

REQUEST FOR PROPOSALS



Issued By
COMMONWEALTH OF KENTUCKY
FINANCE AND ADMINISTRATION CABINET

On Behalf of
TOURISM, ARTS, AND HERITAGE, DEPARTMENT OF PARKS

GENERAL BURNSIDE ISLAND STATE PARK

**FINANCE, DESIGN, CONSTRUCT, OPERATE, MANAGE, AND MAINTAIN A
RESORT LODGE WITH EVENT/MEETING SPACE AND ASSOCIATED FACILITIES
TO INCLUDE TOURISM AND RECREATIONAL AMENITIES AND OPTIONAL
RENTAL COTTAGES AT GENERAL BURNSIDE ISLAND STATE PARK, BURNSIDE,
PULASKI COUNTY, KENTUCKY**

Project Name: General Burnside Island State Park
Resort Lodge with Event/Meeting Space and Associated Facilities to include
Tourism and Recreational Amenities and Optional Rental Cottages

Proposal Number: RFP# 042226

Closing Date & Time April 22, 2026 @ 4:00 p.m.

IMPORTANT

Submit Proposals To: Division of Real Properties
Third Floor – Bush Building
403 Wapping Street
Frankfort, Kentucky 40601
Attn.: Nancy Brownlee

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I. Intent

The Commonwealth of Kentucky ("Commonwealth") desires to improve and upgrade existing facilities at the General Burnside Island State Park, Burnside, Kentucky ("General Burnside") in order to expand and enhance the range of tourism and recreational opportunities at this park. To that end, the Commonwealth solicits proposals from private, third-party, developers who will finance, design, construct, maintain, manage, operate, and furnish a high-quality resort lodge with event/meeting space and associated facilities to include tourism and recreational amenities with the option for rental cottages ("the Project"). The private, third-party, developer may submit a proposal as described later in this Request for Proposals. The Commonwealth, by the Division of Real Properties and the Department of Parks, shall have final approval for all aspects of the Project.

Based on detailed requirements, terms and conditions set forth in this Request for Proposals ("RFP"), the Commonwealth solicits proposals from prospective Offerors who can demonstrate the necessary capability to finance, design, construct, and thereafter successfully operate and maintain the Project at optimum potential on a long-term basis. The Commonwealth expects early materialization of environmentally and aesthetically acceptable complex facilities as a privately operated, resort lodge with event/meeting space and associated facilities to include tourism and recreational amenities and optional rental cottages open to the general public on land that is not subject to Land Water Conservation Fund (LWCF) or other restrictions.

In consideration of the benefits derived from this Project, and revenues derived, the Commonwealth is willing to lease to the Successful Offeror the necessary property (described herein) for an initial period of forty (40) years. At the sole discretion of the Commonwealth and when consistent with the best interests of the Commonwealth, the Commonwealth may renew the lease for an additional period not to exceed twenty (20) years. Terms and conditions may be renegotiated to meet requirements for the renewal period based on prevailing conditions at that time. See Section V of this RFP, Terms and Conditions, Ground Lease Agreement (the "Ground Lease").

The Commonwealth recognizes the tourism industry as a vital component to its economic well-being. To encourage the private development of tourism activities, the Commonwealth provides financial incentives for approved projects. There are currently incentive programs available for major tourism and economic development projects, The Kentucky Tourism Development Act and other financial incentives through the Kentucky Economic Development Finance Authority (KEDFA). Offerors are encouraged to review these programs concerning the potential applicability to this project. Additional information about both these programs can be found at the following websites: <https://tah.ky.gov/openforbusiness/Pages/Tourism-Incentives.aspx> and https://newkentuckyhome.ky.gov/Locating_Expanding/Financial_Incentives. To be eligible for these programs, applications for the specific program must be in place prior to the commencement of construction. The Successful Offeror shall be responsible for confirming all requirements and restrictions related to these programs.

The Commonwealth may enter into an agreement with a private concern for the financing, design, construction, operation, management, and maintenance of:

A high-quality resort lodge, with no less than 120 well-appointed guest rooms with event/meeting space of appropriate square footage for the size of the resort lodge (e.g., 8,000 square feet of function space for 120 key room resort)

and

Associated Facilities to include tourism and recreational amenities with optional rental cottages.

Offerors should consider a variety of on-site tourism and recreational amenities that provide for engaging and/or wellness experiences like a spa and recreation center, water amenity (splash pad, pool, etc.), nature and outdoor activities, an amphitheater offering seasonal events and live entertainment, a variety of food and beverage options, and retail offerings. Preference will be given, and a higher score will be awarded to the Offeror whose proposal includes a variety of high value amenities capable of providing a high return on investment. The feasibility study attached as Appendix A provides examples of different amenities and discusses the importance of a diversity of amenities to the success of a resort-style destination. The Commonwealth has not conducted any feasibility study concerning the development of a Resort Lodge with Event/Meeting Space and Associated Facilities to include tourism and recreational amenities with optional Rental Cottages. Therefore, a feasibility study is encouraged and if one is done, it will be completed by and at the expense of the Offeror. The feasibility study should be provided to support the estimated gross receipts listed. See Section VI, B. – Phase 2 (Tab E).

The Kentucky Department of Parks will continue to maintain and operate the existing Park facilities which include but are not limited to the 18-hole golf course, pro shop and maintenance shed, the

campground, picnic shelters, the boat ramp, the entry causeway, and parking areas near the former swimming pool and boat ramp. See Appendix B for photographs of Parks' amenities and existing structures at General Burnside Island. In addition, the causeway onto Burnside Island is part of the USACE Lease, which the Commonwealth shall continue to maintain and operate. Because General Burnside Island must remain open for public use, no admittance fee may be charged for access to the Island. To minimize impacts on existing Park facilities, all proposed improvements and Associated Facilities are subject to the final approval of the Department of Parks and Division of Real Properties.

II. Location – Existing State Park Facilities and Background

General Burnside Island State Park consists of approximately 430 acres of land situated in the Eighth Magisterial District of Pulaski County, Kentucky, at Burnside, Kentucky. (Of the 430 total acres, 40 acres is leased from the United States Army Corps of Engineers (USACE) to the Department of Parks [PR-2166] and situated below the 765' contour.) The state-owned property is more particularly described as follows:

Being all of that part of an island lying entirely above the 765 foot contour line (m.s.l.), said island being known as Bunker Hill Island in the south Fork of the Cumberland River Embayment of Lake Cumberland, the downstream end of said island being located approximately 2,000 feet, more or less, upstream from the mouth of said river and extends upstream approximately 5,800 feet, more or less, said island contains 390 acres more or less.

(Hereinafter the "Leased Premises"). Of the total 430 acre park, 390 acres were acquired by the Commonwealth pursuant to a deed from the USACE, dated February 3, 1958 and recorded in deed book 217, page 143 in the Pulaski County Clerk's Office.

The approximate 40 acre periphery of General Burnside is managed by the Department of Parks under the terms of a fifty-year lease agreement (Lease No. DACW-62-1-78 [PR-2166]) with the USACE, beginning January 1, 1978 and ending December 31, 2027. Any proposed development below the 765-foot contour line shall be subject to the terms and conditions of Lease No. DACW-62-1-78 between the USACE and the Commonwealth, and any amendments or modifications thereto. See USACE Lease attached as Appendix C. The Commonwealth is currently working with USACE to extend the expiration date of the lease; however, the Commonwealth does not anticipate that the new lease will be executed prior to the award of the Ground Lease Agreement. See Letter requesting extension attached as Appendix D.

Within the state-owned portion of the park, there is an approximate twenty-seven (27) acre area and an additional outdoor pool area, which was acquired, renovated and/or developed with federal Land and Water Conservation Fund (LWCF) monies. The Successful Offeror may work with

the Commonwealth to repair or replace the existing Swimming Pool as a recreational water amenity (splash pad, pool, etc.) or another recreational or entertainment amenity. In addition, a Successful Offeror will need to consider and address any restrictions imposed on land within the 27 acre LCWF tract.

It should be noted that all land restricted by LWCF monies must be used for public outdoor recreation; however, the property may be utilized for outdoor recreational use facilities (i.e., recreation areas, parking areas/lots, landscaping, etc.), all in accordance with the attached Appendix E, Land and Water Conservation Fund Program Summary. The attached Appendix F (Site Location Map) identifies the approximate twenty-seven acre LWCF area and additional outdoor pool area.

In accordance with the Kentucky Antiquities Act as referenced in the attached letter (Appendix G) from Dr. Philip Mink of the University of Kentucky Archeological Department, General Burnside Island State Park contains Civil War and Native American archeological sites, and any use of this land requires the study of and approvals from the U.K. Archeological Department and the Kentucky Heritage Council prior to any design and construction. Archeological studies must be completed by and at the expense of the Successful Offeror.

General Burnside Island State Park is located on 50,250-acre Lake Cumberland, ten (10) miles south of Somerset, in southeast Kentucky. The state park is named for the sideburn-whiskered Civil War General Ambrose Burnside. The entrance to the park is directly off U.S. Highway 27, a major north-south highway on the National Highway System. A unique characteristic of General Burnside Island State Park is that it is the only island State Park in the state of Kentucky. The park has an eighteen-hole golf course, which was renovated pursuant to designs by Ault, Clark and Associates in 2007, and which has undergone additional renovations more recently. The existing Swimming Pool is currently closed and in need of repair or replacement. The campground, which opened in 1958, comprises 108 scenic campsites and a boat launch and courtesy dock. The campground, which is open March 15 to November 15, rented 6,332 nights in 2025 and averaged 6,268 nights per year over the last 3 years. The number of campground occupants for 2025 was 6,001. Seventy-two percent (72%) of occupants were from the host state of Kentucky and the next largest percentage, 9% were from Ohio. Golf rounds played in 2025 were 25,061 and averaged 22,728 rounds played over the last 3 years with 10,900 buckets of range balls hit in 2025. Total accommodations and camping statistics would be comparable to the campground statistic for demographics. There is a privately operated marina located just north of the park, which is accessible from the City of Burnside.

The park is widely accessible by automobile. Major highways serving Somerset are the Cumberland Parkway, U.S. Highway 27 and Kentucky Route 80, all AAA-rated trucking highways (80,000 pound gross load limit). The Cumberland Parkway provides access to Interstate 65, 90 miles west of Somerset, Kentucky. Route 80 provides access to Interstate 75, 32 miles east of

Somerset, and to the Daniel Boone Parkway, 34 miles east. Interstate 75 is also accessible 28 miles northeast of Somerset via Kentucky Route 461, a AA-rated (62,000 pound gross load limit) trucking highway. U.S. Highway 27 provides access to Lexington, Kentucky, 76 miles north of Somerset, and to Interstate 40, 63 miles to the south in eastern Tennessee.

For those patrons wishing to fly in, the Somerset-Pulaski County Airport is located 2 miles northeast of Somerset. The airport has 5,800 feet of runway with an ILS (Instrument Landing System) on runway 5 and a GPS (Global Positioning System) for runway 23. The airport is located within the city limits of Somerset and on the south end of town. The nearest scheduled commercial airline service is at Bluegrass Airport in Lexington, 80 miles north of Somerset.

The labor market area, which consists of Pulaski, Casey, Laurel, Lincoln, McCreary, Rockcastle, Russell and Wayne Counties had a population of 239,418 in 2025. The 2025 unemployment rate in this area was 6.5%. There were a total of 95,278 people in the available work force, with 89,158 employed and 6,120 unemployed. There were 11,800 people expected to reach age 18 between 2026 and 2029.

The Department of Parks d/b/a General Burnside Island State Park currently holds a NQ4 malt beverage drink license. The identified licensed premises encompasses the entire island. The Department of Parks will work with the Successful Offeror to limit its licensed premises to the golf course, campground and associated facilities in accordance with applicable state and local laws.

III. RFP General Procedural Information

A. Pre-Proposal Conference

A proposed site meeting may be scheduled by this office no later than thirty (30) days prior to the deadline for receipt of proposals to allow sufficient time for written responses to be published. Should a site visit be scheduled, it is anticipated that representatives from the Department of Parks, the Department for Facilities Management, and possibly the USACE will be in attendance.

Official answers or positions of the Commonwealth on any material points will be stated in writing and distributed to all Offerors by addendum. Offerors are encouraged to submit written questions prior to the meeting. All inquiries should be directed to the Division of Real Properties, Third Floor Bush Building, Frankfort, Kentucky, 40601, 502-782-0358 Attention: Nancy Brownlee, the Buyer, or to Nancy.Brownlee@ky.gov.

In no event will failure to inspect the site constitute grounds for a claim after award of the resulting Ground Lease.

B. RFP Addenda

This RFP may be supplemented or amended at any time during Phase 1 by appropriate addenda which will be distributed to all known participants in the RFP process and will be posted to the eProcurement website. It shall be the Offerors' responsibility to verify all addenda prior to submittal of response by viewing RFP/Addenda at <https://eProcurement.ky.gov> and acknowledge the same by executing and submitting with its proposal the Commonwealth's Solicitation Form.

C. Offeror Responsibility for Proposal Submittal

All proposals submitted should be clearly marked with Project Name and Proposal Number on the outside of the proposal. Proposals shall be deemed to have been made with the full knowledge of all of the terms, conditions, provisions, specifications and requirements contained in this RFP and any addenda and enclosures thereto, and to those terms and conditions contained in the USACE Lease, DACW-62-1-78 [PR-2166]), if applicable.

Each Offeror has the responsibility of submitting his/her proposal by 4:00 p.m. EST on the RFP closing date to the Buyer by mail (USPS or other commercial shipping carrier) at:

Division of Real Properties, Department for Facilities and Support Services
Bush Building, 3rd Floor
403 Wapping Street
Frankfort, KY 40601
Attn.: Nancy E. Brownlee, Buyer

Hand delivered proposals will be rejected and returned unopened to the Offeror. Timely submitted proposals will remain secure and unopened until after the RFP Closing Date. Any proposal received after 4:00 p.m. EST on the RFP Closing Date will be rejected and returned unopened to the Offeror. The Commonwealth and its officials and employees shall not be responsible for the premature opening of a proposal through inadvertence or one not properly addressed and marked. Neither the proposals nor their contents will be made available for public information or inspection until a determination of a successful Offeror has been made, an award completed, and a Ground Lease is fully executed.

All proposals shall be deemed firm nonrevocable offers within a period of ninety (90) calendar days after the closing date for receipt of proposals.

INCOMPLETE PROPOSALS WILL BE DEEMED NON-RESPONSIVE TO THIS REQUEST FOR PROPOSALS.

Any proposal that is not compliant with the following shall be deemed non-responsive/responsible and shall not be evaluated by the Commonwealth:

1. The Project shall possess, at a minimum, the furnishings, amenities and service levels comparable to or greater than those provided by an AAA rated "Four Diamond" lodge facility.
2. Proposals shall not rely upon funds to be appropriated by the General Assembly to assist Offerors in constructing any portion of the Project and/or any federal monies and/or grants if perpetual land use restriction are placed upon the Commonwealth's land, without the prior written consent of the Commonwealth.
3. The Commonwealth shall own the project and improvements located on the Leased Premises either at the end of the initial or extended Ground Lease term. The proposal shall contain no provision or inference that allows any private ownership interest in any of the real or tangible property or improvements currently located or to be located on the Leased Premises during or after expiration of the initial or extended Ground Lease term. This prohibition includes but is not limited to real or tangible property interests after said property has been developed or improved in any manner.
4. A payment and performance bond for 100% of the cost of any construction in favor of the Commonwealth will be required before contract signing.
5. The Commonwealth desires a developer bond or other type of assurance that guarantees that all improvements that are a part of the proposal and the contract will be made at the expense of the developer or supplier of the bond.
6. All proposals shall conform to the deed restrictions in place related to the Land Water Conservation Funds (see attached deed restrictions at Appendix E) and any other restrictions under state or federal law.
7. Proposals shall not encroach upon or adversely impact the existing Park amenities or facilities (see Appendix B), including but not limited to the 18-hole golf course, campground, pro shop, maintenance shed, picnic shelters, boat ramp, and parking areas; however, Parks and the Division of Real Properties may consider minor impacts to existing Park amenities or facilities if an Offeror details the nature and extent of the impact and sets forth adequate compensation for any adverse impact.

The selection process will be conducted in Two (2) Phases. Phase 1 is Developer Organization and Experience/Project Experience/Financial Capability to Execute Project based as defined in Section VI-B of this RFP with the objective of reducing the number of Offerors to a short list of three (3). Phase 2 submittal requirements are listed in Section VI-C Phase 2 of this RFP.

All Phase 1 proposals shall be deemed an offer acceptable within a period of ninety (90) calendar days after the closing date for receipt of proposals. All Phase 2 proposals shall be deemed an offer acceptable within a period of one hundred twenty (120) calendar days after the closing date for receipt of proposals.

D. Inquiries – Restriction on Communication

The Commonwealth Buyer named below shall be the **sole point of contact** throughout the procurement process. All communications, oral and written (regular, express, or electronic mail, or fax), concerning this procurement shall be addressed to:

Nancy E. Brownlee, Buyer
502-782-0358
Fax – 502-564-8108
E-mail – Nancy.Brownlee@ky.gov

From the issue date of this RFP until an Offeror is selected and the selection is announced, Offerors are not allowed to communicate with any Commonwealth Staff concerning this RFP except:

- The Commonwealth Buyer cited in this RFP and/or
- Via written questions submitted to the Commonwealth Buyer

For violation of this provision, the Commonwealth shall reserve the right to reject an offeror's proposal response.

All inquiries must be submitted no later than twenty (20) days prior to the deadline for receipt of proposals for Phase 1 or Phase 2 to allow sufficient time for written responses to be routed.

Where the Commonwealth may waive minor irregularities or technicalities, such waiver shall in no way modify the RFP requirements or provisions if the Offeror is awarded the Ground Lease.

E. No Prior Commitment or Obligation of the Commonwealth

The issuance of this RFP in no way constitutes an express or implied commitment by the Commonwealth to award a ground lease or to pay for the costs incurred in the preparation of a response to this RFP.

The Commonwealth unconditionally reserves the right to amend, withdraw or cancel this RFP and to reject any and all offers at any time and for any reason without recourse. Receipt of proposal materials by the Commonwealth or submission of a proposal to the Commonwealth confers no rights upon the Offeror nor obligates the Commonwealth in any manner.

No Ground Lease Agreement resulting from this RFP can be deemed valid and/or binding until properly approved and executed by the Secretary of the Finance and Administration Cabinet.

The Commonwealth may waive minor irregularities or technicalities; however, such waiver shall in no way operate to modify the RFP requirements or provisions if the Offeror is awarded the Ground Lease.

F. Issuing Office

This RFP is being issued by the Division of Real Properties, Finance and Administration Cabinet, on behalf of the Department of Parks.

The only authority empowered to sign or obligate the Commonwealth is the Secretary, Finance and Administration Cabinet.

G. Proposal Guaranty

1. Offeror's proposal must be accompanied by a certified or cashier's check, made payable to the "Kentucky State Treasurer", in the amount of Ten Thousand Dollars (\$10,000.00), as bid security.

Upon award of a Ground Lease or cancellation of the solicitation, the certified or cashier's check of the unsuccessful Offerors will be returned immediately. Following execution of the Ground Lease, the certified or cashier's check of the Successful Offeror will be returned upon receipt of the performance and payment bonds enumerated herein.

2. In the event an Offeror's proposal is accepted and the Offeror shall fail to execute the Ground Lease within ten (10) calendar days after its receipt by the Successful Offeror, the Commonwealth may, at its option, determine that the Offeror has abandoned the project and the amount of the bid security shall be forfeited to the Commonwealth as liquidated damages, and not as a penalty.

H. No Warranty

The Commonwealth makes no guaranty or warranty, either express or implied, with respect to the property and any existing improvements thereon. The property and/or any existing facilities are in an "as is, where is" condition subject to the terms of this RFP. There is no warranty given as to any structural, electrical, or mechanical components thereupon or as to any conditions of the land and its suitability for any proposed development. The Offeror shall be responsible for any

and all inspections to account for the condition of the property prior to bidding. All costs associated with any determination of suitability or feasibility shall be the sole responsibility of the Successful Offeror. **The Offeror is expected to have examined the property and existing improvements to submit with Offeror's proposal his/her own formed conclusions as to the suitability of the property and existing improvements for the stated purpose.**

IV. Resort Lodge with Event/Meeting Space and Associated Facilities to include tourism and recreational amenities and optional rental cottages

It is the desire of the Commonwealth for a Successful Offeror to finance, design, construct, operate, manage, and maintain a high quality Resort Lodge at General Burnside Island State Park with Event/Meeting Space and Associated Facilities to include tourism and recreational amenities and optional Rental Cottages, as detailed further below.

The financing, design, construction, operation, and maintenance, of a high-quality Resort Lodge, with no less than 120 well-appointed guest rooms with appropriately sized Event/Meeting Space and Associated Facilities to include tourism and recreational amenities with optional Rental Cottages.

A. The Project

It is the desire of the Commonwealth to develop a high quality Resort lodging facility at the General Burnside Island State Park as referenced in this RFP. This facility and operation will be perceived by the public as being a part of a system of state parks offering lodging, an 18-hole golf course, campground and other services to the general public that has earned a highly desirable reputation over many years of operation. It is envisioned that the physical structure of the resort lodge and attendant facilities will be complimentary to other State Park lodges. Any modifications of access/entrance roads to accommodate the construction of new facilities shall be at the sole expense of the Successful Offeror and subject to necessary approval from the USACE and/or the Commonwealth. The Successful Offeror will be expected to position this operation as equal or superior to current Kentucky State Park operations by offering guest accommodations and services that will enhance the total tourism effort of the Commonwealth of Kentucky. The Project shall consist of the following spaces and features:

- A minimum of 120 well-appointed guest rooms. A percentage of the total rooms shall be ADA compliant; exact quantity to be confirmed per code requirements. Offerors will provide a proposal for the breakdown of the room mix and size of rooms.
- Lobby/front desk
- Well-lit, paved, automobile parking with landscaped islands, with paved entrance road, ADA accessible and to code.
- All roadways, infrastructure site utilities and landscaping related to this development (please

refer to IV. F. for additional infrastructure information)

- Utilities
- Event/meeting space of appropriate square footage for the size of the resort lodge (e.g., 8,000 square feet of function space for a 120 key room resort)
- Associated Facilities to include tourism and recreational amenities that provide for engaging experiences like a spa and recreation center, water amenity (splash pad, pool, etc.), nature and outdoor activities, an amphitheater or other venue offering seasonal events and live entertainment, a variety of food and beverage options, and retail offerings
- Other facilities necessary to support the lodging facility, including the following:
 - Office and administrative areas
 - Housekeeping areas, including laundry facilities
 - Kitchen and related food service areas, if applicable
 - Receiving and storage areas
 - Mechanical equipment and utility areas
 - Ground and other maintenance

The precise location of all structures and amenities shall be identified by the Offeror in the proposal or associated document and, if applicable, shall specify all efforts to be undertaken to address LWCF restrictions or any other restrictions on the land.

The Offeror shall not, at any time, utilize federal monies and/or grants for the improvement or renovation or development of the Leased Premises, which federal monies and/or grants require a perpetual land use restriction to be placed upon the Commonwealth's land, without the prior written consent of the Commonwealth.

All structures and amenities described in this RFP must be ADA compliant/accessible. Additionally, effective 11/25/2013, any construction or alteration on Federal Land (765' contour and below) by a concession contract, partnership agreement, lease or similar arrangement will be required to be in compliance with the ADA and possibly federal minimum wage requirements. These guidelines have requirements for new camping facilities, new picnic facilities, new viewing areas, new trails, and new beach access routes, and can be accessed at the following site:

<http://www.access-board.gov/guidelines-and-standards/recreation-facilities/outdoor-developed-areas>

B. Resort Lodge Facility

1. Level of Quality for Facilities and Service

The Resort Lodge's construction, furnishings and service levels are to be at a minimum consistent with and equal to the American Automobile Association's "Four Diamond" rating. Criteria for this rating may be found in AAA's publications "Diamond Rating Guidelines" and "Requirements for

Recommendation, Lodging and Restaurants” at https://newsroom.aaa.com/wp-content/uploads/2019/06/diamond_rating_guidelines_lodging.pdf attached as Appendix H. The completed resort lodge shall be capable of achieving and receiving a minimum of the AAA Four Diamond rating within two years of opening, and this rating shall be maintained at all times thereafter.

2. Exterior

Resort Lodge structure, exterior, and appearance shall be aesthetically pleasing and complement its surroundings. The landscaping is to be professional, appropriate and acceptable in appearance and will preferably consist of plants native to Kentucky and will not include any invasive species.

There must be a portico/covered entry to lobby of the resort lodge allowing protected automobile access.

Automobile parking area is to be convenient to resort lodge entry and guest rooms. Parking area will be paved, marked and lighted and contain parking spaces with the appropriate, required, ratio of parking spaces, bus spaces, and ADA spaces for the facility.

Walkways in vicinity of the resort lodge will have 6’ minimum width, will be covered between building elements and accessible to the disabled. There is to be a paved entrance roadway from the nearest point on established park roadway to the resort complex with a minimum width of 24’.

3. Interior

The resort lobby must be ADA accessible, spacious and inviting with attractive conversational grouping of furnishings. It must have access to public restrooms and be oriented and/or constructed to abate noise from any dining or bar facility, as applicable.

The main business office will be located convenient to the lobby entrance. The layout of the front desk must allow both registration and check out to occur simultaneously. A reservation office in connection with the registration area is highly desirable.

4. Guest Rooms

All guest rooms shall meet the following minimum requirements:

- a. Meet or exceed the requirements for a “Four Diamond” rating in the AAA’s publications “Diamond Rating Guidelines” and “Requirements for Recommendation, Lodging and Restaurants” (see Appendix H).

- b. Oriented to provide pleasant view of surrounding park lands or other outdoor landscaped areas and amenities.
- c. A variety of room mix and size to include standard rooms and suites.
- d. Telephones, fire suppression systems and other features as required by applicable federal and state laws and codes.
- e. Must be ADA accessible.
- f. Must meet applicable Kentucky Building Code requirements.

C. Event/Meeting Space

The Offeror shall propose Event and Meeting Space, which should as a minimum include:

- 1. Space shall be of appropriate square footage for the size of the resort lodge (e.g., 80,000 square feet of function space for a 120 key room resort).
- 2. Space shall be designed as a state of the art facility that facilitates, markets and promotes the Park.
- 3. Space shall include necessary support areas such as offices for services, storage areas for conference room furnishings, portable audiovisual equipment, food service supplies, janitorial supplies, and client materials sent in advance of meetings, and food service operations.
- 4. Space shall comply with all applicable federal and state laws and codes.

D. Associated Facilities to Include Tourism and Recreational Amenities

The Offeror shall propose Associated Facilities to include tourism and recreational amenities that provide for engaging and/or well-being experiences. Examples include a spa and recreation center, an indoor or outdoor pool or other water amenity (e.g., splash pad, water park, etc.), nature and outdoor activities, an amphitheater or other venue offering seasonal events and live entertainment, a variety of food and beverage options, and retail offerings. The Associated Facilities can be located on-site at the Resort Lodge or at other locations throughout the Park, including the optional Rental Cottages; however, if the proposed facility or amenity encroaches upon or adversely impacts an existing Park Facilities, the Offeror shall detail the nature and extent of the impact and sets forth adequate compensation for any adverse impact. All proposed Associated Facilities are subject to pre-approval by the Department of Parks/Division of Real Properties.

1. Spa, Recreational Center, Swimming Pool or Other Water Amenity

An appropriately sized spa, recreation center, indoor or outdoor pool and surrounding deck may be proposed as an Associated Facility on-site at the resort lodge and/or optional rental cottages. Shower, changing and toilet areas shall be provided nearby. Any pool shall be adequately protected and secured to prevent unauthorized or unsupervised access.

Any on-site amenity shall be equal to or better than the American Automobile Association's "Four Diamond" rating, where applicable.

If the Successful Offeror decides to finance, design, construct, operate, manage, and maintain the existing Swimming Pool or a new entertainment/recreational amenity at this location, the Offeror shall satisfy all LWCF requirements. See Appendix E. The Department of Parks/Division of Real Properties and Department of Local Governments shall receive regular updates regarding all efforts to comply with LWCF requirements.

2. Nature or Other Outdoor Amenities

If an Offeror proposes Associated Facilities focusing on nature or other outdoor amenities, like an amphitheater or live entertainment venue, it may do so on-site at the Resort Lodge and/or optional Rental Cottages or at other locations throughout the Park subject to LWCF or other restrictions on the land. If an off-site amenity is proposed, it shall not encroach upon or adversely impact existing Park Facilities. Any proposed off-site facility or amenity will be subject to pre-approval by the Department of Parks/Division of Real Properties.

If an Offeror desires to lease the premises below the 765' contour to the shoreline for an Associated Facility, which is currently subject to an existing USACE Lease and includes the causeway entrance to General Burnside Island, the public boat ramp, restrooms, Park-owned courtesy dock, and concession stand, for a new recreational amenity, then Offerors shall provide details for the nature and location of the recreational amenity for consideration and approval by the Commonwealth and the USACE. If approved, the Successful Offeror shall work with the Commonwealth and the USACE to modify the USACE Lease. Further the Successful Offeror shall be responsible for the operation, maintenance and upkeep of its recreational amenity at its sole expense.

3. Food and Beverage Options

The resort lodge should have a variety of food & beverage options, ranging from upscale dining to casual fare and grab and go. There shall be a minimum of three (3) different dining options. Given the limited full-service dining options in the area, Offerors should consider premium dining choices to attract locals and visitors, as well as larger or higher-profile events that will boost the region's potential as a premier destination. Any food or beverage option shall be equal to or better than the American Automobile Association's "Four Diamond" rating, where applicable.

4. Retail Shops

The resort lodge should also offer a gift shop or other retail shops to enhance the visitor experience. The location should allow easy access from public areas of lodge complex and

should be sized appropriately for a lodge of this size and the type and quality of merchandise being sold. At a minimum, the gift shop shall include the sale of light refreshments, snacks, sundry items, souvenirs, and related products, which shall be offered at reasonable prices. The Commonwealth shall have the right to review and approve the Successful Offeror's proposed selections. Any gift shop or retail stores must be ADA accessible. Any gift or retail shop shall be equal to or better than the American Automobile Association's "Three Diamond" rating, if applicable.

E. Optional Rental Cottages

An Offeror may propose optional Rental Cottages to include a mix of one bedroom, two bedrooms and three bedrooms along with the necessary access roads. Ideally, the proposal will include a minimum of fifteen (15) Rental Cottages. These cottages must be open for rental to the general public and cannot include 'time share' type ownership arrangements. The location of any proposed rental cottages will be subject to pre-approval by the Department of Parks and the Division of Real Properties.

One bedroom cottages shall have a minimum of 534 square feet with one bathroom, two bedroom cottages shall have a minimum of 568 square feet with two bathrooms, and three bedroom cottages shall have a minimum of 640 square feet with two full bathrooms. All cottages shall have living and dining areas with full kitchen amenities.

The Successful Offeror shall be solely responsible for all costs associated with constructing new roads and/or restoring existing roads utilizing industry standard slopes for vehicle access and parking and to provide access and connections to and from existing roadways. Compliance with the ADA is required for any such construction.

All structures and amenities described in this RFP must be ADA compliant/accessible. Additionally, effective 11/25/2013, any construction or alteration on Federal Land (765' contour and below) by a concession contract, partnership agreement, lease or similar arrangement will be required to be in compliance with the ADA and possibly federal minimum wage requirements. These guidelines have requirements for new camping facilities, new picnic facilities, new viewing areas, new trails, and new beach access routes, and can be accessed at the following site:

<http://www.access-board.gov/guidelines-and-standards/recreation-facilities/outdoor-developed-areas>

F. Infrastructure

The Successful Offeror shall be responsible for submitting the design and cost estimates for the infrastructure improvements. Infrastructure items are parking, roads, electric service, wastewater, potable water, fire protection water supply, HDTV service, high speed wireless internet, cable TV,

and telephone.

G. Entrance Road

It will be the responsibility of the Successful Offeror to provide and pay for paved entrance road(s) allowing access to and from the Project. This responsibility includes, but is not limited to, obtaining all necessary easements and rights of way from the various private, local, state, and federal government agencies involved. All expenses and costs resulting from the granting and installation of such easements and rights of way will be borne by the Successful Offeror.

H. Utilities

It will be the responsibility of Successful Offeror to obtain and pay for all utilities for the construction and development of the Project. This responsibility includes, but is not limited to, obtaining all necessary easements and rights of way from the various private, local, state and federal government agencies involved. All expenses and costs resulting from the granting and installation of such easements and rights of way will be borne by the Successful Offeror.

Payment of all utilities for operation of the Project will be the responsibility of the Successful Offeror, and service for such utility services will be placed in the name of the Successful Offeror. **Information provided in this section was obtained and updated from South Kentucky Rural Electric Cooperative Corporation (SKRECC) and is provided for informational purposes only. Neither the Commonwealth nor SKRECC can be held responsible for any information contained therein.** The Successful Offeror is solely responsible for substantiating or refuting any information contained this RFP and the Commonwealth strongly recommends procurement by the Successful Offeror of its own study with regard to utilities, infrastructure, and other improvements.

1. Electric Power

Electric power service to the island is primary metered 12,470/7,200 volt 3 phase aerial distribution that crosses the lake and lands on the west side of the island by the golf course. The utility revenue meter is actually located off island on Highway 790 near Woodson Bend at the point where the line crosses the lake. Although the utility line work legally belongs to the State of Kentucky, SKRECC has been maintaining the facilities under an agreement made many years ago with the State. All utility pole structures in fact have an SKRECC pole tag as if they were owned by SKRECC. Once the line reaches the island it runs both north and south to serve the various loads in a simple radial fashion. A 480V, 600 Amp service was provided at the new pump station location. SKRECC has stated that it would continue to honor its agreement with the State to operate and maintain the aerial distribution lines throughout the park. Based on an estimated electrical load of 1,325 KVA

for the new lodge and other development, SKRECC believes that the existing 12.47 kV primary-metered overhead electrical service to General Burnside State Park is adequate to accommodate the additional electrical load. This existing line extends to a point adjacent to the proposed lodge site. SKRECC is obligated to extend the line at no cost up to 1,000 feet, so it appears that there will be no capital costs for providing electrical service to the new lodge facility. There will be a charge from SKRECC for the stepdown transformer at the lodge, however, it will be amortized in the utility bill at \$0.30 per KVA of transformer capacity each month. As part of that ongoing charge, SKRECC will purchase, install, and maintain the transformer perpetually.

South Kentucky Rural Electric Cooperative Corporation owns and services all primary transmission lines, poles, transformers, and secondary drops to existing weather heads on General Burnside State Park.

With South Kentucky RECC's cooperation, it may be possible to separately meter the RFP development and the State Park service on the General Burnside Island end of this service. Offerors should address its proposed electric service from that position.

The aforementioned easements shall provide the lodge development all necessary electric power for all facilities associated with the development.

The Successful Offeror shall be prepared to bury any and all electric service entering and/or crossing the General Burnside Island State Park whether or not such service is within the above referenced easement and shall be responsible at its sole expense for all upgrades.

2. Wastewater Treatment

Formerly, wastewater disposal on Burnside Island was accomplished via a package wastewater treatment plant on the island with a capacity of 25,000 gpd. In 2010, the Kentucky Parks Department removed the package plant and replaced it with a pump station that is connected to the City of Burnside Sewer System. The influent sewer elevation at the pump station is 828.50. The station is a duplex unit with 50 Hp pumps that are rated at 100 gpm with 62' of T.D.H. Thus, the rated capacity of the station is 144,000 gallons per day. The station is connected to Burnside via a new 4" HDPE force main.

The Successful Offeror shall be responsible for the treatment and discharge of all waste water generated by the proposed facilities. In addition, the Successful Offeror shall agree to assume all obligations, including payment of all interest and principal on the loan, of the Commonwealth/Tourism Cabinet/Department of Parks under the Kentucky Infrastructure Authority Assistance Agreement for the Federally Assisted Wastewater

Revolving Loan Fund dated February 1, 2010, attached as Appendix I. The Successful Offeror shall determine peak wastewater discharged from all proposed facilities whether initially constructed or planned for future expansion and gain all required regulatory agency approvals (federal, state and local). The Successful Offeror shall be responsible for any upgrades to accommodate the wastewater flow for any new facilities or amenities.

3. Domestic Water Service

The Department of Parks currently purchases its water supply from the City of Burnside. The Island is through a 6-inch connection that enters the park across the causeway. After the water line enters the park, it branches down to smaller sizes to serve the different facilities at the park. The current material for the 6-inch main is reported to be "transite" pipe, which was widely used as an alternative to iron pipe before the acceptance of PVC pipe. The transite pipe is constructed of cement mixed with asbestos fibers. Transite pipe is regarded as non-friable asbestos material. Generally, non-friable asbestos requires care in handling, yet is not considered "hazardous" because of the limited ability of the asbestos fibers to break away from the source and become airborne. However, non-friable asbestos may become hazardous if it is drilled, cut, pulverized, or otherwise handled in a way that fibers become airborne. The existing 6-inch transite pipe has been subject to line breaks and different 'tapped' connections. These situations can cause the asbestos to become airborne and the pipe will eventually require replacement. NOTE: the Commonwealth feels it prudent to caution Offerors to secure their own environmental report and to not rely on the statements in this RFP.

Water pressure on Burnside Island is provided by the City of Burnside's Antioch Road water tank which is a 200,000 gallon tank. The tank is located about 6,000' NE of the island. This 6" water line is of sufficient size to supply the normal average peak daily demand of the park's existing services and the new lodge. It is not, however, of an adequate size to support a fire protection demand. In addition, the City of Burnside's water system does not have the storage capacity to handle the demand of the new lodge. Water usage at the Lodge and in the Park is expected to be 30,200 gallons per day in the summer season. Burnside has adequate capacity to deliver this quantity of water. See Letter from Burnside Mayor Robert Lawson, attached as Appendix J. Without performing hydraulic studies, we estimate that a 400,000 gallon ground storage tank with 8,400' of 12" and 16" line will be required.

The Department of Parks is prepared to provide an access/maintenance easement from an existing 6" water main to the proposed development site.

Any easement outside the Park's boundaries shall require direct negotiations between the Successful Offeror and the affected property owner.

It is required that the domestic water service be metered at or on the primary lodge site.

All proposed domestic water lines shall be sized, designed, and mapped out by the Successful Offeror's engineers. It shall be the responsibility of the Successful Offeror to gain all necessary regulatory agency approvals (federal, state, and local).

It shall be the responsibility of the Successful Offeror to insure adequate water service for the entire development plan for the Project (initial and future), domestic use, and necessary fire and safety usage and shall be responsible at its sole expense for all upgrades.

Connection of the Parks water lines impacted by the new waterline shall be required of the Successful Offeror, by and at its sole expense.

4. Telephone and DSL Internet Service

The Successful Offeror shall be responsible for providing fiber optic capabilities throughout the entire Island for phone and DSL internet service. There are two service providers in the area, Windstream and Spectrum. It may be feasible to provide HDTV Service and High-Speed Wireless Internet service by satellite.

5. Television Service

There is no cable television service on the island. Satellite or Dish service is available. The Successful Offeror will be responsible for establishing television service at the facilities.

6. Natural Gas

At this time, there is no natural gas service in the City of Burnside. The City of Somerset owns the Somerset Gas system, but there are currently no plans to extend it across Lake Cumberland to the Burnside area.

The Commonwealth makes no warranty with regard to the statements made in this RFP or any attached Exhibits. The Commonwealth strongly encourages Offerors to seek their own counsel with regard to data contained herein.

I. Fire Protection Water Service

Existing water lines on the island are not adequate for provision of fire protection for the proposed Resort Lodge with Event/Meeting Space and Associated Facilities and optional Rental Cottages.

The largest lines on the Island are 6" diameter. Although exact fire protection requirements for the proposed lodge are unknown, we expect the requirement will be in the range of 2000 to 2200 gpm with a residual pressure of 60 psi. Normally, the fire protection system is expected to operate at this level for a 2-hour period. The existing system can be expected to only supply about 20 to 25% of this requirement. The Successful Offeror, at its own expense, shall be responsible for proposing and providing adequate water service for fire protection. Some possible alternatives for upgrading the fire protection to meet the lodge requirement:

1. A dedicated fire protection tank can be constructed on the ground near the lodge and equipped with properly sized pumps for firefighting. The water in the tank would be stored for long periods of time for the fire fighting and would be non-potable. Since this type of system would be dedicated for fire protection only, and would benefit the lodge, there would be no availability of outside grant funding assistance for this construction. This proposal would also not serve the recreation complex.

2. An elevated tank could be constructed on a high point on the island. This tank could be used for both water supply and fire protection and would need to operate as part of the Burnside system and operate in tandem with the level in Burnside's Antioch Tank. The maximum elevation on the island is 900, which means the elevated tank would be very tall and expensive to construct. In addition, problem with little water 'turnover' in the tank would be likely since the daily demand for water on the island would not be great relative to the amount of water stored on the island.

3. A ground storage tank could be constructed on the hill, east of US 27 near the park entrance and also connected for operation with the Antioch Tank. Again, the tank would be used for water supply and fire protection. Because this tank would also benefit the rest of the Burnside water system, this construction would be eligible for consideration of outside grant funding. Burnside has a need for additional water storage in its system which could be met by this approach. A larger line connecting the tank across the causeway to the lodge will be required to convey flows in the event of a fire. This line should be carefully sized in order to avoid problems with low chloride residual or stagnation during times when water use on the island is reduced. This approach also allows for 6" AC line on the island to be abandoned.

Without performing hydraulic studies, we estimate that a 400,000 gallon ground storage tank with 8,400' of 12" and 16" line will be required.

The City of Burnside previously indicated a commitment to construct this fire protection infrastructure in support of the development proposal at Burnside Island.

J. Waste Handling and Disposal

The Successful Offeror, at its own expense, shall be responsible for providing for all trash and garbage disposal and removal from the entire leased premises. All waste handling, storage, and removal shall comply with local, state and national health and environmental requirements.

K. Staffing

The Successful Offeror shall employ only competent and orderly employees and contract laborers, who will accord prompt, courteous and efficient treatment and service to all guests and patrons.

L. Security

The Successful Offeror shall provide suitable security for its entire operation during the Project. The Department of Parks will not provide security for the Project.

M. Reservation Systems

The Successful Offeror agrees that it will be solely responsible, at its expense, for all on-line reservations systems for the Resort Lodge and Rental Cottages.

N. Signage

The Successful Offeror shall, at its expense, be responsible for all Project signage throughout the entire term of the Ground Lease, including, but not limited to the following:

1. Install or modify Project promotional sign(s) at appropriate locations, subject to the prior written approval of the Commonwealth. Proposed signage along state-maintained highways must also be approved by the Kentucky Transportation Cabinet and submitted to the Commonwealth for final approval prior to installation. Maintenance of the signs will be the responsibility of the Successful Offeror.
2. Post all signs required by regulatory agencies in conformation with the applicable regulation requirements.
3. Maintain and repair all aforementioned signs as necessary or reasonably directed by the Commonwealth or USACE, if applicable.

The Successful Offeror shall always keep "General Burnside Island" as part of the name of the development and any name change shall require the prior written approval and consent of the Secretary of the Finance and Administration Cabinet.

O. Proposed Ground Lease Site and Subsurface Conditions

The Successful Offeror may propose the location of the development for the Project on any acreage at General Burnside Island State Park, subject to addressing any restrictions by the LWCF, the Kentucky Antiquities Act, the USACE, and/or other restrictions. Specific details of the proposed location and any LWCF or other restrictions shall be addressed in any proposal. The Commonwealth agrees to provide core drillings for the area of the approved building site upon execution of the contract. The Successful Offeror is responsible for all other due diligence investigations, including sub-surface and archeological conditions, and all costs associated therewith, at the designated site.

P. Prohibition from Removal of Vegetation and Minerals

The Successful Offeror agrees that no live trees will be cut, no vegetation dug, nor the landscape altered in any way without prior consultation and written approval of the Department of Parks, and where applicable, USACE. In no event shall the Successful Offeror extract or remove any minerals, oil, or gas from the Leased Premises.

V. Terms and Conditions of Ground Lease

A. General

The resulting Ground Lease between the Commonwealth of Kentucky and the Successful Offeror will consist of the (1) Ground Lease; (2) the RFP (and any addenda thereto), and (3) the Successful Offeror's proposals submitted in response to the RFP. In the event of a conflict in language between the documents referenced above, the provisions of the Ground Lease, and then the RFP, shall govern to the extent authorized by law. All written addenda and supplements shall take precedence over the documents they modify. Should the proposal include any area below the 765' contour line, the resulting Lease shall also be subject to the terms and conditions contained in Lease agreement DACW-62-1-78 dated January 1, 1978 between the USACE and the Commonwealth of Kentucky.

In the event that an issue is addressed in one document that is not addressed in the other document, no conflict in language shall be deemed to occur. However, the Commonwealth reserves the right to clarify any lease relationship in writing with the concurrence of the Successful Offeror and such written clarification shall govern in case of conflict with the applicable requirements stated in the RFP or the Successful Offeror's proposal. In all other matters not affected by the written clarification, if any, the resulting Ground Lease shall govern.

No modification or change of any provision in the Ground Lease shall be made, or construed to have been made, unless such modification is mutually agreed to in writing by the Successful Offeror and the Department of Parks and incorporated as a written amendment to the Ground Lease and approved in writing by the Finance and Administration Cabinet prior to the effective

date of such modification or change. Memoranda of Understanding, electronic communications, written clarification and/or correspondence shall not be construed as amendments to the Ground Lease.

The Ground Lease shall be construed and interpreted according to the laws of the Commonwealth of Kentucky. Any legal proceedings against the Commonwealth regarding this RFP or any resultant ground lease shall be brought in Commonwealth of Kentucky administrative or judicial forums. Venue will be in Franklin County, Commonwealth of Kentucky.

B. Ground Lease Term

The Commonwealth proposes to grant the Successful Offeror a Ground Lease with an initial term of 40 years commencing on the date the Ground Lease is approved by the Commonwealth. There may be one renewal for one additional 20 year extension period upon written mutual agreement of the parties to such an agreement. Terms and/or conditions may be renegotiated to meet requirements for the extended period based on prevailing conditions at that time. In the event terms and conditions cannot be agreed upon, either party shall have the right to refuse to continue the lease for the extended renewal period. At the end of negotiations, should either party decide not to renew the Ground Lease, written notice of such intention shall be submitted to the other party no later than 60 days prior to the expiration of the original term. The Commonwealth shall own the resort lodge, event/meeting space and associated Facilities to include tourism and recreational amenities and any rental cottages at the end of the lease term.

Any development requiring use of land below the 765 contour line will be made subject to all rights of the USACE under the Lease agreement with the Commonwealth dated January 1, 1978 and contract no. DACW-62-77-C1033. All the provisions of said Lease agreement and contract, along with any modifications, amendments, and extensions shall be binding upon both parties. The lessee shall abide by all rules and regulations which may be promulgated by the USACE in connection with the use of the premises. See attached Appendix C for a copy of Lease No. DACW-62-77-C1033.

The Successful Offeror should be aware that the initial 40 year lease term, with option for one 20 year renewal term, will surpass the expiration date of Lease No. DACW-62-1-78 between the USACE and the Commonwealth. The Commonwealth has requested and will negotiate an extension beyond the current, December 31, 2027, expiration date in order to coincide with the lease term, should the Successful Offeror require the use of property below the 765' contour line.

C. Comprehensive Master Plan

As soon as practicable, but no longer than ninety days (90) after award of this RFP, subject to reasonable extensions for good cause shown, the Successful Offeror shall submit a comprehensive

master plan, detailing the design, construction, operation and maintenance for the Project, and include a timeline and budget. No construction shall begin until such time as the Commonwealth provides its design and other approvals. The Commonwealth reserves the right to use any portion of General Burnside Island State Park that is not committed for development in the submitted Master Plan.

Construction of the Resort Lodge complex shall be commenced within forty-five (45) days after the comprehensive master plan is approved by the Department of Parks and the Department of Facilities Management or the project will be deemed abandoned. The Successful Offeror shall be required to obtain any and all regulatory approvals, by and at the sole expense of the successful Offeror. The Commonwealth will agree in writing to a reasonable extension of time for providing for the designated facilities and services when a delay in providing the facilities and services is beyond the control of the Offeror.

Substantial completion of the construction is expected to be achieved within eighteen (18) months from the date of the approval of the comprehensive work plan. Substantial completion occurs when the work or a designated portion is sufficiently complete in accordance with the contract documents, enabling the owner/lessee to occupy or utilize the work for its intended use. The first of the quarterly annual minimum base revenue payments shall be due to the Commonwealth at this time.

Construction of the Project must be commenced within the approved schedule, and which shall include review and approval by all local, state and federal governmental agencies. The Commonwealth will agree to a reasonable extension of time for providing the designated facilities and services when a delay in providing the facilities and services is beyond the control of the Offeror. The Offeror will not be authorized to construct, erect, or place any structure or other facility upon the premises, or to make any major alteration to an existing structure or facility without the prior written approval of the Department of Parks and the Department of Facilities Management. Requests for same shall be made in writing to the Department of Parks and the Department of Facilities Management.

Should the Successful Offeror, after commencing the construction/development phase of the Project, abandon or for any reason fail to complete the facility, title to all materials or improvements on the premises shall immediately vest in and become the property of the Commonwealth. The Successful Offeror may not remove the structures, improvements, and equipment erected or placed upon the leased premises without the approval of the Department of Parks. Upon approval from the Department of Parks to remove any structures, improvements, or equipment placed upon the premises, the Successful Offeror must repair any damage to the premises resulting from the removal of the structures, improvements, or equipment.

D. Service Levels

It is envisioned that this facility will be open to the general public twenty-four (24) hours daily, seven (7) days per week, year-round, with appropriate hours of operation, as dictated by generally accepted business practice in similar establishments.

The Successful Offeror shall be responsible for assuring that the Project provides services to the best standards prevailing for similar businesses and that the Project property is maintained to a safe and functional standard that complies with all codes, laws, and regulations.

The mission of Kentucky State Parks is to deliver quality programs, amenities, and services which create memorable experiences and a sense of place, contribute to the economic growth of the Commonwealth, and preserve the historic and natural integrity, and traditions of our parks for existing and future generations. The Project operation will be perceived by the public as being part of a state park system that strives to maintain a positive image and reputation. The Successful Offeror will be expected to operate, manage, and maintain the Project in accordance with the Commonwealth's standards, applicable laws, and as set forth in this RFP and the resulting Ground Lease and to offer customer service that will enhance the mission of the State Parks and the total tourism effort of the Commonwealth.

E. Records and Reports

The Successful Offeror shall keep complete and accurate financial records and books relating to all business operations on the Leased Premises, pursuant to 304 KAR 1:010, and any and all other applicable laws or regulations, and to maintain such additional records as the Commonwealth deems necessary to adequately reflect the operations conducted on the Leased Premises.

"Utilized System" means the system of accounting for motels described in an established by Uniform System of Accounts for the Lodging Industry (USALI) (11th revised edition 2014) published by the American Hotel and Lodging Educational Institute.

The financial records, including but not limited to the Utilized System and any reservation systems, will be subject to inspection or audit by designated representatives of the Commonwealth at all times during regular business hours and shall be made available at a convenient location for that purpose.

The Successful Offeror further covenants that, promptly after the close of each Successful Offeror's fiscal year, it will, at its own expense, cause an independent audit to be made of its books and accounts relating to the operation of the Project for the preceding fiscal year by an independent firm of certified public accounts of recognized ability and standing, and a copy of the audit shall be submitted to the Department of Parks no later than three and one-half months after year's end. Distribution of the audit will be the responsibility of the Department of Parks. The audit firm

shall be approved in writing by the Department of Parks.

F. Revenue Payable to the Commonwealth

As consideration for allowing the Successful Offeror to furnish, operate, manage, and maintain the Project, the Successful Offeror shall pay the percent of gross receipts to the Commonwealth on annual basis for the corresponding period of years indicated in the Successful Offeror's response. See Schedule-Section A on page 60. The proposed percentage of gross receipts shall be 3% or more at the outset and shall escalate over the term of the lease.

G. Taxes

The Successful Offeror shall be responsible for paying all state, federal and local taxes, including but not limited to, ad valorem taxes assessed against the Project development and the operations conducted on the leased premises. The Commonwealth recommends that the Successful Offeror confer with a tax consultant regarding the current tax laws.

H. Liens Against the Leased Premises

No facility constructed shall be deemed a public improvement within the meaning of KRS 376.210 et. seq. Nothing in the resulting Ground Lease shall in any way be deemed or construed as constituting an order or request by the Commonwealth, express or implied, to any contractor, subcontractor, supplier, materialman or laborer, for the performance of any labor or the furnishing of any materials for the construction or maintenance of any improvements on, alterations to, or other improvements of the Leased Premises; nor as giving the Successful Offeror any right, power or authority to grant for or permit the rendering of any services or furnishing of any materials that would give rise to the filing of any mechanic's liens against the Commonwealth's property or the USACE, if applicable, or the Successful Offeror's leasehold interest therein.

Furthermore, the Successful Offeror shall not suffer or permit any mechanic's or materialman's lien to be filed against the Commonwealth's property or the Offeror's leasehold interest in the leased premises by reason of work, labor, services or materials supplied to or claimed to be supplied to the Successful Offeror. If a mechanic's or materialman's lien shall be filed against the Leased Premises or the Successful Offeror's leasehold interest at any time, the Successful Offeror shall cause the same to be discharged and released of record within thirty (30) days after the notice of filing competent jurisdiction or otherwise. If the Successful Offeror, in good faith, disputes the validity or correctness of any such lien, then it may refrain from paying or causing the same to be discharged of record, but it shall diligently proceed to initiate and conduct appropriate proceedings to determine the correctness or validity of such lien. The Successful Offeror shall not be deemed to be in default under the Ground Lease while such proceedings or litigation are being conducted in good faith by it. However, if the Successful Offeror fails to cause

any such lien to be discharged within the period aforesaid, or fails to contest the same as provided above, then the Successful Offeror shall be deemed to be in default of the ground lease which shall be a basis for termination of said lease.

I. Subleasing, Assignments, or Mortgages of Offeror's Interest

During the course of the Ground Lease or any renewal thereof, the Successful Offeror shall not voluntarily, involuntarily, or by operation of law assign, sublet, mortgage or transfer the Ground Lease or any interest created therein to any other person, partnership, corporation or other entity without first notifying and obtaining the prior written consent of the Department of Parks and the Finance and Administration Cabinet. Any attempt to assign, sublet, mortgage or transfer the Ground Lease or any interest created therein without such consent shall be void. If an assignment, sublet, mortgage or transfer of the Ground Lease is made with the consent of the Commonwealth, the Successful Offeror shall not be relieved from the payment of all rent (revenues) according to the terms of the Ground Lease or from the performance of all other terms, covenants, and conditions of the Ground Lease. If the Successful Offeror is a corporation, then any transfer of the agreement by merger, consolidation or liquidation, or any change in ownership of, or power to vote the majority of its' outstanding voting stock shall constitute an assignment for the purposes of this section. If consent is once given by the Commonwealth to any such assignment, mortgage or subletting, such consent shall not operate as a waiver of the necessity for obtaining the Commonwealth's consent to any subsequent assignment, mortgage or subletting. Furthermore, any change in the Successful Offeror's business status (i.e., partnership, corporation) shall be immediately reported to the Commonwealth.

No assignment, subletting, transfer or mortgage of Successful Offeror's interest in the property shall be effective or binding against the Commonwealth until such time as the assignee and the Commonwealth execute an amendment to the resulting ground lease reflecting such transfer.

J. Hold Harmless

The Successful Offeror shall indemnify and hold harmless the Commonwealth and the USACE, if applicable, and their agents, employees, or representatives, from any and all claims, demands, damages, actions, costs (including attorney fees), and charges which the Commonwealth, the USACE, if applicable, or the Successful Offeror may have to pay by reason of injury to any person or property or loss of life or property resulting from or in any way connected with the character, condition or use of the leased premises or any means of ingress thereto, or egress therefrom, or resulting from the Successful Offeror's operations on the leased premises, unless such injury or loss arises directly from the negligence of the Commonwealth, the USACE, if applicable, any of their departments or agencies, or officers or employees while acting within the scope of their employment.

The Successful Offeror shall, at its own expense, assume defense of such claims and actions for damages arising out of such injuries or losses which may be brought against the Commonwealth or USACE if applicable by third persons; and shall pay such judgments and all attorneys' fees and costs that may be rendered in such actions, unless such claims or actions for damages and/or judgments arise directly from the negligence of the Commonwealth, the USACE if applicable, any of its departments or agencies, or any of its officers, agents or employees while acting within the scope of their employment.

K. Attorney's Fees

In the event that either party deems it necessary to take legal action to enforce any provision of the Ground Lease, and in the event the Commonwealth prevails, the Successful Offeror agrees to pay all expenses of such action, including attorney's fees and costs at all stages of litigation as set by the court or hearing officer.

L. Notices

Except as provided otherwise herein, after Lease award, all notices under the Lease shall be provided by either registered or certified mail, or hand delivered to the receiving party. Notice shall be effective upon mailing or hand delivery of the notice.

M. Offer of Gratuities

By submission of proposal, the Successful Offeror certifies that no member or delegate of Congress, nor any elected or appointed official or employee of the Commonwealth of Kentucky has or will benefit financially or materially from this procurement. Any Ground Lease arising from this procurement may be terminated by the Commonwealth if it is determined that gratuities of any kind were either offered to or received by any of the aforementioned officials or employees from the Successful Offeror, its agents, or employees.

N. Conflict of Interest

No official or employee of the Commonwealth or no other public official of the Commonwealth of Kentucky or federal government who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the Project shall, prior to the completion of the Project, voluntarily acquire any personal interest, direct or indirect, in the Ground Lease.

The Successful Offeror covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict with in any manner or degree with the performance of its services hereunder. The Successful Offeror further covenants that in the performance of the Ground Lease no person having any such known interests shall be employed.

By entering into the Ground Lease, the Successful Offeror covenants that it is not in violation of KRS Chapters 11A (Executive Branch Code of Ethics).

O. Performance and Payment Bonds

1. For any proposed construction, renovation, alteration or major repair with a total anticipated Project cost in excess of \$100,000, the Successful Offeror or its assignee shall furnish separate performance and payment bonds to the Commonwealth and include the Commonwealth and the USACE as an additional insured. The Successful Offeror, or its designee, shall furnish a performance bond satisfactory to the Commonwealth in an amount equal to one hundred percent (100%) of an approved construction project as security for the faithful performance of the project. The Successful Offeror or its designee shall also furnish a payment bond satisfactory to the Commonwealth in an amount equal to one hundred percent (100%) of the project construction contract for the protection of all persons performing labor or furnishing materials, equipment, or supplies for the Successful Offeror or its contractors for the performance of the work provided for in the project, including security for payment of all unemployment contributions which become due and payable under Kentucky Unemployment Insurance Law.
2. Each bond furnished by the Successful Offeror or its designee shall incorporate by reference the terms of the project as fully as though they were set forth verbatim in such bonds. In the event the project construction contract is adjusted by written document executed by both parties, the penal sum of both the performance bond and the payment bond shall be deemed increased by like amount.
3. The performance and payment bonds shall be executed by a surety company authorized to do business in this Commonwealth, and the contract instrument of bonds must be countersigned by a duly appointed and licensed resident agent.

NOTE: The performance bond protects the Commonwealth in the event the Successful Offeror defaults on the project. The payment bond assures payment of those supplying labor and materials to the Successful Offeror. Unemployment compensation and workers' compensation do not protect against these contingencies.

P. Construction/Development (Plan Approval)

(All approvals will meet the Project schedule contained within this RFP.)

1. All construction/development plans will be submitted to and must have prior approval of the Finance and Administration Cabinet, Department for Facilities and Support Services, and the Department of Parks before construction/development is commenced. Such

approval will not be unreasonably withheld. Such approval is not intended to verify constructability or conformance with any applicable codes, but rather is intended to ensure that the design meets the Successful Offeror's intent and program requirements. The drawings and the specifications shall be stamped with the registration seal of the professional involved in the design.

2. The Commonwealth encourages and prefers the construction of the project such that it:
 - (a) Increases environmental performance and economic value over time;
 - (b) Safeguards the health of occupants;
 - (c) Enhances satisfaction and productivity of workers through energy-efficient systems;
 - (d) Incorporates environmentally friendly materials and products; and
 - (e) Reduces waste;
3. Plan approval must be obtained from the state Department of Housing, Building and Construction. All fees shall be the responsibility of the Successful Offeror. This regulatory agency will review drawings for plumbing, fire marshal compliance, ADA accessibility and Kentucky Building code regulations. Proof of this approval must be provided to the Department for Facilities and Support Services and the Department of Parks before commencement of construction and operation. Upon completion, copies of all permits and certificates shall be submitted to the Department for Facilities and Support Services and the Department of Parks, along with "as built" plans.
4. The Department for Facilities and Support Services and the Department of Parks may also make compliance inspections to ensure that the facility is being constructed, operated, and furnished in a manner that provides a safe and healthy environment for the public.

Q. Protection of Work, Property, Employees, and Public

The Successful Offeror shall continuously maintain adequate protection of all his/her work from damage and shall protect property of the Commonwealth and USACE from injury or loss arising in connection with the Ground Lease. The Successful Offeror shall make good any such damage, injury, or loss and shall adequately protect adjacent property as provided by law and the USACE Lease and associated documents.

The Successful Offeror shall take all necessary precautions for the safety of employees on the work site and shall comply with all applicable provisions of the Kentucky Worker's Compensation laws and all federal, state, and municipal safety laws and building codes to prevent accidents or injury to persons on, about, or adjacent to the Leased Premises where the work is being performed. The Successful Offeror shall designate a responsible member of his/her organization as safety officer, whose duty shall be to enforce safety regulations. The name and position of the person so

designated shall be reported to the Department of Parks within **ten (10) business days** of the date that the Ground Lease is fully executed by all parties, or the date the Successful Offeror is granted written permission to begin operation, whichever date is earlier.

R. Insurance

Each insurance policy required by this Section shall name the Commonwealth and USACE, if applicable, as additional insureds and shall also provide that said policy will not be cancelled, terminated, or changed without at least thirty (30) days prior written notice to the Commonwealth and USACE, if applicable.

The Successful Offeror shall furnish to the Department of Parks copies of the initial certificates of coverage for each policy required by this Section **within ten (10) business days** of the date that the Ground Lease is fully executed by all parties, or the date the Successful Offeror is granted written permission to enter the property to begin construction and/or operation, whichever date is earlier.

In addition, the Successful Offeror shall furnish to the Department of Parks renewal certificates of coverage for each policy required by this Section at any time upon request but at **least ten (10) business days** prior to the expiration of each policy, for the full term of the Lease and any renewals thereof.

FAILURE TO PROVIDE CERTIFICATES OF COVERAGE ANNUALLY MAY BE GROUNDS FOR DEFAULT OF THIS AGREEMENT AND MAY BE THE BASIS FOR CLOSURE OF THE PROJECT TO THE PUBLIC OR THE PROHIBITION OF ITS OPENING.

Liability Insurance. Prior to commencement and during the term of the Lease, the Successful Offeror shall be required to obtain from an insurance company authorized to do business in the Commonwealth, and keep in force, at Successful Offeror's own expense, a commercial general liability insurance policy providing minimum combined single limits coverage of Five Million Dollars (\$5,000,000) per occurrence, and having an aggregate annual limit of not less than Five Million Dollars (\$5,000,000), with an umbrella of Five Million Dollars (\$5,000,000) per occurrence and an annual aggregate limit of Five Million Dollars (\$5,000,000).

After award of the Lease, the minimum liability amounts of required coverage established under this Section may be subject to modification by the Commonwealth upon **sixty (60) days'** notice to the Successful Offeror.

Casualty Insurance. During the term of the Ground Lease, the Successful Offeror shall maintain, at its sole expense, fire and extended coverage insurance, including theft and vandalism, to cover the entire Leased Premises, all tangible personal and real property, and the Project development,

in an amount equal to full replacement cost value. The Successful Offeror shall also carry and maintain fire and extended coverage insuring all contents and inventories in the Project Premises to the extent of their full insurable value. In the event of a loss, the Successful Offeror must repair/replace the affected facilities within twelve (12) months from the date of loss.

Property Insurance. During the term of the Ground Lease, the Successful Offeror shall maintain, at its sole expense, property insurance for the entire Leased Premises, all tangible personal and real property, and Project development, against loss of damage by fire, lightning, windstorm, or other casualty in an amount not less than one hundred percent (100%) of the full insurable value thereof and all contents. The term "full insurable value" shall mean the actual replacement cost excluding foundation and excavation costs, less physical depreciation, as mutually agreeable to both parties. Insurance coverage shall also be required in a suitable amount to replace any tangible personal property/contents.

S. Maintenance of Development

The Successful Offeror shall be responsible for the proper care and custody of all Commonwealth property or USACE property, if applicable, furnished for the Successful Offeror's use in connection with the performance of the Ground Lease.

During the original Ground Lease term or any renewal thereof, the Successful Offeror shall keep any and all buildings, structures, and other improvements located on the leased premises (interior and exterior) and all equipment and personal property within said buildings and structures in good repair, and not suffer or permit any waste to be committed or anything to be done on the leased premises that would constitute a nuisance.

Except as otherwise specifically reserved, the Commonwealth divests itself of any and all maintenance of the Project and Leased Premises. The Successful Offeror shall reasonably maintain the entirety of the Leased Premises in a manner that provides a safe and functioning environment for all patrons and does not detract from or cause ill effect to the overall appearance of the Park or the safety of customers and patrons.

Consequently, the Successful Offeror shall, at its sole expense, be responsible for all maintenance and repair duties throughout the entire term of the Ground Lease, and any renewals thereof, including, but not limited to, the following:

1. Keeping existing and proposed buildings, structures, and other improvements located on the Leased Premises, both interior and exterior, and all equipment and personal property within and attached to said buildings and structures in good repair, and not suffering or permitting any waste to be committed or anything to be done on the Leased Premises that would constitute a nuisance.

2. Conspicuously posting regulatory and other safety signage on the Leased Premises.
3. Daily removal of trash from the entire Leased Premises. The Successful Offeror shall frequently monitor the Leased Premises and remove trash as reasonably directed by the Department of Parks or USACE, if applicable, to maintain a clean and orderly appearance. Trash from the Leased Premises shall be properly disposed of in a dumpster the location of which shall be determined by the Department of Parks. The dumpster shall be procured and maintained by and at the sole expense of the Successful Offeror, and the Successful Offeror shall daily monitor and remove trash in and around the immediate vicinity of the dumpster or as reasonably directed by the Department of Parks or the USCOE, if applicable. The Successful Offeror shall be responsible, at its sole expense, for emptying the dumpster at least twice per week during operating season and weekly during off season.
4. Providing all janitorial services, cleaning, painting, pest control services, similar services, and all supplies and materials required thereto.
5. Implementing a program of preventative equipment maintenance that is in accordance with manufacturer recommendations, particularly with regard to HVAC systems, plumbing systems, fire extinguishers, electrical, or any other equipment needed for safe operation of the Project and keeping detailed records that shall be provided to the Department of Parks upon request.
6. Rebuilding, restoring, and/or replacing the Leased Premises necessitated by casualty resulting from fire, flood, wind, rain or other weather event and the negligent, reckless, or intentional acts of the Successful Offeror, its agents, its contractors, its employees, its patrons or guests.
7. Maintaining the grounds of the Leased Premises and if applicable, including the shoreline.

If the Successful Offeror does not make necessary repairs or maintenance timely after notice from the Commonwealth, the Department of Parks shall have the right to enter the premises and conduct the repairs or maintenance at the sole expense of the Successful Offeror. It is the Commonwealth's expectation that the Successful Offeror will provide preventative maintenance for all structures and facilities of the Project in accordance with manufacturer's recommendations and in compliance with all applicable regulations and codes during the entire term of the Ground Lease.

T. Maintenance of Commonwealth / USACE Property

In addition to Subsection S above, Maintenance of Development, the Successful Offeror shall be responsible for the proper care and custody of all Commonwealth / USACE property furnished for Successful Offeror's use in connection with the performance of the Ground Lease. This responsibility includes the repair and/or replacement due to loss, damage, or negligence, normal wear and tear expected, and to cure deficiencies noted in regular, annual inspections of the Project facilities by the Commonwealth, as described below. Failure to cure deficiencies outlined in the

annual inspection report and within the permitted timeframe may result in the Commonwealth exercising its rights under the Ground Lease.

The Successful Offeror shall do those acts necessary to (1) maintain the property in a reasonably attractive, clean, efficient, and safe condition; (2) prolong the useful life of the property; and (3) cause the property to be in conformity with all federal, state, and local regulatory standards. The Commonwealth reserves the right to conduct random inspections to ensure compliance with this provision.

In addition, the Successful Offeror shall participate in annual inspections by the Commonwealth, which may include representatives of the USACE, Department of Parks; the Finance and Administration Cabinet; the Department of Housing, Buildings and Construction; the State Fire Marshal's Office; the State or Local Department of Health; and other appropriate representatives of the Commonwealth. The inspections will (1) determine whether the Successful Offeror is in conformity with the provisions of the Ground Lease, and (2) specify what act or acts are necessary to conform with the provisions of the Ground Lease. As soon thereafter as practicable, the Commonwealth shall provide to the Successful Offeror a written inspection report detailing the findings and recommendations pertaining to maintenance.

The Successful Offeror shall have thirty (30) days following receipt of the inspection report to either (1) complete the maintenance recommendations made by the Commonwealth's representatives or (2) present a written plan, for approval by the Commonwealth's representatives, which details the actions to be taken in order to correct any maintenance deficiencies and an anticipated completion date.

In the event the Successful Offeror fails either to (1) complete the maintenance recommendations within thirty (30) days, or (2) submit a reasonable plan, approved by the Commonwealth, within thirty (30) days, together with a projected date of completion by which to accomplish those maintenance recommendations, and to complete such plan of maintenance as agreed, unless good cause be shown for delay, then the Commonwealth may enter upon the Leased Premises and do that which is necessary to maintain or repair the property.

The Successful Offeror shall indemnify and hold harmless the Commonwealth from all costs and expenses of any such maintenance accomplished by the Commonwealth. Should the Commonwealth be required to do that which is necessary to maintain or repair the property, then the Commonwealth may, at its sole discretion, declare the Successful Offeror in default of the Ground Lease.

The Successful Offeror shall also submit to inspections by USACE, which may or may not be conducted in conjunction with the Commonwealth's inspections. The Successful Offeror shall comply with all inspection requirements and recommendations made by USACE. In the event the

Successful Offeror fails to satisfy the USACE inspection requirements, then the Commonwealth may, in consultation with USACE, declare the Successful Offeror in default of the Ground Lease.

U. Escrow Account

In order to ensure that the Successful Offeror shall be sufficiently liquid to indemnify the Commonwealth against the costs and expenses that it may incur to maintain and repair the property, the Successful Offeror agrees that, upon execution of the Ground Lease, the Successful Offeror shall either deposit \$250,000 or on the 10th business day of each month, deposit a sum of money equal to two and one-half percent (2-1/2%) of the gross sales of the total Project operation realized for the preceding one month, as reported to the Commonwealth by the Successful Offeror, but in no instance less than five thousand dollars \$5,000 per month ("minimum maintenance deposit"), in a demand deposit account in a Kentucky financial institution authorized to do business pursuant KRS Chapters 286.3 and 286.6 for the purpose of providing to the Successful Offeror a working maintenance account with a balance of up to Two Hundred Fifty Thousand Dollars (\$250,000).

The parties agree with respect to such escrow demand account that:

The Successful Offeror may withdraw from the escrow account at any time that funds are available on the condition that the Commissioner of the Department of Parks, or his/her designee, countersigns the check or other instrument to withdraw proceeds from the aforesaid account. The Successful Offeror shall be deemed by the resulting Ground Lease to be authorized to draw from the above account as needed for the reimbursement of maintenance expenses throughout the year, with the prior written approval of the Commissioner of the Department of Parks. Accompanying each request for reimbursement, the Successful Offeror must provide legitimate estimates for repairs and/or maintenance to the facilities with proof of payment to each of the Successful Offeror's contractors. In the event funds are withdrawn from the escrow account for maintenance expenses, the Successful Offeror shall resume monthly deposits of the greater of two and one-half percent (2-1/2%) of the gross sales of the total Project operation realized for the preceding one month, as reported to the Commonwealth by the Successful Offeror, or the minimum maintenance deposit until the escrow account balance returns to Two Hundred Fifty Thousand Dollars (\$250,000).

As to the operation of the escrow deposit account, the parties hereto agree:

1. That the account shall be an interest-bearing account and that the amounts either deposited in or accruing upon said account shall be considered a cost or an expense of maintaining the Leased Premises and all improvements thereon;
2. That the account shall be maintained jointly in the names of the Commonwealth,

Commissioner of the Department of Parks or his/her designate, and the Successful Offeror;

3. Withdrawals from the account shall be made only upon the signatures of the representatives of both parties, only to reimburse the Successful Offeror during each calendar year for those maintenance costs accompanied by verifiable receipts for those maintenance costs incurred during that year as agreed to by the Commonwealth; or to reimburse Commonwealth for maintenance costs incurred as a result of the Successful Offeror's failure to perform such maintenance. Refusal by the Successful Offeror to authorize a withdrawal from the account to reimburse the Commonwealth for maintenance costs incurred under this section shall constitute a material breach of the Ground Lease;
4. Escrow account funds shall not be utilized to pay salaries, overhead, or operating expenses;
5. That said escrow deposit account, and the requirement for same, shall exist during the entirety of the term of the Ground Lease and any extensions thereof;
6. That it is the intention of the parties that distributions shall be made from the escrow deposit account for reimbursement to the Commonwealth for all costs and expenses it shall have incurred to maintain or repair the components of the Project at the failure of the Successful Offeror to perform such necessary maintenance or repair;
7. At the expiration of the term of the Ground Lease and any extensions thereto, and after the fulfillment of the requirements of the Ground Lease and completion of any necessary repairs as determined by the Commonwealth at its sole discretion, the entirety of the contents of the account shall be returned to the Successful Offeror.

V. Improvements and Additions and Removal of Equipment and Supplies Upon Expiration or Termination of Ground Lease

1. It is understood and agreed by the parties that the Successful Offeror shall have the right, during the term of the resulting Ground Lease, to erect structures and install equipment in or upon the Leased Premises, which structures and equipment so placed in or upon or attached to said premises shall be and remain the property of the Successful Offeror and may be removed therefrom by the Successful Offeror, at its sole expense, at any time prior to any termination or expiration of the Lease, so long as the Successful Offeror has the written approval of the Commonwealth; provided, however, that no structures may be erected upon the Leased Premises until and unless the design and proposed location thereof have been approved by the Commonwealth and USACE, if applicable; provided, further, the Successful Offeror shall, upon the removal of said structures and equipment, or any part thereof, promptly repair any damage to the Leased Premises resulting from

the installation or removal of said structures and equipment.

2. All structures and equipment of the Successful Offeror placed in or upon or attached to the Leased Premises shall be at the sole risk of the Successful Offeror. Nothing herein contained, however, shall be construed to confer any right upon the Successful Offeror to construct, operate, manage, or maintain any structure without compliance with requirements of the Commonwealth and USACE, if applicable.
3. Before the expiration of the Ground Lease or its termination by the Successful Offeror, the Offeror shall vacate the Leased Premises and restore the Leased Premises to a condition satisfactory to the Department of Parks. If, however, the Lease is terminated by the Commonwealth, the Successful Offeror shall vacate the Leased Premises within sixty (60) days of the Commonwealth mailing the termination notice and restore the Leased Premises to the aforesaid condition within such time as the Department of Parks may designate. The Leased Premises and any improvements thereon shall become the property of the Commonwealth without compensation therefor. Under no circumstances shall the Successful Offeror claim damages against the Commonwealth or its officers or agents on account of its reentry on the Leased Premises and taking possession of the Leased Premises or any improvements thereon. The Successful Offeror shall also pay the Commonwealth on demand any sum which may be expended by the Commonwealth after the expiration, revocation, or termination of the Ground Lease in taking possession of and/or restoring the Leased Premises.

Should the Successful Offeror holdover and continue operations upon termination or expiration of the Ground Lease without the consent of the Commonwealth, then rent in the amount of two times the amount of the average monthly (based on the previous twelve months) Lease base revenue and percentage of gross revenue payable to the Commonwealth prorated on a daily basis shall become due and owing.

W. Employment Practices

The Equal Employment Opportunity Act of 1978 (the "Act"), KRS 45.560 to 45.640, applies to all State government contracts or subcontracts in an amount exceeding \$500,000. The contractor shall comply with all terms and conditions of the Act.

During the performance of this contract, the Contractor agrees as follows:

- (a) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age forty (40) and over, disability, veteran status, or national origin.

- (b) The Contractor shall take affirmative action in regard to employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination rates of pay or other forms of compensation, and selection for training, so as to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, age forty (40) and over, disability, veteran status, and national origin.
- (c) The Contractor shall state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age forty (40) and over, disability, veteran status, or national origin.
- (d) The Contractor shall post notices in conspicuous places, available to employees and applicants for employment, setting forth the provisions of this non-discrimination clause.

The Contractor shall send a notice to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding advising the said labor union or workers' representative of the Contractor's commitments under this nondiscrimination clause.

The Successful Offeror 's noncompliance with the nondiscrimination clauses of this contract shall constitute a material breach of the contract.

Each Successful Offeror shall, for the length of the contract or at the point at which the contract is covered by this Act and until its conclusion, furnish such information as required by the Act and any rules, regulations and orders issued pursuant thereto and permit access to all books and records pertaining to his employment practices and work sites by the contracting agency and the Cabinet to ascertain compliance with the Act.

This section applies to agreements disbursing federal funds, in whole or part, only when the terms for receiving those funds mandate its inclusion.

The Successful Offeror shall comply with regulations issued by the Secretary of Labor of the United States in Title 20, Code of Federal Regulations, Part 741, pursuant to the provisions of Executive Order 14026, the regulations issued by the Secretary of Labor in 29 CFR part 23 pursuant to the Executive Order, Federal Sick Leave Policies in Executive Order 13706, the regulations issued by the Secretary of Labor in 29 CFR part 13 pursuant to the Executive Order, and the Federal Rehabilitation Act of 1973. The Successful Offeror shall comply with the Civil Rights Act of 1964 and any amendments thereto, and the rules and regulations thereunder, and Section 504 of Title V of the Vocational Rehabilitation Act of 1973, as amended and the Kentucky Civil Rights Act. The Successful Offeror shall also abide by all the terms and conditions of the aforementioned Prime Lease, to include but not be limited to, Title VI of the Civil Rights Act of 1964, as amended (42

U.S.C. § 2000d); the Age Discrimination Act of 1975 (42 U.S.C. § 6102); the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794); and all requirements imposed by or pursuant to the Directive of the Department of Defense (32 CFR Part 300) issued as Department of Defense Directive 5500.11 and 1020.1, and Army Regulation 600-7. This assurance shall be binding on the Successful Offeror, its agents, successors, transferees, and assigns.

The Prime Lease requires the Commonwealth, as lessee, to sign an assurance that it will comply with Title VI of the Civil Rights Act of 1964 (78 Stat. 241) and the Department of Defense Directive 5500.11 issued pursuant thereto and published in Part 300 of Title 32, Code of Federal Regulations, and requires that all Successful Offerors shall supply like assurance. An assurance will be attached to the resulting Lease and must be signed by the Successful Offeror pursuant to Appendix C, the USACE Lease. Should the Successful Offeror develop below the 765' contour line, then an assurance will be attached to the resulting lease and must be signed by the successful Offeror pursuant to Paragraph 11 of Lease No. DACW-62-1-78.

The Successful Offeror will comply with the Americans with Disabilities Act and attendant Americans with Disabilities Act Accessibility Guidelines (ADAAG) published by the Architectural and Transportation Barriers Compliance Board.

X. Permits and Licenses

The Successful Offeror shall procure all necessary permits, licenses, and certificates that are required by state and local laws, and abide by all applicable laws, regulations, and ordinances of all federal, state, and local governments. Plans for electric, fire code, housing, and other systems subject to codes adopted by Kentucky must be reviewed by the Department of Housing, Buildings and Construction, the Department of Parks, and USACE prior to any re/construction of the Project. See e.g. <https://dhbc.ky.gov/Documents/Find%20Currently%20Enforced%20Code.pdf>.

Y. Right of Entry

The Lease will reserve the right to the Commonwealth, its officers, agents, and employees, as well as officers, agents, and employees of USACE, if applicable, to enter upon the Leased Premises at any time to inspect said premises, operation, and equipment, or for any purposes in connection with work necessary to the benefit of the Commonwealth and the U.S. Government, including, if necessary, any ingress or egress in the form of an easement that shall not unreasonably interfere with the Project operations.

Z. Termination

The Ground Lease shall be subject to the following termination provisions:

Termination for Default. If at any time during the period in which the Ground Lease is in effect,

the Successful Offeror, in the opinion of the Commonwealth, defaults on any obligation incurred hereunder, including, but not limited to, the payment of revenue due the Commonwealth or the failure to maintain standards of service required, or in any manner fails to provide adequate service to the public, then the Ground Lease shall be subject to termination by the Commonwealth, with no right of recourse remaining in the Successful Offeror. All rights and benefits of the Successful Offeror set forth herein shall be deemed forfeited, subject to the terms outlined in the Ground Lease; provided, however, that before any termination shall occur under this section, the Successful Offeror shall be given written notice and be allowed thirty (30) days from receipt of notice in which to cure such default or non-compliance. If said default or non-compliance is cured within the above period, then the Ground Lease shall remain in full force and effect. In the event of termination for default, the Successful Offeror shall be responsible for paying to the Commonwealth any monetary sum due, up to and including the date of termination.

If, in a 12-month period, the Successful Offeror has been notified three times or more by the Commonwealth that it is in default on its monetary obligation to be paid to the Commonwealth, then the Commonwealth may, at its sole option, declare the Successful Offeror in immediate default and the 30-day cure provision shall not apply.

The various rights, options, elections, powers, and remedies contained in the Ground Lease shall be construed as cumulative and not one of them shall be exclusive of any of the others, or of any other legal or equitable remedy which either party might otherwise have in the event of breach or default in the terms hereof, and the exercise of one right or remedy by such party shall not impair its right to any other right or remedy until all obligations upon the other party have been fully performed.

AA. Procedure on Termination for Default

Upon mailing by certified mail to the Successful Offeror a Notice of Termination issued pursuant to 200 KAR 5:312, the Commonwealth may proceed as follows:

- (1) Declare the Ground Lease to be terminated, in which event the Ground Lease, all rights of the Successful Offeror, and all duties of the Commonwealth shall immediately cease and terminate and the Commonwealth may immediately possess and enjoy the Leased Premises and any improvements thereon as though the Ground Lease had never been made, without prejudice, however, to any and all rights of action against the Successful Offeror the Commonwealth may have for rent, damages, or breach of covenant; or
- (2) Take immediate possession and, in its sole discretion, re-let the properties or any part thereof, for such term or terms and on such conditions as the Commonwealth determines and recover from the Successful Offeror any deficiency between the amount of rent, additional rent and all other charges payable under the Ground

Lease, plus any expenses incurred by the Commonwealth in connection with repairs, or alterations the Commonwealth deems necessary or appropriate to make in connection with such re-letting, all costs incurred in actually re-letting the properties, and sums expended for reasonable attorney's fees; but the Commonwealth shall be under no duty to re-let the properties.

BB. Force Majeure

In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, labor troubles, inability to procure labor or materials, failure of power, riots, insurrection, War, Acts of God, fire or other casualty or other reason of a similar or dissimilar nature beyond the reasonable control of the delayed party, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of the Section shall not operate to excuse Successful Offeror from the prompt payment of rent, or any other payments required by the terms of this Ground Lease and shall not operate to extend the Agreement Term. Delays or failures to perform resulting from lack of funds shall not be deemed delays beyond the reasonable control of a party.

CC. Conflict of Law and Choice of Law Provision

It is agreed by both parties of the Agreement that all questions as to the execution, validity, interpretation, construction, and performance of the resulting Ground Lease shall be governed by the laws of the Commonwealth of Kentucky. Furthermore, the Successful Offeror agrees that any legal action which is brought on the basis of said Ground Lease, this Request for Proposal, and any contract awarded, shall be filed in Franklin County, Kentucky.

DD. Waiver

The waiver by the Commonwealth, or failure of the Commonwealth, to take action with respect to any breach of any term, covenant, or condition herein contained or contained in the resulting Ground Lease, shall not be deemed to be a waiver of the same or any other term, covenant, or condition contained herein or in the resulting Ground Lease.

EE. Disclosure of Financial Information

The Successful Offeror certifies that by entering into the Ground Lease resulting from this solicitation with the Commonwealth and that by holding and performing the Agreement, the Successful Offeror will not be violating either any conflict of interest statute (KRS 45A.330 - 45A.340, 164.390), or KRS Chapter 11A, the Executive Branch Code of Ethics, or any other applicable statute or principle by the performance of the Sublease, nor will the Successful Offeror

realize any unlawful benefit or gain directly or indirectly from it. Non-compliance may result in termination of the resulting Ground Lease.

The Successful Offeror, as defined in KRS 45A.030 (10), agrees that the Department of Parks, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records or other evidence which are directly pertinent to the resulting Sublease for the purpose of financial audit or program review. Furthermore, any books, documents, papers, records or other evidence provided to the Department of Parks, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission which are directly pertinent to the Ground Lease shall be subject to public disclosure pursuant to 200 KAR 5:314 regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.878(1)(c) prior to the execution of the Sublease. The Secretary of the Finance and Administration Cabinet shall not restrict the public access to any information that would otherwise be subject to public access if a state government agency was providing the service.

FF. Amendment to Agreement

It is agreed by both parties to the resulting Ground Lease that all prior negotiations will have been merged into said Ground Lease, which may not be modified, altered, or amended except by a "Ground Lease Amendment" signed by all parties to the Ground Lease.

GG. Severability Clause

If any provision of the resulting Ground Lease is declared invalid or unenforceable, then the remainder of said Ground Lease shall continue in full force and effect.

HH. Successors and Assigns

The covenants, conditions, and agreements made and entered into by the parties to the Sublease will be declared and agreed to be binding upon and to inure to the benefit of their respective successors and/or assigns.

II. Public Use

No attempt shall be made by the Successful Offeror, or any of its sub-lessees or concessionaires, to forbid the full use by the public of the Leased Premises and any improvements thereon, subject, however, to the authority and responsibility of the Successful Offeror to manage the premises and provide safety and security to the visiting public.

JJ. Cancellation Clause

The Successful Offeror acknowledges the provisions of 200 KAR 5:312, which is hereby incorporated as if fully set forth herein.

KK. Boycott Provisions

If applicable, the Successful Offeror represents that, pursuant to KRS 45A.607, they are not currently engaged in, and will not for the duration of the contract, inclusive of any renewals, engage in, the boycott of a person or an entity based in or doing business with a jurisdiction with which Kentucky can enjoy open trade. Note: The term Boycott does not include actions taken for bona fide business or economic reasons, or actions specifically required by federal or state law.

If applicable, the Successful Offeror verifies that, pursuant to KRS 41.480, they do not engage in and will not for the duration of the contract engage in, in energy company boycotts as defined by KRS 41.472.

VI. Proposal

A. General Information:

The selection process is being conducted in Two (2) Phases.

Phase 1 is Qualifications/Experience based as defined below with the objective of reducing the number of respondents to a short list of three-(3). Phase 2 submittal requirements are listed in Section VIC. of this RFP.

The Commonwealth will conduct a comprehensive evaluation of proposals received in response to this Request for Proposals. This evaluation will be conducted by a committee comprised of representatives from the Department of Parks, the Tourism, Arts and Heritage Cabinet, the Finance and Administration Cabinet, and other resource agencies' representatives, as appropriate. Items to be given specific attention during the evaluation process are as follows:

- Transmittal Letters
- Developer Organizational Structure and Background
- Project Development, Operations and Management Experience
- Financial Capability to Execute the Project
- Offeror's Proposed Development
- Terms of Financing
- Business Plan

- Benefits to Commonwealth, including revenue payable to the Commonwealth

The above criteria are explained in more detail in the following segments of this proposal section of the RFP.

THE SUCCESSFUL OFFEROR'S PROPOSAL DOCUMENTS WILL BECOME PART OF ANY FINAL GROUND LEASE AGREEMENT. ALL ITEMS LISTED MUST BE THOROUGHLY ADDRESSED IN YOUR WRITTEN PROPOSAL.

Please include six (6) complete copies of proposal document in hard copy and electronic format along with all attachments.

B. PHASE I – Content and Forms Qualifications and Experience (Phase I shall be submitted in initial response by April 22, 2026 at 4:00 p.m.)

The Offeror's response shall contain the following:

- **(Tab A) Transmittal Letter.** The transmittal letter shall be in the form of a standard business letter and shall be signed by an individual authorized to legally bind the Offeror. This signed letter will legally bind the Offeror. It should include the name, address, and telephone number of the Offeror and, if applicable, the name, address, and telephone number of a representative authorized to act on behalf of the Offeror during the course of the Project. It shall include:
 1. A statement indicating if the Offeror is a corporation, sole proprietorship, partnership, or other legal entity.
 2. A statement that the Offeror is registered to do business in Kentucky or will obtain a Kentucky business license, as well as any other documents required by law and the regulations of the Commonwealth prior to commencement of work.
 3. A statement from the Offeror, along with evidence from the Kentucky Secretary of State, that the Offeror is in good standing and duly authorized to transact business in Kentucky, as well as certification from the Offeror that the Offeror has verified from each of its proposed subcontractors and suppliers that each is a viable, ongoing business entity, and is capable of performing its obligations to the prime contractors and its subs, and that each has supplied the Offeror (or will supply prior to acceptance of a contract) evidence of "good standing" with the Kentucky Secretary of State.
 4. A statement identifying all addenda to the RFP issued by the Commonwealth and

received by the Offeror. If no addenda have been received, a statement to that effect should be included.

5. A statement that the Offeror's proposal meets all requirements, provisions, specifications, terms, and conditions set forth in the RFP and sample Ground Lease, or in the alternative, an explanation of any deviation from such terms and conditions, specifications, requirements, or provisions. The Commonwealth reserves the right to reject any proposal containing such deviations or to require modifications before acceptance. [Any deviation from the terms and conditions, specifications, requirements, or provisions of this RFP must be stated in writing in the Offeror's transmittal letter.]
6. A statement that the Offeror's proposal shall remain valid for **one hundred and eighty (180) days** after the closing date for the receipt of proposals.

- **(Tab B) Offeror Organizational Structure and Background**

Identify the Offeror and the entity that would lead the development of- the Project ("Developer") and the Operator of the Project once completed ("Operator") if different from the Offeror. Include the names of the Offeror, Developer, Operator and any other entities involved in the Project; the legal status of each; employer identification number; address; years in business; full names of each entity's officers, their addresses, credit references, and brief biographical summaries. If the Offeror is a joint venture or partnership, provide the above information for each partner. Provide a description of the proposed staffing plan including the names and titles of all key staff assigned to the Project, their roles and responsibilities and their resumes.

Disclose any recent or currently outstanding legal claims against the Offeror, Developer, Operator, or other entities involved in the Project or any key personnel, including the source of such claims, their amount, and status.

- **(Tab C) Project Development, Operations and Management Experience**

Offerors must provide evidence of having successfully undertaken other projects of this type and/or magnitude. Describe the background and experience of the entity and its principals in undertaking lodge/cottage projects of this type and magnitude, including brief descriptions of similar projects completed and under construction. Provide a statement regarding the duration of Offeror's financial and operational involvement with each such project following completion (or an affiliate's involvement if the Offeror is not the entity working with such project following completion). This description should additionally include the cost history of the projects in meeting construction budgets, operating budgets, debt coverage and delivery dates and where they differed from the pre-construction project pro forma. If Developer or

Operator is different from Offeror, then provide this information for all other entities as well.

The Offeror should identify and describe awards received for similar projects completed in the last five (5) years. It should show evidence of achieving high quality and affordability within the varying markets. Additionally, it should note the length of time key leadership and employees have been with the company and working on the projects. Provide project financing examples, drawn whenever possible from the project experience described above.

- **Tab D: Financial Capability to Execute the Project**

Provide evidence of the Offeror's financial condition including company and, if relevant, personal financial statements; a statement detailing the different methods of financing the Offeror is capable of delivering including, but not limited to, equity, private debt and other financing options. Provide financial and banking references and telephone numbers of contacts for such references, together with written authorization permitting the Commonwealth to confirm financial information with such references. The Commonwealth may request a review of such submissions by the Office of the Financial Management.

Financial Statements

Financial statements for Offeror, including the Developer and/or Operator, (if a consortium, partnership or any other form of a joint venture, all such members) for the five (5) most recent completed years must be provided to demonstrate financial capability of Offeror and operator. If the entity has been in existence for less than five (5) years, Offeror should expressly state that such entity has been in existence for less than five (5) fiscal years and shall provide financial statements for the number of fiscal years it has been in existence.

Financial statement information must be consolidated where required by Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS) and must include:

- Auditor's Report
- Balance Sheet
- Income Statement or Statement of Comprehensive Income
- Statement of Changes in Cash Flow
- Statement of Changes in Equity
- Footnotes to financial statements.

In addition, financial statements must meet the following requirements:

- GAAP/IFRS: Financial statements must be prepared in accordance with U.S. GAAP or IFRS. If financial statements are prepared in accordance with principles other than U.S.

GAAP or IFRS, a letter must be provided from a certified public accountant discussing the areas of the financial statements that would be affected by a conversion to U.S. GAAP or IFRS. A restatement of the financial information in accordance with U.S. GAAP or IFRS is not required.

- Audited: Financial statements must be audited by an independent party qualified to render audit opinions (e.g. a Certified Public Accountant in the US or Chartered Accountant for foreign entities). If audited financials are not available for an entity, the statement of qualifications shall include unaudited financial statements for such entity, certified as true, correct and accurate by the chief executive, chief financial officer or treasurer (or equivalent position or role) of the entity.
- Financially Responsible Party Letter of Support: If financial statements of a parent company or affiliate company (a "Financially Responsible Party") are provided to demonstrate financial capability of Offeror and Operator, an appropriate letter from the applicable Financially Responsible Party must be provided confirming that it will financially support all the obligations of Offeror, as applicable with respect to the Project. This letter must be signed by the chief executive, chief financial officer, treasurer (or equivalent position or role) of the Financially Responsible Party.

Offerors shall note that the Commonwealth may, in its discretion based upon the review of the information provided, or Offeror's form of organization, specify that an acceptable financially responsible party or a parent or affiliate guaranty is required as a condition precedent prior to qualification or award of the Agreement.

For purposes of this RFP, (i) "parent company" means parent companies at any tier and (ii) "affiliate company" means (A) subsidiary companies at any tier, (B) entities under common ownership, (C) joint ventures and partnerships involving such entities (but only as to activities of joint ventures and partnerships involving Offeror as a joint venturer or partner and not to activities of other joint venturers or partners not involving Offeror), and other financially liable or responsible parties for the entity.

- Newly Formed Entity: If Offeror, an Equity Member of Offeror or Financially Responsible Party is a newly formed entity and does not have independent and historical financial statements, financial statements for the equity owners/members shall be provided (and the entity shall expressly state that the entity is a newly formed entity and does not have independent and historical financial statements). In the event of a newly formed entity, the Commonwealth may, in its discretion specify that an acceptable Financially Responsible Party or a parent or affiliate guaranty is required as a condition precedent prior to qualification or award of the Agreement.

- SEC Filings: If any entity for which financial information is submitted hereby files reports with the Securities and Exchange Commission, then such financial statements shall be provided through a copy of their most recent annual report on Form 10-K. For all subsequent quarters, provide a copy of any report filed on Form 10-Q or Form 8-K which has been filed since the latest filed 10-K.
- Confidentiality: Offeror shall identify any information which it believes is entitled to confidentiality by placing the word "confidential" on each page.
- Credit Ratings: Offeror shall provide a list identifying (i) each entity for which financial statements are provided, (ii) a statement indicating whether each entity has a credit rating, (iii) and, if so, providing a copy of its current credit rating.

Material Changes in Financial Condition

Provide information regarding any material changes in financial condition for Offeror, each Equity Member and each Financially Responsible Party (if any of the foregoing are a consortium, partnership or any other form of a joint venture, for all such members) for (i) the past five (5) years; (ii) the period from the most recent balance sheet to the date of the Statements of Qualifications, and (iii) for changes anticipated for the next reporting period. Information pertaining to pending material changes may be marked confidential if required by law. The Offeror shall update its response for any material changes in financial condition subsequent to submitting its Statement of Qualifications.

If no material change has occurred and none is pending, each of these entities shall provide a letter from their respective chief executive officer, chief financial officer or treasurer (or equivalent position or role) so certifying.

In instances where a material change has occurred, or is anticipated, the affected entity shall provide a statement describing each material change in detail, actual and anticipated association changes or disruptions in executive management, the likelihood that the developments will continue during the period of performance of the Project development, and the projected full extent, nature and impact, positive and negative, of the changes experienced and anticipated to be experienced in the periods ahead. Include discussion of how the change is anticipated to affect the organizational and financial capacity, ability and resolve of Offeror, each Equity Member, each Financially Responsible Party, as applicable, to remain engaged in this procurement and submit a responsive Proposal. References to the notes in the financial statements are not sufficient to address the requirement to discuss the impact of material changes.

Estimates of the impact on revenues, expenses, assets, liabilities and the change in equity will be provided separately for each material change as certified by the chief financial officer or treasurer (or equivalent position or role).

Where a material change will have a negative financial impact, the affected entity shall also provide a discussion of measures that would be undertaken to insulate the Project from any recent material changes, and those currently in progress or reasonably anticipated in the future.

Set forth below is a representative list of events intended to provide examples of what the Commonwealth considers a material change in financial condition. This list is intended to be indicative only. At the discretion of the Commonwealth, any failure to disclose a prior or pending material change may result in disqualification from further participation in the selection process.

List of Representative Material Changes

- An event of default or bankruptcy involving the affected entity, or the parent corporation of the affected entity;
- A change in tangible net worth of 10% of shareholder equity;
- A sale, merger or acquisition exceeding 10% of the value of shareholder equity prior to the sale, merger or acquisition which in any way involves the affected entity or parent corporation of the affected entity;
- A change in credit rating for the affected entity or parent corporation of the affected entity;
- Inability to meet material conditions of loan or debt covenants by the affected entity or parent corporation of the affected entity which has required or will require a waiver or modification of agreed financial ratios, coverage factors or other loan stipulations, or additional credit support from shareholders or other third parties;
- In the current and five (5) most recent completed fiscal years, the affected entity or the parent corporation of the affected entity either: (i) incurs a net operating loss; (ii) sustains charges exceeding 5% of the then shareholder equity due to claims, changes in accounting policies direct charges to equity, write-offs or business restructuring; or (iii) implements a restructuring/reduction in labor force exceeding 200 positions or involves the disposition of assets exceeding 10% of the then shareholder equity;

- Contingent liabilities disclosed in the notes to financial statements;
- Other events known to the affected entity which represents a material change in financial condition over the past five (5) years or may be pending for the next reporting period.

Off-Balance Sheet Liabilities

A letter from the chief financial officer or treasurer (or, if neither of these positions exist for an entity, an individual who serves in an equivalent capacity and whose title shall be specified in the certification) of the entity or the certified public accountant for each entity for which financial information is submitted, identifying all off-balance sheet liabilities in excess of \$5,000,000 in the aggregate.

Identification of an Operator is encouraged, but not required for Phase I. However, it will be required for Phase II. If an Operator is not identified until Phase II, the financial information required from the potential developers in Phase I will be required for the Operator in Phase II.

Should the proposal be submitted by an individual, a non-builder, a corporation or business venture formed solely for the purpose of responding to this RFP, the above information in addition to FICO Credit Scores by the three (3) credit bureaus shall be submitted for each individual within the said corporation, business venture or partnership.

The Commonwealth reserves the right to contact each respondent for the purpose of clarifying information submitted by the respondent.

PROPOSALS, PHASE I, SHALL BE MAILED AND RECEIVED BY April 22, 2026 at 4:00 p.m.

TO:

Nancy E. Brownlee
 Finance and Administration Cabinet
 Division of Real Properties
 3rd Floor-Bush Building
 403 Wapping Street
 Frankfort, Kentucky 40601

**C. PHASE 2 -Content and Form (TO BE SUBMITTED 90 DAYS FROM NOTICE OF ADVANCEMENT TO SHORT-LIST OF THREE)
 TECHNICAL PROPOSAL AND REVENUE PAYABLE TO COMMONWEALTH**

1. General Requirements

As indicated in the Project Description component/section of this Request for Proposals, the selection process is being conducted in Two (2) Phases.

Once the short list of three is determined, the three (3) Offerors will provide the information required by in Phase 2 of this RFP based on instructions from the Procurement Officer, Division of Real Properties. The three-(3) Offerors will have ninety (90) calendar days to respond with the following information upon notification by the Procurement Officer. The Procurement Officer will set a date and time for receipt of Phase 2 responses. Offerors are to submit one response for Phase 2 but in two separate components namely Technical Proposal/Financial Submittal. Phase 2 responses shall be received prior to scheduling the oral presentations.

The Commonwealth reserves the right to require oral presentations or have face to face meetings with the respondents selected to participate in Phase II. The purpose of any oral presentations or face to face meetings will be to gain a greater understanding of the submitted proposals and obtain clarifications where needed.

The Commonwealth reserves the right to consider any other options proposed by Respondents, which it considers to be in the best interest of the Commonwealth.

Respondents shall receive higher scores to the extent that their proposals include greater combinations of high value amenities and offer greater revenue payable to the Commonwealth.

As part of Phase II of the evaluation process the Commonwealth will conduct a tour of the premises for the Respondents selected for Phase II. The purpose of the tour will be to allow the potential Respondents to assess the building sites and vicinity where the resort lodge and/or optional rental cottages shall be located. The specific date and time for the tour will be determined and made known to the remaining respondents selected for participation in Phase II.

Subsequent inspections may be scheduled at the discretion of the Commonwealth. Any and all questions posed during any of the site visits will be provided in writing to all respondents selected for Phase II.

Six (6) copies of the Phase 2 Technical Proposal and Financial Data shall be forwarded by hard copy along with one electronic copy.

The outside cover of the package containing the Technical Proposal shall be marked:

Commonwealth of Kentucky
Resort Lodge with Event/Meeting Space and Associated Facilities to include Tourism and
Recreational Amenities with Optional Rental Cottages
General Burnside Island State Park, Burnside, Kentucky

Finance/Design/Construct/Operate/Manage/Maintain
Technical Data/Submittal Phase 2
Solicitation Number 042226
Name of Offeror

The outside cover of the package containing the Financial Data Submittal shall be marked:

Commonwealth of Kentucky
Resort Lodge with Event/Meeting Space and Associated Facilities to include Tourism and
Recreational Amenities with Optional Rental Cottages
General Burnside Island State Park, Burnside, Kentucky
Finance/Design/Construct/Operate/Manage/Maintain
Financial Data/Submittal Phase 2
Solicitation Number 042226
Name of Offeror

Proposals, Phase II shall be either mailed or delivered to:

Ms. Nancy Brownlee
Finance and Administration Cabinet
Division of Real Properties
3rd Floor - Bush Building
403 Wapping Street
Frankfort, Kentucky 40601

Phase II: The information required to be submitted with your response will be bound with tabs designating sections as noted below:

◆ **(Tab A): Transmittal Letter**

The transmittal letter shall be on the Offeror's official business letterhead. It shall include the following, in the order given:

- A signed statement certifying that no personnel currently employed by, under contract with, or in any way associated with the Commonwealth have participated in any activities relating to the preparation of the Offeror's proposal.
- An itemization of all materials and enclosures being forwarded collectively in response to this RFP.

- A reference to all RFP addenda received from the Commonwealth (by addenda issue date), to ensure that the Offeror is aware of all such addenda in the event that are any; if none have been received by the Offeror, a statement to that effect shall be included.
- A statement that acknowledges and agrees to all of the rights of the Finance and Administration Cabinet including terms and conditions, and all other rights and terms specified in this RFP.
- A statement specifying the Offeror's contract manager, address, phone and email.
- The letter shall be signed by the person with the authority to bind the Offeror, answer questions, and provide clarification concerning the proposal.
- A statement confirming that the Offeror's proposal meets the requirements of Section III (C), 1-8. Further, a statement that all additional requirements, provisions, specifications, terms, and conditions set forth in the RFP and sample Ground Lease, or in the alternative, an explanation of any deviation from such terms and conditions, specifications, requirements, or provisions. The Commonwealth reserves the right to reject any proposal containing such deviations or to require modifications before acceptance. [Any deviation from the terms and conditions, specifications, requirements, or provisions of this RFP must be stated in writing in the Offeror's transmittal letter.]

Ownership: The Division of Real Properties for itself and such others as it deems appropriate, will have unlimited rights to all information and material developed and furnished to the Division of Real Properties. Unlimited rights are rights to use, duplicate, or, disclose, test data, drawings, and information, in whole or in part in any manner and for any purpose whatsoever without compensation to or approval from the Offeror. All text, electronic digital files, data and other products generated shall become the property of the Division of Real Properties.

◆ **(TAB B): Offeror's Proposed Development**

The Commonwealth seeks to enter into a Ground Lease with a Respondent that proposes a development which contains a high quality resort lodge that possesses amenities and services comparable to those provided by an AAA rated "Three Diamond" lodging facility with Event/Meeting Space and Associated Facilities to include Tourism and Recreational Amenities with Optional Rental Cottages. To be responsive to this phase of the RFP, proposals shall include, at a minimum, items a) through e) below.

a) Development timetable and schematic design renderings:

A development timetable and architectural schematic design renderings showing the build-out of the specific development proposal shall be included in the Response.

b) Feasibility and Other Studies:

A feasibility study and market analysis for the Project along with any archeological or other studies.

c) Parking:

The Respondent shall include in its proposal on-site, paved parking as required at the building site or other facilities and amenities.

d) Details of the Resort Lodge with Event/Meeting Space and Associated Facilities to include Tourism and Recreational Amenities with Optional Rental Cottages as outlined in this RFP.

e) Infrastructure Improvements as outlined in this RFP.

As part of Phase II of the evaluation process the Commonwealth will conduct a tour of the premises for the Respondents selected for Phase II. The purpose of the tour will be to allow the potential Respondents to assess potential building sites and vicinity where the Resort Lodge with Event/Meeting Space and Associated Facilities to include Tourism and Recreational Amenities with Optional Rental Cottages can be located. The specific date and time for the tour will be determined and made known to the remaining respondents selected for participation in Phase II.

Subsequent inspections may be scheduled in the discretion of the Commonwealth. Any and all questions posed during any of the site visits will be provided in writing to all respondents selected for Phase II.

◆ **(Tab C): Terms of Financing**

An unambiguous source and use list provided by the Offeror. Said list shall address the amount of funds that the Offeror proposes to spend and the timing of same, the source of said funds to be spent, and for what said funds will be used. Offeror shall also provide a certification from any lenders that underwrite the financing of the Project and describe the terms of such financing.

Note: Development costs of the Project, a Resort Lodge with Event/Meeting Space and Associated Facilities to include tourism and recreational amenities with optional Rental Cottages, may be eligible for the Kentucky Tourism Development Tax Credit described in KRS 139.536 and KRS 148.851 - 148.860. (Note that the application process for the tax credit is an independent process, and the applicant should read and follow KRS 139.536 and KRS 148.851 - 148.860 regarding eligibility for said credits). Respondent is solely responsible for applying for and obtaining said state tax credits if so eligible.

◆ **(Tab D): Business Plan**

A comprehensive business plan which includes short and, if possible, long-term projections and budgets demonstrating the viability of the Offeror's proposed enterprise. A marketing plan and strategy shall be included with the business plan. Higher points will be awarded to proposals that maximize financial benefits to the Commonwealth and that minimize financial risk/detriments to the Commonwealth.

a) Identification of Developer and Operator, if different from Offeror:

Information related to the Developer and Operator for the Project selected to partner with the Offeror shall be provided and shall include the Developer and Operator's brand, portfolio, marketing plan, prior project/financial successes and experience in the tourism and convention segment of the market.

b) Other Considerations:

Additional options to be considered in the Offeror's proposal include, but are not limited to, plans for Associated Facilities to include Tourism and Recreational Amenities with Optional Rental Cottages. Higher points will be awarded to proposals that maximize a variety of high value tourism and recreational amenities and services, that offer wide range of pricing options. Proposers may include tourism and recreational amenities of their choosing. Each amenity would receive one (1) point for being included, one (1) to five (5) points based on quality and guest experience, and up to two (2) bonus points for accessibility features that go beyond minimum ADA requirements. Total amenity points would be capped at 100.

◆ **(Tab E): Benefits to Commonwealth, including Revenue Payable to the Commonwealth. (Schedule-Section A on Page 60)**

The Successful Offeror shall pay a percentage of gross receipts, as defined below, annually to the Commonwealth. Offerors are to complete the schedule contained within this RFP and identified as Schedule-Section A on Page __. Section A of the schedule is provided for Offerors to indicate the percentage of gross receipts the Successful Offeror will pay to the Commonwealth on annual

basis for the corresponding period of years indicated on revenue generated from new improvements.

Offerors are to indicate the basis of the gross receipts listed. The Commonwealth has not conducted any feasibility study concerning the development of a Resort Lodge with Event/Meeting Space and Associated Facilities to include tourism and recreational amenities with optional Rental Cottages. Therefore, a feasibility study is encouraged and if one is done, it will be completed by and at the expense of the Offeror. The feasibility study should be provided to support the estimated gross receipts listed and proposed amenities. If a feasibility study is not done, that information on which the listed estimated gross receipts is based is to be provided with the Offeror's proposal. Even though the gross receipts listed are estimates, the approach taken in estimating gross revenues will represent a basis for projecting potential revenues to the Commonwealth and as such will be utilized in evaluating proposals received in response to this solicitation. However, since gross receipts are unknown at this time, the numerical value will not be considered a binding, objective, criteria in determining the successful proposal. The critical response from the Offeror is the percentage of gross receipts payable to the Commonwealth on an annual basis for the period of years indicated regardless of gross receipts estimated. The percent of gross receipts figure shall be deemed firm and not subject to renegotiation at a future time.

Gross Receipts

"Gross Receipts" shall be the total amount of cash or credits received by the Successful Offeror from all business, including receipts from accommodation reservations, restaurant food and beverage sales, gift shop and retail sales, meeting/conference center rental, recreational amenities fees, and any and all other incidental income, including the total gross revenue generated by any sublessee or consigned items, during the term of the resulting Ground Lease. Kentucky Tax and Federal Excise tax on those items subject to it, are exempt from the gross receipts for fee purposes. Fees for utilities should be exempt from commission rate.

Gross receipts as defined in reference to revenue derived from all sales, including consigned items, located on the Leased Premises, shall mean total dollar sales derived from the sale of said items, as opposed to commissions received by the Successful Offeror.

When any item, use of an item, or service is sold including, but not limited to, accommodation reservations, restaurant food and beverage sales, gift shop and retail sales, meeting/conference center rental, recreational amenities fees and any and all other incidental income that generate sales on consignment or otherwise, the Successful Offeror shall view the total of the sale as a gross receipt and pay to the Commonwealth its percentage of Gross Receipts due under the lease based on the total price of that sale, not just on the Successful Offeror's fee; i.e., the share of the total sale price which the Successful Offeror receives.

THIS SECTION MUST BE FILLED OUT AND RETURNED WITH PHASE II FINANCIAL PROPOSAL MATERIAL.

SCHEDULE

SECTION A

PERCENT OF GROSS RECEIPTS OFFEROR IS WILLING TO PAY COMMONWEALTH ON ANNUAL BASIS (FOR PERIOD OF YEARS INDICATED). PERCENTAGE MUST BE 3% OR MORE AND INCREASE OVER THE LEASE TERM.

1. ___% Initial five (5) years
2. ___% Second five (5) years
3. ___% Second ten (10) years
4. ___% Third ten (10) years
5. ___% Last ten (10) years

VII. SCORING AND PROJECT AWARD

Each evaluator will independently score the proposals, first Phase 1 and then Phase 2, the Short List of three (3). The Committee will select a chairman who will provide leadership and manage the activities and process of the Committee.

- The Commonwealth reserves the right to ask any Offeror for clarification, and/or additional information as may be required to carry out the evaluation process.
- Oral presentations will be required of the Short List of three (3) design/build/operate/manage teams/respondents. Cost for oral presentations will be the responsibility of the three-(3) design/build/operate/manage respondents. Date and time of oral presentations will be determined by the Procurement Officer. Oral Presentations will be one (1) hour in length with an additional thirty minutes for questions from the Committee.

The evaluation criteria and weight for each, Phase 1 is as follows:

- | | |
|---|-------------------|
| ◆ Developer Organizational Structure & Background | 25 – Max. Points |
| ◆ Project Development, Operations, and Management Experience | 35 – Max. Points |
| ◆ Financial Capability to Execute Project (Scoring Completed by Finance and Administration Cabinet's Office for Financial Management) | 40 -- Max. Points |

TOTAL MAXIMUM POINTS	100
-----------------------------	------------

Each Committee Member will score each criteria and indicate a total score. An average score from the Evaluators will be calculated.

The Respondents with the three (3) highest total average scores will make up the Short List of three (3). Short List Offerors will carry over cumulative total from Phase I to Phase II, for a maximum possible total of 300 points.

The evaluation criteria and weight for each, Phase 2, short list of three (3) is as follows:

- | | |
|--|-------------------|
| ◆ Offeror's Proposed Development (Timetable, Parking, proposed Resort Lodge with Event/Meeting Space | 150 – Max. Points |
| ◆ Associated Facilities to include Tourism and Recreational Amenities with Optional Rental Cottages | 100 – Max. Points |
| ◆ Terms of Financing | 50 – Max. Points |
| ◆ Business Plan | 75 – Max. Points |

- ◆ Benefits to Kentucky, including revenue payable annually as a percentage of gross receipts on new improvements and/or Associated Facilities 125 – Max. Points
- ◆ Oral Presentation 50 – Max. Points

TOTAL MAXIMUM POINTS 550

**IMPORTANT - THIS SECTION MUST BE READ, FILLED OUT,
AND RETURNED WITH THE PHASE I:**

**AUTHENTICATION OF BID AND AFFIDAVIT OF
NON-COLLUSION AND NON-CONFLICT OF INTEREST**

I hereby swear (or affirm) under the penalty for false swearing as provided by KRS 523.040:

1. That I am the Offeror (if the Offeror is in individual), a partner (if the Offeror is a partnership) or an officer or employee of the bidding corporation having authority to sign on its behalf (if the Offeror is a corporation);
2. That the attached bid or bids covering Kentucky Division of Real Properties Request for Proposals No. 042226 have been arrived at by the Offeror independently and have been submitted without collusion with, and without any agreement, understanding or planned common course of action with any other lessee of materials, supplies, equipment or services described in the Invitation to Bid, designed to limit independent bidding or competition;
3. That the contents of the bid or bids have not been communicated by the Offeror its employees or agents to any person not an employee or agent of the Offeror its surety on any bond furnished with the bid or bids and will not be communicated to any such person prior to the official opening of the bid or bids;
4. That the Offeror is legally entitled to enter into contracts with the Commonwealth of Kentucky and is not in violation of any prohibited conflict of interest, including those prohibited by the provisions of KRS 45A.330 to 45A.340, 45A.990, 45A.164.390 or KRS 11A.040 of the Executive Branch Code of Ethics; and,
5. That I have fully informed myself regarding the accuracy of the statements made above.



Rev. 9-16-22
Required Affidavit for Bidders, Offerors
and Contractors
(KRS 45A.110 & 45A.115)

Rev. 9-16-22

Affidavit Effective for One (1) Year from Date of Execution

Instructions: Pursuant to [KRS 45A.110](#) and [45A.115](#), a bidder, offeror, or contractor ("Contractor") is required to submit a Required Affidavit for Bidders, Offerors, and Contractors to be awarded a contract, or for the renewal of a contract. An authorized representative of the contracting party must complete the attestation below, have the attestation notarized, and return the completed affidavit to the Commonwealth.

Attestation

As a duly authorized representative for the Contractor, I swear and affirm under penalty of perjury, that that the Contractor has not knowingly violated campaign finance laws of the Commonwealth of Kentucky and that the award of a contract will not violate any provision of the campaign finance laws of the Commonwealth. For purposes of this attestation, "Knowingly" means that the bidder or offeror is aware or should have been aware of the existence of a violation. The bidder or offer understands that the Commonwealth retains the right to request an updated affidavit at any time.

Signature

Printed Name

Title

Date

Bidder or Offeror Name: _____

Address: _____

Commonwealth of Kentucky Vendor Code (If known): _____

Subscribed and sworn to before me this ____ day of _____, _____.

State of: _____ Notary: _____

County of: _____ My Commission Expires: _____

END OF RFP

APPENDICES

Appendix A	Dream Big Burnside Feasibility Study
Appendix B	Existing Park Amenities and Facilities
Appendix C	USACE Lease No. DACW-62-1-78 [PR-2166]
Appendix D	Letter Requesting Extension of USACE Lease
Appendix E	Program Summary – Land & Water Conservation Fund Manual
Appendix F	General Burnside General Site Location Map With Restrictions
Appendix G	Letter dated September 9, 2022 from University of Kentucky, Phillip B. Mink, II, Assistant Director, College of Arts and Sciences regarding archeological sites
Appendix H	AAA Diamond Rating Guidelines and Requirements for Lodging and Restaurants - http://www.aaanewsroom.net/Main.asp?CategoryID=9&SubCategoryID=22&ContentID=25&
Appendix I	Kentucky Infrastructure Authority Assistance Agreement for the Federally Assisted Wastewater Revolving Loan Fund
Appendix J	Letter from Burnside Mayor Robert Lawson

For hard copy of RFP or any of the attachments, please contact:

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