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UNITED STATES

DEPARTMENT OF THE INTERIOR

NATIONAL PARK SERVICE

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Hot Springs National Park, Arkansas

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CONTRACT NO. CC-HOSP002-94 EXECUTED December 19, 1994

COVERING THE PERIOD

December 19, 1994 THROUGH December 19, 2004

CONCESSION CONTRACT
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EXHIBITS

1. Exhibit "A": Nondiscrimination
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Contract No. CC-HOSP001-94

CORPORATION

THIS CONTRACT made and entered into by and between the United States of America, acting in this matter by the Secretary of the Interior, through the Director of the National Park Service, hereinafter referred to as the "Secretary," and the Buckstaff Bath House Company, a corporation organized and existing under the laws of the State of Arkansas, doing business as the Buckstaff Bath House Company, hereinafter referred to as the "Concessioner":

W I T N E S S E T H:

THAT WHEREAS, Hot Springs National Park, (hereinafter referred to as the "Area") is administered by the Secretary to conserve the scenery and the natural and historic objects and the wildlife therein, and to provide for the public enjoyment of the same in such manner as will leave such area unimpaired for the enjoyment of future generations; and

WHEREAS, the accomplishment of these purposes requires that facilities and services that have been determined to be necessary and appropriate for the public use and enjoyment of the area be provided for the public visiting the area; and

WHEREAS, the United States has not itself provided such

necessary facilities and services and desires the Concessioner to establish and operate certain of them at reasonable rates under the supervision and regulation of the Secretary; and

WHEREAS, pursuant to law the Secretary is required to exercise his authority hereunder in a manner consistent with a reasonable opportunity by the Concessioner to realize a profit on the operations conducted hereunder as a whole commensurate with the capital invested and the obligations assumed:

NOW, THEREFORE, pursuant to the authority contained in the Acts of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2-4), and October 9, 1965 (79 Stat. 969; 16 U.S.C. 20 et seq.), and other laws supplemental thereto and amendatory thereof, the Secretary and the Concessioner agree as follows:

SEC. 1. TERM OF CONTRACT. (a) This CONTRACT shall be for the term of ten (10) years from December 19, 19 94, through December 19, 2004.

SEC. 2. ACCOMMODATIONS, FACILITIES AND SERVICES. (a) The Secretary hereby requires and authorizes the Concessioner during the term of this CONTRACT to provide accommodations, facilities, and services for the public within the Area, as follows:

1. Hydrotherapy
2. Physical therapy
3. Health spa
4. Physical fitness

The concessioner may provide services incidental to the operation authorized hereunder at the request of the Secretary.

(b) The Secretary reserves the right to determine and control the nature, type and quality of the merchandise and services described herein to be sold or furnished by the Concessioner within the Area.

(c) This CONTRACT and the administration of it by the Secretary shall be subject to the laws of Congress governing the Area and rules, regulations and policies promulgated thereunder, whether now in force or hereafter enacted or promulgated, including but not limited to United States Public Health Service requirements. The Concessioner must also comply with applicable requirements promulgated by the United States Department of Labor's Occupational Safety and Health Act of 1970 (OSHA) and those provisions outlined in the National Park Service's Safety and Occupational Health Policy associated with visitor safety and health.

(d) In order to implement these requirements the Secretary, acting through the Superintendent and in consultation with the Concessioner, shall establish and revise as circumstances warrant, specific operating requirements in the form of an Operating Plan which shall be adhered to by the Concessioner. The Operating Plan established by the Superintendent shall not amend

or alter the material rights and liabilities of the parties to this CONTRACT.

SEC. 3. PLANT, PERSONNEL, AND RATES. (a)(1) The Concessioner shall maintain and operate the accommodations, facilities, and services described above to such extent and in such manner as the Secretary may deem satisfactory, and shall provide the plant, personnel, equipment, goods, and commodities necessary therefor provided that the Concessioner shall not be required to make investments inconsistent with a reasonable opportunity to realize a profit on its operations under this CONTRACT commensurate with the capital invested and the obligations assumed. The Concessioner agrees that the terms of this CONTRACT provide the Concessioner this reasonable opportunity to realize a profit.

(a)(2) All rates and prices charged to the public by the Concessioner for accommodations, services, or goods furnished or sold shall be subject to regulation and approval by the Secretary. Reasonableness of rates and prices will be judged generally by comparison with those currently charged for comparable accommodations, services, or goods furnished or sold outside of the areas administered by the National Park Service under similar conditions, with due allowance for length of season, provision for peak loads, accessibility, availability and cost of labor and materials, type of patronage, and other conditions customarily considered in determining charges, but due

regard may also be given to such other factors as the Secretary may deem significant.

(a)(3) The Concessioner shall require its employees to observe a strict impartiality as to rates and services in all circumstances. The Concessioner may, subject to the prior approval of the Secretary, grant complimentary or reduced rates under such circumstances as are customary in businesses of the character conducted hereunder. The Concessioner will provide Federal employees conducting official business reduced rates for lodging, essential transportation and other specified services in accordance with procedures established by the Secretary.

(b)(1) The Concessioner may be required to have its employees to who come in direct contact with the public, so far as practicable, to wear a uniform or badge by which they may be known and distinguished as the employees of the Concessioner. The Concessioner shall require its employees to exercise courtesy and consideration in their relations with the public.

(b)(2) The Concessioner shall review the conduct of any of its employees whose actions or activities are considered by the Concessioner or the Secretary to be inconsistent with the proper administration of the Area and enjoyment and protection of visitors and shall take such actions as are necessary to fully correct the situation.

(b)(3) The Concessioner shall, in addition to other laws and regulations which may be applicable to its operations, comply with the applicable requirements of (i) Title VII of the Civil Rights Act of 1964, as well as Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, (ii) Title V, Sections 503 and 504 of the Rehabilitation Act of September 26, 1973, P.L. 93-112 as amended in 1978, (iii) 41 CFR, Part 60-2 which prescribes affirmative action requirements for contractors and subcontractors, (iv) the Age Discrimination in Employment Act of December 15, 1967 (P.L. 90-202), as amended by P.L. 95-256 of April 6, 1978, and (v) the Architectural Barriers Act of 1968 (P.L. 90-480). The Concessioner shall also comply with regulations heretofore or hereafter promulgated, relating to nondiscrimination in employment and providing accessible facilities and services to the public including those set forth in Exhibit "A" attached hereto and made a part hereof.

SEC. 4. GOVERNMENT LAND AND IMPROVEMENTS. (a)(1) The Secretary hereby assigns for use by the Concessioner during the term of this CONTRACT, certain parcels of land, if any, (as described in Exhibit "B" hereto) and Government Improvements, if any, (as described in Exhibit "C" hereto) appropriate to conduct the operations hereunder.

(a)(2) The Secretary reserves the right to withdraw such assignments or parts thereof at any time during the term of this CONTRACT if, in his judgement, (i) such withdrawal is for the purpose of enhancing or protecting area resources or visitor enjoyment, or safety or, (ii) the operations utilizing such assigned lands or buildings are terminated pursuant to Section 12 hereof.

(a)(3) Any permanent withdrawal of assigned lands or Government Improvements which are essential for conducting the operation authorized hereunder will be considered by the Secretary as a termination of this CONTRACT pursuant to Section 12 hereof. The Secretary shall compensate the Concessioner for any possessory interest it may have in such properties, permanently withdrawn pursuant to Section 13 hereof.

(b)(1) "Government Improvements" as used herein, means the buildings, structures, utility systems, fixtures, equipment, and other improvements affixed to or resting upon the lands assigned hereunder, in such manner as to be part of the realty, if any, constructed or acquired by the Secretary and assigned to the Concessioner by the Secretary for the purposes of this CONTRACT.

(b)(2) The Concessioner shall have a possessory interest to the extent provided elsewhere in this CONTRACT in capital improvements (as hereinafter defined) it makes to Government

Improvements (excluding improvements made from funds from any Section 10 accounts) with the written permission of the Secretary. In the event that such Possessory Interest is acquired by the Secretary or a successor concessioner at any time, the Concessioner will be compensated for such Possessory Interest pursuant to Section 13 hereof.

(c) The Secretary shall have the right at any time to enter upon the lands and improvements utilized by the Concessioner hereunder for any purpose he may deem reasonably necessary for the administration of the Area.

(d) The Concessioner may construct or install upon assigned lands such buildings, structures, and other improvements as are necessary for operations hereunder, subject to the prior written approval by the Secretary of the location, plans, and specifications thereof. The Secretary may prescribe the form and contents of the application for such approval. The desirability of any project as well as the location, plans and specifications thereof will be reviewed in accordance with applicable provisions of the National Environmental Policy Act of 1969 and the National Historic Preservation Act of 1966, among other requirements.

(e) If, during the term of this CONTRACT, a Government Improvement requires capital improvement (major repairs and/or improvements that serve to prolong the life of the Government

Improvement to an extent requiring capital investment for major repair), such capital improvement shall be made by the Concessioner at its expense if consistent with a reasonable opportunity for the Concessioner to realize a profit as described above. Where capital improvements to other Government facilities which directly support the Concessioner's operations under this CONTRACT are determined by the Secretary to be necessary for the accommodation of Area visitors, such improvements shall be made by the Concessioner at its expense unless the Secretary determines that expenditures for such improvements are inconsistent with a reasonable opportunity for the Concessioner to realize a profit as described above.

SEC. 5. MAINTENANCE. (a) Subject to Section 4(e) hereof, the Concessioner will physically maintain and repair all facilities (both Government Improvements and Concessioner Improvements) used the operations under this CONTRACT, including maintenance of assigned lands and all necessary housekeeping activities associated with such operations, to the satisfaction of the Secretary.

(b) In order to implement these requirements, the Secretary, acting through the Superintendent, shall undertake appropriate inspections, and, in consultation with the Concessioner, shall establish and revise as circumstances warrant a Maintenance Plan consisting of specific maintenance requirements which shall be

adhered to by the Concessioner. However, such Maintenance Plan shall not amend or alter the material rights and liabilities of the parties to this CONTRACT.

SEC. 6. CONCESSIONER'S IMPROVEMENTS. (a)(1) "Concessioner Improvements," as used herein, means buildings, structures, fixtures, equipment, and other improvements, affixed to or resting upon the lands assigned hereunder in such manner as to be a part of the realty, provided by the Concessioner for the purposes of this CONTRACT, (excluding improvements made to Government Improvements and improvements made from funds in any Section 10 accounts), as follows: (i) such improvements upon the lands assigned at the date hereof as described in Exhibit "D" hereto; and (ii) all such improvements hereafter constructed upon or affixed to the lands assigned to the Concessioner with the written consent of the Secretary.

(a)(2) Concessioner Improvements do not include any interest in the land upon which the improvements are located.

(a)(3) Any salvage resulting from the authorized removal, severance or demolition of a Concessioner Improvement or any part thereof shall be the property of the Concessioner.

(a)(4) In the event that a Concessioner Improvement is removed, abandoned, demolished, or substantially destroyed and no other

improvement is constructed on the site, the Concessioner, at its expense, shall promptly, upon the request of the Secretary, restore the site as nearly as practicable to its original condition.

(b)(1) The Concessioner shall have a Possessory Interest as defined herein in Concessioner Improvements to the extent provided by this CONTRACT.

(b)(2) Possessory Interest in Concessioner Improvements or Government Improvements shall not be extinguished by the expiration or other termination of this CONTRACT, and may not be terminated or taken for public use without just compensation as determined in accordance with Section 13. Performance of the obligations assumed by the Secretary under Section 13 hereof shall constitute just compensation with respect to the taking of Possessory Interest.

(c)(1) Possessory Interest, as the term is used in this CONTRACT, shall consist of all incidents of ownership in capital improvements made by the Concessioner, except legal title which shall be vested in the United States and subject to other limitations as set forth in this CONTRACT. Particularly, among other matters, the existence of Possessory Interest shall not be construed to include or imply any authority, privilege, or right to operate or engage in any business or other activity, and the

use or enjoyment of any structure, fixture or improvement in which the Concessioner has a Possessory Interest shall be wholly subject to the applicable provisions of this CONTRACT and to the laws and regulations relating to the Area.

SEC. 7. UTILITIES. (a) The Secretary may furnish utilities to the Concessioner, for use in connection with the operations authorized under the CONTRACT, when available, at reasonable rates to be fixed by the Secretary, in his discretion. Such rates which shall at least equal the actual cost of providing the utility or service unless a reduced rate is provided for in an established policy of the Secretary in effect at the time of billing.

(b) Should the Secretary not provide such utilities, the Concessioner shall, with the written approval of the Secretary and under such requirements as the Secretary shall prescribe, secure necessary utilities at its own expense from sources outside the Area or shall install the same within the Area with the written permission of the Secretary, subject to the following conditions:

(i) Any water rights deemed necessary by the Concessioner for use of water on Federal lands shall be acquired at its expense in accordance with applicable state procedures and law. Such water rights, upon expiration or termination of this

CONTRACT for any reason shall be assigned to and become the property of the United States without compensation.

(ii) Any utility service provided by the Concessioner under this section shall, if requested by the Secretary, be furnished to the Secretary to such extent as will not unreasonably restrict anticipated use by the Concessioner. The rate per unit charged the Secretary for such service shall be approximately the average cost per unit of providing such service; and

(iii) All appliances and machinery to be used in connection with the privileges granted in this Section, as well as the plans for location and installation of such appliances and machinery shall first be approved by the Secretary.

SEC. 8. ACCOUNTING RECORDS AND REPORTS. (a) The Concessioner shall maintain an accounting system whereby its accounts can be readily identified with its system of accounts classification. The Concessioner shall submit annually as soon as possible but not later than sixty (60) days after the 31st day of December a financial statement for the preceding year or portion of a year as prescribed by the Secretary, and such other reports and data including but not limited to, operations information, as may be required by the Secretary. Such information are subject to public release to the extent authorized by law or established policies and procedures of the

Secretary. The Concessioner's system of accounts classification shall be directly related to the Concessioner Annual Report Form issued by the Secretary. Certain of this information may be released to the public pursuant to the provisions of 36 CFR, Part 51.9. If annual gross receipts are in excess of $1,000,000, the financial statements shall be audited by an independent certified public accountant or by an independent licensed public accountant certified or licensed by a regulatory authority of a state or other political subdivision of the United States on or before December 31, 1970, in accordance with the auditing standards and procedures promulgated by the American Institute of Certified Public Accountants. If annual gross receipts are between $250,000, and $1,000,000, the financial statements shall be reviewed by an independent certified public accountant or by a licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the United States on or before December 31, 1970, in accordance with the auditing standards and procedures promulgated by the American Institute of Certified Public Accountants. If annual gross receipts are less than $250,000, the financial statements may be prepared without involvement by an independent certified or licensed public accountant, unless otherwise directed by the Secretary.

If the Concessioner is required to have its annual financial statement (Concessioner Annual Financial Report) audited or

reviewed, the Concessioner must use the accrual accounting method. In addition, it must include in its annual financial statement (Concessioner Annual Financial Report) a footnote that reconciles its annual financial statement to its Federal income tax returns.

(b) Within ninety (90) days of the execution of this CONTRACT or its effective date, whichever is later, the Concessioner shall submit to the Secretary a balance sheet as of the beginning date of the term of this CONTRACT. The balance sheet shall be audited by an independent certified public accountant or by an independent licensed public accountant, certified or licensed by a regulatory authority of a State or other political subdivision of the United States on or before December 31, 1970. The balance sheet shall be accompanied by a schedule that identifies and provides details for all assets in which the Concessioner claims a Possessory Interest. The schedule must describe these assets in detail showing for each such asset the date acquired, useful life, cost and book value.

(c) The Secretary and Comptroller General of the United States, or any of their duly authorized representatives, shall at any time up until the expiration of five (5) calendar years after the expiration of this CONTRACT have access to and the right to examine any of the Concessioner's pertinent books, documents, papers, and records, including Federal and state income tax

returns (collectively "documents"), and such documents of any subconcessioner related to this CONTRACT, and such documents of any proprietary or affiliate companies of the Concessioner.

SEC. 9. FEES. For the term of this CONTRACT, the Concessioner shall pay to the Secretary for the privileges granted herein fees as follows:

(a)(1) An annual fee for the use of Government Improvements assigned to the Concessioner, if any. Such fee and related Government Improvement shall be identified in Exhibit "C" hereto, and the fee may be adjusted annually to equal the fair annual value of the related Government Improvement as determined by the Secretary.

(a)(2) Thermal Water and Pool Capacity Fees: The Concessioner shall also pay for the thermal water used at the rate of twenty-five cents ($0.25) per thousand gallons or fraction thereof.

(a)(3) Tubage Fee: Additionally, the Concessioner shall pay $30.00 per tub per annum for each bathtub used.

(b) Except for the tubage fee which is payable in quarterly installments in advance, the aforementioned fees shall be due on a monthly basis at the end of each month and shall be paid by the

Concessioner in such a manner that payment shall be received by the Secretary within 15 days after the last day of each month that the Concessioner operates. Such monthly payments shall include the annual use fee for assigned Government Improvements, as set forth in Exhibit "C" hereto, and the pool capacity fee divided by the expected number of operating months. The payment of any additional amounts due at the end of the operating year as a result of adjustments shall be paid at the time of submission of the Concessioner's annual financial statement. Overpayments shall be offset against the following year's franchise fees due. All franchise fee payments consisting of $10,000 or more shall be deposited electronically by the Concessioner using the Treasury Financial Communications System.

(c) An interest charge will be assessed on overdue amounts for each 30 day period, or portion thereof, that payment is delayed beyond the fifteen day period provided for above. The percent of interest charged will be based on the current value of funds to the United States Treasury as published quarterly in the Treasury Fiscal Requirements Manual.

(d)(1) The term "gross receipts," as used in this CONTRACT, shall be construed to mean the total amount received or realized by, or accruing to, the Concessioner from all sales for cash or credit, of services, accommodations, materials, and other merchandise made pursuant to the rights granted by this CONTRACT,

including gross receipts of subconcessioners as herein defined and commissions earned on contracts or agreements with other persons or companies operating in the Area, and excluding gross receipts from the sale of genuine United States Indian and native handicraft, intracompany earnings on account of charges to other departments of the operation (such as laundry), charges for employees' meals, lodgings, and transportation, cash discounts on purchases, cash discounts on sales, returned sales and allowances, interest on money loaned or in bank accounts, income from investments, income from subsidiary companies outside of the area, sale of property other than that purchased in the regular course of business for the purpose of resale, and sales and excise taxes that are added as separate charges to approved sales prices, gasoline taxes, fishing license fees, and postage stamps, provided that the amount excluded shall not exceed the amount actually due or paid Government agencies, and amounts received as a result of an add-on to recover utility costs above comparable utility charges. All monies paid into coin-operated devices, except telephones, whether provided by the Concessioner or by others, shall be included in gross receipts. However, only revenues actually received by the Concessioner from coin-operated telephones shall be included in gross receipts.

(d)(2) The term "gross receipts of subconcessioners" as used in this CONTRACT shall mean the total amount received or realized by, or accruing to, subconcessioners from all sources as a result

of the exercise of the rights conferred by subconcession contracts hereunder without allowances, exclusions, or deductions of any kind or nature whatsoever and the subconcessioner shall report the full amount of all such receipts to the Concessioner within 45 days after the 31st day of December of each year or portion of a year. Subconcessioners shall maintain an accurate and complete record of all items listed in Subsection (d)(1) of this section as exclusions from the Concessioner's gross receipts and shall report the same to the Concessioner with the gross receipts. The Concessioner shall be entitled to exclude items listed in Subsection (d)(1) in computing the franchise fee payable to the Secretary as provided for in Subsection (a) hereof.

(e)(1) Immediately following the end of the fifth year of this CONTRACT, the amount and character of the franchise fees described in this Section and/or contributions to any accounts described in Section 10 hereof (Section 10 contributions) shall be reconsidered for a period of one hundred and eighty (180) days. During this reconsideration period, the Secretary or the Concessioner may propose adjustments to such franchise fees and/or Section 10 contributions (which shall reflect their position as to the then current probable value of the privileges granted by this CONTRACT based upon a reasonable opportunity for profit in relation to both gross receipts and capital invested) by mailing written notice to the other party of

such proposal before the end of the reconsideration period. If no such notices are duly mailed, the reconsideration shall end and the fees and contributions shall remain the same until the occurrence of the next reconsideration period.

(e)(2) If the Secretary or the Concessioner duly makes a proposal to adjust the franchise fees and/or Section 10 contributions before the end of the reconsideration period, they shall, commencing the day after the end of the reconsideration period, undertake a good faith negotiation of the proposal. If such negotiation does not result in an agreement as to adjustments to the fees and/or contributions within sixty (60) days of its commencement, this negotiation period shall end and any adjustments determined by the Secretary as of that time shall go into effect, provided that, the Concessioner may extend this negotiation period by appealing such adjustments to the Secretary. Such appeal must be received by the Secretary within thirty (30) days after the end of the sixty day negotiation period. The appeal must be in writing and include the Concessioner's detailed position as to the validity of such adjustments to the fees and/or contributions. The Secretary, acting through a designee other than the official who determined the adjustments from which the Concessioner duly has appealed, shall consider the position of the Concessioner and related documents as appropriate, and, if applicable, the written views of the mediator as described below. The Secretary shall then make

a written final determination of appropriate adjustments to franchise fees and/or Section 10 contributions consistent with the probable value to the concessioner of the privileges granted by this CONTRACT based upon a reasonable opportunity for profit in relation to both gross receipts and capital invested. This final determination, or, where applicable, a determination as to adjustments made at the end of the sixty day negotiation period described above from which the Concessioner fails to timely appeal, shall be conclusive and binding upon the parties to this CONTRACT.

(e)(3) Adjustments to franchise fees and/or Section 10 contributions resulting from the process described herein shall be retroactive to the commencement of the applicable contract period for which a notice of reconsideration was given. Payments or contributions made in arrears shall include interest at a percent based on the current value of funds to the United States Treasury as published quarterly in the Treasury Fiscal Requirements Manual. The adjustments shall also be effective for the remaining term of this CONTRACT, subject to the results of any further reconsideration periods. If an adjustment to franchise fees and/or Section 10 contributions results in higher fees and/or contributions, the Concessioner will pay all back franchise fees due (with applicable interest) and make all Section 10 contributions due (with applicable interest) at the time of the next regular franchise fee payment or Section 10

contribution respectively. If an adjustment results in lower fees and/or contributions, the Concessioner may withhold the difference from future franchise fee payments or Section 10 contributions until the Concessioner has recouped the overpayment. Adjustments to franchise fees and/or Section 10 contributions will be embodied in an amendment to this CONTRACT unless resulting from a determination of the Secretary without the agreement of the Concessioner in which event a copy of such determination shall be attached to this CONTRACT and become a part hereof as if originally incorporated herein. During the pendency of the process described herein, the Concessioner shall continue to make the established franchise fee payments and/or Section 10 contributions required by this CONTRACT.

(e)(4) In connection with an appeal to the Secretary hereunder, the Concessioner may request mediation of appropriate adjustments to franchise fees and/or Section 10 contributions by providing a written request for mediation with its appeal to the Secretary as described above. The mediation will be conducted by the American Arbitration Association (AAA) or a similar organization chosen by the Secretary and take place in Washington D.C. The purpose of the mediation shall be to provide for the Secretary's consideration during such appeal the views of the mediator as to appropriate adjustments of franchise fees and/or Section 10 contributions consistent with the probable value to the Concessioner of the privileges granted by this CONTRACT based

upon a reasonable opportunity for profit in relation to both gross receipts and capital invested. The written views of the mediator shall be provided to the Secretary within ninety (90) days of the request for mediation unless, because of extenuating circumstances, the Secretary determines that an extension of this time period is warranted. If such views are not provided within this time period (or a duly extended time period), the advisory mediation shall terminate and the Secretary shall make a determination on the appeal as if the mediation had not been requested. The Concessioner and the Secretary shall cooperate in good faith to permit the views of the mediator to be provided within the applicable time period. The Secretary and the Concessioner shall share equally the costs of the services of the mediator and the mediation organization. The views of the mediator are advisory only.

(e)(5) The mediator shall be selected by agreement between the Concessioner and the Secretary from a list provided by the mediation organization within ten (10) days of receipt. Promptly following the selection, the Secretary shall schedule a date for the mediation meeting to take place at which time the written positions of the Concessioner and the Secretary shall be presented to the mediator along with appropriate oral presentations unless advance submissions are agreed upon. The mediator shall not have the power to compel the production of documents or witnesses and shall not receive or take into account

information or documents concerning positions taken by the Concessioner or the Secretary in the negotiations which preceded the request for mediation. The mediator shall consider the written submissions and any oral presentations made and provide his or her written views as described above to the Secretary within ninety (90) days of the request for mediation, or, if applicable, by the last day of a duly extended time period.

SEC. 10. ACCOUNTS. No Government Improvement or Capital Improvement Accounts are included in this CONTRACT.

SEC. 11. BOND AND LIEN. The Secretary may, in his discretion, require the Concessioner to furnish a surety bond acceptable to the Secretary, conditioned upon faithful performance of this CONTRACT, in such form and in such amount as the Secretary may deem adequate, not in excess of five thousand dollars ($5,000). As additional security for the faithful performance by the Concessioner of all of its obligations under this CONTRACT, and the payment to the Government of all damages or claims that may result from the Concessioner's failure to observe such obligations, the Government shall have at all times the first lien on all assets of the Concessioner within the area.

SEC. 12. TERMINATION. (a)(1) The Secretary may terminate this CONTRACT in whole or part for default at any time and may terminate this CONTRACT in whole or part when necessary for the

purpose of enhancing or protecting area resources or visitor enjoyment or safety.

(a)(2) Operations under this CONTRACT may be suspended in whole or in part at the discretion of the Secretary when necessary to enhance or protect Area resources or visitor enjoyment or safety.

(a)(3) Termination or suspension shall be by written notice to the Concessioner and, in the event of proposed termination for default, the Secretary shall give the Concessioner a reasonable period of time to correct stated deficiencies.

(a)(4) Termination for default may be utilized in circumstances where the Concessioner has breached any requirement of this CONTRACT, including, but not limited to, failure to maintain and operate accommodations, facilities and services to the satisfaction of the Secretary in accordance with the Secretary's requirements hereunder.

(b) In the event of termination or expiration of this CONTRACT, the total compensation to the Concessioner for such termination or upon expiration shall be as described in Section 13, ("Compensation") of the CONTRACT.

(c) In the event it is deemed by the Secretary necessary to suspend operations under this CONTRACT in whole or in part to

enhance or protect Area resources or visitor enjoyment or safety, the Secretary shall not be liable for any compensation to the Concessioner for losses occasioned thereby, including but not limited to, lost income, profit, wages or other monies which may be claimed.

(d) To avoid interruption of services to the public upon the expiration or termination of this CONTRACT for any reason, the Concessioner, upon the request of the Secretary, shall (i) continue to conduct all operations hereunder for a reasonable period of time to allow the Secretary to select a successor concessioner, or (ii) consent to the use by a temporary operator, designated by the Secretary, of Concessioner Improvements and personal property, if any, not including current or intangible assets, used in operations hereunder upon fair terms and conditions, provided that the Concessioner shall be entitled to an annual fee for the use of such improvements and personal property, prorated for the period of use, in the amount of the annual depreciation of such improvement and personal property, plus a return on the book value of such improvements and personal property equal to the prime lending rate, effective on the date the temporary operator assumes managerial and operational responsibilities, as published by the Federal Reserve System Board of Governors or as agreed upon by the parties involved. In such circumstances, the method of depreciation applied shall be either straight line depreciation or depreciation as shown on the

concessioner's Federal Income Tax Return.

SEC. 13. COMPENSATION. (a) Just Compensation: The compensation described in this Section shall constitute full and just compensation to the Concessioner from the Secretary for all losses and claims occasioned by the circumstances described below.

(b) Contract expiration or termination where operations are to be continued: (b)(1) If for any reason, including contract expiration or termination as described herein, the Concessioner shall cease to be required by the Secretary to conduct operations hereunder, or substantial part thereof, and, at the time of such event the Secretary intends for substantially the same or similar operations to be continued by a successor, whether a private person, corporation or an agency of the Government, (i) the Concessioner shall sell and transfer to the successor designated by the Secretary its possessory interest in Concessioner Improvements and Government Improvements, if any, as defined under this CONTRACT, and all other tangible property of the Concessioner used or held for use within the Area in connection with such operations; and (ii) the Secretary will require such successor, to purchase from the Concessioner such possessory interests, if any, and such other property, and to pay the Concessioner the fair value thereof.

(b)(2) The initial fair value of any Possessory Interest in Concessioner Improvements in existence before the effective date of this CONTRACT shall be $358,070 of the effective date of the CONTRACT. This initial fair value amount shall annually decrease by 1/30th (i.e., over 30 years) of this amount. In the event of CONTRACT termination or expiration, the Concessioner's right to fair value for such Possessory Interest shall be the amount not yet so decreased. The fair value of any Possessory Interest in Government Improvements in existence before the effective date of this CONTRACT shall be the book value of the improvements as of the last day of the contract under which such Possessory Interest was obtained, subject to further reduction pursuant to the applicable depreciation schedule of such improvements.

(b)(3) The fair value of Possessory Interest in Concessioner Improvements and Government Improvements made after the effective date of this CONTRACT shall be, unless calculated in accordance with Section 13(d) hereof, the original cost of the improvements less straight line depreciation over the estimated useful life of the asset according to Generally Accepted Accounting Principles, provided, however, that in no event shall any such useful life exceed 30 years. In the event that such Possessory Interest is acquired by a successor, the successor will not be permitted to revalue such Possessory Interest, or, alter its depreciation schedule or useful life.

(b)(4) The fair value of merchandise and supplies shall be actual cost including transportation.

(b)(5) The fair value of equipment shall be its book value.

(c) Contract expiration or termination where operations are to be discontinued: If, for any reason, including contract expiration or termination as described herein, the Concessioner shall cease to be required by the Secretary to conduct operations hereunder, or substantial part thereof, and the Secretary at the time chooses to discontinue such operations, or substantial part thereof within the Area, and/or to abandon, remove, or demolish any of the Concessioner Improvements, if any, then the Secretary will take such action as may be necessary to assure the Concessioner of compensation for (i) its possessory interest in Concessioner Improvements, and Government Improvements, if any, in the applicable amount as set forth in Section 13(b) hereof; (ii) the cost to the Concessioner of restoring any assigned lands to a natural condition, including removal and demolition, (less salvage) if required by the Secretary; and (iii) the cost of transporting to a reasonable market for sale such movable property of the Concessioner as may be made useless by such determination. Any such property that has not been removed by the Concessioner within a reasonable time following such determination shall become the property of the United States without further compensation therefor.

(d) Contract Termination for Default for Unsatisfactory Performance. Notwithstanding any other provision of this CONTRACT to the contrary, in the event of termination of this CONTRACT for default for failure to maintain and operate accommodations, facilities and services hereunder to the satisfaction of the Secretary in accordance with the Secretary's requirements compensation for Possessory Interest in Concessioner Improvements, if any, except for Possessory Interest in Concession Improvements in existence before the effective date of this CONTRACT shall be as set forth in Subsection 13(b) hereof or at book value, whichever is less.

SEC. 14. ASSIGNMENT, SALE OR ENCUMBRANCE OF INTERESTS. (a)(1) Pursuant to this Section and 36 C.F.R. Part 51, the Concessioner and/or any person or entity which owns a controlling interest (as is or may be defined in 36 C.F.R. Part 51) in a Concessioner's ownership, (collectively defined as the "Concessioner" for the purposes of this section) shall not assign or otherwise sell or transfer responsibilities under this CONTRACT or the concession operations hereunder, or the Concessioner's assets in the concession operation, nor sell or otherwise assign, transfer or encumber (including, without limitation, mergers, consolidations, reorganizations, other business combinations, mortgages, liens or collateral) a controlling interest in such operations, this CONTRACT, or a controlling interest in the Concessioner's ownership or assets (as is or may be defined in 36 C.F.R. Part

51) without the prior written approval of the Secretary.

(a)(2) Such approval is not a matter of right and is further subject to the requirements of 36 C.F.R. Part 51 (as are or may be set forth therein). The Secretary will exercise his discretion as to whether and/or under what conditions a proposed transaction will be approved in accordance with established policies and procedures.

(a)(3) Failure to comply with this provision or the procedures described herein shall constitute a material breach of this CONTRACT for which this CONTRACT may be terminated immediately by the Secretary without regard to the procedures for termination for default described in Section 12 hereof, and, the Secretary shall not be obliged to recognize any right of any person or entity to an interest in this CONTRACT or to own or operate operations authorized hereunder acquired in violation hereof.

(b) The Concessioner shall advise the person(s) or entity proposing to enter into a transaction which is subject to this Section that the Secretary shall be notified and that the proposed transaction is subject to review and approval by the Secretary. The Concessioner shall request in writing the Secretary's approval of the proposed transaction prior to consummation and shall promptly provide the Secretary all relevant documents related to the transaction, and the names and

qualifications of the person(s) or entity involved in the proposed transaction. The relevant documents shall be as described in 36 C.F.R. Part 51 but shall also include other documents as the Secretary may require.

(c) The Concessioner may not enter into any agreement with any entity or person except employees of the Concessioner to exercise substantial management responsibilities for operations hereunder or any part hereof without written approval of the Secretary given at least thirty (30) days in advance of such transaction.

(d) No mortgage shall be executed, and no bonds, shares of stock or other evidence of interest in, or indebtedness upon, the rights and/or properties of the Concessioner, including this CONTRACT, in the Area, shall be issued without prior written approval of the Secretary. Approval of such encumbrances shall be granted only for the purposes of installing, enlarging or improving, plant equipment and facilities, provided that, such rights and/or properties, including possessory interests, or evidences of interests therein, in addition, may be encumbered for the purposes of purchasing existing concession plant, equipment and facilities. In the event of default on such a mortgage, encumbrance, or such other indebtedness, or of other assignment, transfer, or encumbrance, the creditor or any assignee thereof, shall succeed to the interest of the Concessioner in such rights and/or properties but shall not

thereby acquire operating rights or privileges which shall be subject to the disposition of the Secretary.

SEC. 15. APPROVAL OF SUBCONCESSION CONTRACTS. All contracts and agreements (other than those subject to approval pursuant to Section 14 hereof) proposed to be entered into by the Concessioner with respect to the exercise by others of the privileges granted by this CONTRACT in whole or part shall be considered as subconcession contracts and shall be submitted in advance of execution to the Secretary for his approval and shall be effective only if approved. However, agreements with others to provide vending or other coin-operated machines shall not be considered as subconcession contracts. In the event any such subconcession contract or agreement is approved, the Concessioner shall pay to the Secretary within sixty (60) days after the 31st day of December each year or portion of a year a sum equal to FIFTY PERCENT (50%) of any and all fees, commissions, or compensation payable to the Concessioner thereunder, which shall be in addition to the franchise fee payable to the Secretary on the gross receipts of subconcessioners as provided for in Section 9 of this CONTRACT.

SEC. 16. INSURANCE AND INDEMNITY

(a)(1) General. The Concessioner shall save, hold harmless, defend and indemnify the United States of America, its agents and

employees for losses, damages or judgments and expenses on account of fire or other peril, bodily injury, death or property damage, or claims for bodily injury, death or property damage of any nature whatsoever, and by whomsoever made, arising out of the activities of the Concessioner, his employees, subcontractors or agents under this CONTRACT.

(a)(2) The types and amounts of insurance coverage purchased by the Concessioner shall be approved by the Secretary.

(a)(3) At the request of the Secretary, the Concessioner shall, annually, or at the time insurance is purchased, provide the Secretary with a Statement of Concessioner Insurance and Certificate of Insurance, as evidence of compliance with this section and shall provide the Secretary thirty (30) days advance written notice of any material change in the Concessioner's insurance program hereunder.

(a)(4) The Secretary will not be responsible for any omissions or inadequacies of insurance coverages and amounts in the event the insurance purchased by the Concessioner proves to be inadequate or otherwise insufficient for any reason whatsoever.

(b) Property Insurance. (b)(1) In that the Buckstaff Bathhouse (Building 102) will not be replaced if destroyed, the Concessioner will not be required to purchase fire insurance

coverage at full replacement value. The Concessioner will, in the event of damage, repair those buildings, structures, equipment, furnishings, betterments and improvements and merchandise determined by the Secretary to be necessary to satisfactorily discharge the Concessioner's obligations under this CONTRACT and for this purpose shall provide actual cash value insurance coverage on both Concessioner Improvements and Government Improvements in such amounts as the Secretary may require during the term of the CONTRACT. Those values currently in effect are set forth in Exhibit "E" to this CONTRACT. This exhibit will be revised at least every three (3) years, or sooner if there is a substantial increase in value.

(b)(2) Such insurance shall provide for the Concessioner and the United States of America to be named insured as their interest may appear. In the event of loss, the Concessioner shall use all proceeds of such insurance to repair or restore Concessioner Improvements and Government Improvements, equipment, furnishings and other personal property hereunder, as directed by the Secretary. The lien provision of Section 11 shall apply to such insurance proceeds.

(c) Additional Property Damage Requirements--Government Improvements, Property and Equipment. The following additional requirements shall apply to structures, all or any part of which are "Government Improvements" as defined in this CONTRACT.

(c)(1) The Insurance policy shall contain a loss payable clause approved by the Secretary which requires insurance proceeds to be paid directly to the Concessioner without requiring endorsement by the United States.

(c)(2) The use of insurance proceeds for repairing Government Improvements will not alter their character as Government Improvements and notwithstanding any provision of this CONTRACT to the contrary, the Concessioner shall gain no Possessory Interest therein.

(d) Public Liability (d)(1) The Concessioner shall provide Comprehensive General Liability insurance against claims occasioned by actions or omissions of the Concessioner in carrying out the activities and operations authorized hereunder.

(d)(2) Such insurance shall be in the amount commensurate with the degree of risk and the scope and size of such activities authorized herein, but in any event, the limits of liability shall not be less than $300,000 per occurrence covering both bodily injury and property damage. If claims reduce available insurance below the required per occurrence limits, the Concessioner shall obtain additional insurance to restore the required limits. An umbrella or excess liability policy, in addition to a Comprehensive General Liability Policy, may be used to achieve the required limits.

(d)(3) From time to time, as conditions in the insurance industry warrant, the Secretary reserves the right to revise the minimum required limits.

(d)(4) All liability policies shall specify that the insurance company shall have no right of subrogation against the United States of America or shall provide that the United States of America is named an additional insured.

(d)(5) The Concessioner shall also obtain the following additional coverages at the same limits as required for Comprehensive General Liability insurance unless other limits are specified below.

(1) Automobile Liability - To cover all owned, non-owned and hired vehicles. - Statutory.

(2) Workers' Compensation - Statutory.

SEC. 17. PROCUREMENT OF GOODS, EQUIPMENT, AND SERVICES. In computing net profits for any purposes of this CONTRACT, the Concessioner agrees that its accounts will be kept in such manner that there will be no diversion or concealment of profits in the operations authorized hereunder by means of arrangements for the procurement of equipment, merchandise, supplies, or services from sources controlled by or under common ownership with the Concessioner or by any other device.

SEC. 18. GENERAL PROVISIONS (a) Reference in this CONTRACT to the "Secretary" shall mean the Secretary of the Interior, and the term shall include his duly authorized representatives.

(b) The Concessioner is not entitled to be awarded or to have negotiating rights to any Federal procurement or service contract by virtue of any provision of this CONTRACT.

(c) Notwithstanding any other provision hereof, the Secretary reserves the right to provide directly or through cooperative or other nonconcession agreements with non-profit organizations any accommodations, facilities or services to area visitors which are part of and appropriate to the Area's interpretive program.

(d) That any and all taxes which may be lawfully imposed by any State or its political subdivisions upon the property or business of the Concessioner shall be paid promptly by the Concessioner.

(e) No member of, or delegate to, Congress or Resident Commissioner shall be admitted to any share or part of this CONTRACT or to any benefit that may arise herefrom but this restriction shall not be construed to extend to this CONTRACT if made with a corporation or company for its general benefit.

(f) This CONTRACT may not be extended, renewed or amended in any respect except when agreed to in writing by the Secretary and the Concessioner.

IN WITNESS WHEREOF, the parties hereto have hereunder subscribed their names and affixed their seals.

Dated at Santa Fe, New Mexico, this 19th day of December, 19 94.

UNITED STATES OF AMERICA

BY: [signature]
Regional Director, National Park Service

CONCESSIONER: Buckstaff Bath House Company

BY: Richard K. Watts

TITLE: President

DATE: September 9, 1994

ATTEST:

BY: Charles D. Stengler

TITLE: Secretary

DATE: September 9th, 1994

EXHIBIT "A"

NONDISCRIMINATION

SECTION I
REQUIREMENTS RELATING TO EMPLOYMENT
AND
SERVICE TO THE PUBLIC

Concession Contract No. CC-HOSP001-94

A. EMPLOYMENT: During the performance of this concession permit the Concessioner agrees as follows:

(1) The Concessioner will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin or disabling condition. The Concessioner will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, national origin or disabling condition. Such action shall include, but not be limited to, the following: Employment upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Concessioner agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Secretary setting forth the provisions of this nondiscrimination clause.

(2) The Concessioner will, in all solicitations or advertisements for employees placed by or on behalf of the

Concessioner, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, national origin or disabling condition.

(3) The Concessioner will send to each labor union or representative of workers with which the Concessioner has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Secretary, advising the labor union or workers' representative of the Concessioner's commitments under Section 202 of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) Within 120 days of the commencement of a contract every Government contractor or subcontractor holding a contract that generates gross receipts which exceed $50,000 or more and having 50 or more employees shall prepare and maintain an affirmative action program at each establishment which shall set forth the contractor's policies, practices and procedures in accordance with the affirmative action program requirement.

(5) The Concessioner will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and of the rules,

regulations, and relevant orders of the Secretary of Labor.

(6) The Concessioner will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to the Concessioner's books, records, and accounts by the Secretary of the Interior and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(7) In the event of the Concessioner's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the Concessioner may be declared ineligible for further Government concession contract in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Concessioner will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, so that such provisions will be binding upon each subcontractor or vendor. The Concessioner will take such action with respect to any subcontract or purchase order as the Secretary may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the Concessioner becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Secretary, the Concessioner may request the United States to enter into such litigation to protect the interests of the United States.

B. CONSTRUCTION, REPAIR, AND SIMILAR CONTRACTS: The preceding provisions A(1) through (8) governing performance of work under this contract, as set out in Section 202 of Executive Order No. 11246, dated September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, shall be applicable to this contract, and shall be included in all contracts executed by the Concessioner for the performance of construction, repair, and similar work contemplated by this contract, and for the purpose the term "Contract" shall be deemed to refer to this instrument and to contracts awarded by the

Concessioner and the term "Concessioner" shall be deemed to refer to the Concessioner and to contractors awarded contracts by the Concessioner.

C. FACILITIES: (1) Definitions: As used herein: (i) Concessioner shall mean the Concessioner and its employees, agents, lessees, sublessees, and contractors, and the successors in interest of the Concessioner; (ii) facility shall mean any and all services, facilities, privileges, and accommodations, or activities available to the general public under this contract.

(2) The Concessioner is prohibited from: (i) publicizing facilities operated hereunder in any manner that would directly or inferentially reflect upon or question the acceptability of any person because of race, color, religion, sex, age, national origin or disabling condition; (ii) discriminating by segregation or other means against any person because of race, color, religion, sex, age, national origin or disabling condition in furnishing or refusing to furnish such person the use of any such facility.

(3) The Concessioner shall post a notice in accordance with Federal regulations to inform the public of the provisions of this subsection, at such locations as will ensure that the notice and its contents will be conspicuous to any person seeking accommodations, facilities, services, or privileges. Such notice

will be furnished the Concessioner by the Secretary.

(4) The Concessioner shall require provisions identical to those stated in subsection C herein to be incorporated in all of the Concessioner's contracts or other forms of agreement for use of land made in pursuance of this contract.

SECTION II

ACCESSIBILITY

Title V, Section 504 of the Rehabilitation Act of 1973, as amended in 1978, requires that action be taken to assure that any "program" or "service" being provided to the general public be provided to the highest extent reasonably possible to individuals who are mobility impaired, hearing impaired, and visually impaired. It <u>does not</u> require architectural access to every building or facility, but only that the service or program can be provided somewhere in an accessible location. It also allows for a wide range of methods and techniques for achieving the intent of the law and calls for consultation with disabled persons in determining what is reasonable and feasible.

No handicapped person shall, because a Concessioner's facilities are inaccessible to or unusable by handicapped persons, be denied the benefits of, be excluded from

participation in, or otherwise be subject to discrimination under any program or activity receiving Federal financial assistance or conducted by any Executive agency or by the U.S. Postal Service.

PART A

DISCRIMINATION PROHIBITED

A Concessioner, in providing any aid, benefit, or service, may not directly or through contractual, licensing, or other arrangements, on the basis of handicap:

1. Deny a qualified handicapped person the opportunity to participate in or benefit from the aid, benefit, or service;

2. Afford a qualified handicapped person an opportunity to participate in or benefit from the aid, benefit, or service that is not equal to that afforded others;

3. Provide a qualified handicapped person with an aid, benefit, or service that is not as effective as that provided to others;

4. Provide different or separate aids, benefits, or services to handicapped persons or to any class of handicapped persons unless such action is necessary to provide qualified handicapped persons with aid, benefits, or service that are as effective as those provided to others;

5. Aid or perpetuate discrimination against a qualified handicapped person by providing significant assistance to any agency, organization, or person that discriminates on the basis of handicap in providing any aid, benefit, or services to beneficiaries of the recipient's program;

6. Deny a qualified handicapped person the opportunity to participate as a member of planning or advisory boards; or

7. Otherwise limit a qualified handicapped person in the enjoyment of any right, privilege, advantage or opportunity enjoyed by others receiving an aid benefit, or service.

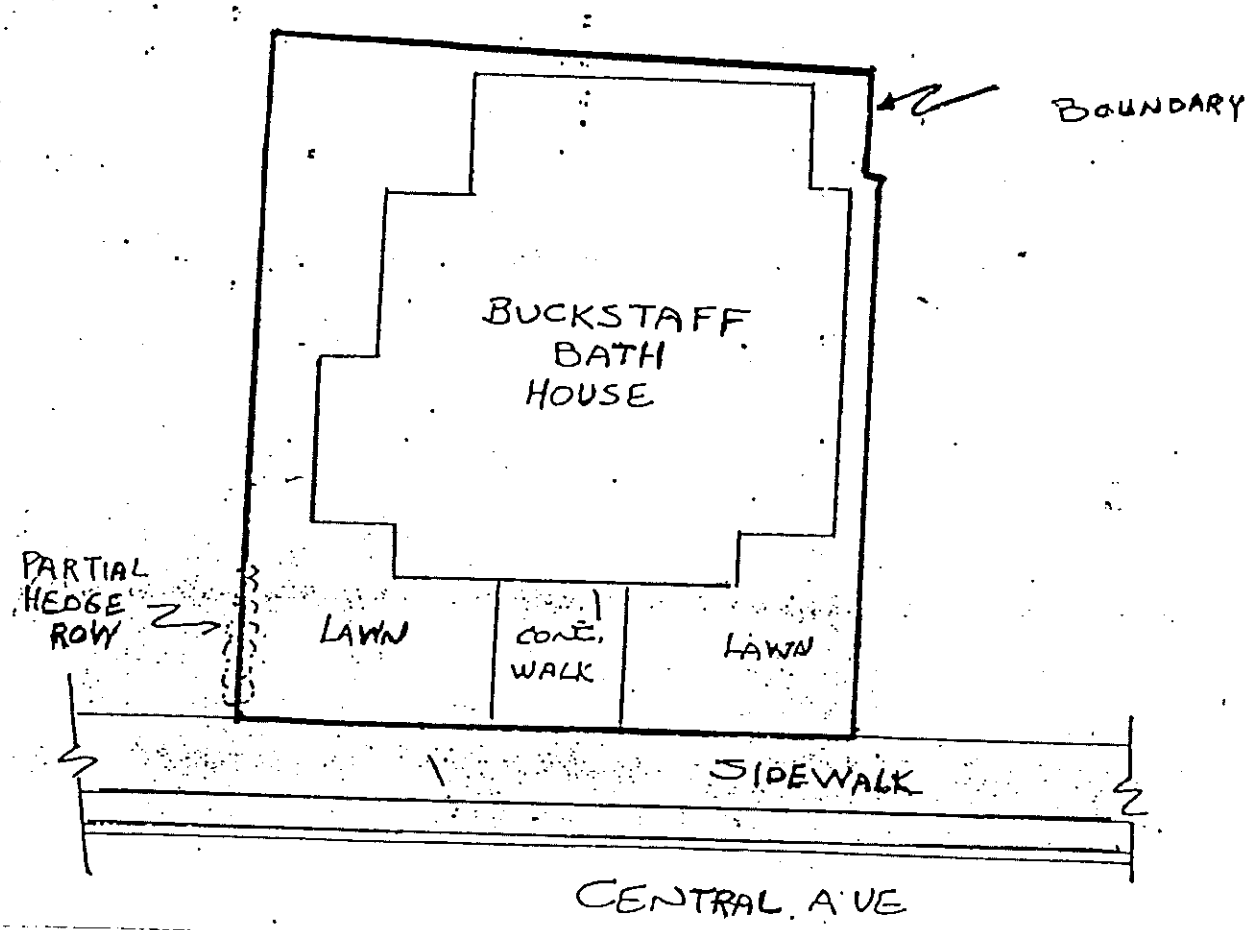
PART B

EXISTING FACILITIES

A Concessioner shall operate each program or activity so that the program or activity when viewed in its entirety, is readily accessible to and usable by handicapped persons. This paragraph does not require a Concessioner to make each of its existing facilities or every part of a facility accessible to and useable by handicapped persons.

EXHIBIT "B"

Land assigned to: Buckstaff Bath House Company
Pursuant to Concession Contract No.: CC-HOSP001-94



Buckstaff Bath House Company
G. Richard Wharton, President
Concessioner

September 9, 1994
Date

Regional Director,
National Park Service

December 19, 1994
Date

EXHIBIT "C"

GOVERNMENT-OWNED STRUCTURES ASSIGED TO

Buckstaff Bath House Company

Pursuant to

CONCESSION CONTRACT NO.: CC-HOSP001-94

Building Number	Description	Annual Fee
	NONE	
	Total amount due pursuant to Subsection 9(a)(1)	None

Approved effective December 19, 1994, by:

UNITED STATES OF AMERICA

Regional Director,
National Park Service

CONCESSIONER: Buckstaff Bath House Company

By: Richard K. Worthington

Title: President

Date: Sept 9, 1994

EXHIBIT "D"

POSSESSORY INTEREST ASSETS
Pursuant to Concession Contract CC-HOSP001-94
Subsection 6(a)(1)

1 - Bathhouse (27,397 sq. ft.)
29 - Bathtubs
9 - Sitz tubs
3 - Head-in vapor cabinets
2 - Head-out vapor cabinets
3 - Combination vapor cabinets
4 - Showers
4 - Restrooms
Heating and cooling equipment with controls
Laundry equipment
Marble partitions
Lockers and lock boxes
Light fixtures
Elevator
Dumb waiters

UNITED STATES OF AMERICA

BY: _____
Regional Director, National Park Service

Concessioner Buckstaff Bath House Company

BY: Richard Wilbur

TITLE: President

DATE: Sept. 9, 1994

Exhibit "E"

BUILDING REPLACEMENT COST FOR INSURANCE PURPOSES

Concessioner: Buckstaff Bath House Company

Concession Contract No.: CC-HOSP001-94

The replacement costs set forth herein are established for the sole purpose of assuring adequate property insurance coverage and shall not be construed as having application for any other purpose.

I. CONCESSIONER BUILDINGS

Bldg. No.	Description	Insurance Replacement Value
102	Buckstaff Bathhouse Building. * Actual cash value at not less than fifty percent of:	$980,000
	Contents	40,000

* This is the maximum the insurance will pay for any damage.

UNITED STATES OF AMERICA

BY: _____
Regional
Director, National Park Service

CONCESSIONER: Buckstaff Bath House Company

BY: Richard K. Worthington

TITLE: President

DATE: Sept. 9, 1994

OPERATING PLAN

THE BUCKSTAFF BATHHOUSE
HOT SPRINGS NATIONAL PARK

SIGNED: _____ **DATED:** 1/7/09
Superintendent, Hot Springs National Park

SIGNED: Michael Brant CEO **DATED:** 1-7-09
Concessioner

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OPERATING PLAN
BETWEEN
HOT SPRINGS NATIONAL PARK
AND
THE BUCKSTAFF BATH HOUSE COMPANY

CONCESSION CONTRACT No. CC-HOSP002-94

INTRODUCTION

This Operating Plan between The Buckstaff Bath House Company (herein referred to as the "Concessioner") and Hot Springs National Park (herein referred to as the "Service") will serve as a supplement to the Concession Contract CC-HOSP002-94 referred to as the "Contract." It describes specific operating responsibilities of the Concessioner and the Service with regard to those lands and facilities within Hot Springs National Park, which are assigned to the Concessioner for the purposes required and authorized by this Contract.

In the event of any conflict between the terms of this Contract and this Operating Plan, the terms of this Contract, including its designations and amendments, shall prevail.

This Plan will be reviewed annually by the Superintendent in consultation with the Concessioner and revised as determined necessary by the Superintendent of Hot Springs National Park.

Any revisions shall not be inconsistent with the main body of this Contract. Any revisions must be reasonable and in furtherance of the purposes of this Contract.

I. MANAGEMENT, ORGANIZATION, AND RESPONSIBILITIES

A. Concessioner

1. The Concessioner will employ an on-site manager, who carries out the policies and directives of the NPS as well as those of the Concessioner in the operation of the authorized Concession Facilities and Visitor Services in Hot Springs National Park. The Concessioner must designate one representative who has full authority to act as a liaison in all concession matters within Hot Springs National Park.

2. The on-site manager will employ a staff with the expertise to operate all Visitor Services required and authorized under this Contract and furnish the NPS with an initial list identifying key concession management and supervisory personnel and their job titles, with updates as changes occur.

B. Service

1. The Superintendent manages the total park operation and carries out the policies and directives of the Service, including management of Concessioner operations.

2. The Superintendent's Office coordinates the functions of all park divisions relating to concession operations. This office ensures necessary evaluations and inspections are performed, including those required by the Public Health Service (PHS), Park Safety Manager (including fire inspections), and the Concessioner Review Program.

3. The Concessions Specialist reviews and coordinates the Concessioner's day-to-day activities; operational and maintenance activities; rate, service, and schedule changes; equal employment opportunity and affirmative action plans; advertisements; construction proposals; annual financial reports; insurance coverage; and any other contractual requirements.

II. CONCESSION OPERATIONS

The operation of Concession Facilities, and Visitor Services required and authorized by this Contract will conform to the evaluation standards set forth in current National Park Service Concessions guidelines.

A. Operational Evaluations

1. All Visitor Services and Concession Facilities will be inspected to:
   - Ensure public health and safety
   - Ensure that satisfactory services are provided
   - Ensure that buildings and equipment are well maintained
   - Ensure that employee working conditions are satisfactory

2. The NPS and the Concessioner will inspect and monitor Concession Facilities and Visitor Services.

3. The Concessioner will ensure that requirements are adhered to with respect to applicable standards, authorized rates, safety, and public health.

4. The Concessioner will ensure that impacts to cultural and natural resources are minimized.

5. The results of the evaluations will be forwarded to the Concessioner by the NPS in a timely manner.

6. The Concessioner will cooperate with the NPS in scheduling inspections and in accompanying NPS staff if requested.

7. The Concessioner is required to comply with correction dates or to establish abatement plans to correct deficiencies.

8. The Concessioner will perform annual interior and exterior fire and safety inspections of all Concession Facilities. Written records, verifying the completion of such inspections, will be maintained by the Concessioner and available to the NPS upon request.

9. The NPS reserves the right, in accordance with this Contract, to enter the Concessioner Facilities at any reasonable time for any inspection or when otherwise deemed necessary.

B. Rates

1. The Concessioner will submit written requests for all rate increases at least 45 days prior to anticipated implementation date. Requests for rate changes will be processed as expeditiously as possible. Should special conditions require a quicker than normal response, the Concessioner will clearly explain these conditions in writing in the request. Such requests shall include pertinent information about the rate, product or service proposed. This includes but is not limited to: length of service, amenities provided, etc. If the format of the request is unsatisfactory, the Concessioner will be required to resubmit the proposal and the date of submittal will begin upon the receipt of the revised proposal. The Superintendent will advise the Concessioner in writing of approval or disapproval of requested rates and give reasons for failure to approve any rate. A list of current rates for required services is attached as Appendix A to this Plan.

2. Periodic, unannounced checks will be made by the NPS personnel for compliance with approved rate schedules. Requests to examine Concessioner invoice records in connection with these price checks will be made concurrently by the Superintendent.

3. The Service will approve, disapprove, or adjust rates and will inform the Concessioner of the reason for any disapproval or adjustment within 45 days of the rate request submittal. If the Concessioner requests a quicker response, the Service will attempt to accommodate this request; however, this will not be normal procedure. If a longer response period is needed, the Service will contact the Concessioner and negotiate a response date.

4. The Concessioner will prominently post all rates for goods and services provided to the visiting public. Approved rates are to be the maximum charged the visiting public. Under no circumstances will higher prices by charged.

5. For gifts and souvenirs, the approved merchandising rate approval method is the Competitive Market Declaration method that allows Concessioners to price

merchandise at their own rates. These rates are subject to review, but not approval by the Service. The Superintendent may rescind this method if visitor complaints are frequent because prices are not reasonable.

6. For bathing and salon services, the approved rate method will be the Simplified Review of Similar Services as there are numerous comparable services in the surrounding community.

7. Reduced rates for government employees and others. Goods and services may not be provided to government employees or their families without charge or at reduced rates except as are available to the general public.

C. Schedule of Operation

1. The Concessioner will provide the required and authorized Visitor Services for Hot Springs National Park visitors on a year-round basis. The NPS will give reasonable notice of any schedule changes that it may initiate. The schedule of core operating hours is attached as Appendix B to the Plan.

2. The Concessioner is authorized to extend the hours of operations beyond the core hours if the visitor needs exists. However, the Concessioner is not allowed to reduce the core hours without the prior written approval of the Superintendent except for emergency closures. The Concessioner is responsible for notifying the public of changes in operating hours or periods of closure on the exterior of the building.

3. Approved Operating Schedules will be posted in conspicuous locations at the place of business and all signs, informational folders, and advertisements will accurately reflect current approved operating schedules.

D. Staffing and Employment

1. The Concessioner will hire and maintain a staffing level to provide satisfactory services.

2. The Concessioner will attempt to offer its employees full-time work whenever possible. Prior to employment, the Concessioner will inform employees of the possibility that less-than-full-time employment may occur during slow periods.

3. The Concessioner will establish employment policies that include appropriate background reviews of applicants for employment. The Concessioner will not employ any person known to have an outstanding warrant for arrest and will make reasonable efforts to secure this information prior to employing new employees.

4. The Concessioner will provide the Superintendent's office with a list of all concession employees and will update the list as changes are made. Physical

examinations and health cards must be current at all times. Copies of employee health cards will be provided to the Superintendent annually.

5. Employee/Staffing Practices

a. All employees dealing with the general public shall wear personal nametags and project a friendly, helpful, positive attitude.

b. The Concessioner shall have an affirmative action plan, as required by law, and shall post the plan in the office and work area.

6. Service Employees and Families. The Concessioner shall not employ in any status a Service employee, his/her spouse, or minor children of Service employees without the Superintendent's prior written approval. Employees must submit a written request to the Superintendent. The Concessioner shall not employ in any status the spouse or children of the Superintendent, Assistant Superintendent, Safety Manager, or any other staff involved in concessions in any way.

7. Training Program

a. The Concessioner will provide employee orientation and training and will inform employees of park regulations and requirements that affect their employment and activities while working in Hot Springs National Park.

b. Training for employees will also include information on the history of therapeutic bathing at Hot Springs National Park so that this information can be correctly and accurately provided to visitors.

c. The Concessioner will provide adequate, applicable training to each employee prior to job assignments and working with the public.

8. Employment Practices and Conditions:

a. The Concessioner and its employees shall not discriminate against any individual because of race, creed, color, sex, age, national origin, or physical or mental handicap and shall comply with equal opportunity and accessibility standards and requirements.

b. The Concessioner shall maintain safe, healthful working conditions and shall comply with all current OSHA rules and regulations.

E. General Policies

Concession facilities may not be used for activities or services that do not directly support services authorized by the Concession CONTRACT without permission from the park.

F. Insurance

The Concessioner shall furnish copies of its insurance certificates to the NPS. These certificates must verify that the required insurance coverage is current and represents the amounts and types of insurance specified in the Concession CONTRACT and the policy requires of DO #48, concession guidelines.

G. Environmental Audit

The NPS has established a Concession Environmental Audit System to facilitate Concessioner compliance with all applicable environmental requirements; implementation of best management practices; promotion of sound environmental practices; and awareness and accountability for environmental management. The scope of the audit includes applicable federal, state, and local laws and regulations, applicable DOI and NPS policies and regulations, including but not limited to criteria as contained within the current NPS Environmental Audit System Operating Guide and the Concession Environment Audit System, (CEAS) Guide. Audits will be conducted at least every 5 years.

H. Environmental Management

1. The Concession will seek ways to develop quality facilities and services. The Concession will encourage companies it does business with to provide cleaner technologies and safer alternatives to toxic and hazardous materials.

2. The Concessioner will incorporate sustainable design practices to the maximum extent possible.

3. Where feasible and available, the Concessioner will use products or materials that are less toxic and/or use other materials that have additional environmentally preferable attributes.

I. Plans, Reports, and Inspections

Preventative maintenance schedules will be developed by the Concessioner to ensure that Concession facilities are properly maintained. An inspection plan will be included that describes the process by which the Concessioner will maintain the facilities and ensure that deferred maintenance items are being corrected in a timely manner.

III. SCOPE AND QUALITY OF SERVICE

A. All Visitor Services are to be provided in a consistent, quality manner. Service standards provided by the NPS Operational Performance Program are considered service minimums. The Concessioner is expected to make every effort to exceed these standards.

The Concessioner shall be responsible for monitoring its operations to assure that quality standards are met.

B. All vehicular equipment used by the Concessioner will be properly licensed and maintained in a safe operating condition. Federal and state requirements must be complied with.

Vending:

1. Vending machine beverages will be dispensed in cans or plastic containers only with adequate trash/recycling containers provided for disposal.

2. Cigarette vending machines will not be placed in the park.

IV. UTILITY RESPONSIBILITY

A. Concessioner

The Concessioner is responsible for contracting suppliers to provide year-round utility services and making direct payment to these suppliers.

B. Service

The Service will provide thermal water services to the Concessioner's assigned facilities at the prevailing rates.

V. RISK MANAGEMENT PROGRAM (SAFETY)

A. The Concessioner is responsible for providing a safe and healthful environment for its employees and visitors as outlined in this Contract. The Concessioner will develop a Risk Management Program that will be approved by the NPS in accordance with Occupational Safety and Health Act (OSHA) and NPS guidelines.

B. The park will conduct at least one annual comprehensive safety and occupational health evaluation of all operations and facilities in addition to the review of the Concessioner's Risk Management Program. Periodic facilities inspections will also be conducted. Correction dates will be established that the Concessioner is expected to comply with. A copy of all inspections will be furnished to the Concessioner.

C. The Concessioner shall report any accident involving injury or property damage occurring within the Concession operation promptly to the NPS.

D. The Concessioner is responsible for taking corrective action to mitigate any safety hazard associated with its operation.

VI. LOST AND FOUND POLICY

A. Each found item shall be tagged, listing the item found, location found, date and time found, and who found it. If an item is not claimed within seven (7) days, it shall be turned over to the park's Chief Ranger's Office or mailed or transmitted to the Park in accordance with the Park's Lost and Found Policy. The NPS will dispose of all items not claimed within thirty (30) days in accordance with current NPS policies.

B. When possible, the Concessioner shall attempt to identify the ownership of the found item and provide this information to the Service.

VII. COMPLAINTS

A. The NPS will send complaints or comments regarding Concessioner Facilities and Visitor Service to the Concessioner for investigation and response in a timely manner. The Concessioner will provide a response to the Superintendent. A copy of the Service's response will be forwarded to the Concessioner. The Concessioner will also immediately advise the Superintendent of any complaints received by the concession on any aspect of the operation and provide copies of the Concessioner's response to the Superintendent prior to answering the complaint.

B. In order to initiate valid and responsive visitor comments, the following notice will be prominently posted at all Concessioner service and payment areas:

> This service is operated by the Buckstaff Bath House Company, a concessioner under contract with the U.S. Government and administered by the National Park Service. The concessioner is responsible for conducting these operations in a satisfactory manner. The reasonableness of prices is based on comparability. Prices are approved by the National Park Service based upon prices charged by similar operations outside the Park for similar services with due consideration for appropriate differences in operating conditions.
>
> Please address comments to: Superintendent
> Hot Springs National Park
> 101 Reserve Avenue
> Hot Springs, AR 71901

VIII. ADVERTISEMENTS/PUBLIC INFORMATION

A. All promotional material must be approved by the Superintendent prior to publication, distribution, broadcast, etc. Advertisements must include a statement that the concessioner is authorized by the NPS, Department of the Interior, to serve the public

in Hot Springs National Park. Brochure changes and layout should be submitted to the Superintendent for review at least 30 days prior to projected need/printing dates. The Superintendent will make every effort to respond to minor changes to brochure texts within 15 days. Longer periods may be required for major projects or where NPS assistance is required to help develop the product. The Concessioner should contact park staff well in advance to establish specific time frames for each project.

B. When used, advertisements for employment must contain a statement that the Concessioner is an equal opportunity employer.

C. The Concessioner will post at its place of business any visitor informational materials provided by the Superintendent.

IX. PROTECTION AND SECURITY

A. Visitor Protection

Visitor protection and law enforcement shall be provided by the NPS.

B. Fire Protection

1. Fire protection is provided by the Hot Springs Fire Department under a cooperative agreement with the Service. The Concessioner has the responsibility to ensure that all buildings within its assigned area meet Fire and Life Safety Codes and that fire detection and suppression equipment is in good operating conditions at all times. It is also the Concessioner's responsibility to report all structural fires immediately to the fire department and to the NPS.

2. The Concessioner will conduct and document routine fire drills on Concession facilities as required by the National Fire Prevention Association (NFPA) standards. All employees shall be familiar with evacuation plans, emergency exits, emergency lighting, and fire reporting procedures. Employee training shall include fire drills.

3. The NPS is the jurisdiction having authority for all fire codes on federal lands administered by the park and will conduct periodic inspections.

4. The Concessioner will develop for approval by the NPS a documented fire plan to include evacuation procedures.

C. Emergency Medical Care

The Concessioner is responsible for emergency medical care. Any injury sustained by a visitor or employee in a Concession Facility and/or all medical emergencies should be reported promptly to the NPS Chief Ranger's Office. All employee and/or visitor illness

complaints will be promptly reported to the Service through the Chief Ranger's Office so that thorough investigating procedures can be completed as necessary.

D. Public Health Service

1. The Concessioner is responsible for meeting all United States Public Health Service (USPHS) requirements.

2. The USPHS will conduct periodic public health safety inspections of the Concessioner's facilities and operations.

X. VOLUNTEERS IN THE PARK (VIP)

The Concessioner will allow its employees to participate in the Park's Volunteers in the Park (VIP) program.

XI. SMOKING IN PUBLIC BUILDINGS

Concession Facilities must comply with Service policy and Department of the Interior guidelines relative to Service areas. No smoking is allowed in any Concession Facility. The Concessioner will post notices as necessary.

XII. SIGNS

A. The NPS will provide adequate exterior directional signs necessary for the convenience and guidance of the public.

B. The Concessioner will provide and maintain exterior and interior signs of a permanent nature for its operations. These signs shall conform to the NPS sign standards and be appropriate for the purposes intended.

C. The Concessioner shall request approval from the Superintendent for all signs related to the concession operation.

D. The Concessioner shall not use handwritten or homemade signs in its operations. However, computer generated signs are acceptable, provided they are to be used only as temporary signs (special prices, new merchandise, etc.), or as temporary replacement signs for vandalized signs.

XIII. ACCESSIBILITY

The Concessioner shall make reasonable accommodation for visitors with disabilities and comply with the requirements of the Rehabilitation Act of 1973 and the Americans With Disabilities Act of 1990.

XIV. MERCHANDISING

A. The sale of souvenirs and merchandise serves a mission to provide visitors the opportunity to purchase mementos of the park and to understand more fully the park's purpose and provides a means for visitors to take something of their park experience away with them by purchasing gifts and souvenirs that relate to the park's resources and educational messages. These purchases have the potential of both providing memories of an enjoyable experience and further contributing to the understanding of park preservation and related environmental and cultural values.

B. To the greatest extent possible, gift and souvenir items will have an identifiable relationship to Hot Springs National Park, its environs, its natural/cultural history, or other related topics.

C. Handicraft items representing the park and Arkansas, regional, natural, and cultural themes will be encouraged and sought; conversely, handcraft items from other regions of the United States are discouraged.

D. When possible and appropriate, information tags will be attached to sales items in an interpretive/educational effort to illustrate the relationship of the item to one or more of the specific themes.

E. Gifts and souvenirs representing the desired themes will be sought within a broad price range, providing visitors the opportunity to purchase items from both expensive and inexpensive categories.

F. The Concessioner has the responsibility to select specific merchandise items that comply with this Mission Statement and the current concession guidelines. The park will be careful not to dictate the sale of specific gift items based on individual tastes in gifts and souvenirs.

XV. REPORTING REQUIRMENTS

A. Annual Performance Evaluation

The Superintendent will prepare the Concessioner's annual performance evaluation during February for the preceding fiscal year.

B. Incident Reports

The Concessioner will immediately report the following to Park law enforcement:

- Any fatalities or visitor-related incidents
- Property damage estimated to be over $500
- Employee or visitor injuries requiring first aid treatment

- Any fires
- Any incident that affects park resources
- Any threats or suspicious behavior
- Thefts of property

C. Annual Financial Report

The Annual Financial Report will be completed using the NPS on-line program by 60 days after end of the preceding calendar year.

If gross receipts for the operating year exceed $1,000,000, the financial report must be audited by an independent certified public accountant and a "Statement of Opinion" filed by the accountant is to be completed. A "Review" of the primary schedules is required by an independent certified public account if gross receipts are between $250,000 and $1,000,000. The audit or review, whichever is appropriate, should be submitted to the Superintendent's Office in writing by 60 days after the end of the preceding calendar year.

APPENDIX A

RATE SCHEDULE

BUCKSTAFF BATHHOUSE

ITEM	RATE
Bath	$ 22.00
Whirlpool	2.00
Massage	27.00
Loofa Mitt	4.00
Traditional Bath Package	55.00
Book Rates:	
6 Baths	$121.00
7 Baths	138.00
12 Baths	231.00
14 Baths	266.00
18 Baths	331.00
6 Massages	$139.00
7 Massages	164.00
12 Massages	261.00
14 Massages	303.00
18 Massages	376.00

RATES APPROVED EFFECTIVE ON OR AFTER JANUARY 1, 2009

__/signed/_____
Josie Fernandez
Superintendent

These rates are to remain in effect until written changes (except for rate reduction) are approved by the National Park Service.

APPENDIX B

SCHEDULE OF OPERATING HOURS

March 1 through November 30:

Monday – Saturday - 7 to 11:45 a.m. and 1:30 to 3 p.m.
Sunday - 8 a.m. to 1 p.m.

December 1 through February 28:

Monday – Friday - 7 to 11:45 a.m. and 1:30 to 3 p.m.
Saturday - 7 to 11:45 a.m.
Closed on Sunday

Holiday hours throughout the year are 7 to 10:30 a.m.

The facility will be closed on Christmas, New Year's Day, July 4, and Thanksgiving Day.

MAINTENANCE PLAN

THE BUCKSTAFF BATHHOUSE
HOT SPRINGS NATIONAL PARK

SIGNED: _____ DATED: 1/7/09
Superintendent, Hot Springs National Park

SIGNED: _____ DATED: 1-7-09
Concessioner

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MAINTENANCE PLAN
BETWEEN
HOT SPRINGS NATIONAL PARK
AND
THE BUCKSTAFF BATH HOUSE COMPANY
CONCESSION CONTRACT No. CC-HOSP002-94

INTRODUCTION

This Maintenance Plan between The Buckstaff Bath House Company (hereinafter referred to as the "Concessioner") and Hot Springs National Park, National Park Service (hereinafter referred to as the "Service"), shall serve as a supplement to Concession Contract CC-HOSP002-94 (hereinafter referred to as the "CONTRACT"). It sets forth the maintenance responsibilities of the Concessioner and the Service with regard to those lands and Concession Facilities within Hot Springs National Park which are assigned to the Concessioner for the purposes authorized by this Contract.

In the event of any apparent conflict between the terms of this Contract and this Maintenance Plan, the terms of the Contract, including its designations and amendments, shall prevail.

This Plan shall remain in effect until superseded or amended. It will be reviewed annually by the Superintendent in consultation with the Concessioner and revised as determined necessary by the Superintendent of Hot Springs National Park. Revisions may not be inconsistent with the terms and conditions of the main body of this Contract. Revisions must be reasonable and in furtherance of the purposes of this Contract.

I. STATEMENT OF PURPOSE/GENERAL MAINTENANCE RESPONSIBILITIES

A. The purpose of this Plan between Hot Springs National Park, National Park Service, and the Concessioner is to define clearly the maintenance and repair responsibilities of each party with respect to Concession Facilities and land assigned to or used by the Concessioner. Land assignment is appended to this Plan (Appendix A).

B. It is the mutual decision of both parties to assure that needed maintenance and repairs are achieved in a timely manner, thereby assuring that the safety, appearance and useful life of all Concession Facilities are preserved and enhanced to the extent possible while insuring quality service to the public.

II. INVENTORY

The inventory of the Concession Facilities assigned to the Concessioner is appended to this Plan (Appendix B).

III. MAINTENANCE INSPECTIONS

There shall be at least one annual joint comprehensive maintenance inspection conducted of buildings, utilities, grounds, and equipment each operating year by the Service and Concessioner. This inspection will determine if Concession Facilities are satisfactorily maintained and in compliance with all applicable

laws, codes, policies, and regulations. The inspection report will be in the form of a written narrative with all deficiencies noted. The Service and Concessioner will establish correction dates for all deficiencies.

VI. ACCESS TO CONCESSION FACILITIES

The Superintendent or designated representatives will have access to all Concession Facilities at Hot Springs National Park to conduct evaluations and other required inspections.

V. MAINTENANCE RESPONSIBILITIES

The Concessioner shall perform all maintenance and repair needed to maintain all Concession Facilities, grounds, and utilities in such condition that they may be used for their intended purposes.

A. Buildings

1. **Concessioner Responsibilities:**

a. Repair, maintain, or replace all parts of the load-bearing structure including roofing.

b. Repair, maintain, or replace all heating and air conditioning systems and equipment to industry and applicable OSHA standards.

c. Maintain, repair, or replace all components of the electrical system from the termination of the utility provider's responsibility in compliance with all electrical code requirements. This includes interior and exterior lighting, fixtures, switches, boxes, etc.

d. Repair, maintain, or replace elevator and maintain inspection schedules and appropriate state licenses.

e. Repair, maintain, or replace all interior and exterior walking surfaces. Provide safety railings on steps and hazardous walkways. Walkways shall be free of tripping hazards.

f. Paint interior and exterior surfaces on a 5-year cycle or earlier if needed.

g. Preservation maintenance, routine maintenance, and repair on all structures must be consistent with Service standards and guidelines. Any changes in the architecture, building interior or exterior, including color and material must be approved in advance by the Service.

h. Repair, maintain, or replace all doors, door frames, door trim, wall coverings, ceiling coverings, windows, window frames, floors, and floor coverings.

i. Repair, maintain, or replace all glass in windows, doors, screens, etc.

j. Comply with all applicable building codes.

k. Repair, maintain, or replace all water system components inside the Concession Facilities to Service standards. This includes water piping, faucets, water heaters, spigots, treatment and filtration system, sinks, commodes, sewer lines, etc.

l. Provide treatment for termites, other insects, mice, or other pests by fumigation (or other means) approved by the Service. The Superintendent must authorize all pesticide use before any application is conducted.

m. Repair, maintain, or replace all equipment, registers, display counters, shelving, and furniture.

n. Provide all cleaning supplies, lamp bulb replacement, and cleaning service to ensure a clean and sanitary condition and appearance. Provide periodic window cleaning to maintain a clean appearance.

o. Maintain in a serviceable condition or replace as necessary exterior and interior safety devices, fire detection and suppression devices, equipment, and appurtenances, as well as fire extinguishers, consistent with all applicable fire and safety codes. Conduct periodic tests of all safety devices, fire detection and suppression devices, equipment and appurtenances. Replace smoke detector batteries with alkaline batteries on an annual basis, or when needed.

2. **Service Responsibilities:** None

B. Utilities

1. **Concessioner Responsibilities:**

a. The Concessioner will obtain telephone, electricity, gas, water, trash pickup, sewer, and all other utility services from local utility companies and pay directly to them for services.

b. The Concessioner is responsible to maintain, repair, or replace all utility lines from meters to the Concession Facility.

c. The Concessioner shall have responsibility to maintain, repair, or replace the thermal water distribution lines from the first valve inside the bathhouse.

2. **Serviee Responsibilities:**

a. The Service will supply thermal water to the Concessioner.

b. The Service will issue monthly statements for Concessioner thermal water service. Payments are within 20 days of receipt of the Bill for Collection.

C. Grounds and Landscapes

1. **Concessioner Responsibilities:**

a. Pickup all litter and garbage within the Concessioner assigned area identified in Appendix A of the Plan and keep the area free of litter, garbage, abandoned equipment, etc. The Concessioner will provide Service approved trash and garbage containers that are similar to those in use in the park and are animal proof. Containers will be kept well maintained, serviceable, emptied on a regular basis, and the site free of spills, waste, and litter.

b. The Concessioner will keep the assigned areas free of snow, materials, noxious weeds, tree limbs, or shrubs that are hazardous to the building or visitors, keeping all walkways swept, and for the placing and daily cleaning of cigarette butt receptacles.

c. Maintain the plants, flowers, grass, and landscape features in the assigned area including fertilizing, mowing, watering, seasonal flower planting, pruning, and replacing shrubs and plants. Area to be maintained to Service approved landscape plans. Drip irrigation systems will be used where appropriate.

2. **Service Responsibilities:**

a. The Service will replace and/or rehabilitate the thermal water distribution lines up to the first valve inside the bathhouse.

b. The Service will repair and maintain light poles and sidewalks adjacent to the Concessioner's assigned land use area.

c. The Service will trim and provide general maintenance of the holly hedges, magnolia trees, and grass adjacent to the Concessioner's assigned land use area.

D. Signs

1. **Concessioner Responsibilities:**

a. The Concessioner shall be responsible for the installation, maintenance, and replacement of all interior and exterior signs relating to its operation and services within the assigned area. The Concessioner is responsible to ensure that its signs throughout the assigned area are compatible with Service standards and/or area sign plans. All signs including style and text must be approved in advance by the Superintendent.

b. The Concessioner shall install, maintain, and replace regulatory, control, or warning signs which the Concessioner has been directed by the Superintendent to install within the assigned area.

2. **Service Responsibilities:** The Service will be responsible for constructing, obtaining, installing, and maintaining traffic, safety, regulatory, operational, directional, informational, or other signs that affect the safety and well-being of visitors of the area.

VI. GENERAL PROVISIONS

A. All inspection fees and licenses for operation of elevator, etc., will be paid by the Concessioner.

B. The Concessioner shall be responsible for repairing any damage caused to any assigned structure or utility due to negligence on the part of a Concessioner employee or supplier.

C. The Concessioner is responsible for complying with the Uniform Federal Accessibility Standards (UFAS) in the assigned area. All designs must meet NPS, ADA, and UFAS standards. Ramps must not interfere with street-sweeping by extending into the roadway or parking area.

D. The Concessioner shall maintain health and safety standards and take all necessary mitigative and corrective measures to ensure healthy working environments in all assigned land, buildings, and improvements.

E. Any alteration to design, modification in use, or change in color of a building, structure, or facility must be specifically approved by the Superintendent.

F. The Concessioner must furnish drawings and plans and obtain written approval from the Superintendent before any improvements, changes, or construction projects may be initiated.

G. All workmanship and materials must meet prescribed Government standards and specifications.

H. The Concessioner shall report any deficiencies in park maintenance to the Superintendent in writing.

I. Maintenance and/or repairs performed by the Concessioner or repairs charged to the Concessioner by the Government do not imply or convey any leasehold surrender interest in facilities described in this Contract.

J. NPS Director's Orders to be followed in repair and building projects are: DO-10, Drafting Guidelines; DO-12, NEPA Compliance; DO-28, Cultural Resource Management.

K. In the event the Concessioner fails to complete any of the "Concessioner Responsibilities" identified in this Plan, and the Service provides them upon demand from the Concessioner, or at the direction of the Superintendent, the Concessioner shall reimburse the Service on a Cost Reimbursement basis.

APPENDIX A

LAND ASSIGNED TO THE CONCESSIONER

Beginning at the hedge corner in the northwest corner of the Buckstaff Bathhouse lawn, going southerly along the east edge of the holly hedge approximately 116 feet; thence, easterly along the north edge of the holly hedge approximately 39 feet to its end and continuing easterly along a line running approximately 6 feet from the Lamar Bathhouse north wall approximately 80 feet to the base of a buttress, and continuing easterly along the north edge of the base of the buttress another 20 feet; thence, northerly along the base of an irregular rock ledge approximately 76 feet to a 2-foot wide concrete wall, and continuing northerly approximately 36 feet to a brass USDU hub in a rock wall (placed there for that purpose); thence, westerly along the projected line of an east-west hedge row to that hedge and along the south edge of that hedge for a distance of approximately 142 feet to the point of beginning.

Approximately .4 acres

APPENDIX B

INVENTORY OF CONCESSION FACILITIES/STRUCTURES

A 23,825 square foot three-story historic bathhouse with full basement. An elevator is accessible to all three floors. The first floor of the building contains the lobby and men's facilities. Women's facilities are on the second floor. The third floor is a common space, containing areas for salon services, a meeting room, and office space. Sun porches on the north and south end are accessed from this floor. Mechanical equipment and laundry services are in the basement.

APPENDIX C

ANNUAL MAINTENANCE SCHEDULE

This schedule is for the 2009 operating year:

PROJECT	COMPLETION DATE
Replace existing hot water storage tank	1/31/09
Repair and paint damaged area in Men's Bath hall ceiling	2/28/09
Replace plumbing for Ladies' north sitz and steam cabinet	1/31/09
Install stainless steel lines in Ladies' north steam cabinet	1/31/09
Wash and paint front of building	4/30/09