

To: All Recipients of the Prospectuses, CC-LARO001-13 (Full Service Draft Contract and Limited Service Draft Contract) to operate marina facilities at Keller Ferry and Seven Bays Marinas within Lake Roosevelt National Recreation Area.

In the Prospectus issued October 31, 2012, the National Park Service ("Service") stated it would respond to questions about the Prospectus if submitted in writing and received by December 5, 2012. Questions were received in a timely manner and the Service is providing the following responses to the questions as described below.

MODIFICATION #2

QUESTION 1: "What is the name of the current Director, NPS?"

SERVICE RESPONSE: The current Director of the National Park Service is Jonathan B. Jarvis.

QUESTION 2: "What is the name of the Lake Roosevelt Recreation Area Superintendent?"

SERVICE RESPONSE: The Superintendent position is currently vacant but the Service is in the process of filling the position. During this interim period the current Acting Superintendent is Mr. Jim Brown.

QUESTIONS RELATED TO BOTH PROSPECTUSES

QUESTION 3: Business Opportunity, Draft Contract, Required and Authorized Services Exhibit: "The Business Opportunity identified the Keller Ferry Campground as an authorized service. Would the NPS allow for these services to be upgraded to either full hook up or water and electric service in each of the individual sites?"

SERVICE RESPONSE: If the Concessioner committed to providing the Keller Ferry Campground service to the public, the Service may consider an upgrade to the services provided; however the Service will need to consider these upgrades and the resulting financial implications on the concession contract. The Concessioner must comply with the requirements provided in the Draft Contract and Exhibit F (Project Procedures).

QUESTION 4: Business Opportunity, Draft Contract, Required and Authorized Services (Exhibits X & X): "In the Keller Ferry Campground is there hot water in the current NPS provided shower facility?"

SERVICE RESPONSE: There is no hot water, but only a cold shower facility located outdoors.

QUESTION 5: Business Opportunity, Estimated Initial Investment (Exhibits 16 & 13): "These sections identify purchase prices of 37K and 163K for Other Property: Merchandise and Supplies. Where are the lists for these items? How was the Fair Value determined for the items on these lists, and by whom?"

SERVICE RESPONSE: The Service does not have list of the current merchandise and supplies as these change on a regular basis. The Service estimated the value of the merchandise and supplies associated with the Existing Contract based on historic information and industry standards. This value is an estimate for informational purposes only. The final value for all personal property, including merchandise and supplies, will be negotiated between the Existing Concessioner and new Concessioner.

QUESTION 6: Business Opportunity, Estimated Initial Investment (Exhibits 16 & 13): “Are the amounts reflected for the personal property and other requirements firm amounts or are they estimates which be negotiated with the current concessioner?”

SERVICE RESPONSE: All values for personal property in either the Full Service or Limited Service Prospectus are estimates provided by the National Park Service. The Existing Concessioner and new Concessioner will negotiate the actual final value for the personal property used or held for use in the respective Draft Contract.

QUESTION 7: Exhibit I (Insurance Requirements): “In light of the Congressional hearings this past August on new National Park Service dramatic increases in ‘Insurance Requirements’ as stated in Exhibit I of both the ten year and the fifteen year prospectus [sic], will these increases be adjusted downward considering the small scope of the operations at Lake Roosevelt?”

Example: Public Liability went **from** \$1 million per occurrence / \$2 million annual aggregate, **to** \$5 million per occurrence / \$10 million aggregate for marine operator.”

SERVICE RESPONSE: No, the insurance requirements provided in Exhibit I of both the Full Service and Limited Service Draft Contracts were based upon the level of service to be provided under the respective Draft Contract and therefore will not be adjusted.

QUESTION 8: Appendix C (Existing Contract) and Appendix D (Prior Contract): “Is it correct that the existing concessioner operates under a 2006 supplemental operating agreement to the LARO001-92 contract that expired earlier in December, 2005?”

SERVICE RESPONSE: As stated in both prospectuses, the Existing Concessioner operates under the Existing Contract, CC-LARO001-92, as amended and continued since December 31, 2005. The Existing Contract has not expired.

QUESTION 9: Appendix C (Existing Contract) and Appendix D (Prior Contract): “In May 2006, how did the NPS authorize operations to continue, and then assign operations to a different company, based on a 2005 expired contract?”

SERVICE RESPONSE: Please see the answer to Question 8, above. The Existing Contract has never expired, and thus the Service approved a sale and transfer of the Existing Contract between the Prior Concessioner, Colville Tribal Enterprise Corporation dba Roosevelt Recreation Enterprises, and the Existing Concessioner in 2006.

QUESTION 10: Appendix M (Existing Concessioner Personal Property): “Is there Personal Property at Keller Ferry that must be purchased? Who does it belong to now?”

SERVICE RESPONSE: Yes, as provided in Appendix M in both the Full Service and Limited Service Draft Contracts, there is personal property located at the Keller Ferry Marina. All personal property belongs to the Existing Concessioner.

QUESTION 11: Appendix M (Existing Concessioner Personal Property): “What, if any, validation or oversight has been done by the NPS to verify the appropriateness, condition and serviceability of the items listed on the Personal Property Appendix M for both Prospectuses, or are the lists unaudited?”

SERVICE RESPONSE: The Service completed an initial assessment of the personal property at both marinas in 2010. Since that time, the Service has updated the lists (e.g. removed items that have been disposed); however the Service has not analyzed the condition or serviceability of the items since 2010. It is the responsibility of the Existing Concessioner and Concessioner to finalize the list of personal property transferred and agree upon the value of that personal property as described in the Existing Contract.

QUESTION 12: Appendix M (Existing Concessioner Personal Property): “How was the Fair Value determined, and by who?”

SERVICE RESPONSE: Please see the answer to Question 11, above.

QUESTIONS RELATED TO THE FULL SERVICE DRAFT CONTRACT

QUESTION 13: Business Opportunity, Page 2 (Concession Management Plan): “Since the Colville and Spokane Tribes are ‘partners’ with the NPS, would they have preferential or preferred provider standing as bidders?”

SERVICE RESPONSE: No, the 1998 Concessions Act gives a preferential right only in limited circumstances, and then only to the Existing Concessioner. As stated in the prospectus, those conditions do not apply here. The Director, pursuant to 36 C.F.R. Part 51, has determined that there is no preferred Offeror for either Draft Contract.

QUESTION 14: Business Opportunity, (Historic Revenue Projections): “On the historical revenue projections provided, is it correct to assume that the houseboat revenues reported do not include the revenues of the two smaller houseboats that are not included in this prospectus?”

SERVICE RESPONSE: The revenues are included in the historic gross receipt information; however the smaller houseboats identified are not required to be purchased as part of the personal property included in the Full Service Draft Contract.

QUESTION 15: Draft Contract, Section 1 (Term of Contract): “If my company bids on the Fifteen Year ‘Full Services’ contract, is there a legal way to make our offer for ten years with an option at that point to extend for the additional five years, or just be done after ten years?”

SERVICE RESPONSE: No, the term of the Full Service Draft Contract is fifteen (15) years.

QUESTIONS RELATED TO THE LIMITED SERVICE DRAFT CONTRACT

QUESTION 16: Business Opportunity, Page 17 (Investment Analysis): “‘...The estimated value...of all Other Property is 176K’. Should that read 136K (plus 40K) for startup and working capital, or is it 176K plus 40K?”

SERVICE RESPONSE: Yes, the value of all Other Property (Equipment and Merchandise and Supplies) is \$136,000 plus an additional estimated \$40,000 for Start-Up Costs and Working Capital for a total estimated initial investment of \$176,000.

QUESTION 17: Draft Contract, Section 3 (Services and Operations): “Should my company be awarded the Ten Year ‘Limited Services’ contract, once established in operation and a need is identified to add services for the public, will that be permitted under this contract? Specifically, could the stores and food service be added after one year, and the rental boats be added after two years, and houseboats be added after that?”

SERVICE RESPONSE: No, the Limited Service Draft Contract details the Required and Authorized Services to be provided under this contract and cannot be expanded.

QUESTION 18: Draft Contract, Section 3 (Services and Operations, Required and Authorized Visitor Services): “If the Limited Service concession is awarded, thereby limiting authorized visitor service, will the Director have the authority to authorize additional services during the term of the contract, specifically to authorize the store at both marinas and the restaurant at Seven Bays?”

SERVICE RESPONSE: Please see the response to Question 17, above.

QUESTION 19: Draft Contract, Section 3 (Services and Operations, Required and Authorized Visitor Services): “If the Limited Service concession is awarded, thereby limiting authorized visitor service, will the Director have the authority to authorize additional services during the term of the contract, specifically houseboat operations, or authorize subcontract services for houseboat operations?”

SERVICE RESPONSE: Please see the response to Question 17, above.

QUESTION 20: “With the stores closed, does the Ten Year ‘Limited Services’ contract provide for a ‘place’ to function as a point of contact for the company and customers to conduct business? Where would that be?”

SERVICE RESPONSE: Yes, the Fuel Station Building located at Seven Bays (on the Fuel Dock) includes a small office space for rental needs. At Keller Ferry a new fuel building will be included when the Service replaces the Fuel Dock that also will include a small office space for rental needs.
