

Concession Contract ASP #
Commercial Operation of the
Arctic Valley Ski Area

Appendix A
GENERAL CONDITIONS

1. Suitable Materials, Etc.: Unless otherwise specified, all materials, supplies, or equipment offered by the contractor shall be new, unused, and of the latest edition, version, model or crop and of recent manufacture.
2. Disputes: Any dispute arising out of this agreement shall be resolved under the laws of Alaska. Any appeal of an administrative order or any original action to enforce any provision of this agreement or to obtain any relief from or remedy in connection with this agreement may be brought only in the superior court for the State of Alaska.
3. Default: In case of default by the contractor, for any reason whatsoever, the State of Alaska may procure the goods or services from another source and hold the contractor responsible for any resulting excess cost and may seek other remedies under law or equity.
4. Compliance: In the performance of this contract, the contractor must comply with all applicable federal, state, and borough regulations, codes, and laws; and be liable for all required insurance, licenses, permits and bonds.
5. Contract Prices: Contract prices for commodities must be in U.S. funds and include applicable federal duty, brokerage fees, packaging, and transportation cost to the FOB point so that upon transfer of title the commodity can be utilized without further cost. Prices for services must be in U.S. funds and include applicable federal duty, brokerage fee, packaging, and transportation cost so that the services can be provided without further cost.
6. Contract Funding: Contractors are advised that funds are available for the initial purchase and/or the first term of the contract. Payment and performance obligations for succeeding purchases and/or additional terms of the contract are subject to the availability and appropriation of funds.
7. Force Majeure: (Impossibility to perform) The contractor is not liable for the consequences of any failure to perform, or default in performing, any of its obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the contractor. For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.
8. Contract Extension: Unless otherwise provided, the State and the contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month

extension, and all other terms and conditions shall remain in full force and effect, and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least thirty (30) days before the desired date of cancellation.

9. Severability: If any provision of the contract is declared by a court to be illegal or in conflict with any law, the. validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.
10. Continuing Obligation of Contractor: Notwithstanding the expiration date of this contract, the contractor is obligated to fulfill its responsibilities until warranty, guarantee, maintenance and parts availability requirements have completely expired.

Appendix B

INDEMNITY AND INSURANCE

Article 1. Indemnification

The Contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis.

"Contractor" and "Contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

Article 2. Insurance

Without limiting Contractor's. indemnification, it is agreed that Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a 30-day prior notice of cancellation, nonrenewal or material change of conditions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Contractor's services. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under AS 21.

2.1 Workers' Compensation Insurance: The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045 and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H and Jones Act requirements. The policy must waive subrogation against the State.

2.2 Commercial General Liability Insurance: covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$1,000,000 combined single limit per occurrence.

2.3 Commercial Automobile Liability Insurance: covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$1,000,000 combined single limit per occurrence

Appendix C

CONTRACT STIPULATIONS - SCOPE OF WORK/SERVICES

1. **Contract Area.** The area affected by this contract includes the Arctic Valley Ski Area, located within Chugach State Park in the Tokle Creek drainage in Sections 5 and 6, Township 13 North, Range 1 West, Seward Meridian, and Sections 31 and 32, Township 14 North, Range 1 West, Seward Meridian, as described below and depicted in Appendix E: Map. This Contract does not convey any property interest to the Contractor. The lands remain part of Chugach State Park and are owned and managed under AS 41.21.120-125 as part of Chugach State Park by the State of Alaska. The Contractor is authorized by this contract to engage in certain activities as defined herein. Appendix D: Facilities List includes a list of facilities which remain the property of the Anchorage Ski Club and will be managed by ASC under the terms of this agreement.
 - a. Permanent infrastructure shall be restricted to the Core Infrastructure Area, which consists of the Tokle Creek drainage within the SW1/4NW14 of Section 5 and the S1/2N1/2, N1/2SW1/4, NW1/4SE1/4 of Section 6, Township 13 North, Range 1 West, as depicted on the map.
 - b. The Winter Operations areas may be used for temporary signs, avalanche control work, snow grooming, and other temporary uses during the ski season.
 - c. Contractor Use of Premises. The Contractor shall use the premises for the purposes of skiing and snowboarding and other outdoor recreation consistent with the park's purposes and this contract. The lands described herein are available for use by the Contractor for these authorized operations.
2. **Products and Services to be Provided.** The Contractor shall provide the following services, consistent with this contract and with the park's purposes.
 - a. skiing and snowboarding,
 - b. tubing,
 - c. other outdoor recreational activities, subject to approval by the Project Director,
 - d. parking, including maintenance of the parking area and parking enforcement,
 - e. overnight accommodations, subject to approval by the Project Director,
 - f. maintenance of the portion of the Arctic Valley Road located on park lands,
 - g. coordination with the U.S. Army for the maintenance and opening of the portion of Arctic Valley Road located on Joint Base Elmendorf-Richardson lands,
 - h. maintenance and construction of trails, consistent with the Chugach State Park Trail Plan
 - i. interpretive displays, signs, and maps at or near the trailhead,
 - j. educational, informational, and interpretive programs,
 - k. maintenance of the picnic area,
 - l. maintenance of the toilets,
 - m. festivals, concerts, and similar events, subject to approval by the Project Director,
 - n. facility rentals for public or private events.

Programs of a political or religious nature shall be subject to review and approval by the State within federal and state constitutional guidelines.

The Contractor shall develop new interpretive displays and make improvements to existing displays as funding is available. New displays may be simple, informative displays that help maintain a fresh look for repeat visitors.

Operational funding of the Facility may be obtained by soliciting donations and club memberships, by charging fees, and by the sale of merchandise. See item 44 for details.

Only those activities specifically authorized herein are permitted under this contract. Contractor is responsible for securing written authorization from the Project Director for all other services and activities not specifically authorized herein, but consistent with the original RFP. The Project Director must respond in writing within fourteen (14) days of the request. Justifications for the denial of a request will be provided to the Contractor in writing.

As required by AS 41.21.027(b)(6), the Contractor, its employees, volunteers, agents, or clients may not interfere with free public use of State park lands, waters, or facilities in the area of Contract operations. This includes the use of the grounds and trails outside the Facility for hiking, berry picking, or the use of the vaulted latrines.

The Contractor may restrict access to the ski area during ski season. The area to which access may be restricted is depicted on Appendix E: Map. The Contractor shall submit the proposed restrictions in the Ski Area Operations Plan (see item 19) for approval by the Project Director.

When access to the ski area is restricted during ski season, the Contractor shall provide marked routes which allow backcountry skiers, snowshoers, and hikers to access Mount Gordon Lyon and Rendezvous Ridge east of the ski area and shall seek to develop a route to the Ship Creek valley from the parking area. These routes shall be open to the public unless brief closures are necessary during avalanche control work. The Contractor may not charge fees for use of these routes.

3. Assignment. No part of this contract may be assigned or transferred without the written permission of the State
4. Contract Term. The initial term of this concession contract is twenty (20) years in length, and begins on approximately _____, or the date it is signed by both parties, whichever is later, and expires on September 30, 2038.
5. Contract Renewal. Prior to the expiration of the primary term of this contract, and provided the Contractor has, in the judgment of the State, satisfactorily provided the services contemplated in this agreement, Contractor may apply to have the contract renewed for up to two additional

twenty (20) year terms. A renewal application shall be in writing at least 90 days before the expiration of this contract. A contract renewal may be granted up to five years before the current term of the contract expires. Before renewal is granted the State will provide for public review and comment as required by AS 41.21.027(d).

6. Contract Fees. The annual contract fee shall be 2.5 % of gross revenue from the operations under this contract. The annual fee shall be payable in two installments; the first installment shall be due on May 31 each year and the second installment shall be due on October 31 each year. The Contractor shall provide the State with reasonable access to its records and books, including Contractor's tax returns and other IRS filings, to verify the revenue amounts.

The Contractor may receive credit for up to one half of the annual contract fee for the maintenance of the parking area, maintenance of Arctic Valley road, and for the maintenance and development of trails. If the Contractor intends to receive credit for work, they shall submit proposed projects to the Project Director as attachments to the Winter or Summer Operations plans (see items 19 and 20), including the estimated value of the work. The Project Director and the Contractor shall agree, in writing, to the plan and estimated value for any projects prior to construction. The Contractor may value volunteer time contributed to approved maintenance and trail projects at the hourly rate published by Independent Sector for the most recent year available. The rate was \$24.69 per hour in 2017.

The Contractor shall submit reports to the Project Director by April 30 and September 30 each year describing the work completed and documenting the value of the work. The Project Director shall review the work and the value of the work to confirm that it was completed in a satisfactory manner prior to approving the credit.

7. Park Rules and Regulations. The Contractor should be generally familiar with Alaska State Park regulations. The State will provide the Contractor with an orientation on these and provide the Contractor with updates on changes to the regulations. The Contractor is also responsible for informing park visitors of the following site-specific rules and regulations:
 - a. The use and discharge of a firearm is not permitted within one-half mile of a developed facility, including the Arctic Valley Ski Area facilities.
 - b. All vehicles must stay on roadways or parking areas provided. Use of motorized vehicles off-road by the public is not permitted in the Arctic Valley Ski Area unless authorized by the Director of DPOR under 11 AAC 18. Use of motorized vehicles off established roads by the Contractor may be authorized as part of the annual winter operations plan or as part of an authorized construction or maintenance project.
 - c. The use of bicycles is prohibited off of the established road, unless a trail is opened to bike use by the Project Director. Snow bike use may be approved by the Project Director as part of the ski area operations plan (see item 18) or under a special use permit.

- d. Fires must be contained in DPOR approved fire rings. Open fires are not allowed except by the Contractor with the approval of the Project Director and in compliance with state and local requirements and any necessary permits.
 - e. Discharge of fireworks is prohibited. Use of fireworks by the Contractor may be authorized, consistent with Anchorage Fire Department requirements.
- 8. Disturbance of any natural objects including vegetation, minerals, and water is prohibited. A person may gather berries, fruits, mushrooms and similar edibles for personal consumption, but not for sale or distribution.
- 9. Protection of Lands, Facilities, Resources. The Contractor shall exercise due diligence in protecting the facilities, lands, waters, and other resources of the park from damage due to natural or human causes.
- 10. Archaeological Paleontological Discoveries. The Contractor shall immediately notify the Project Director of any antiquities or other objects of historic or scientific interest, including but not limited to historic or prehistoric ruins, fossils, or artifacts discovered as the result of operations under this contract. The Contractor shall leave such discoveries intact until authorized to proceed by the State Historic Preservation Officer. Protective and mitigative measures specified by the State Historic Preservation Officer shall be the responsibility of the Contractor.
- 11. Water. The Contractor shall maintain water rights or temporary water use authorizations from DNR which provide for all water use by the Contractor. The Contractor shall comply with the terms and conditions of the water rights or water use authorizations. The Contractor may install and use snowmaking equipment as long as the amount of water used is not more than the amount approved by the water rights and temporary water use authorizations. Wastewater treatment and disposal shall be consistent with all relevant laws and regulations.
- 12. Alcoholic Beverages. Alcoholic beverages may be sold by the Contractor as long as the Contractor complies with all relevant federal, state, and local laws. Sale, consumption, and possession of alcoholic beverages shall be consistent with the relevant laws and the conditions of the licenses and permits. If the Contractor has a liquor license or obtains a new or modified liquor license, a copy of the license including all terms and conditions shall be provided to the Project Director.
- 13. Marijuana. The Contractor may not sell marijuana or permit the possession or consumption of marijuana within the Facility.
- 14. Staffing. The Contractor shall provide adequate staffing, including volunteers and employees, to meet the requirements of the RFP, and shall ensure that all training and supervision of the personnel is provided while performing under the provisions of this contract. The Contractor must also meet the requirements of state and Federal laws governing employment, wages, and worker safety, including, but not limited to, laws governing equal opportunity, civil rights, fair labor standards, minimum wage, worker's compensation, OSHA regulations, ADA, and immigration laws regarding employment of non-citizens.

As required by AS 41.21.027(b)(7), the Contractor shall hire residents of the state, to the extent available and qualified, when hiring persons to work in the park under the contract.

15. Contractor duties. Contractor shall designate in writing a person and backup persons who have overall responsibility for all of the Contractor's operations under this contract. Contractor shall report to the Project Director in a timely manner any significant problems its employees or agents observe in the Arctic Valley facilities or vicinity.
16. Employee Conduct. The Contractor is responsible for the conduct of his or her employees and volunteers. This contract does not shield the Contractor or its employees or agents from prosecution if they violate any laws, either while performing their duties or while on their own time. The Contractor's employees or agents shall not engage in activities that would lead a member of the public to believe they are State employees. The Contractor shall not allow its employees, agents, or guests to create a disturbance that could be disruptive to the public's use and enjoyment of the area. The Contractor shall cooperate with other groups or organizations permitted to use the area or premises. The Contractor shall ensure that employees do not use or work under the influence of intoxicating beverages, or illicit or mind-altering drugs while on duty or representing the Contractor.
17. Uniforms and Vehicles. Contractor and employees shall wear an insignia or uniform, identifying themselves clearly as private Contractors. The purpose of this rule is to distinguish Contract staff from State employees or volunteers. The insignia or clothing may not resemble uniform items worn by State employees or volunteers and must be maintained in a clean and presentable manner while performing duties. Any vehicles used in the performance of this contract shall be clean, quiet, and well maintained.
18. Ski Lift Inspections. The Contractor shall have the ski and tubing lifts inspected as required by AS 05.20. The Contractor shall provide the Project Director with the opportunity to attend these inspections, with copies of the inspection reports, and any notices of dangerous or defective equipment.
19. Ski Area Operations Plan. The Contractor shall prepare a plan of operation prior to each ski season pursuant to AS 05.45.040. This plan shall be submitted to the Project Director for approval by September 30 each year. The Project Director shall review the plan and respond with any requests for additional information or required changes by October 31 each year. In addition to the requirements of AS 05.45.040, the Contractor shall attach to the plan the proposed operating hours, prices, off-road vehicle use, areas to be closed to non-skier use, backcountry gates, and winter maintenance plans.
20. Summer Operations Plan. The Contractor shall prepare a summer operations plan, including proposed construction and maintenance, hours during which the lodge or other facilities would be open to the public, prices, and off-road vehicle use by the Contractor. The summer operations plan shall be submitted to the Project Director for review by April 30 each year. The Project Director shall review the plan and respond with any requests for additional information or required changes by May 31 each year. Construction projects may be tentatively identified in the summer plan with the details to be finalized and approved by the Project Director prior to construction.

21. Performance Reviews. The Contractor and the Project Director shall jointly review the performance of the Contractor and the Arctic Valley area every 3 years. These reviews shall include the financial results, operational performance, and other issues of mutual interest. The Contractor and Project Director shall share a written summary of these reviews with the Chugach State Park Advisory Board and the public. The Contractor shall be available to meetings of the Chugach State Park Advisory Board on an as-requested basis.
22. Ownership of Improvements. The ski lifts, tubing lifts, ski lodge, and related buildings, are owned by the Anchorage Ski Club (ASC). Appendix D lists the improvements which are owned by the ASC. Improvements which are constructed in the future by the Contractor with the approval of the Project Director shall be owned by the Contractor except that new or improved roads, parking areas, trails, picnic facilities, outhouses, gates, signs, and interpretive displays shall be owned by the State.
23. New Facilities. The Project Director retains control of the design and appearance of any facility to be constructed as required by AS 41.21.027(b)(9). The Contractor shall submit plans for new facilities to the Project Director at least 60 days prior to the proposed start of construction. New facilities should not increase the amount of infrastructure visible from the north or east of the Rendezvous Peak – Mount Gordon Lyon ridge or from the Ship Creek Valley.
24. Removal of Facilities. If this contract expires without being renewed, or the contract is terminated or revoked (see items 49 and 50 below), the Contractor shall have 270 days from the date the contract expires or from the date that the Contractor is informed that the contract has been terminated or revoked to remove all improvements which it owns from State land. Appendix D lists improvements which are owned by the Contractor.
If the State hires or intends to hire another contractor to operate the ski area, the Anchorage Ski Club shall either remove its property within as described above or to sell its property to the new contractor.
Any property which remains on State land after the time period specified above shall be owned by the State.
25. Storage. The Contractor shall not store materials and equipment in the open except during construction or active use of the materials or equipment. The Contractor shall construct fenced enclosures which secure any items which are not stored inside of buildings. The design, appearance, and location of the fenced storage area(s) is subject to review and approval by the Project Director. Fenced enclosures shall be completed by September 30, 2019.
26. Fuel. Fuel storage container(s) with a total combined capacity larger than 55 gallons shall not be placed within 100 feet of the ordinary high-water mark of any water body. When fuel storage container(s) exceed a total combined capacity of 110 gallons, the containers must be stored within a Department of Environmental Conservation-approved double-walled tank, or an impermeable diked area, or a portable impermeable containment structure capable of containing 110% of the capacity of the largest independent container. All containers must be clearly marked with the contents. Drip pans and materials, such as sorbent pads, must be on hand to contain and clean up all spills.

27. Hazardous Substances (other than fuel). The use of hazardous substances/materials must be done in accordance with existing Federal, State, and local laws. After use, all hazardous substances/materials, including contaminated debris, must be removed from the site and disposed of or managed in accordance with State, Federal, and local laws.
- a. Use of herbicides and pesticides by the Contractor is prohibited without prior written approval from the Project Director.
 - b. No storage of hazardous material/substances is authorized within the leasehold without prior written approval from the Project Director.
28. Spill Response. The Contractor is responsible for preventing fuel, hydraulic fluid, and oil spills that could result in contamination of contiguous land and water. Petroleum product spills shall be cleaned up immediately and any contaminated earth or vegetative materials shall be disposed of as required by the Alaska Department of Environmental Conservation regulations. To facilitate rapid spill response, adequate sorbent materials (i.e., material that collects or absorbs petroleum products while at the same time repels water) will be kept on site to be used in the event of a spill. Should any unlawful discharge, leakage, spillage, emission, or pollution of any type occur due to Contractor activities, the Contractor shall, at its expense, be obligated to clean the area to the reasonable satisfaction of the State of Alaska.
29. Spill Notification. The Contractor is responsible for notifying the State of Alaska of any pollutants they have caused to be discharged, released, or spilled in or around the project area by contacting the Project Director and the Department of Environmental Conservation Southcentral Area Response Team Office at (907) 269-3063 during business hours (after hours call the Department of Environmental Conservation Spill Hotline at (800) 478-9300) for the following situations:
- a. Oil/Petroleum Releases:
 - i. To Water: Any release of oil to water must be reported as soon as the Contractor has knowledge of the discharge.
 - ii. To Land:
 1. Release(s) of oil in excess of 55 gallons must be reported as soon as the Contractor has knowledge of the discharge.
 2. Release(s) of oil between 10 and 55 gallons must be reported within 48 hours after the Contractor has knowledge of the discharge.
 3. The Contractor is responsible for providing, on a monthly basis, a written record of any discharge of oil between 1 to 10 gallons.
 - iii. Within Impermeable Secondary Containment Area: Any release of oil in excess of 55 gallons must be reported within 48 hours after the Contractor has knowledge of the discharge.
 - b. Hazardous Substance Releases. Release(s) of all hazardous substances (other than oil) in any amount must be reported as soon as the Contractor has knowledge of the discharge.

The Contractor is responsible for following all timelines and submitting all required information as outlined in 18 AAC 75.300 and other applicable spill regulations under Article 3.

30. Abandoned or Non-Functioning Facilities and Equipment. Any equipment or facilities which are abandoned or not functional shall be secured promptly and removed or repaired in a timely manner. The Contractor shall submit a schedule for the removal or repair of abandoned or non-functional equipment and facilities to the Project Director whenever items are identified as abandoned or not functioning.
31. State Equipment Loaned to Contractor. The Contractor shall provide all equipment necessary to meet the requirements of this contract. The State may provide State-owned equipment for Contractor use only after amendment of this contract to provide for the contractor's use of State-owned equipment.
32. Alternative Energy. The Contractor may develop an alternative energy system for the Facility. The State and the Contractor shall mutually agree on the development of such system. Public education about alternative energy systems is encouraged.
33. Operation of the Facility. The parking lot and trails at Arctic Valley shall be open to the public unless a closure is approved by the Project Manager. The ski area and tubing area, including the lifts, lodge, and other facilities, may be open, subject to road, weather, and snow conditions. Tentative operating dates and hours shall be included in the operations plans (items 19 and 20) submitted to the Project Director for approval.
34. Visitor Service. The mission of the Alaska Division of Parks and Outdoor Recreation is to "provide outdoor recreation opportunities and conserve and interpret natural, cultural and historic resources for the use, enjoyment and welfare" of Alaska residents and visitors. Contractors who operate within Alaska State Park units are expected to assist in achieving this mission. Customer or visitor service is central to the authorized operation. As such, the Contractor is expected to develop and implement methods for responding to visitor needs in a helpful, professional and courteous manner, giving timely and friendly information and assistance, and doing those things necessary to ensure that visitors have a safe and enjoyable stay in the park. The Contractor shall also observe such requirements respecting quality and standards of service as dictated by laws or regulations or as is necessary to protect the public health, safety, and welfare.
35. Access for Persons with Disabilities. As practical, the Contractor shall improve the accessibility of the facilities and local trails for visitors with disabilities, using guidelines under the Americans with Disabilities Act.
36. Facility and Janitorial Maintenance Standards. The Contractor is responsible for all janitorial and facility maintenance of the Arctic Valley Ski Area, as depicted on Appendix E: Map, unless otherwise agreed to herein. The services will be conducted on a regularly scheduled basis to maintain the cleanliness, safety, and serviceability of the facilities.

The Contractor agrees to meet all requirements of quality and standards of service prescribed by law or regulation, or which are necessary to protect the public health, safety, and welfare. All repairs and improvements will be done in a professional manner using generally accepted

techniques and practices. Anything that appears to be a threat to public safety (holes or tripping hazards on developed pathways or other public areas, hazardous limbs or trees, structural defect, etc.) must be immediately secured to avoid safety risks to the public or visitors and repaired as soon as possible.

Toilets. The vault toilet located in the parking lot must be pumped by a certified sewage handler whenever the sewage level reaches twelve (12) inches below the floor level, and at the end of the season if more than one-half full (1/2). All solids and liquids shall be removed from the Park and taken to an approved facility.

Water Systems. The Contractor is responsible for maintaining the public water supply and meeting Alaska Department of Environmental Conservation (DEC) standards. These standards require regular bacteriological testing, and annual testing for Nitrate/Nitrite by a certified laboratory. In the event of an "unsafe" sample, the Contractor is required to notify the Project Director and complete all required retesting. (Specific questions may be directed to the Department of Environmental Conservation.) Contractor shall maintain records of all maintenance and testing done on wells.

Litter and Trash. Contractor shall keep the Facility clean of litter and garbage. Contractor shall provide adequate trash receptacles and empty them regularly, including receptacles in the vault toilets. The Contractor shall provide and service regularly animal-resistant garbage cans or dumpsters suitable to contain all the trash generated within the Facility. All garbage must be disposed of at a DEC-approved facility. Garbage may not be burned or disposed of on State Park lands or waters. The Contractor is encouraged to place and regularly service recycling containers.

Signs, posts and other barriers. Ensure that all signs are maintained, replacing faded or shot up signs as often as necessary. All sign posts and vertical auto barriers shall be straightened or replaced as necessary. Auto bumpers shall be maintained free of obscuring brush and grass, and in a level position. Signs shall be approved by the Project Director prior to purchase to ensure consistency with DPOR standards.

Tables. All picnic tables must be sanitized and cleaned at beginning of each season. Tables must be cleaned and sanitized as required. Tables must be kept in good repair. Tables will be painted on an "as needed" basis.

Bulletin Boards. Bulletin boards must be maintained in good repair with accurate, uncluttered, current information regarding the facility, regulations, Park information, natural resources information and local services information.

Trail Maintenance. The Contractor shall conduct routine nature trail maintenance, such as water diversion, chip or gravel surface repairs, removal of debris, branches or encroaching vegetation, bridge maintenance and repairs, and other maintenance as necessary to enable safe and enjoyable use of trails. All trail improvements will be consistent with standards established in the Chugach State Park Trail Plan and the Chugach State Park Master Plan, and any adopted amendments.

Trail building. All new trail, bridge, and viewing platform construction, significant realignment of present trails and significant tread alterations must be approved by Project Director. Before building commences a project plan must be produced denoting material sources, trail classification, costs and funding sources. Trail building must be supervised by the Project Director or designee.

Snow Removal. The Contractor is responsible for all snow removal for the parking area and pathways around the facility. This may include hauling snow to a designated snow dump site. During periods of freezing and thawing when icy pathways or parking areas may be a public safety problem, Contractor is responsible for sanding, scraping or otherwise ensuring safe use of outdoor facilities.

Vegetation Control. Brush and annual vegetation shall be cut back from parking bumpers, signs, bulletin boards, roadside, etc. seasonally or more frequently as needed. Any felling or removal of trees must be approved in advance by the Project Director.

Facility Improvements or Alterations. Any permanent facility improvement or alterations by the Contractor must first be approved by the State.

Minor Repairs. Graffiti on walls, rocks or other places shall be painted over or otherwise removed upon discovery; it may be necessary to sand the area prior to painting to ensure graffiti does not show through.

37. Emergency Response. The Contractor must be prepared to respond to any emergencies (medical, law enforcement, facility breakdown, fire, flood, etc.) that might occur in and around the facilities covered under this contract. Contractor should describe how they will be prepared to respond to such emergency situations in their annual operations plans.
38. Accident Notification. The Contractor shall notify the Project Director within twenty-four (24) hours of any accidents involving personal injury that results in hospitalization, visitor or staff fatality, or calling an ambulance to provide emergency medical assistance, or threatening incidents involving wildlife, or of incidents involving the loss of equipment that could create the impression that persons may be lost or in danger.
39. Site Security and Law Enforcement. The Contractor is responsible for providing supervision of the ski area to ensure public use, enjoyment, and safety. In responding to violations of state and

local laws, regulations and ordinances, the Contractor has the same authority as a private citizen. The Contractor may not enforce state or local laws, but should be knowledgeable of applicable park regulations, fish and game regulations, or other applicable state regulations or laws, and should report violations of regulations to the appropriate law enforcement authorities. (i.e. DPOR Park Rangers or Anchorage Police Department).

The Contractor will be expected to inform visitors of the rules and regulations applicable to use the facility or park. If the Contractor needs assistance in dealing with unruly, criminal, and other behavior that creates public safety concerns, the Contractor should gather as much information as possible on the violator without jeopardizing his or her own safety and contact the nearest appropriate law enforcement authority.

The Contractor shall take reasonable measures to prevent and discourage vandalism, theft and disorderly conduct within the contract area. The Contractor shall be responsible for reporting acts of vandalism or destruction of state or personal property to the Project Director, after notifying the appropriate law enforcement authority. The Project Director shall be notified within 24 hours when such acts are discovered.

40. Cooperation - Inspections and Other Access. The Contractor shall work closely with the State to further the park and its programs. The Contractor will provide the State with reasonable access to the facilities and park premises for the purpose of conducting inspections for compliance with the terms of this contract and as otherwise necessary to ensure that public safety, services, resource protection, and other park purposes are maintained. The Contractor agrees to provide the Project Director with keys to all gates and other traffic control devices on the premises. The Project Director should address all inquiries regarding Facility operations to the Contractor's designated agent. The Contractor shall not be liable or responsible for any damage or personal injury incurred by a State employee while on the premises, unless the Contractor is negligent.
41. State Use of Premises. The State reserves the right to utilize facilities owned by the State for its purposes, and to replace or construct additional facilities it deems necessary for park operations. Facilities will be constructed in a manner that will not unduly interfere with Contractor's operations. Insofar as possible, all facilities constructed will be jointly planned for by the State and the Contractor.
42. Use of Premises by other Commercial Operators. The State reserves the right to issue permits to other commercial operators to provide services that are outside the scope of services contained in this contract. Examples of services that the State may permit include guided hiking, or bus and van tours, etc.
Unless notified otherwise by the Project Director, the Contractor may charge applicable fees to these operators for activities that normally incur a fee such as day use parking but may not charge fees above the level charged to the general public. The Contractor shall assist the State in ensuring that any commercial operators using the park unit are appropriately permitted as evidenced by an annual commercial operator decal on their vehicles. If the Contractor encounters a commercial operator who is not permitted to operate with the park unit, the Contractor shall notify the Project Director with all known applicable information on the operator.

When applicable, the state will pass on "per client fees" that are paid by commercial operators to help offset Contractor costs. An equitable distribution of per client fees will be agreed upon by the Project Director and the Contractor.

43. Other Permitted Uses. The State reserves the right to issue permits for other special activities within the park units under the authority of 11 AAC 18. Examples may include Special Park Use Permits for organized events, promotional events, etc. Any requests received by the State for the use of the facilities owned by the Contractor (see appendix D) will be referred to the Contractor. The Contractor
44. Sales and Prices. The Contractor may charge fees only to the extent that the State can charge fees under existing law and regulations. As attachments to the seasonal plans of operations, items 19 and 20, the Contractor will submit the proposed prices. The Contractor will be allowed minor price changes with approval by the Project Manager during the operating season if the actual costs of goods or services are demonstrated to have increased.

The Contractor may charge a parking fee if there is a developed restroom. The parking fee may not be greater than the parking fee charged at similar parking areas in Chugach State Park such as Glen Alps or South Fork Eagle River. Alaska State Parks annual parking parking passes are not valid at Arctic Valley.

The Contractor may offer discounts or promotions as long as prices do exceed the prices specified in the seasonal plan of operations. The Contractor may offer discounts to members of the Anchorage Ski Club (ASC) if ASC membership is open to the public without discrimination.

The Contractor may not charge for the following uses, whether used singly or in any combination:

- Drinking water.
- Self-guided viewing of outdoor interpretive displays
- Self-guided use of nature trails
- Toilets

The Contractor is authorized to sell food, beverages, ski and snowboard equipment or accessories, books, maps or other educational material, "logo" wear (i.e. clothing or hats with the logo of the Contractor or State Parks), and other recreational-related supplies and materials as agreed upon and approved by the project manager. The Contractor is also authorized to rent equipment. The State reserves the right to prohibit the sale of items that it deems inappropriate for sale in a park setting.

45. Advertising, Signage. All promotional material and signage shall be appropriate. Upon request from the Project Director, the Contractor will remove or revise any material or sign which is inaccurate or inappropriate for a park setting.

46. Reports. The Contractor shall present the following reports (See Appendix F for examples) to the Project Director by the dates indicated:

- An End of Ski Season report is due on or before April 30 of each year of the Contract period, addressing the previous ski season.
- An End of Summer Season report is due on or before September 30 of each year, addressing the previous summer season.
- The End-of-Season reports shall include the number of tickets and parking permits sold, revenue collections, parking fees, food and gift sales, program fees, donations, grants, or other appropriate categories.

The end of season reports should also include law enforcement, accidents, facility damage, vandalism, searches, resource damages, personal injuries or fatalities, wildfires, floods, and similar topics. A short narrative report describing the season, management problems, suggestions for improvements, and other matters of interest should be included.

Visitor numbers and revenue shall be provided in a spreadsheet or database which is readily used and analyzed by the Project Director. Narrative portions of the report Contractor may use provided report forms provided or develop their own comparable report form.

47. Performance Bond or Assignment of Time Certificate of Deposit. The Project Director may require the Contractor to secure a performance bond in an amount adequate to ensure that unsafe equipment will not be abandoned on state land. Bonds may take the form of corporate surety, U.S. Treasury bills, notes, bonds or other negotiable securities, cash deposits, irrevocable letters of credit, assignment of savings accounts, or assignment of certificates of deposit. The bond shall be held by the State for the duration of the contract term, unless the Project Director determines that the need for the bond requirement no longer exists. Upon completion of that review, the Project Director may reduce the amount of the bond or eliminate the need for the bond.

The performance bond may be used by the State, at its sole discretion, to protect the interests of the State in the event the Contractor fails to comply with contract terms or stipulations, fails to make necessary and appropriate repairs to facilities, damages park resources, or fails to correct a condition which may cause damage to an adjoining landowner. A forfeiture bond is not required; the bond will only be used to cover actual costs associated with repairs and maintenance.

48. Failure to Comply. The State will notify the Contractor of unacceptable performance as soon as possible after the failure is reported. The Contractor must, without additional cost to the State, remedy and correct any deficiency in work or in articles provided in connection therewith. Upon determination of non-compliance with this contract, the Project Director will deliver to the Contractor a "Notice of Non-Compliance." Such notice shall be delivered as soon as possible after the failure is reported. The notice will include a description of the failure and a written statement of necessary remedial action to be taken by the Contractor. If the failure is not corrected within the time limits specified in the first notice, the Project Director may:

- Correct the failure utilizing State employees or a private Contractor, and billing the Contractor at cost for time and materials;
- Issue a second notice of non-compliance; or

- Institute Contract revocation proceedings as outlined below in #49.
- Initiate criminal prosecution, if applicable.

49. Contract Revocation. If the Contractor remains in non-compliance with the terms of this contract after being served with a second "Notice of Non-Compliance" under #48, or the failure jeopardizes public safety or park resources or otherwise constitutes a significant breach, the Project Director may immediately revoke the contract. The Contractor is not entitled to reimbursement for damages suffered in the event that the contract is revoked under this section.

50. Contract Termination when Contractor has not Breached Contract. The Commissioner of the Department of Natural Resources, after 30 days written notice, may terminate this contract when it is in the best interest of the State. In the event the contract is terminated under this article the Contractor must within 90 days make a claim with the Department of Administration under AS 36.36.20 for reimbursement for damages suffered upon termination or thereafter be barred from doing so.

51. Warranty. The State makes no warranty, express or implied, with respect to the consumer demand for, or acceptance of this service. The State assumes no risk of financial loss by the Contractor and cannot guarantee financial gain or any opportunity to profit under this Contract.

52. Arctic Valley Road Closures. If the Arctic Valley Road is closed or travel is restricted by the U.S. Army, the Contractor and the Project Director may amend this contract, or the seasonal operations plans as appropriate.

53. Definitions. Unless the context clearly indicates otherwise, the following definitions apply in this contract and any attachment:

"Division" or "DPOR". means the Division of Parks and Outdoor Recreation in the Alaska Department of Natural Resources.

"Project Director" or "Project Manager" means the Chugach State Park Superintendent, or his/her designee.

"Gross revenues" means all money, fees, property, services, or any other things of value that the Contractor receives, directly or indirectly, through operations within the contract area as defined in section #1 under this contract. Gross revenues do not include grants, club memberships, or donations received by the Contractor.

"Park", "Park Unit", "State park", "State park land", or "State park water" means any land, water, facility, or improvement managed by the Division.

"Facility" means the Arctic Valley Ski Area which is described in the contract area portion of section 1 and depicted on Appendix E: Map.

"Contractor" means the applicant, company, business, employee, operator, or representative of the person and business named on the contract face authorized to conduct activities under the contract.

"State" means the State of Alaska.

Appendix D

Arctic Valley Facilities List

The following facilities in the Arctic Valley area are owned by the Anchorage Ski Club:

- Alpenglow Lodge building
 - Septic system
 - Well
- Rendezvous Café
- T-Bar Control and Maintenance Building
- Lifts with associated buildings:
 - Rope tow south of Alpenglow Lodge
 - Chair 1
 - Chair 2
 - T-Bar
 - Tube Park lift
- Dam and pond
- Trailhead toilets
- Picnic shelters and tables

This list may be amended if new facilities are constructed or old facilities are removed under the terms of this contract.

The following facilities in the Arctic Valley area are owned by the State of Alaska:

- Parking lots
- The portion of the Arctic Valley Road located on land owned by the State of Alaska
- Trails
- Signs
- Gates and other traffic control devices

Arctic Valley Ski Area
Contract Appendix E: Contract Map

