U.S. DEPARTMENT OF AGRICULTURE
Forest Service
SPECIAL USE PERMIT FOR
CAMPGROUND AND RELATED GRANGER-THYE CONCESSIONS
Authority: Section 7 of the Granger-Thye Act, 16 U.S.C. 580d
(Ref. FSM 2710)

Parks Management Company, PO Box 1018, Templeton, CA. 93465

Parks Management Company (the holder) is hereby authorized to use and occupy National Forest System lands,
subject to the conditions below, on the Los Padres National Forest
for operating and maintaining Forest Service developed recreation sites on the Los Padres National Forest.

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<th>FACILITY</th>
<th>LEGAL DESCRIPTION</th>
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This permit covers 294 acres, which are described above and are as shown on the location map attached to and made a part of this permit. The above described area shall be referred to herein as the permit area.

This permit is issued for the purpose of operating and maintaining a Forest Service developed recreation site(s) as provided herein and in the attached annual operating plan (Appendix A), annual Granger-Thye fee offset agreement (Appendix B), holder maintenance and reconditioning plan (Appendix C), recreation site maps (Appendix D), facility and improvement inventory (Appendix E), “Operation of Federally Owned Drinking Water Systems” (Appendix F), and Facility List (Appendix G), all of which are hereby made a part of this permit.

I. AUTHORITY AND GENERAL TERMS OF THE PERMIT

A. AUTHORITY. This permit is issued under Section 7 of the Granger-Thye Act, 16 U.S.C. 580d, and 36 CFR Part 251, Subpart B, as amended, and is subject to their provisions.

B. AUTHORIZED OFFICER. The authorized officer is the Forest Supervisor who issued this permit or a delegated subordinate officer.

C. TERM. This permit shall expire at midnight on October 31, 2021, five (5) years from the date of issuance, provided that the permit term may be extended up to 5 years by amendment at the sole discretion of the authorized officer based on sustained satisfactory performance or administrative need. Expiration of this permit shall not require notice, a decision document, or any environmental analysis or other documentation.

D. RENEWAL. This permit is not renewable. After it expires, continuation of the type of use and occupancy authorized by this permit shall be at the sole discretion of the authorized officer. After expiration, issuance of a new permit for the type of use and occupancy authorized by this permit shall be subject to competition.

E. AMENDMENT. This permit may be amended in whole or in part by the Forest Service when at the discretion of the authorized officer such action is deemed necessary or desirable to incorporate new terms that may be required by law, regulation, forest land and resource management plans, or other management decisions.

F. COMPLIANCE WITH LAWS, REGULATIONS, AND OTHER LEGAL REQUIREMENTS. In exercising the rights and privileges granted by this permit, the holder shall comply with all present and future federal laws and regulations
and all present and future state, county, and municipal laws, regulations, and other legal requirements that apply to the permit area, to the extent they do not conflict with federal law, regulation, or policy. The Forest Service assumes no responsibility for enforcing laws, regulations, and other legal requirements that fall under the jurisdiction of other governmental entities.

G. NON-EXCLUSIVE USE. The use and occupancy authorized by this permit is not exclusive. The Forest Service reserves the right of access to the permit area, including a continuing right of physical entry to the permit area for inspection, monitoring, or any other purpose consistent with any right or obligation of the United States under any law or regulation. The Forest Service reserves the right to allow others to use the permit area in any way that is not inconsistent with the holder's rights and privileges under this permit, after consultation with all parties involved. Except for any restrictions that the holder and the authorized officer agree are necessary to protect the installation and operation of authorized improvements, the permit area shall remain open to the public for all lawful purposes. To facilitate public use of this area, all existing roads shall remain open to the public, except for roads that may be closed by joint agreement of the holder and the authorized officer.

H. CHANGE IN CONTROL

1. Notification. The holder shall notify the authorized officer when a change in control of the business entity that holds this permit is contemplated. If the holder is a corporation, change in control means the sale or transfer of a controlling interest in the corporation. If the holder is a partnership or a limited liability company, change in control means the sale or transfer of a controlling interest in the partnership or limited liability company. If the holder is an individual, change in control means the sale or transfer of the business to another party.

2. Termination. This permit is not transferable. Any change in control of the business entity as defined in clause I.H.1 shall cause this permit to terminate upon issuance of a new permit to another party for the use and occupancy authorized by this permit. The party who acquires control of the business entity must submit an application for a permit for the type of use and occupancy authorized by this permit. Issuance of a new permit to the party acquiring control shall be at the sole discretion of the authorized officer. The authorized officer shall determine that the applicant meets requirements under federal regulations. If a new permit is issued to the party acquiring control, the term shall be for no more than the balance of the term of this permit. Once the permit issued to the party acquiring control expires, issuance of a new permit for the type of use and occupancy authorized by this permit shall be subject to competition.

I. LIMITATIONS. Nothing in this permit gives or implies permission to build or maintain any structure or facility or to conduct any activity, unless specifically provided for in this permit. Any use not specifically identified in this permit must be approved by the authorized officer through a new permit or a permit amendment.

II. OPERATIONS, MAINTENANCE, AND RECONDITIONING

A. ANNUAL OPERATING PLAN

1. The holder or his/her designated representative shall prepare and annually revise by [September 30] an annual operating plan. The annual operating plan shall be prepared in consultation with the authorized officer or his/her designated representative and shall cover all operations authorized by this permit, regardless of season. The annual operating plan shall be submitted by the holder and approved by the authorized officer or his/her designated representative prior to the operating season.

2. The annual operating plan shall specify the operational requirements governing the sites covered by this permit. At a minimum, the annual operating plan shall enumerate the minimum operating seasons; how the holder will provide services to the public; protect public health and safety and the environment; and repair, maintain, or enhance the function of the improvements covered by this permit. The annual operating plan shall contain standards and sufficient detail to enable the Forest Service to monitor operations for compliance.

3. The holder shall perform a condition survey of the water system each year before it is opened. The holder shall prepare a brief written report that notes all deficiencies that may render compliance with Appendix F of this permit (Operation of Federally Owned Drinking Water Systems) and other applicable regulatory requirements infeasible. The condition survey report shall also include a detailed description of all water system deficiencies and/or repair work which the holder has identified as requiring corrective action in order for the system to be in compliance with Appendix F of this permit and applicable Federal and State safe drinking water regulation. If repair work is necessary, a repair plan shall be attached to the condition survey report. The repair plan shall identify all water system components requiring repair, estimated costs for repair and the approximate time schedule to complete the repair. The report shall be sent to the authorized officer at least two weeks prior to opening the system for the season. All deficiencies shall be corrected to the satisfaction of the Forest Service prior to opening the system. Corrections and the date they were made shall be
recorded in the condition survey. If the system operates throughout the year, the condition survey shall be submitted to the Forest Service by January 15 each year.

B. MINIMUM USE AND OCCUPANCY. Use and occupancy of the permit area shall be exercised at least 365 days each year, unless otherwise authorized in writing under additional terms of this permit.

C. GRANGER-THYE FEE OFFSET AGREEMENT. Government maintenance and reconditioning projects shall be performed in accordance with an annual Granger-Thye fee offset agreement as provided in clause IV.E.2 of this permit.

D. HOLDER MAINTENANCE, RECONDITIONING OR RENOVATION PLAN. The holder at its expense shall perform holder maintenance, reconditioning, or renovation as defined in clause IV.E.1(d) of this permit under a holder maintenance, reconditioning, or renovation plan approved by the Forest Service. The holder maintenance, reconditioning, or renovation plan shall describe required holder maintenance, reconditioning, or renovation responsibilities and their frequency. The work performed under this plan shall not be subject to fee offset under clause IV.E.

The holder shall maintain all equipment and other facilities on site in good repair and free of leakage of lubricants, fuel, coolants, and hydraulic fluid. The holder shall properly dispose of all hazardous waste- contaminated soil, vegetation, debris; vehicle oil filters (drained of free-flowing oil); oily rags; and waste oil in accordance with local, State, and Federal regulations off of Government property and shall transport such substances, or arrange to have such substances transported in accordance with State and Federal regulations.

E. ALTERATION OF GOVERNMENT IMPROVEMENTS. If during the term of this permit any government-owned improvements are altered in any way, the material, equipment, fixtures or other appurtenances that are affixed to or made a part of those improvements in connection with the alteration shall become the property of the United States, regardless of whether the work is performed by the holder or any other party. The holder shall not be entitled to any compensation for that property, other than to the extent it qualifies for fee offset under clause IV.E.

F. RESPONSIBILITY FOR DAY-TO-DAY ACTIVITIES. As a general rule, the holder shall conduct the day-to-day activities authorized by this permit. Some but not all of these activities may be conducted by a party other than the holder, but only with prior written approval of the authorized officer. The holder shall continue to be responsible for compliance with all the terms of this permit.

G. REMOVAL AND PLANTING OF VEGETATION. This permit does not authorize the cutting of timber or other vegetation. Trees or shrubbery may be removed or destroyed only after the authorized officer or his/her designated agent has approved and marked what may be removed or destroyed. Timber cut or destroyed shall be paid for at current stumpage rates for similar timber in the National Forest. The Forest Service reserves the right to dispose of the merchantable timber to those other than the holder at no stumpage cost to the holder. Unmerchantable material shall be disposed of as directed by the authorized officer. Trees, shrubs, and other plants may be planted in the permit area as approved by the authorized officer.

H. SIGNS. Signs or other advertising posted on National Forest System lands shall be subject to prior written approval of the authorized officer as to location, design, size, color, and content. Erected signs shall be maintained to standards determined by the Forest Service.

I. NONDISCRIMINATION.

1. The holder and its employees shall not discriminate against any person on the basis of race, color, sex (in educational activities), national origin, age, or disability or by curtailing or refusing to furnish accommodations, facilities, services, or use privileges offered to the public generally. In addition, the holder and its employees shall comply with the provisions of Title VI of the Civil Rights Act of 1964 as amended, Section 504 of the Rehabilitation Act of 1973, as amended, Title IX of the Education Amendments of 1972, as amended, and the Age Discrimination Act of 1975, as amended.

2. The holder shall include and require compliance with the above nondiscrimination provisions in any third- party agreement made with respect to the operations authorized under this permit.

3. Signs setting forth this policy of nondiscrimination to be furnished by the Forest Service shall be conspicuously displayed at the public entrance to the premises, and at other exterior or interior locations as directed by the Forest Service.
4. The Forest Service shall have the right to enforce the foregoing nondiscrimination provisions by suit for specific performance or by any other available remedy under the laws of the United States or the State in which the violation occurs.

J. EQUAL ACCESS TO FEDERAL PROGRAMS. In addition to the above nondiscrimination policy, the holder agrees to insure that its programs and activities are open to the general public on an equal basis and without regard to any non-merit factor.

K. NATIONAL RECREATION RESERVATION SERVICE (NRRS). The NRRS is the only authorized reservation service to be utilized by the holder. No other reservation service of any kind may be used by the holder. Operational procedures for the NRRS will be developed and placed in the annual operating plan.

III. RIGHTS AND LIABILITIES

A. LEGAL EFFECT OF THE PERMIT. This permit is revocable and terminable. It is not real property, does not convey any interest in real property, and may not be used as collateral for a loan.

B. THIRD-PARTY RIGHTS. This permit is subject to all valid rights and claims of third parties. The United States is not liable to the holder for the exercise of any such right or claim.

C. ABSENCE OF THIRD-PARTY BENEFICIARY RIGHTS. The parties to this permit do not intend to confer any rights on any third party as a beneficiary under this permit, including any party who has responsibility for any day-to-day activities authorized by this permit, if approved by the authorized officer under clause II.F.

D. WATER FACILITIES AND WATER RIGHTS

1. Water Facilities. No ditch, reservoir, well, spring, seepage, or other facility to pump, divert, store, or convey water (hereinafter “water facilities”) for which the point of diversion, storage, or withdrawal is on National Forest System (NFS) lands may be initiated, developed, certified, or adjudicated by the holder unless expressly authorized in this permit. The authorization of any water facilities in the permit area is granted to allow use of water only in connection with the [recreation residence, resort, marina, or specify use] authorized by this permit. If the use of any water facilities in connection with this [recreation residence, resort, marina, or specify use] ceases, the authorization to use any associated water facilities terminates. The United States may place conditions on installation, operation, maintenance, and removal of water facilities that are necessary to protect public property, public safety, and natural resources on NFS lands in compliance with applicable law. Any change in a water facility, including a change in the ownership or beneficial use of water or location of use of water from a water facility, that is not expressly authorized in this permit shall result in termination of the authorization for that water facility.

2. Water Rights. This permit does not confer any water rights on the holder. The term “water rights” includes all authorizations, such as certificates, reservations, decrees, or permits, for water use issued under state law. Any necessary water rights must be acquired and maintained by the holder in accordance with State law and the terms of this permit. After this permit is issued, all water rights obtained by the holder for facilities that divert or pump water from sources located on NFS lands for use on NFS lands, whether authorized or unauthorized, are for the benefit of the United States and shall be acquired in the name of the United States. Any expenses for acquiring and maintaining water rights shall be the responsibility of the holder and not the responsibility of the United States. The United States reserves the right to take all actions necessary to maintain and protect any right to divert and use water on site.

WATER RIGHTS HELD IN THE NAME OF THE UNITED STATES (if none, so state)

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<th>State ID #</th>
<th>Owner</th>
<th>Purpose of Use</th>
<th>Decree, License, or Certificate #</th>
<th>Point of Diversion</th>
<th>Point of Use</th>
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E. RISKS. The holder assumes all risk of the authorized improvements. Loss to the authorized improvements may result from but is not limited to theft, vandalism, fire and any fire-fighting activities (including prescribed burns), avalanches, rising waters, winds, falling limbs or trees, and acts of God. If the authorized improvements are destroyed or substantially damaged, the authorized officer shall conduct an analysis to determine whether the improvements can be safely occupied in the future and whether rebuilding should be allowed. If rebuilding is not allowed, this permit shall terminate.

F. DAMAGE TO UNITED STATES PROPERTY. The holder has an affirmative duty to protect from damage the land, property, and other interests of the United States that are associated with the use and occupancy authorized by this permit. Damage includes but is not limited to destruction or damage to National Forest lands covered by this permit, fire suppression costs, and destruction of or damage to government-owned improvements covered by this permit.

1. The holder shall be liable for all injury, loss, or damage, including fire suppression, or other costs in connection with rehabilitation or restoration of natural resources associated with the use and occupancy authorized by this permit. Compensation shall include but not be limited to the value of resources damaged or destroyed, the costs of restoration, cleanup, or other mitigation, fire suppression or other types of abatement costs, and all administrative, legal (including attorney's fees), and other costs in connection therewith.

2. The holder shall be liable for damage to all roads and trails of the United States open to public use caused by use of the holder or the holder's heirs, assigns, agents, employees, contractors, or lessees to the same extent as provided under clause III.F.1, except that liability shall not include reasonable and ordinary wear and tear.

G. HEALTH, SAFETY, AND ENVIRONMENTAL PROTECTION. The holder shall take all measures necessary to protect the health and safety of all persons affected by the use and occupancy authorized by this permit. The holder shall promptly abate as completely as possible and in compliance with all applicable laws and regulations any physical or mechanical procedure, activity, event, or condition existing or occurring before, during the term of this permit or existing or occurring after the term of this permit and arising out of or relating to any activity, event, or condition existing or occurring during the term of this permit that causes or threatens to cause: a hazard to the safety of workers or to public health or safety. The holder shall as soon as practicable notify the authorized officer of all serious accidents that occur in connection with such activities. The Forest Service has no duty under the terms of this permit to inspect the permit area or operations and activities of the holder for hazardous conditions or compliance with health and safety standards.

H. ENVIRONMENTAL PROTECTION

1. For purposes of clauses III.I and V, "hazardous material" shall mean (a) any hazardous substance under section 101(14) of 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 petroleum product or its derivative, including fuel oil, and waste oils; and (d) any hazardous substance, extremely hazardous substance, toxic substance, hazardous waste, ignitable, reactive or corrosive materials, pollutant, contaminant, element, compound, mixture, solution or substance that may pose a present or potential hazard to human health or the environment under any applicable environmental laws.

2. The holder shall avoid damaging or contaminating the environment, including but not limited to the soil, vegetation (such as trees, shrubs, and grass), surface water, and groundwater, during the holder's use and occupancy of the permit area. Environmental damage includes but is not limited to all costs and damages associated with or resulting from the release or threatened release of a hazardous material occurring during or as a result of activities of the holder or the holder's heirs, assigns, agents, employees, contractors, or lessees on, or related to, the lands, property, and other interests covered by this permit. If the environment or any government property covered by this permit becomes damaged in connection with the holder's use and occupancy, the holder shall as soon as practicable repair the damage or replace the damaged items to the satisfaction of the authorized officer and at no expense to the United States.

3. The holder shall as soon as practicable, as completely as possible, and in compliance with all applicable laws and regulations abate any activity or condition arising out of or relating to the authorized use and occupancy that causes or threatens to cause harm to the environment, including areas of vegetation or timber, fish or other wildlife populations, their habitats, or any other natural resources.

I. INDEMNIFICATION OF THE UNITED STATES. The holder shall indemnify, defend, and hold the United States harmless for any costs, damages, claims, liabilities, and judgments arising from past, present, and future acts or omissions of the holder in connection with the use and occupancy authorized by this permit. This indemnification and hold harmless provision includes but is not limited to acts and omissions of the holder or the holder's heirs, assigns, agents, employees, contractors, or lessees in connection with the use and occupancy authorized by this permit which result in: (1) violations of any laws and regulations which are now or which may in the future become applicable, and
including but not limited to those environmental laws listed in clause V.A of this permit; (2) judgments, claims, demands, penalties, or fees assessed against the United States; (3) costs, expenses, and damages incurred by the United States; or (4) the release or threatened release of any solid waste, hazardous waste, hazardous material, pollutant, contaminant, oil in any form, or petroleum product into the environment. The authorized officer may prescribe terms that allow the holder to replace, repair, restore, or otherwise undertake necessary curative actions to mitigate damages in addition to or as an alternative to monetary indemnification.

J. INSURANCE. The holder shall furnish proof of insurance, such as a certificate of insurance, to the authorized officer prior to issuance of this permit and each year thereafter that this permit is in effect. The Forest Service reserves the right to review and approve the insurance policy prior to issuance. The holder shall send an authenticated copy of any insurance policy obtained pursuant to this clause to the Forest Service immediately upon issuance of the policy. Any insurance policies obtained by the holder pursuant to this clause shall name the United States as an additional insured, and the additional insured provision shall provide for insurance coverage for the United States as required under this clause. Such policies shall also specify that the insurance company shall give 30 days' prior written notice to the Forest Service of cancellation of or any modification to the policies. Minimum amounts of coverage and other insurance requirements are subject to change at the sole discretion of the authorized officer on the anniversary date of this permit.

1. Liability. The holder shall have in force liability insurance covering losses associated with the use and occupancy authorized by this permit arising from personal injury or death and third-party property damage in the minimum amount of:

- $100,000 for injury or death to one person,
- $300,000 for injury or death to more than one person, and
- $25,000 for third-party property damage.

2. Property. The holder shall have in force property insurance for the Fed. Govt. in the minimum amount of

- $300,000 which represents replacement of the insured property. The types of loss to be covered by this clause shall include but not be limited to damage to Government-owned improvements identified herein. At the sole discretion of the authorized officer, the Forest Service may require the holder to use all proceeds from property damage insurance policies to repair, rebuild, restore, or replace damaged government property covered by the policy, or may obtain payment of those proceeds from the concessionaire or the insurance company.

Depending on the holder's operations, the Forest Service may require the holder to demonstrate the availability of funds to address any release or threatened release of hazardous materials that may occur in connection with the holder's use and occupancy. Any requirements imposed would be established on a case-by-case basis by the authorized officer based on the degree of environmental risk from the holder's operations. The use and storage of normal campground maintenance items in nominal amounts would generally not trigger financial assurance requirements.

K. PERFORMANCE BOND. The authorized officer may at any time during the term of this permit require the holder to furnish a bond or other security to secure any or all of the obligations imposed by the terms of this permit or any applicable law, regulation, or order. The following terms shall apply if a bond is required.

1. Amount and Form of Bonding. As a further guarantee of compliance with the terms of this permit, the holder agrees to deliver and maintain a surety bond or other acceptable security in the amount of N/A. In lieu of a bond, the holder may deposit and maintain in a federal depository cash in the foregoing amount or negotiable securities of the United States having a market value at the time of deposit of at least the foregoing dollar amount.

2. Sufficiency of Bonding. The authorized officer may periodically evaluate the adequacy of the bond and increase or decrease the amount as appropriate. Should the bond or other security delivered under this permit become unsatisfactory to the Forest Service, the holder shall within 30 days of demand furnish a new bond or other security issued by a surety that is solvent and satisfactory to the Forest Service.

3. Remedies. The bond shall provide that at the Forest Service's sole discretion the surety shall pay the United States for any loss covered by the bond or, in the event of complete default under the permit, shall pay a third party to operate the concession for the balance of the permit term. The bond shall also provide that selection of a third party to operate the site is subject to Forest Service approval. If the holder fails to meet any of the requirements secured under this clause, the Forest Service has the discretion to require the surety to pay the United States for any loss covered by the bond or, in the event of complete default under the permit, to pay a third party to operate the concession for the balance of the permit term, without prejudice to any other rights and remedies of the United States.
L. SANITATION. The operation and maintenance of all sanitation and food service systems and facilities shall comply with applicable standards set by state and local health departments.

M. REFUSE DISPOSAL. The holder shall comply with all applicable federal, state, and local requirements related to disposal of any refuse resulting from the use and occupancy authorized by this permit.

IV. PERMIT FEES AND ACCOUNTING RECORDS

A. PERMIT FEES. The holder shall pay to the USDA, Forest Service, an annual permit fee for the term of this permit based on the market value of the use and occupancy authorized by this permit of ten (10) percent of adjusted gross revenue as defined in clause IV.B. The minimum annual permit fee for the authorized use and occupancy shall be $50,316. If the percentage of gross revenue in a given year is less than the minimum annual permit fee, the holder shall pay the minimum annual permit fee. The holder shall pay the permit fee in advance of the authorized use and occupancy, as provided in clause IV.C. Payments due before commercial operations commence pursuant to clause IV.C.1 are not refundable, except to the extent they are subject to fee offset under clause IV.C.3 and IV.E. The Forest Service may adjust the minimum permit fee every five years from the due date of the first annual payment to make the annual permit fee commensurate with the market value of the authorized use and occupancy.

B. DEFINITIONS

1. Adjusted Gross Revenue. Gross revenue plus applicable revenue additions, minus applicable revenue exclusions.

2. Gross Revenue. The total amount of receipts from the sale of goods or services provided by the holder or third party under the permit.

3. Revenue Additions. The following are added to gross revenue:
   (a) The value of goods and services that are donated or bartered; and
   (b) The value of gratuities, which are goods, services, or privileges that are not available to the general public.

4. Revenue Exclusions. The following are excluded from gross revenue:
   (a) Amounts paid or payable to a state licensing authority.
   (b) Revenue from the sale of operating equipment and from capitalized or other assets used in authorized operations.
   (c) Refunds of use fees provided to the public by the holder.

C. PAYMENT SCHEDULE

1. Initial Payment. An initial cash payment representing the portion of the estimated annual permit fee for one month of revenue during the operating season (but not less than $1,500, unless the total permit fee is less than $1,500) shall be paid in advance of use each year, or the equivalent of that initial cash payment in Granger-Thye (GT) fee offset work shall be performed, beginning when the permit term commences or beginning when use commences each year thereafter. Any initial cash payment is not refundable, except to the extent that all or part of it may be offset by the cost of work performed pursuant to a GT fee offset agreement as provided in clauses IV.C.3 and IV.E.2.

2. Subsequent Payments. The holder shall report sales, calculate fees due, and make payment each month.

D. GRANGER-THYE FEE OFFSET. Pursuant to 16 U.S.C. 580d, the Forest Service may offset all or part of the permit fee by the amount paid by the holder for maintenance, renovation, reconditioning, and improvement deemed to be the government's responsibility, as defined below, of federally owned improvements and their associated land.

1. Definitions

   (a) Maintenance. Actions taken to keep fixed assets in an acceptable condition, including preventive maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve a fixed asset so that it continues to provide acceptable service and achieves its expected life, and work needed to comply with laws, regulations, codes, and other legal requirements as long as the original intent or purpose of the fixed asset is not changed, but not including activities aimed at expanding the capacity of an asset or otherwise upgrading it to serve needs different from or significantly greater than those originally intended, such as construction of new facilities.
(b) Improvement. Advancing a fixed asset to a better quality or state or adding a new fixed asset to the authorized improvements under the permit, including replacement, such as, substitution of a fixed asset or any of its components with one having essentially the same capacity and purpose. Improvement is always the responsibility of the Government rather than the holder.

(c) Reconditioning or Renovation. A type of maintenance, other than construction of new facilities, that rehabilitates an existing fixed asset or any of its components to restore the functionality or life of the asset.

(d) Holder Maintenance, Reconditioning, or Renovation. Maintenance, reconditioning, or renovation (MRR) that neither materially adds to the value of the property nor appreciably prolongs its life and that serves only to keep the facility in an ordinary, efficient operating condition, such as, from an accounting or tax perspective, work that may be expensed, but not capitalized, including but not limited to interior decorating, interior painting, vandalism repair, repair of broken windows, light bulb replacement, cleaning, unplugging drains, drive belt replacement, preventive maintenance, lubrication of motors, greasing, servicing, inspecting, oiling, adjusting, tightening, aligning, watering, weeding, sweeping, waxing, refinishing picnic tables, routine housekeeping, and general snow removal.

(e) Government Maintenance, Reconditioning, Renovation, or Improvement. Maintenance reconditioning, renovation, or improvement (MRRI) that arrests deterioration, improves and upgrades facilities, and appreciably prolongs the life of the property, including but not limited to installing a new roof, new floor, or new siding; rebuilding boilers; replacing pipes, pumps, and motors; repairing or maintaining the paths, lands, walks, walls, or landscaping adjacent to other federally owned structures; replacing vault toilets with flush facilities, paving interior roads, upgrading facilities, and installing utilities; and performing exterior painting and refinishing (other than repair of unsightly visual marks caused by everyday use) and that is performed at the sole discretion of the authorized officer.

2. Granger-Thye Fee Offset Agreement. Before issuance of this permit and before each operating season thereafter, the Forest Service and the holder shall annually enter into a written Granger-Thye fee offset agreement that specifies the government maintenance, reconditioning, renovation and improvement (MRRI) to be used to offset the permit fee. The agreement shall enumerate the portion of the permit fee to be offset by the cost of work performed by the holder and the schedule for completion of offset work; which projects are to be used for offset that year; standards for completion of the projects; and examples of allowable costs.

E. HOLDER-PERFORMED FEE OFFSET WORK

1. Work in Lieu of Cash Payments. Notwithstanding clauses IV.A and C, the cost of work performed by the holder pursuant to a Granger-Thye fee offset agreement as provided in clause IV.D.2 may be credited in lieu of cash payments against the annual permit fee, provided that the work has been accomplished in accordance with the Granger-Thye fee offset agreement and has been accepted as completed by the Forest Service before the end of the holder’s fiscal year. In the absence of an approved fee offset agreement, payment shall be made in accordance with clauses IV.A and C.

2. Documentation of Expenses. Prior to reimbursement or credit for Granger-Thye fee-offset work, the holder shall submit sufficient documentation to allow the authorized officer to determine that the costs claimed are allocable to the Granger-Thye fee offset agreement, actual, reasonable, and not unallowable.

3. Final Payment. The Forest Service shall reconcile annually the actual permit fee against permit fee payments made and credit given by the Forest Service for fee offset work. The holder shall pay any additional fees owed for the past year’s operations within 30 days of billing.

4. Overpayment. Overpayment of the permit fee will be reimbursed by the Forest Service only if paid pursuant to clause IV.A. Credit for offset work pursuant to clause IV.D.2 is limited to the amount of the annual permit fee; expenses will not be reimbursed if they are greater than the annual permit fee.

F. HOLDER MAINTENANCE, RECONDITIONING OR RENOVATION (MRR) PLAN. The holder at its expense shall perform holder MRR as defined in clause IV.D.1(d) of this permit under a holder MRR plan approved by the Forest Service. The holder MRR plan shall describe required holder MRR and their frequency. The work performed under the holder MRR plan shall not be subject to fee offset under clause IV.D.2.

G. FEE PAYMENT ISSUES

1. Crediting of Payments. Payments shall be credited on the date received by the deposit facility, except that if a payment is received on a non-workday, the payment shall not be credited until the next workday.
2. Disputed Fees. Fees are due and payable by the due date. No appeal of disputed fees will be considered by the Forest Service without full payment of the disputed amount. Adjustments will be made if dictated by settlement terms or an appeal decision.

3. Late Payments

(a) Interest. Pursuant to 31 U.S.C. 3717 et seq., interest shall be charged on any fee amount not paid within 30 days from the date it became due. The rate of interest assessed shall be the higher of the Prompt Payment Act rate or the rate of the current value of funds to the Treasury (i.e., the Treasury tax and loan account rate), as prescribed and published annually or quarterly by the Secretary of the Treasury in the Federal Register and the Treasury Fiscal Requirements Manual Bulletins. Interest on the principal shall accrue from the date the fee amount is due.

(b) Administrative Costs. If the account becomes delinquent, administrative costs to cover processing and handling the delinquency shall be assessed.

(c) Penalties. A penalty of 6% per annum shall be assessed on the total amount that is more than 90 days delinquent and shall accrue from the same date on which interest charges begin to accrue.

(d) Termination for Nonpayment. This permit shall terminate without the necessity of prior notice and opportunity to comply when any permit fee payment is 90 calendar days from the due date in arrears. The holder shall be responsible for the delinquent fees, as well as any other costs of restoring the site to its original condition, including hazardous waste cleanup.

4. Administrative Offset and Credit Reporting. Delinquent fees and other charges associated with the permit shall be subject to all rights and remedies afforded the United States pursuant to 31 U.S.C. 3711 et seq. and common law. Delinquencies are subject to any or all of the following:

(a) Administrative offset of payments due the holder from the Forest Service.

(b) If in excess of 60 days, referral to the Department of the Treasury for appropriate collection action as provided by 31 U.S.C. 3711(g)(1).

(c) Offset by the Secretary of the Treasury of any amount due the holder, as provided by 31 U.S.C. 3720 et seq.

(d) Disclosure to consumer or commercial credit reporting agencies.

H. ACCOUNTING RECORDS AND ACCESS. The holder shall follow generally accepted accounting principles or other cash basis of accounting in recording financial transactions. When requested by the Forest Service, the holder at its own expense shall have its annual accounting records audited by an independent public accountant acceptable to the Forest Service. The holder shall require any party who has responsibility for any day-to-day activities under clause II.F of this permit to comply with these same requirements. The holder shall make all of the accounting books and supporting records for the business activities authorized by this permit, as well as those of any parties authorized to operate under clause II.F of this permit, available for audit by the Forest Service or other federal agencies authorized to review Forest Service activities. The holder shall retain these records and make them available for review for five years after the end of the year they were generated, unless disposition is otherwise authorized by the Forest Service in writing.

V. RESOURCE AND IMPROVEMENT PROTECTION


B. WATER SYSTEMS

1. The holder, as the water supplier and operator of the drinking water system, shall operate the system in compliance with Forest Service Manual (FSM) Chapter 7420, applicable federal, state, and local drinking water laws and all
Appendix F to the permit entitled "Operation of Federally Owned Drinking Water Systems.

1. For federally owned systems, the holder shall provide the name of the water system operator in writing to the Forest Service and notify the authorized officer 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 permit. The holder shall leave such discoveries intact until authorized to proceed by the authorized officer. Protective and mitigative measures specified by the authorized officer shall be the responsibility of the holder.

2. For federally owned systems, the holder shall notify and consult with the Forest Service within 24 hours or on the next business day after notification by the laboratory of a sample that tests positive for microbiological contamination. The holder shall provide a copy of positive lab test to the Forest Service within one week of receiving the lab result. The holder shall notify the State drinking water program and Forest Service within 48 hours of any failure to comply with a federal or state drinking water requirement and make a written record that the notification occurred and place it in the system's record file. The holder shall notify and consult with the Forest Service within 48 hours of notification of a maximum contaminant level violation or an acute violation. The holder shall respond to the microbial contamination event as specified in Appendix F of this permit (Operation of Federally Owned Drinking Water Systems) and applicable regulations.

3. The holder shall retain all records as required by applicable laws and regulations. The holder agrees to make the records available upon request to the Forest Service and to any other regulatory agency authorized to review Forest Service activities. Copies of microbiological test results for federally owned water systems shall be forwarded monthly to the Forest Service by the 15th of the month following the sampling date. Copies of all other drinking water sample results shall be forwarded to the Forest Service at the end of the operating season. If the operating season is longer than six months in length, copies of sample results must be provided to the Forest Service every six months. The holder shall clearly identify all sample results that violate FSM requirements or state, federal, and local requirements when the copies are submitted. Sample results that violate any of these requirements must have the results of required follow up samples attached. Copies of sample results that violate state requirements must have documentation attached to demonstrate that the state was informed of the violation within 48 hours of the lab notifying the holder of the results. The holder shall surrender all records for a federally owned system to the Forest Service upon permit termination or revocation.

4. For federally owned systems, the holder shall provide the name of the water system operator in writing to the Forest Service and notify the authorized officer within 72 hours of a change in personnel. Operators shall be certified to operate drinking water systems for all water systems classified as community or non-transient noncommunuity system or when otherwise required by the state in which the system is located. Records to demonstrate operator certification shall be kept by the holder and made available to Forest Service upon request.

C. VANDALISM. The holder shall take reasonable measures to prevent and discourage vandalism and disorderly conduct and when necessary shall contact the appropriate law enforcement officer.

D. PESTICIDE USE. Pesticides may not be used to control undesirable woody and herbaceous vegetation, aquatic plants, insects, rodents, trash fish, and other pests and weeds without prior written approval from the authorized officer. A request for approval of planned uses of pesticides shall be submitted annually by the holder on the due date established by the authorized officer. The report shall cover a 12-month period of planned use beginning 3 months after the reporting date. Information essential for review shall be provided in the form specified. Exceptions to this schedule may be allowed, subject to emergency request and approval, only when unexpected outbreaks of pests or weeds require control measures that were not anticipated at the time an annual report was submitted. Only those materials registered by the U.S. Environmental Protection Agency for the specific purpose planned shall be considered for use on National Forest System lands. Label instructions and all applicable laws and regulations shall be strictly followed in the application of pesticides and disposal of excess materials and containers.

E. ARCHAEOLOGICAL-PALEONTOLOGICAL DISCOVERIES. The holder shall immediately notify the authorized officer 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 permit. The holder shall leave such discoveries intact until authorized to proceed by the authorized officer. Protective and mitigative measures specified by the authorized officer shall be the responsibility of the holder.

F. NATIVE AMERICAN GRAVES PROTECTION AND REPATRIATION (NAGPRA). In accordance with 25 U.S.C. 3002 (d) and 43 CFR 10.4, if the holder inadvertently discovers human remains, funerary objects, sacred
objects, or objects of cultural patrimony on National Forest System lands, the holder shall immediately cease work in the area of the discovery and shall make a reasonable effort to protect and secure the items. The holder shall immediately notify the authorized officer by telephone of the discovery and shall follow up with written confirmation of the discovery. The activity that resulted in the inadvertent discovery may not resume until 30 days after the authorized officer certifies receipt of the written confirmation, if resumption of the activity is otherwise lawful, or at any time if a binding written agreement has been executed between the Forest Service and the affiliated Indian tribes that adopts a recovery plan for the human remains and objects.

G. PROTECTION OF HABITAT OF ENDANGERED, THREATENED, AND SENSITIVE SPECIES. Location of areas needing special measures for protection of plants or animals listed as threatened or endangered under the Endangered Species Act (ESA), 16 U.S.C. 531 et seq., as amended, or as sensitive by the Regional Forester under the authority of Forest Service Manual Chapter 2670, derived from ESA Section 7 consultation, may be shown on a separate map, hereby made a part of this permit, or identified on the ground. Protective and mitigative measures specified by the authorized officer shall be the sole responsibility of the holder. If protective measures prove inadequate, if other such areas are discovered, or if new species are listed as federally threatened or endangered or as sensitive by the Regional Forester, the authorized officer may specify additional protection, regardless of when such facts become known. Discovery of such areas by either party shall be promptly reported to the other party.

H. CONSENT TO STORE HAZARDOUS MATERIALS. The holder shall not store any hazardous materials at the site without prior written approval from the authorized officer. This approval shall not be unreasonably withheld. If the authorized officer provides approval, this permit shall include, or in the case of approval provided after this permit is issued, shall be amended to include specific terms addressing the storage of hazardous materials, including the specific type of materials to be stored, the volume, the type of storage, and a spill plan. Such terms shall be proposed by the holder and are subject to approval by the authorized officer.

I. CLEANUP AND REMEDIATION. Except with respect to any federally permitted release as that term is defined under Section 101(10) of CERCLA, 42 U.S.C. 9601(10), the holder shall clean up or otherwise remediate any release, threat of release, or discharge of hazardous materials that occurs either on site or in connection with the holder's activities, whether or not those activities are authorized under this permit. The holder shall perform cleanup or remediation immediately upon discovery of the release, threat of release, or discharge of hazardous materials. The holder shall perform the cleanup or remediation to the satisfaction of the authorized officer and at no expense to the United States. Upon revocation or termination of this permit, the holder shall deliver the site to the Forest Service free and clear of contamination.

J. CERTIFICATION UPON REVOCATION OR TERMINATION. If the holder uses or stores hazardous materials at the site, upon revocation or termination of this permit the holder shall provide the Forest Service with a report certified by a professional or professionals acceptable to the Forest Service that the site covered by this permit is uncontaminated by the presence of hazardous materials and that there has not been a release or discharge of hazardous materials upon the site, into surface water at or near the site, or into groundwater below the site during the term of the permit. If a release or discharge has occurred, the professional or professionals shall document and certify that the release or discharge has been fully remediated and that the site is in compliance with all federal, state, and local laws and regulations.

K. WATER WELLS AND ASSOCIATED PIPELINES.

1. Other Jurisdictional Requirements. Clause III.D. governs water rights and water facilities. The holder shall obtain all required state and local water permits, licenses, registrations, certificates, or rights and shall provide a copy of them to the authorized officer. For new wells, this information shall be provided prior to disturbing National Forest System lands for the purpose of water use or development.

2. Well Construction or Development. For new or reconstruction of existing wells, the holder shall prepare a well construction and development plan and submit it to the authorized officer for approval. The well development and construction plan must have prior written approval from the authorized officer before well construction or development is initiated. The holder shall follow applicable federal, state, and local standards for design, construction, and development of new wells or reconstruction of existing wells. If such standards do not exist, the holder shall follow applicable standards issued by the American Society for Testing and Materials (ASTM), American Water Works Association (AWWA), or National Ground Water Association (NGWA). The construction and development plan must identify all potential sources for any proposed water injection during well construction or development. Only non-chlorinated, potable water may be injected during construction or development of wells to be used for monitoring or water withdrawal. Copies of all documentation for drilling, constructing, or developing
wells, including all drilling, boring, and well construction logs, shall be provided to the authorized officer within 60 days of completion of work.

3. **Water Conservation Plan.** The holder shall prepare and submit for written approval by the authorized officer a water conservation plan utilizing appropriate strategies to limit the amount of water removed from National Forest System lands.

4. **Well Decommissioning.** The holder shall properly decommission and abandon all wells that are no longer needed or maintained in accordance with applicable federal, state, and local standards for water well abandonment. If such standards do not exist, the holder shall follow applicable standards issued by the ASTM, AWWA, or NGWA. At least 30 days prior to initiation of well decommissioning, the holder shall submit a well decommissioning plan to the authorized officer. The well decommissioning plan shall have written approval from the authorized officer before well decommissioning is initiated. All documentation of well decommissioning shall be provided to the authorized officer within 60 days of completion of the work.

VI. REVOCATION, SUSPENSION, AND TERMINATION

A. **REVOCATION AND SUSPENSION.** The Forest Service may suspend or revoke this permit in whole or in part:

1. For noncompliance with federal, state, or local laws and regulations.
2. For noncompliance with the terms of this permit.
3. For failure of the holder to exercise the privileges granted by this permit;
4. With the consent of the holder; or
5. At the discretion of the authorized officer, for specific and compelling reasons in the public interest.

B. **OPPORTUNITY TO TAKE CORRECTIVE ACTION.** Prior to revocation or suspension under clause VI.A, the authorized officer shall give the holder written notice of the grounds for the action to be taken and a reasonable time, not to exceed 30 days, to complete corrective action prescribed by the authorized officer.

C. **IMMEDIATE SUSPENSION.** The authorized officer may immediately suspend this permit in whole or in part when necessary to protect public health or safety or the environment. The suspension decision must be in writing. Within 48 hours of the request of the holder, the superior of the authorized officer shall arrange for an on-the-ground review of the adverse conditions with the holder. Following this review the superior shall take prompt action to affirm, modify, or cancel the suspension.

D. **APPEALS AND REMEDIES.** Any written decisions by the authorized officer relating to administration of this permit are subject to the administrative appeal regulations at 36 CFR Part 214 or revisions thereto. Revocation or suspension of this permit shall not give rise to any claim for damages by the holder against the Forest Service.

E. **TERMINATION.** This permit shall terminate when by its terms a fixed or agreed upon condition, event, or time occurs without any action by the authorized officer. Examples include but are not limited to expiration of the permit by its terms on a specified date and termination upon change of control of the business entity. Termination of this permit is not subject to administrative appeal.

VII. MISCELLANEOUS PROVISIONS

A. **REGULATING SERVICES AND RATES.** The Forest Service reserves the right to regulate the adequacy, type, and price of services provided to the public and to require that these services conform to satisfactory standards. The holder may be required to furnish a schedule of prices for sales and services authorized by this permit. Such prices and services may be regulated by the Forest Service, provided that the holder shall not be required to charge prices significantly different from those charged by comparable or competing businesses.

B. **ADVERTISING.** The holder orally and in advertisements, signs, circulars, brochures, letterheads, and other materials shall not misrepresent in any way the accommodations or services provided or the status of the permit or permit area. The fact that the permit area is located on the Los Padres National Forest shall be made readily apparent in all the holder’s brochures and print advertising regarding use of the permit area.

C. **CURRENT ADDRESSES.** The holder and the Forest Service shall keep each other informed of current mailing addresses, including those necessary for payment of fees.
J. MEMBERS OF CONGRESS. No member of or delegate to Congress or resident commissioner shall benefit from this permit either directly or indirectly, except to the extent the authorized use provides a general benefit to a corporation.

K. SUPERIOR CLAUSES. In the event of any conflict between any of the preceding printed clauses and any subsequent clauses or provisions in the appendices attached to this permit, the preceding printed clauses shall control.

This permit is accepted subject to all its terms and conditions.

Date: __/__/___

(CORPORATE SEAL)

By: ___

(Vice) President

ATTEST: ___

(Asst.) Secretary

The following certificate shall be executed by the Secretary or Assistant Secretary of the corporation:

I, ___ certifies that I am the Secretary of the corporation that executed this permit, that ___ signatures, who signed this permit on behalf of this corporation, that I know his/her signature; that his/her signature on this permit is genuine; and that this permit was signed, sealed, and attested to on behalf of by authority of its board of directors.

(CORPORATE SEAL)

(Asst.) Secretary

U.S. DEPARTMENT OF AGRICULTURE. Forest Service

By: ___

ROBERT BAIRD, Forest Supervisor

Date: ___

According to the Paperwork Reduction Act of 1980, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual’s income is from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA’s TANF/CFR Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free at (866) 632-9992 (voice). TDD users can contact USDA through the Federal relay at (800) 877-8339 (TDD) or (866) 877-8682 (relay voice). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.
D. HOLDER REPRESENTATIVE. The holder or a designated representative shall be present on the premises at all times when the facilities are open to the public. The holder shall notify the authorized officer in writing as to who the representative will be.

E. LIQUOR SALES PROHIBITED. The sale of liquors or other intoxicating beverages is prohibited in the permit area.

F. GAMBLING. Gambling or gambling devices shall not be permitted on National Forest System lands, regardless of whether gambling or gambling devices are lawful under state or local law.

G. FIREWORKS. The sale of fireworks is prohibited on land covered by this permit. Possession or use of fireworks on land covered by this permit is also prohibited without prior written approval from the authorized officer.

H. DISORDERLY CONDUCT. Disorderly or otherwise objectionable conduct by the holder or those occupying the premises with the holder's permission shall upon proof thereof be cause for revocation of this permit.

I. SERVICES NOT PROVIDED. This permit does not provide for the furnishing of road maintenance, water, fire protection, or any other such service by a government agency, utility, association, or individual.

J. MEMBERS OF CONGRESS. No member of or delegate to Congress or resident commissioner shall benefit from this permit either directly or indirectly, except to the extent the authorized use provides a general benefit to a corporation.

K. SUPERIOR CLAUSES. In the event of any conflict between any of the preceding printed clauses and any subsequent clauses or provisions in the appendices attached to this permit, the preceding printed clauses shall control.

This permit is accepted subject to all its terms and conditions.

Date: ____________________________
CORPORATE NAME: Parks Management Company

(CORPORATE SEAL)

By: ____________________________
(Vice) President

ATTEST: ____________________________
(Assistant) Secretary

The following certificate shall be executed by the Secretary or Assistant Secretary of the corporation:

I, ____________________________, certify that I am the __________ Secretary of the corporation that executed this permit; that ____________________________, who signed this permit on behalf of ____________________________ was then __________ of that corporation; that I know his/her signature; that his/her signature on this permit is genuine; and that this permit was signed, sealed, and attested to on behalf of ____________________________ by authority of its board of directors.

(CORPORATE SEAL)

(Assistant) Secretary

U.S. DEPARTMENT OF AGRICULTURE, Forest Service

By: ____________________________
ROBERT BAIRD, Forest Supervisor

Date: ____________________________

10/31/16