Lessee covenants that its use of the Premises shall, at no time, interfere with the Public's use of any State land that may be adjacent to the Premises. Lessee shall not prevent Lessor, its agents, or the public from crossing the Premises to access the adjoining State lands.
6. **ADMINISTRATION** - The Department, Parks and Recreation Division, Regulatory Unit Manager, or his/her designated representative, is the DNR Administrator of this Lease (collectively, DNR Representative). The Lessee shall designate in writing to Lessor one (1) person and one (1) alternate person responsible to be the contact person for the Lessee regarding the administration of the Lease. This

_____ INIT

person shall be authorized to make decisions regarding the maintenance and operation of the Premises.

7. **CONDITION OF PREMISES** - Lessee stipulates, represents and warrants that Lessee has examined the Premises, and that it is taking possession of the Premises in "as is" condition. Lessee acknowledges that it has not made an independent environmental assessment of the Premises and agrees to maintain the Premises in its present condition.
8. **TERM** - Lessor shall lease the Premises to Lessee for a **twenty (20)** year initial term of possession beginning upon actual possession at 12:01 a.m. on _____, and ending at midnight on _____, or such later date as provided in Section 9. The beginning and ending Lease term dates may be altered by mutual written consent to reflect the actual date of occupancy. Any additions or improvements made to the Premises shall become the property of the Department at the termination of the Lease, except as otherwise stated.
9. **OPTION TO RENEW** - The initial term of this Lease may be extended for an additional **twenty (20)** year term, or such term as shall be agreed to between the parties, if Lessee gives Lessor One Hundred Twenty (120) days written notice before this Lease or any extension expires and agrees to any additional terms proposed by Lessor. Lessor's written consent is necessary for any Lease term extension.
10. **RENT** - Lessee shall pay rent to Lessor in the amount of _____ % of gross sales. The standard reservation, cancellation and modification fees shall also be paid to the Lessor.

Pursuant to the requirement to utilize the Lessor's reservation system, the Lessee shall be paid by the Lessor on a bi-weekly basis. The payment to the Lessee shall include 90% of gross sales, less any reservation, modification or cancellation fees.
11. **SERVICES BY LESSEE** - Lessee shall furnish the following services at its own expense:
 - A. Lessee will operate and maintain the Premises as provided for in Section 2A above at its sole expense.
 - B. Lessee will be responsible for the enforcement of all state laws and local ordinances on the property.
 - C. Lessee shall provide all equipment and supplies required to operate the concession, as their own expense. Equipment includes but is not limited to lodging units, grills, picnic tables, fire rings, lawn mowers and trimmers, and cleaning supplies.
 - D. Lessee shall maintain standards of cleanliness that will reflect favorable public opinion on the Lessee and Lessor. If Lessor determines that Lessee has failed to maintain an acceptable standard of cleanliness, and, if after forty-eight (48) hours or two (2) working days, following verbal and written notification by the Lessor, the problem is not rectified to the satisfaction of Lessor, Lessor may perform or have the duties of the Lessee performed by others at Lessee's sole expense. Lessee shall be assessed a fee for 105% of the cost of the work, at the discretion of the Department.

_____ INIT

- E. Lessee is responsible to immediately investigate and report to the Lessor all instances of suspected trespass.
- F. In performing services under this Lease, Lessee must comply with Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, Lessee must comply with any applicable state agency rules that the Lessor provides to Lessee.
- G. Lessee is responsible for maintaining Material Data Safety Sheets for all chemicals used and/or stored on the Premises.
- H. Lessee shall not use or permit the storage of any illuminating oils, gas, candles, oil lamps, turpentine, benzene, naphtha, or other similar substances of any kind. Exception is the storage of oil and/or gas used for maintenance duties which shall be properly stored in an approved and certified storage cabinet.
- I. The Lessee shall be in full and complete operation with a full staff of employees on the first day of the term of operation as identified in Section 2.A.1. of this Lease.

If the Lessee is not in full operation on that date (except for causes wholly beyond the control of the Lessee and not involving neglect by the Lessee), this Lease, at the option of the Lessor, may be terminated without notice. Upon termination, the Lessor may re-enter the Premises and obtain a new Lessee for the operation of the facilities.

In addition to any other remedy, the Lessor may assess liquidated damages of \$50 per day, per facility, for each day that any facility remains out-of-service because of non-performance by the Lessee.
- J. Lessee shall vacate the Premises by the expiration date of the Lease. If termination shall occur, Lessee shall vacate the Premises within fifteen (15) days of termination.

12. FEES - Lessee may charge a fee or request donations in connection with Lessee's use of the Premises.

All fees and/or donations shall have prior approval of Lessor, if permitted. Differences in admission or use of the Premises may not be instituted based on residence.

Lessee shall keep accurate books, records and accounting of its operations under this Lease distinctly separate and apart from Lessee's other operations. Lessee shall make all reports concerning the operation available to the Lessor at such time as the Lessor may require.

13. ASSIGNMENT AND SUBLEASE - Lessee shall not sell, mortgage, rent, assign, or parcel out the Lease hereby granted, or any interest therein, or allow or permit any other person or party to use or occupy any part of the Premises, building, or spaces covered by this Lease for any purpose whatsoever without first obtaining the prior written consent of Lessor. Such action by Lessee without the prior written approval of Lessor shall be cause for the immediate termination of this Lease. Lessee may, however, enter into maintenance agreements with third parties to fulfill Section 10 above.

_____ INIT

- 14. ALTERATIONS** - No alterations, modifications, or improvements shall be made to the Premises without the prior written consent of Lessor, which Lessee shall request at least thirty (30) days in advance of such alteration, modification, or improvement.

At the expiration or cancellation of the Lease, all alterations, modifications, and improvements to the Premises shall become the property of Lessor, by way of the completed Gift and Acceptance Agreement and accompanying Exhibit pages (PR1612e), unless otherwise agreed in writing by Lessor. A copy of completed Gift and Acceptance Agreement will be attached only if/when gift is given.

If Lessor requires Lessee remove all facility improvements, Lessee shall be responsible for all associated costs, and shall restore the Premises to its original condition.

- 15. LAWS, CODES AND PERMITS** - Lessee shall comply with all applicable federal, state or local regulations, including, but not limited to, all environmental laws, and codes and will obtain any necessary permits in connection with its use of the Premises.

Furthermore, Lessee shall comply with all acquisition and development grant obligations existing at the time of this Lease.

- 16. DAMAGE and REPAIRS** - Lessee shall make repairs to the Premises resulting from damage that exceeds the normal wear and tear expected from the lawful and proper use of the Premises.

- 17. INSPECTION of PREMISES** - Lessor and Lessor's agents and employees shall have the right at all reasonable times during the term of this Lease, and any renewal thereof, to enter the Premises for the purposes of making any inspections, repairs, additions, or alterations as may be deemed appropriate by Lessor for the preservation of the Premises.

- 18. VIOLATION NOTICE** - In the event of a violation of Lease, Lessee shall be provided a written "Violation Notice" stating which provision of the Lease has been violated and a date by which the stated violation must be corrected.

If the violation has not been corrected by the date specified, the Lessee agrees to pay the Lessor liquidated damages in the sum of \$50 per day, per violation.

If after the seventh (7) day, the violation is still not corrected, the Lessee agrees to pay an additional \$100 per day, per violation. This fee shall increase \$100 per violation every seven (7) days until corrected.

If during the Lease term a "Violation Notice" is issued for recurrent violation(s) the initial sum of the liquidated damages shall be \$100 per day, per violation; and increase every seven (7) days in the sum of \$200 per violation, per day.

The system of progressive liquidated damages is not intended to be in lieu of the Lessee performance according to the Lease provisions. This liquidated damage provision does not waive or modify any rights the Lessor has to terminate this Lease pursuant to Section 26 for violations of this Lease's terms.

The Lessor reserves the right to waive liquidated damages.

_____ INIT

19. **INDEMNIFICATION** - Lessee hereby covenants and agrees to indemnify and save harmless, the State of Michigan, its departments, officers, employees and agents, from any and all claims and demands, for all loss, injury, death or damage, that any person or entity may have or make, in any manner, arising out of any occurrence related to (1) issuance of this Lease; (2) the activities authorized by this Lease; and (3) the use or occupancy of the Premises which are the subject of this Lease by the Lessee, its employees, contractors, or its authorized representatives.

20. **LIABILITY** - Lessee hereby releases, waives, discharges and covenants not to sue the State of Michigan, its departments, officers, employees and agents, from any and all liability to Lessee, its officers, employees and agents, for all losses, injury, death or damage, and any claims or demands thereto, on account of injury to person or property, or resulting in death of Lessee, its officers, employees or agents, in reference to the activities authorized by this Lease.

Lessee shall report to the Lessor any incident that may result in personal injury or property damage. Lessee shall make complete reports in writing to Lessor on forms provided by Lessor, (see **Attachment C**), within 24 hours of any such incident. Incidents resulting in serious personal injury, death, or property damage estimated to exceed \$100 are to be reported to Lessor immediately, by telephone or in person. A written report is to follow as described above.

21. **INSURANCE:** Lessee, at its sole expense, shall procure and maintain for the duration of the Lease insurance, as set forth below, to protect against claims for injuries to persons or damage to property that arise out of, are alleged to arise out of, or otherwise result from Permittee's use and occupancy of the Premises or its exercise of the rights and privileges granted in the Lease. Lessee shall provide certificates of insurance listing the "**State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents**" as additional insureds, to Lessor within thirty (30) calendar days of the event and every year thereafter. Policies may not be modified, canceled, or allowed to expire without thirty (30) days prior written notice to Lessor. Lessee reserves the right to reassess minimum policy limit requirements. Lessee agrees to maintain a minimum general liability policy, in the amount of:

\$1,000,000 aggregate

\$1,000,000 each occurrence

\$1,000,000 personal and advertising injury

\$1,000,000 products/completed operations aggregate

\$5,000 medical payments

A. Lessee covenants that it will, during the continuance of the term of this Lease, keep the buildings and improvements now or hereafter located on the Premises, insured by an insurance company or companies that has a rating of A- (A minus) or better, as listed by AM Best Co., against loss or damage for all risks as are currently embraced in the standard extended coverage endorsement in the State of Michigan, and in an amount equal to the full replacement value of said buildings and improvements.

_____ INIT

- B. Lessee, when a commercial entity or municipality, shall obtain Workers' Compensation Insurance with limits of coverage according to applicable laws governing work activities for Lessee's employees' claims under Michigan Workers' Compensation Act or similar employee benefit act or any other state act applicable to an employee, along with Employer's Liability Insurance for claims for damages because of bodily injury, occupational sickness or disease or death of an employee when Workers Compensation may not be an exclusive remedy, subject to a limit of liability of not less than \$100,000 each accident.
- C. Lessee, when a commercial entity or municipality, shall obtain employers liability insurance, subject to a limit of liability of not less than \$500,000 each accident; \$500,000 each employee by disease; and \$500,000 aggregate.
- D. As required by law, Lessee shall maintain automobile no-fault coverage. Automobile Liability Insurance (covering all owned, hired, and non-owned, vehicles with personal and property protection insurance including residual liability insurance under Michigan's No-Fault Insurance Law.) subject to a limit of liability not less than \$1,000,000 per occurrence.
- E. Lessor reserves the right to reassess the minimum policy limits requirement set forth above.

22. PERFORMANCE GUARANTEE - Lessee shall furnish a performance guarantee in a manner and amount acceptable to the Lessor. All performance guarantees must be written in such a manner that it provides continuous coverage for the term of the Lease and shall not expire until the Lessor has verified that vacancy has occurred without damage.

The condition of the performance guarantee shall be that the Lessee will faithfully keep and perform all covenants on the part of the Lessee as set forth in the Lease.

Proof of a performance guarantee currently in force must be kept continuously on file with the Lessor. If such valid guarantee is not kept in force with written documentation provided to the Lessor, this Lease will be terminated by the Lessor.

The performance guarantee shall contain provision that it may not be cancelled except by written approval by the Lessor. The performance guarantee requirement for this Lease is **\$50,000**.

23. NON-DISCRIMINATION - Lessee, its agents, employees and subcontractors shall comply with the Elliott-Larsen Civil Rights Act, 1976 PA 453 as amended, MCL 37.2101 *et seq.*; MSA 3.548 (101) *et seq.*; the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101; MSA 3.550 (101) *et seq.*, and all other federal, state and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Lease, with respect to his/her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his/her race, religion, color, national origin, age, sex, height, weight, marital

status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Lessee agrees to include in every subcontract entered into for the performance of this Lease, this covenant not to discriminate in employment. A breach of this covenant is a material breach of this Lease.

- 24. UNFAIR LABOR PRACTICES** - Lessee shall comply with the Employers Engaging in Unfair Labor Practices Act, 1980 PA 278, as amended, MCL 423.321 *et seq.*; MSA 17.458 (21) *et seq.* Under Section 4 of 1980 PA 278, MCL 423.324, the State may void a Contract or Lease, if after award, the name of the Lessee as an employer or the name of a Subcontractor, manufacturer, or supplier of Lessee appears in the register.
- 25. DISPUTES** - Except as otherwise provided for in this agreement, any dispute among any multiple Lessees that have executed Leases with Lessor to maintain and operate portions of the contiguous Premises, that concern obligations and benefits arising under this agreement, which is not disposed of by this agreement, shall be decided by the Parks and Recreation Division (PRD) Chief, who shall make a written decision and mail or otherwise furnish a copy of the decision to all of the parties.
- A. The written decision of the PRD Chief provided for above shall be binding upon the parties and shall constitute a final decision of the agency.
- B. This "Disputes" clause does not preclude consideration of questions of law in connection with decisions provided for in the dispute subparagraph above. Nothing in this agreement, however, shall be construed as making final the decision of any administrative official, representative or board on the question of law.
- 26. CANCELLATION** -
- A. Lessor may cancel this Lease provided Lessee is notified in writing at least thirty (30) days prior to the effective date of cancellation and any one of the following occur:
- 1) The Premises are no longer being used for the purposes identified in this Lease.
 - 2) Lessee fails to open the concession. The Lessee shall be in full and complete operation with a full staff of employees on the first day of the term of operation as provided in Section 2.A.2. of this Lease.
 - 3) Lessee provided Lessor with information, in its application for this Lease or at any time during the Lease term, that was false or fraudulent.
 - 4) Lessee fails to perform any of its obligations under this Lease, and such failure is not cured within ninety (90) calendar days after written notice of default to Lessee.
 - 5) Lessee or any subcontractor, manufacturer or supplier of Lessee appears in the register compiled by the Michigan Department of Labor and Economic Growth, pursuant to 1980 PA 278, as amended, MCL 423.321 *et seq.*; MSA 17.458 (21) *et seq.* (Employers Engaging in Unfair Labor Practices Act). This covenant is cross-referenced in Section 21.

_____ INIT

- B. Lessor may cancel this Lease provided Lessee is notified, in writing, at least ninety (90) days prior to the effective date of cancellation, if Lessor deems cancellation is in the best interest of the State of Michigan.
 - C. Lessor may also cancel this Lease for non-appropriation of funding. The Michigan Constitution prohibits spending money out of the State Treasury without a valid appropriation.
27. **QUIET ENJOYMENT** - Upon payment of the rent and the performance of the conditions outlined herein, Lessee may peacefully and quietly have, hold, and enjoy the Premises, provided that the use of the Premises by Lessee is maintained open to the general public.
 28. **RESERVATION** - Lessor reserves the right to grant rights-of-way and easements of any kind and nature over and across said Premises and to grant or exercise all other rights and privileges of every kind and nature not herein specifically granted.
 29. **HOLDOVER TENANCY** - If Lessee remains in possession of the Premises after the natural expiration of this Lease, with the consent of Lessor but without a renewal of this Lease, pursuant to Section 8, a new tenancy from year-to-year shall be created between Lessor and Lessee. The new tenancy shall be subject to all of the terms and conditions of this Lease, except that such tenancy shall be terminable upon fifteen (15) days written notice served by either party.
 30. **NOTICES** - Any notice(s) to Lessor or to Lessee required by this Lease shall be complete if submitted in writing and transmitted by personal delivery (with signed delivery receipt), or certified or registered mail, return receipt requested. Unless either party notifies the other in writing of a different mailing address, notices to Lessor and Lessee shall be transmitted to the addresses listed below:

To LESSOR:

Land Administering Division (LAD)

and LAD Administrator

State of Michigan
 Department of Natural Resources
 Chief, Parks and Recreation Division
 P.O. Box 30257
 Lansing, MI 48909

State of Michigan
 Department of Natural Resources
 PRD Regulatory Unit
 P.O. Box 30257
 Lansing, MI 48909
 Attn: Regulatory Unit Manager
 (517) 282-9970

TO LESSEE:

and Lessee Alternate

Attn: _____
 () _____

_____ INIT

31. **NOTICES – EFFECTIVE TIME/DATE** - Notices shall be deemed effective as of 12:00 noon, Eastern Standard Time (EST) on the third (3rd) business day following the date of mailing, if sent by mail. Business day is defined as any day other than a Saturday, Sunday, or legal holiday. A receipt from the U.S. Postal Service, or comparable agency performing such function, shall be conclusive evidence of the date of mailing.
32. **INTERPRETATION** - This Lease shall be interpreted in accordance with the laws of the State of Michigan.
33. **NO UNNAMED ENTITIES/ PARTNERS** - Lessee covenants that there are no unnamed entities or partners having authority over the operation or management of the Premises and further represents that Lessee is the only entity responsible for carrying out Lessee's responsibilities.
34. **MODIFICATION** – This lease shall not be modified by or interpreted by reference to any course of dealing or usage of trade and shall not be modified by any course of performance. No modifications of this Lease are effective unless in writing, signed by the parties, and executed in the same manner as this Lease was originally executed. A party may waive or release the other party's breach or default only in writing.
35. **SEVERABILITY** - Should any provision of this Lease, or any addenda thereto, be found to be illegal, or otherwise unenforceable by a court of law, such provision shall be severed from the remainder of the Lease, and such action shall not affect the enforceability of the remaining provisions of the Lease.
36. **GOVERNING LAW** – This Lease is governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising under this Lease must be resolved in the Michigan Court of Claims.
37. **REQUIRED APPROVALS** - This Lease shall not be binding or effective on either party until executed (and witnessed and notarized as necessary) by Lessor and Lessee.
38. **WAIVER OF DEFAULT** – The failure of a party to insist upon strict adherence to any term of this Lease does not deprive the party of the right to insist upon strict adherence to that term, or any other term, of this Lease.
39. **ENTIRE AGREEMENT AND ENCLOSURES** - This Lease constitutes the entire agreement between the parties with regard to this transaction and may be amended only in writing and executed in the same manner as this Lease was originally executed. This Lease supersedes all proposals or other prior agreements and all other communications between the parties relating to this transaction.

**LESSOR
WITNESS(ES) TO LESSOR**

**STATE OF MICHIGAN
BY THE
DEPARTMENT OF NATURAL RESOURCES**

Witness(es)

Witness Signature

Date

Ronald A. Olson, Chief
DNR Parks and Recreation Division

Date

(please print name)

Witness(es)

Witness Signature

Date

(please print name)

STATE OF MICHIGAN, COUNTY OF _____

The foregoing instrument was acknowledged before me on this _____, day of _____, 2022 by Ronald A. Olson, Parks and Recreation Division Chief, for the Michigan Department of Natural Resources.

Diane Marie Munson, Notary Public
(please print name)

My Commission Expires: 07/04/2022

Acting in the County of: Ingham

INIT

LESSEE –

IN WITNESS WHEREOF, the parties to this Lease subscribe their names on the date set forth below:

WITNESS TO LESSEE

Witness

(please print)

Witness Signature

Date

Lessee

(please print)

Lessee Signature

Date

Title: _____

Federal ID No. _____

Witness

(please print)

Witness Signature

Date

Lessee

(please print)

Lessee Signature

Date

Title: _____

Federal ID No. _____

State of Michigan, County of _____

The foregoing instrument was acknowledged before me on this _____ day of _____, 2022, by _____, for Lessee.

_____, Notary Public

State of Michigan, County of _____

My Commission expires: _____

Acting in the County of _____

INIT