LEASE FOR NON-FEDERAL USE OF THE FEDERAL LANDS

BUREAU OF LAND MANAGEMENT

And

[Lessee business name]

Effective as of this [day] day of, [year], by this instrument, in the capacity of Lessor, the United States Department of the Interior, Bureau of Land Management (hereinafter referred to as "BLM") and, in the capacity of Lessee, [lessee business name] (hereinafter referred to as "Lessee"), [lessee mailing address], operating at [lessee physical address], hereby enter into this Lease Agreement ("Lease"), Serial No. [lease serial number], under the provisions of the Federal Land Policy and Management Act (FLPMA) of 1976 and the Code of Federal Regulations, Title 43, Part 2920.

I. AUTHORITIES

Sections 302, 303, and 310 of the FLPMA (43 U.S.C. §§1732, 1733, and 1740), Department of the Interior Manual 613, and regulations at 43 C.F.R. § 2920 et seq. (hereby incorporated by reference and made a part of this lease) authorize the Secretary of the Interior to enter into leases for the purpose of regulating the occupancy, development, and use of federal lands.

II. PURPOSE

The purpose of the Lease is to authorize Lessee to use public lands in accordance with the Lessee's approved Plan of Development to operate a recreation related businesses along the Lower Colorado River.

III. TERM OF LEASE

Subject to the conditions set forth herein, the term of this Lease shall be for a period of 30 years, commencing on and terminating on [date of commencement], or as determined in accordance with 43 C.F.R § 2920.

IV. USE AUTHORIZATION

1. The BLM hereby authorizes the Lessee to occupy, develop, and use for the purposes set forth herein the lands, described in Appendix A, (hereinafter referred to as "Leased Property") and improvements, if any, and said use shall be consistent with a possessory interest that may only be revoked, modified, or suspended in accordance with the terms of this Lease and all applicable regulations including 43 C.F.R. §§ 2920.7 and 2920.9-3.

2. The possessory interest granted herein to the Lessee does not exclude the general public from the Premises defined in Appendix A in accordance with 43 C.F.R § 2920.7(a). This Lease is not intended to confer third party beneficiary status to any member of the public who is benefitted by the terms of this Lease.

V. CONDITION OF LOCATION FOR USE

The taking of possession of the Leased Property by the Lessee, in itself, shall constitute acknowledgement that the location is in good and sufficient condition for the purposes for which the Lessee is entering into this Lease. Lessee agrees to accept the Leased Property to occupy, develop, and

use the federal lands in the presently existing condition, "AS IS", and that the BLM shall not be obligated to make any alterations, additions, or betterments to the Leased Property for the use except as otherwise provided for in this Lease.

VI. PLAN OF DEVELOPMENT, OPERATIONS PLAN, MAINTENANCE PLAN, AND RECLAMATION

1. Plan of Development. The Lessee may only conduct activities on the Leased Property that are in a Plan of Development or other writing approved by the AO. The Plan of Development approved for the Leased Property is attached hereto as Appendix D.

2. Operations Plan. The Lessee shall submit an annual Operations Plan to BLM for approval by the Authorized Officer (AO). The Operations Plan shall clearly describe daily operating requirements, general personnel or staffing functions, and periodic procedures and responsibilities related to ensuring that the public encounters the highest possible quality in services offered by the Lessee. The Operations Plan will include the retail rates charged for services or products specified by and subject to approval of the AO. Retail rates must be within a comparable range of prices based on similar business operations conducted in the local area. The AO may conduct surveys to develop a comparable range of appropriate prices based on similar business operations conducted under similar business conditions. The AO will carry out regularly scheduled periodic inspections on lease facilities. The results of these inspections will be used to ascertain compliance with the Operations Plan, assess the quality of operations, and to develop a list of repairs and maintenance.

3. Maintenance Plan. An initial inspection of the Leased Property will be conducted at the beginning of the Lease period. Lessee shall provide an Annual and/or 5-year Maintenance Plan (Maintenance Plan) for BLM approval by the AO. The Maintenance Plan shall describe the immediate custodial needs, cyclic maintenance, repair and rehabilitation for all facilities used in the Plan of Development. It shall contain estimated costs and expenditures for the maintenance described. The Maintenance Plans will be renewed on their anniversaries but may be amended at any time with the concurrence of the AO.

4. Reclamation. In accordance with the language in 43 CFR § 2920.9-3 (d), upon termination, revocation, or cancellation of the Lease, the Lessee shall remove all structures and improvements except those owned by the United States within 60 days of the notice of termination, revocation or cancellation and shall restore the Leased Property to its pre-use condition, unless otherwise agreed upon in writing. If the Lessee fails to remove all such structures and improvements within 60 days unless the AO authorizes additional time as may be reasonable, it shall become the property of the United States, but that shall not relieve the Lessee of liability for the cost of its removal and/or restoration of the Leased Property. Attached to this lease, as Appendix B, is a schedule of the structures and improvements owned by the United States as of the effective date of this Lease.

VII. INSPECTIONS

In accordance with 43 C.F.R. § 2920.9-2, the AO may carry out scheduled or unscheduled inspections, progress checks, or verifications of Lessee activities. Where desirable, the AO may utilize contractors with advance notice to the Lessee that a contractor has been retained for a specific inspection purpose to perform inspections, progress checks, or verifications. In the event of non-compliance, the AO will provide written findings concerning the non-compliance. The AO will provide reasonable time to cure, and Lessee shall take corrective action as required by the AO. Failure to cure non-compliance may result in termination or suspension of the Lease in accordance with 43 C.F.R. § 2920.3.

VIII. RIGHT OF FIRST REFUSAL

1. A lessee who has complied with 43 C.F.R. Part 2920 and the Lease shall, upon the expiration of the term of the Lease, have the right to a new lease and be the preferred user for a new Lease provided that the public lands are not needed for another use. The BLM shall always secure no less than full fair market value for the new lease and under these circumstances, the new lease shall be issued on a noncompetitive basis, as designated in CFR Title 43, 2920.5-4(b). However, by filing a proposal for amendment or new lease, the holder of the land use authorization shall be considered to have agreed to convert the entire authorization to the current statutory authority and the regulations in effect at the time of approval of the amendment or new lease.

2. Pursuant to any new lease, the BLM shall conduct environmental compliance, and comply with the National Environmental Policy Act, the National Historic Preservation Act, and the Endangered Species Act, and other applicable law, as necessary and applicable. The BLM shall also conduct an appraisal based on the rights provided to the Lessee pursuant to the Lease prior to the execution of a new lease to determine and document fair market value and cost recovery for the use of the Leased Property. BLM may also conduct an appraisal in the event of an assignment.

IX. PROPERTY RIGHTS

1. Federal Lands. Nothing contained in this Lease vests in the Lessee any property interest in the Leased Property described herein. No lien or encumbrance shall be placed upon any Leased Property by the Lessee or any contractor performing work for the Lessee. However, a lien or encumbrance may be placed against the value of the Lessee's possessory interest, with the authorization of the AO.

2. Real Property. Real Property shall not be altered, modified, or rehabilitated without the prior authorization of the AO.

3. Lessee Rights. The Lessee has:

a. The option to salvage any Lessee-owned improvements in accordance with 43 CFR 2920.9-3(d) upon termination, revocation or cancellation of the Lease, or in instances of overwhelming public need or safety, when the AO determines that commercial operations on these lands will be discontinued;

b. The option to transfer or assign this Lease to another only with the prior written approval of the AO and in accordance with 43 C.F.R. §§ 2920.2-3 and 2920.7(j).

X. MAINTENANCE

1. To meet the necessary maintenance requirements under this Lease, the Lessee will complete repairs and maintenance in accordance with the Maintenance Plan to ensure that the Leased Property, including all improvements, and business remain viable, are in good repair, and appropriate for the purposes described in this Lease. Additional repairs and maintenance may be required by the AO at any time for public health and safety reasons.

2. The Lessee will maintain and repair all facilities and improvements used in the operation of its business, including maintenance of all Leased Property and all necessary housekeeping activities associated with the operation to the satisfaction of the AO. In order that a high standard of physical appearance, operations, repair, and upkeep is maintained, regular maintenance examinations will be carried out by the AO, on a regular basis, and as determined by the AO. The Lessee may be required

to post a maintenance bond or establish a maintenance fund as determined to be necessary by the AO. When the AO notifies the Lessee in writing to provide remedy for identified maintenance deficiencies and the Lessee has been non-compliant in correcting the stated deficiencies, the AO may require the Lessee to provide a maintenance bond or establish a maintenance fund in an amount deemed necessary to cure the stated deficiencies.

XI. FEES

1. Rental Fee (Rent). Lessee shall pay in advance annually or otherwise as determined by the AO, a rental fee as determined by the AO. The rental fee for the use authorized at the time of any lease renewal will be based upon a fair market value appraisal in accordance with FLPMA and its implementing regulations 43 CFR § 2920.8.

Rental Fees Schedule: 2.0% increase annually is as follows:

Year Period	Payment
1. January [year] to January [year]	$[amount]
2. January [year] to January [year]	$[amount]
3. January [year] to January [year]	$[amount]
4. January [year] to January [year]	$[amount]
5. January [year] to January [year]	$[amount]
6. January [year] to January [year]	$[amount]
7. January [year] to January [year]	$[amount]
8. January [year] to January [year]	$[amount]
9. January [year] to January [year]	$[amount]
10. January [year] to January [year]	$[amount]
11. January [lease year 11] to January [termination year]	will be Determined

The above amounts are the total payment due to the Government. All cost recovery fees will be calculated and subtracted from this amount, per BLM policy, and the remaining amount (rent) will be deposited to the Treasury. In the event that the cost recovery fees exceed the calculated payment in the Rental Fees Schedule, the lessee is responsible for paying the cost recovery fees in lieu of the Rental Fee. The cost recovery fees may be adjusted annually, as necessary, the total due will be per the schedule above or the total cost recovery fees, whichever is greater.

2. Penalty for Late Fees. The rental fee required by the Lease is payable when due. If Lessee is late in paying the rental fee, the BLM shall charge a late charge of 1 percent per month of the unpaid amount or $15 per month, whichever is greater, and shall be assessed if subsequent billings are required. Failure to pay the rental fee in a timely manner by Lessee is cause for termination of the Lease.

XII. COST RECOVERY

1. In accordance with 43 U.S.C. § 1734(a), (b), and applicable BLM policy the BLM will recover the reasonable costs of processing and monitoring it incurs from administering the Lease. Lessee will reimburse the BLM for reasonable administrative and other costs incurred by the BLM in accordance with 43 U.S.C. § 1734(b), 43 C.F.R. 2920.6. Recovery of the costs outlined in this paragraph are separate and in addition to the rental required by 43 C.F.R 2920.8. Failure to reimburse the BLM for the costs outlined in this paragraph is cause for termination of the Lease.

2. Pursuant to 43 C.F.R. 2920.6, if the payment of the fees identified herein are determined by the BLM to exceed actual costs, a refund shall be made under authority of 43 U.S.C. § 1734.

XIII. ACCOUNTING RECORDS AND REPORTS

1. Accounting Records. The Lessee shall maintain all accounting records necessary for verified administration of this Lease for five (5) years after the end of each financial year, and shall keep all summary accounting records sufficient to enable a full audit of business transactions throughout the entire life of the lease term and for six years after the expiration of the Lease. The Lessee shall submit annual reports for each preceding calendar year by March of the subsequent year, giving all necessary information required under this Lease, which at a minimum shall consist of a financial statement reviewed by a Certified Public Accountant, in accordance with generally accepted accounting principles, all contracts issued by the Lessee, and any maintenance or improvement records associated with the Leased Property. However, no person with a financial interest in this Lease may act as the Certified Public Accountant of Record. With reasonable notice, the AO may audit, partially or in full, all financial records of Lease operations.

2. Effect of Record Keeping on Past Performance. The AO shall consider the timeliness, fullness, and correctness of accounting information submitted when evaluating Lessee's past performance.

XIV. TRANSFER

Lessee has the option to transfer or assign this Lease to another with prior written approval by the AO and in accordance with 43 C.F.R. § 2920.7(j).

XV. AMENDMENTS

BLM and Lessee may make such amendments, modifications, revisions, supplements or· deletions of any of the terms, conditions, or requirements of the Lease with the mutual written consent of the parties and in accordance with federal law. Any such amendment, modification, revision, supplement or deletion must be in writing and executed by both parties.

However, BLM retains the unilateral right to amend the Lease to comply with applicable laws, regulations, and policy. BLM will provide Lessee with the proposed amended language in writing at least 90 days prior to making the amendment effective. In the event the Lessee does not wish to continue under the lease, due to the proposed unilateral amendment, the Lessee may cancel the lease within 90 days of receiving the proposed unilateral amendment by notifying the AO in writing.

XVI. TERMINATION AND SUSPENSION

1. This Lease shall terminate upon expiration of its term or in accordance with 43 C.F.R. § 2920.9-3. The Lease may also be suspended in accordance with 43 C.F.R. § 2920.9-3.
2. Upon termination, revocation or cancellation of a land use authorization, the holder shall remove all structures and improvements consistent with paragraph 4 of section VI, *supra*, entitled PLAN OF DEVELOPMENT, OPERATIONS PLAN, MAINTENANCE PLAN, AND RECLAMATION.

XVII. PROCEEDINGS IN CASE OF LESSEE NONCOMPLIANCE

If Lessee fails to comply with applicable laws, regulations, or the terms/conditions of this Lease, the BLM may terminate this Lease. This provision will not be construed to prevent the exercise by the BLM of any other legal and equitable remedy, including waiver of the noncompliance. Any such

remedy or waiver will not prevent later termination for the same non-compliance at any other time.

XVIII. DAMAGE TO OR DESTRUCTION OF AREAS USED OR OPERATED BY LESSEE

1. All injury, damage, or destruction of the Leased Property caused by the Lessee, its invitees, agents, employees, including but not limited to any contractor and its agents, or employees, shall be repaired, restored, or replaced promptly by the Lessee within a reasonable period of time at Lessee's sole cost and expense to the satisfaction of the AO. Failure of the Lessee to provide the repairs may be cause for Lease termination.

2. Lessee shall carry comprehensive general liability insurance in the amount of [liability insurance amount]. The Lessee also may be required to carry casualty insurance of a type and in amounts typical of similar business operations, for example, hazmat, fire, or other named perils, as directed by the AO, and consistent with good business practices. The Lessee will maintain a current original certificate of insurance. The Lessee shall provide a 30-day notice in writing to the AO of any voluntary change in insurance coverage and shall notify the AO within 48 hours of any change imposed by the current insurance company. Failure to meet the requirements of this provision will constitute a material breach of the Lease by the Lessee.

3. Lessee shall purchase commercial property insurance in the amount of [property insurance amount]. This insurance coverage shall be sufficient to cover the cost of major repair, catastrophic loss, or damage.

4. Lessee shall name the BLM as an additional insured or co-insured on the liability insurance, casualty insurance (if required), and commercial property insurance required by this Lease.

5. If BLM is required to repair any damage caused by the Lessee as outlined supra, the Lessee is responsible for payment of all repair and replacement costs and expenses regardless of whether such costs and expenses exceed insurance proceeds for damage to the Leased property.

XIX. INDEMNITY

1. By accepting this Lease and, to the extent allowed by law, Lessee agrees to indemnify, defend, and hold harmless the United States from any cost, damages, claims, causes of action, penalties, fines, liabilities, and judgments of any kind or nature arising from past, present, and future acts or omissions of the Lessee, its employees, agents, contractors, or lessees, or any third party, arising out of, or in connection with the Lessee's use, occupancy, or operations on the real property that has already resulted or does hereafter result in:

a) Violations of Federal, state, and local laws and regulations that are now, or may in the future, become applicable to the real property;
b) Judgments, claims, and demands of any kind assessed against the United States;
c) Cost, expense, or damages of any kind incurred by the United States;
d) Releases or threatened releases on, into, or under land, property and other interests of the United States by solid or hazardous waste(s) or substance(s) as defined by Federal and state law;
e) Natural resource damages as defined by Federal and state law; or
f) Other activities by which solid or hazardous substances or wastes, as defined by Federal and state law, were generated, used, stored, released, or otherwise disposed of on the real property, and any cleanup, response, or remedial action, or other action related in any manner to said solid or hazardous substances or wastes.

2. The Lessee agrees to defend, indemnify, release, and hold the United States harmless against any liability, claims, suits, judgments, damages, injuries, losses, or costs (including investigation and remediation costs and attorneys' fees) arising from the release of any Waste Material on the Leased Property. This agreement applies without regard to whether a release is caused by the Lessee, its agent, or unrelated third parties. For purposes of this Paragraph, the term "Waste Material" shall include (a) any hazardous substance under section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. § 9601(14); (b) any pollutant or contaminant under section 101(33) of CERCLA, 42 U.S.C. § 9601(33); (c) any solid waste under section 1004(27) of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. § 6903(27); and (d) any petroleum fuel, product, or waste, including crude oil or any fraction thereof.

XX. NON-PERSONAL SERVICES

This Lease constitutes an agreement for "non-personal services". It is therefore, understood by the parties that the Lessee's and/or the Lessee ' s employees shall pursuant to the BLM' s right and obligation to inspect, accept or reject work, comply with such general direction of the AO, or the duly authorized representative, as is necessary to ensure accomplishment of the lease objectives.

XXI. NONDISCRIMINATION AND CIVIL RIGHTS

1. Nondiscrimination. The Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, shall not discriminate or exclude on the grounds of race, color, national origin, sex, age, sexual orientation, or handicap from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of facilities thereon, and Lessee shall, use the Leased Property in compliance with all other requirements imposed by or pursuant to Federal law.

2. Civil Rights. The Lessee shall comply with all pertinent statutes, Executive Orders, and such rules that are promulgated to assure that no person shall on grounds of race, creed, color, national origin, sex, age, sexual orientation or handicap be excluded from participating in any activity on the federal lands conducted with or benefitting from the operation of this lease with the BLM.

Appendices: The Appendices listed below and attached to this lease are hereby incorporated by reference and made a part of this lease.

A. Terms and Conditions
B. Legal Description of Leased Land
C. Schedule of Improvements
D. Plan of Development

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed this _____day of _____.

Bureau of Land Management (BLM)

Date: _____ By: _____

[lessee]

Date: _____ By: _____