

**BRYCE CANYON NATIONAL PARK
MANAGEMENT AGREEMENT NO. VA-BRCA003-25**

between

UNITED STATES DEPARTMENT OF THE INTERIOR

NATIONAL PARK SERVICE

as Owner

and

as Management Company

_____, 20__

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NOMENCLATURE AND CERTAIN DEFINITIONS

Defined terms in this Management Agreement (this "Agreement") include in the singular number the plural, and in the plural number the singular.

Unless otherwise stated, any reference in this Glossary to any individual includes its authorized successors and assigns and, in the case of the Owner, any person succeeding to its functions and capacities.

Terms defined in this Agreement apply to all of its exhibits, unless specifically stated otherwise.

Unless otherwise defined herein, any term relating to insurance has the meaning customarily associated with such term in the insurance industry.

The words "include," "includes," and "including" are not limiting and in all instances must be read to include the phrase "without limitation."

The phrase "and/or" means either or both items referenced thereby.

References to "days" means calendar days unless otherwise indicated.

For purposes of this Agreement, the following terms shall have the following meanings:

"Adjusted Gross Revenues" means Gross Revenues less the following revenues derived from the management and operation of the Hotel to the extent included in Gross Revenues:

- (i) any gratuities or service charges added to a customer's bill to the extent the same are actually paid to employees;
- (ii) any discounts, credits, or refunds made to customers, guests, or patrons;
- (iii) any sums and credits received by the Owner for lost or damaged merchandise;
- (iv) any sales taxes, excise taxes, gross receipt taxes, admission taxes, entertainment taxes, occupancy taxes, tourist taxes or charges, or similar taxes or charges as well as taxes and charges in replacement thereof;
- (v) any resort or facility fee, or preservation fee relating to the Area;
- (vi) amounts representing the value or cost of room occupancy, meals, or other services provided as compensation to employees of the Hotel or as complimentary benefits to any other persons;
- (vii) payments made under warranties and guaranties from providers of goods or services to the Hotel, whether received by the Owner or by the Management Company on behalf of the Owner;
- (viii) other income derived from capital transactions that are not related to the operation of the Hotel;
- (ix) any proceeds from the sale or other disposition of the Hotel, furnishings and equipment, or other capital assets; and
- (x) any proceeds from any Hotel insurance claim.

"Affiliate" – any natural person or firm, corporation, partnership, association, trust, or other entity, which, directly or indirectly, controls, is controlled by, or is under common control with, the subject entity. For purposes of this definition, "control" means direct or indirect possession of the

power to direct or cause the direction of the management and policies of the entity, or the power to veto major policy decisions of the entity, whether through the ownership of voting securities, by contract, or otherwise.

“Applicable Laws” means the Federal, state, and local laws governing the Area, including, but not limited to, the rules, regulations, requirements, and policies promulgated under those laws, whether now in force or amended, enacted, or promulgated in the future. This includes without limitation, Federal, state and local laws, rules, regulations, requirements, and policies governing nondiscrimination, labor, protection of the environment, and protection of public health and safety.

“Area” means the property within the boundaries of Bryce Canyon National Park within the State of Utah.

“Budget” means collectively or individually, as the context requires, the Operating Budget and Capital Budget, in each case, as approved by the Owner (or as established pursuant to Section 3.12 and Section 3.14, respectively).

“Capital Expenditures” means any costs or expenses actually incurred after the Commencement Date with respect to the Hotel that are properly categorized as capital in nature under generally accepted accounting principles.

“Capital Replacements” means, collectively, as part of a Cyclical Upgrade or refresh to the Hotel to maintain Hotel standards, replacements and renewals to the FF&E and repairs which are normally capitalized under GAAP.

“Consumer Price Index” means the “Consumer Price Index for All Urban Consumers (CPI-U),” specified for “All Items” (1982-84 = 100) for United States – All Urban Areas and issued by the Bureau of Labor Statistics of the United States Department of Labor. If this index ceases to be published, the Owner will designate another regularly published cost-of-living index similar to the national CPI-U.

“Cyclical Upgrade” means periodic renovation of guestrooms, corridors, and public areas including the replacement of soft goods (drapes, carpet, upholstered furniture, bedcoverings, and mattresses), and case goods (furniture made of wood, plastic, metal, or glass) to ensure that the Hotel continues to conform to the Operating and Maintenance Standards.

“EBITDA” means Earnings Before Interest, Taxes, Depreciation, and Amortization, as calculated in accordance with the Uniform System of Accounts for the Lodging Industry (USALI).

“Exclusively Owned and Controlled” means as related to the operative legal standards of the Federal Records Act, as amended, (44 U.S.C. Chapters 21, 29, 31, and 33) and the Freedom of Information Act, as amended, (5 U.S.C. § 552) as applicable.

“FF&E” means all items of furniture, furnishing, fixtures, equipment, and other personal property (including, without limitation, all equipment, hardware, wiring connections, software, and other property necessary to operate computers) used or held for use in storage in the ordinary course of operating the Hotel.

“Financial Ownership Costs” means the following: (i) expenditures for Capital Replacements (to the extent not paid out of the Special Account for Capital Expenditures), and (ii) the Incentive Management Fee.

“Fiscal Year” means a 12-month period beginning October 1 and ending September 30 each year.

“GAAP” means generally accepted accounting principles, consistently applied.

“Gross Operating Profit” has the meaning set forth in (and shall be calculated in accordance with) the USALI.

“Gross Revenues” means all revenues and income of any nature derived directly or indirectly from the Hotel or from the use or operation thereof (including any revenue attributable to the sale and service of alcoholic beverages at the Hotel pursuant to any license, management agreement, or other agreement between the Management Company and any Third Party Operators holding a liquor permit for any sales of alcoholic beverages at the Hotel, subject to Section 5.4 hereof), whether on or off the Hotel site, including from total room sales; food and beverage sales; retail sales; recreational equipment rental; public showers; laundry; telephone; wireless internet or other internet access; employee housing; and other income, rental, or other payments from Third Party Operators approved by the Owner (but not (i) security deposits unless and until applied, or (ii) the gross receipts from the services provided by such approved Third Party Operators that are retained by such approved Third Party Operators as their fee and not passed through to the Owner.).

“Inflation” means the increase, if any, expressed as a percentage, in the Consumer Price Index (CPI-U) issued for the date closest to July 1st of the Fiscal Year prior to the Fiscal Year for which the Budget is applicable (i.e., the Fiscal Year in which the Budget is initially prepared) over the Consumer Price Index issued for the comparable date for the Fiscal Year immediately prior to the Fiscal Year in which the Budget is initially prepared (e.g., if the Budget is for Fiscal Year 2026, the Consumer Price Index to be used will be the one issued closest to July 1st in Fiscal Year 2025).

“Maintenance Manual” means the comprehensive document prepared and maintained by the Management Company that outlines the procedures, schedules, and responsibilities delegated to the Management Company as provided herein for performing maintenance and preservation activities for the Hotel. The Maintenance Manual must detail the processes for routine maintenance, repairs, Capital Replacements, and adherence to the Maintenance Standards, including compliance with the Secretary of the Interior’s Standards for Historic Preservation if applicable.

“Maintenance Standards” means the minimum requirements set by the Owner for maintaining and preserving the Hotel under this Agreement. The minimum Maintenance Standards presented in Section III of Exhibit G must be included in the Management Company’s Maintenance Manual. These standards outline the essential practices and procedures that the Management Company must follow to ensure the Hotel is kept in good condition and meet or exceed the Owner's expectations. The Maintenance Standards include, but are not limited to, routine maintenance, repairs, and capital investments necessary to uphold the functionality and safety of the Hotel.

“Major Capital Projects” means the following capital projects if the total cost of such project exceeds \$500,000: non-recurring investment in the property that involves construction, renovation, replacement, or improvement of building structures, systems, or major equipment. Examples of Major

Capital Projects include building expansions, mechanical or electrical systems, roof replacements, façade restoration, room renovations, and other substantial alterations or additions that materially extend the useful life, enhance the value, or improve the operational efficiency of the property.

“Necessary Expenses” means the costs of funding:

- (i) the completion of construction of improvements to the Hotel in accordance with plans and specifications approved by the Owner (but subject to the limitations of the Capital Budget);
- (ii) utility charges;
- (iii) insurance premiums for insurance coverages specified in Exhibit B;
- (iv) expenses incidental to compliance with any final court orders, judgments, or other legal proceedings and all costs and expenses related thereto;
- (v) all costs and expenses detailed in any applicable Budget;
- (vi) other immediately necessary expenditures and additions or modifications to the Hotel to comply with Applicable Laws or insurance requirements;
- (vii) any other non-discretionary expenditure required for the Hotel, including, without limitation, any expense which is necessary to (1) comply with any material agreements, encumbrances, or instruments affecting the Hotel and approved by the Owner, or (2) comply with the Hotel’s other material contractual obligations approved by the Owner;
- (viii) an expense that is reasonably necessary to prevent an immediate threat to the health, safety, or welfare of any individual in the immediate vicinity of the Hotel or prevent immediate damage or loss to the Hotel, or avoid the suspension of any necessary service in or to the Hotel or avoid criminal or civil liability on the part of the Owner, the Management Company, or any of their respective owners or Affiliates with respect to activities at the Hotel or pursuant to this Agreement;
- (ix) any other emergency expenditure as determined necessary by the Management Company in its reasonable business judgment; or
- (x) fees and expenses payable to the Management Company or its Affiliates pursuant to this Agreement.

“Net Cash Flow” means the amount by which EBITDA less the deposit to the Special Account for Capital Expenditures exceeds the Owner’s Priority, calculated for the relevant period.

“Operating Costs” means all costs and expenses of maintaining, conducting, and supervising the operation of the Hotel, as such costs and expenses are determined in accordance with GAAP and the USALI, specifically including, but not limited to,

- (i) the Base Management Fee;
- (ii) all reimbursable expenses due to the Management Company under this Agreement;
- (iii) the cost of Operating Equipment and Operating Supplies, wages, salaries, and employee benefits of Hotel Personnel and Off-Site Personnel (subject to terms of this Agreement), Hotel advertising and promotion, personnel training programs, utilities and energy, operating licenses and permits, grounds and landscaping maintenance, and equipment rentals classified as operating costs under the USALI as it may be in effect from time to time;
- (iv) all expenditures made for maintenance and repairs to keep the Hotel in good condition and repair, specifically excluding expenditures for Capital Replacements;

- (v) premiums and charges (or the allocable portion thereof in the case of blanket policies) on the insurance coverages specified in Exhibit B;
- (vi) the cost of all other goods and services obtained in connection with the operation of the Hotel in accordance with this Agreement;
- (vii) all taxes, assessments, inspection fees, and other charges (other than income or franchise taxes) payable by or assessed against the Owner or the Hotel with respect to the operation of the Hotel, excluding property taxes and assessments;
- (viii) reasonable Management Company legal fees incurred in connection with the operation of the Hotel;
- (ix) fees of any independent certified public accountant for services directly related to the operation of the Hotel and for audit services as required in Section 3.13.D.
- (x) any other item specified as an Operating Cost in this Agreement; and
- (xi) any other cost or charge classified as an operating cost or an administrative and general expense under the USALI, unless specifically excluded under the provisions of this Agreement.

“Operating Manual” means the comprehensive document prepared and maintained by the Management Company that details the Management Company’s operating policies and procedures to provide for efficient operations, effective internal controls, the management and control of sensitive data exclusively owned and controlled by the Management Company, accurate and timely financial reporting, and adherence to the Operating Standards.

“Operating Special Account” means the account authorized by the Owner and established by the Management Company in a financial institution or bank designated by the Owner in accordance with the procedures outlined in Section 3.11.

“Operating Standards” means the minimum requirements set by the Owner for providing services and operating the Hotel under this Agreement. The minimum Operating Standards presented in Section II of Exhibit G must be included in the Management Company’s Operating Manual.

“Owner’s Investment” initially means the total amount (which is estimated to be \$ _____) funded by the Owner for the transition of the Hotel operation to the Management Company under this Agreement, which may include funding for FF&E and Operating Supplies, Hotel renovations, software or other systems necessary for the Hotel, and working capital. The Owner’s Investment, thereafter, will increase from time to time by the amounts expended by the Owner for the renovation of the Hotel to the extent not paid for out of the Special Account for Capital Expenditures. The Owner will make any increase in the Owner’s Investment (and the corresponding increase in the Owner’s Priority) that it deems appropriate on a quarterly basis, based upon the costs and expenses incurred for renovations substantially completed and available for use by guests during the preceding calendar quarter.

“Owner’s Priority” means 20% multiplied by the amount of the Owner’s Investment, pro-rated when the relevant period is less than a twelve-month period.

“Payroll Account” means a payroll account established by the Management Company under the procedures outlined in Section 3.11. Such Payroll Account will maintain only such balance as is needed for current monthly payroll expenses of the Hotel, which will be transferred from the Operating Special Account monthly.

“Performance Termination Notice” means a written notice, served from the Owner to the Management Company, to terminate the Management Agreement under the procedures outlined in Section 9.5.

“Permitted Variations” means unapproved variations of any costs and expenses in the approved Budget for the period such approved Budget is effective that do not exceed either (i) an aggregate of five percent per annum of all costs and expenses in such approved Budget, or (ii) five percent per annum for any line item in the approved Budget. Any expenditure made that is a Permitted Variation, which Permitted Variation later is specifically approved by the Owner or included in a revised approved Budget, no longer will be an unapproved variation for purposes of calculating the aforesaid limitations in (i) and (ii).

“Pricing” means performing all commercially reasonable activities to ensure the establishment of market-based room rate ranges by market segment, food and beverage pricing, and other visitor service pricing, as well as all charges for use of all areas of the Hotel.

“Project Ownership Costs” means the following: (i) deposits into the Special Account for Capital Expenditures; and (ii) equipment rentals characterized as capital expenses rather than operating expenses under the USALI as it may be in effect from time to time, provided such equipment rentals are approved by the Owner.

“Project Services” means the direction and administration of Major Capital Projects, including planning, design, and implementation; management of information systems; accounting services; and project management and technical services related to Major Capital Projects.

“PTO Account” means separate account established by the Management Company in its own name in accordance with procedures outlined in Section 3.11 to fund paid time off (“PTO”) of Hotel Personnel to cover all accrued vacation, sick pay, and other PTO of Hotel Personnel. The Management Company or its designee, as approved by the Owner, will have sole control of the PTO Account. The Management Company will transfer amounts from the Operating Special Account to the PTO Account to fund the accrued obligations to Hotel Personnel.

“Revolving Fund” means a Treasury account established pursuant to the National Park Service Centennial Act, Title VII, Section 701, codified at 54 U.S.C. § 101935, for the purposes set forth in 54 U.S.C. § 101935. The Management Company has no access to the Revolving Fund.

“Special Account for Capital Expenditures” means a separate reserve bank account authorized by the Owner which will be named “Bryce Canyon Hotel Special Account for Capital Expenditures” and established by the Management Company in a financial institution or bank designated by the Owner under the procedures outlined in Section 3.11. The Owner will have a first lien on this account. This account will be funded in accordance with the procedures outlined in Section 3.14 and used to fund expenditures for Capital Replacements in accordance with the Capital Budget.

“Specified Ownership Costs” means (i) Project Ownership Costs and (ii) Financial Ownership Costs.

“Systems” include, but are not limited to, all fixtures, equipment, pipes, lines, wires, ducts, vents, computer cables, security system cables, monitoring system cables, conduits, and other systems

and facilities used in the production, heating, cooling and/or transmission of air, water, gas, electricity, communications, wastewater, sewage, and audio and video signals.

“Third Party Operator” means a company contracted by the Management Company to provide some of the visitor services required or authorized under this Agreement. Third Party Operators may include Affiliates of the Management Company. The Management Company must request and receive the Owner’s approval for a Third Party Operator to provide visitor services under this Agreement and of any contracts with such Third Party Operators, which must agree in a written instrument delivered to and approved by the Owner to be bound by the terms and conditions of this Agreement. Nevertheless, the Management Company remains responsible for ensuring compliance with the terms and conditions of this Agreement by the Third Party Operators.

“Uniform System of Accounts for the Lodging Industry (USALI)” means the latest edition (currently, the 11th Revised Edition, 2018) of the Uniform System of Accounts for the Lodging Industry that is copyrighted and published by Hospitality Financial and Technology Professionals with support from American Hotel & Lodging Association.

“VEIA” means the Visitor Experience Improvements Authority under Title VII of the National Park Service (NPS) Centennial Act (Pub. L. No. 114-289), as amended and codified at 54 U.S.C. §§ 101931–101938. NPS regulations at 36 CFR Part 52 govern the solicitation, award, and administration of VEIA contracts issued under the NPS Centennial Act.

MANAGEMENT AGREEMENT

This Management Agreement (this “**Agreement**”) is made and entered into as of _____, 2025 (the “**Execution Date**”) by and between the United States of America, acting in this matter by the Director of the National Park Service, through the National Park Service Associate Director, Business Services (the “**Owner**”) and _____, a _____ (the “**Management Company**”).

RECITALS:

THAT WHEREAS, the Owner administers Bryce Canyon National Park as a unit of the National Park System to conserve the scenery, natural and historic objects, and wildlife therein, and to provide for the enjoyment of the same in such manner and by such means as will leave the Area unimpaired for the enjoyment of future generations;

WHEREAS, the National Park Service is authorized to award and administer commercial services contracts and related professional services contract for the operation and expansion of commercial visitor facilities and visitor services programs in units of the National park System under the Visitor Experience Improvements Authority, title VII of the National Park Centennial Act (codified as amended at 54 U.S.C. §§ 101931–101938) (“**VEIA**”);

WHEREAS, to accomplish these purposes, the Owner has determined that certain visitor services are necessary and appropriate for the public use and enjoyment of the Area and consistent with the preservation and conservation of the resources and values of the Area;

WHEREAS, the Owner has determined that this Agreement will expand, modernize, and improve the condition of commercial visitor facilities and the services provided to visitors within the Area;

WHEREAS, the Owner has determined the Management Company has the experience and financial ability to carry out the terms of this Agreement;

WHEREAS, the Owner desires that the Management Company provide visitor services under this Agreement, subject to the oversight and administration of the Owner; and

WHEREAS, the Owner desires that the Management Company provide visitor services under this Agreement in a manner that demonstrates sound environmental management, stewardship, and leadership.

NOW, THEREFORE, pursuant to the authority contained in in the National Park Service Organic Act (codified as amended in scattered sections of 54 U.S.C.) and Title VII of the National Park Service Centennial Act (codified as amended at 54 U.S.C. §§ 101931–101938), and other laws that supplement those Acts, and in consideration of the mutual provisions, covenants, and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Owner and the Management Company agree as follows:

ARTICLE 1. THE HOTEL

This Agreement provides for the management by the Management Company of the hotel and related facilities within the Area including the following operations: lodging, food and beverage

(including alcohol), retail, public laundry, public showers, recreational equipment rental, employee housing, and other services agreed to between the parties. Collectively, the hotel, related facilities, and Area lands managed under this Agreement are referred to herein as the “**Hotel**” and depicted in Exhibit E. The Hotel will be operated as the Bryce Canyon Hotel as provided herein. The Owner may, from time to time, amend Exhibit E to reflect changes regarding which facilities and Area lands constitute the Hotel.

ARTICLE 2. TERM

Section 2.1 Term. The term of this Agreement commences on January 1, 2027 (“**Commencement Date**”) and expires ten years later on December 31, 2036 (such ten-year period is referred to herein as the “**Term**”), unless terminated earlier as provided herein. The Owner and the Management Company have executed this Agreement on the Execution Date to enable the Parties to prepare for operations to commence on the Commencement Date.

ARTICLE 3. MANAGEMENT COMPANY’S OBLIGATIONS

Subject to the terms and conditions of this Agreement, the Management Company must undertake the following activities during the Term, except that Section 3.28 also applies prior to the Commencement Date:

Section 3.1 Management Company’s General Obligations

A. Direct Operation. On behalf of the Owner, subject to the Owner’s discretionary oversight and administration, and at the Owner’s expense, the Management Company will have the exclusive right, authority, discretion, and duty during the Term to direct, supervise, manage, operate, and maintain the Hotel on a day-to-day basis in accordance with the Operating and Maintenance Standards and the terms of this Agreement.

B. Uniqueness of the Area.

(i) The Management Company must provide all visitor services in a manner consistent with and supportive of the goals, objectives, and themes of the Area, as reflected in Area planning documents and mission statements that the Owner provides to the Management Company from time to time.

(ii) As further described in Exhibit G, the Management Company must develop, implement, and interpret an Environmental Management Program (EMP) and initiatives that support the goals, objectives, and themes of the Area. The Management Company must submit its initial EMP to the Owner for approval within 60 days of the Commencement Date of this Agreement. The Management Company must submit a proposed updated EMP annually to the Owner for approval.

(iii) As further described in Exhibit G, the Management Company must develop and implement a Structural Fire Management Plan that is consistent with the Owner’s structural fire program for the Area and promotes a cohesive approach. The Management Company must submit its Structural Fire Management Plan to the Owner for approval within 90 days of the Commencement Date of this Agreement.

(iv) As further described in Exhibit G, the Management Company must develop, maintain, and implement a Risk Management Program (RMP) that is consistent with the Owner's Risk Management Program Standards and complies with all Applicable Laws and Owner policies. The Management Company must submit its initial RMP to the Owner for approval within 120 days of the Commencement Date of this Agreement. The Management Company must submit a proposed updated RMP annually to the Owner for approval.

Section 3.2 Legal, Regulatory and Policy Compliance. This Agreement, the Management Company's operations hereunder, and the administration of it by the Owner, are subject to all Applicable Laws.

Section 3.3 Manner of Operations. The Management Company must operate the Hotel and its activities in accordance with the Operating Standards. The Management Company must perform all its services in a diligent and professional manner in accordance with recognized standards of the hotel management industry. The Management Company agrees to comply with applicable nondiscrimination laws outlined in Exhibit A to this Agreement. The Management Company agrees to operate and manage the Hotel for the Owner in a commercially reasonable, business-like, prudent, and professional manner, in accordance with and pursuant to (a) the requirements of this Agreement, (b) the then-current Budget approved by the Owner, (c) all Requirements (as set forth in Section 3.25 below), and (d) the objectives of expanding, modernizing, and improving the Hotel and services provided to Area visitors, and such other objectives as the Owner may determine from time to time, in the Owner's sole discretion, and communicate to the Management Company. The Management Company must use its best efforts in the billing and collection of all Gross Revenues. The Management Company must make available to the Owner its knowledge, skills, ideas, experience, and abilities with respect to all matters pertaining to the management, maintenance, use, operation, and marketing of the Hotel, and must be available to consult with, advise, and inform the Owner and the Owner's consultants, including the Owner's Asset Manager, at all reasonable times during the Term of this Agreement. During emergency situations, the Management Company must be available to consult with, advise, and inform the Owner at all times.

Section 3.4 Adherence to Budgets.

A. In discharging its duties and responsibilities under this Agreement, except as otherwise specifically provided herein to the contrary, the Management Company at all times must act in accordance with the approved Operating Budget and Capital Budget for the Hotel and pursuant to the objectives of the Owner as set forth in Section 3.3 above. Except for Permitted Variations, Necessary Expenses, and other provisions in this Agreement specifically allowing the Management Company to depart from the applicable Budget or allowing the Management Company to spend a specified amount of money, the Management Company may not take any action, make any expenditure, or incur any obligation by or on behalf of the Owner, the Hotel, or the operations thereof that reasonably could be expected to cause a material variance from any applicable Budget.

B. The Management Company may make expenditures in excess of budgeted amounts within the limits of the Permitted Variations, and the Management Company also may make expenditures for Necessary Expenses, whether or not budgeted and whether or not the same exceed the Permitted Variations, with prior notice to the Owner. With the Owner's prior written approval, the Management Company also may make expenditures in excess of the Permitted Variations for costs and expenses that vary with occupancy to the extent, and in proportion to the amount by which, occupancy exceeds the projections contained in the applicable Budget. References in this Agreement to the

limitations imposed by the Operating Budget (and phrases of similar import) incorporate the Management Company's authority to expend funds in excess of the Operating Budget as set forth or referenced in this Section 3.4.

Section 3.5 Affiliate Transactions. Notwithstanding any other provision of this Agreement to the contrary, excluding those provisions applicable to liquor permits and licenses as specifically provided in this Agreement, and except for transactions permitted under Section 3.26.D hereof, the Management Company will not enter into or consummate any transaction or arrangement with any Affiliate of the Management Company, including a revenue share agreement or commission arrangement, or any other transaction or arrangement in which the Management Company or any Affiliate of the Management Company has an actual or potential conflict of interest, without the express prior written approval of the Owner. In addition, the Management Company agrees that it will not receive any commissions, rebates, or other compensation or benefits in connection with its operation of the Hotel except as expressly set forth in this Agreement or included in an approved Budget.

Section 3.6 Payment of Management Company's Costs. Except for Capital Replacements (which will be paid with funds from the Special Account for Capital Expenditures or with funds provided by the Owner), and except for costs and expenses that the Management Company is responsible for pursuant to the terms of this Agreement, all costs and expenses incurred by the Management Company in association with the performance of the obligations in this Agreement will be paid from the Operating Special Account. The Management Company will not be reimbursed for any costs or expenses related to: (i) overhead costs (not directly related to operating the Hotel) for the Management Company and its Affiliates; (ii) its political or charitable contributions; (iii) the recruitment, training, relocation, compensation, and benefits of the Management Company's corporate personnel (except to the extent permitted pursuant to Section 3.9.B); and (iv) fidelity, liability, errors and omissions, and casualty insurance for the Management Company's corporate personnel and offices. The Management Company will not allocate any "shared" or cluster expenses to the Hotel unless the Owner approves such expenses in the Budget.

Section 3.7 Payment of Hotel Costs. The Management Company must timely pay all expenses and costs associated with the Hotel or its operations (and to the extent appropriate, must maximize any discounts or savings with regard to any such costs and expenses), including all Operating Costs and Project Ownership Costs, in each case, subject to availability of funds in the Operating Special Account, and in the case of Capital Replacements subject to availability of funds in the Special Account for Capital Expenditures, and in accordance with the terms and provisions of this Agreement.

Section 3.8 Borrowing; Encumbering the Property. The Management Company will not borrow money or otherwise incur or guarantee indebtedness on behalf of the Owner or otherwise encumber all or any part of the Hotel.

Section 3.9 Personnel.

A. Subject to Section 3.9.B below, the Management Company must: (a) monitor and ensure the fitness and qualification of all on-site personnel working at or on behalf of the Hotel ("**Hotel Personnel**") and the Off-Site Personnel (as defined below) in its commercially reasonable business judgment; (b) subject to all Applicable Laws, determine and implement all personnel policies and practices relating to the Hotel, including: policies and practices relating to terms and conditions of employment, screening, selection, training, supervision, compensation, bonuses, severance, pension

plans and other employee benefits, discipline, dismissal, transfer, and replacement; and (c) recruit, hire, train, relocate, pay, supervise, instruct, order, promote, discipline, transfer, and dismiss all Hotel Personnel, with the understanding that all Hotel Personnel will be employees of the Management Company or an Affiliate of the Management Company. The Management Company must comply with all Internal Revenue Service and other reporting requirements related to its employees. If and to the extent that any Hotel Personnel or Off-Site Personnel performs services for any other facilities in addition to the Hotel, the Management Company will allocate fairly a portion of the costs and expenses related to such Hotel Personnel or Off-Site Personnel's recruitment, training, relocation, compensation, and benefits to the Hotel as an Operating Cost of the Hotel based on the percentage of such Hotel Personnel or Off-Site Personnel's time devoted to the Hotel, subject to the above terms and conditions.

B. To the extent set forth in an approved Budget, the Management Company has the right to use employees of the Management Company, as well as the Management Company's Affiliates not located at the Hotel ("**Off-Site Personnel**"), to provide centralized services to the Hotel, including information systems support, accounting, tax, purchasing, marketing, sales, human resources, revenue management services, and reasonable legal services. Subject to Section 3.9.A above, the costs and expenses related to the recruitment, training, relocation, compensation, and benefits of Hotel Personnel and Off-Site Personnel will be Operating Costs; provided, however, (i) the salaries and wages of senior management home office or regional office personnel will not be Operating Costs and will be the sole responsibility of the Management Company (with no right to reimbursement unless otherwise agreed with the Owner in writing), (ii) costs that are paid out pursuant to Claims within the scope of the Management Company's responsibility pursuant to Section 6.1.B will not be Operating Costs, (iii) the salaries and the costs of Off-Site Personnel will not exceed the amount set forth in the Budget for such position(s) and the amount that such Off-Site Personnel would have been paid if they had been located at the Hotel, (iv) no mark-up or profit will be included in the Operating Costs for the foregoing centralized services, and (v) the amounts allocated as Operating Costs for such centralized services in no event will exceed ___% of Adjusted Gross Revenues in any year during the Term.

C. Subject to the Owner's review through the Budget approval process or otherwise after consultation with the Owner, the Management Company will hire the general manager, director of sales and marketing, director of finance (or equivalent position), and head of engineering (or equivalent position) for the Hotel.

D. The Management Company must charge its employees living in employee housing an employee housing rate that is no more than a reasonable amount to cover the Operating Costs for employee housing managed by the Management Company under this Agreement. The Management Company must provide appropriate employee recreational activities.

Section 3.10 Hotel Policies.

A. Except as specifically set forth in Section 3.11.F below, and subject to the limitations and provisions relating thereto set forth in the Operating Budget, and the terms and provisions of this Agreement, the Management Company must establish all policies and procedures relating to the management and operation of the Hotel. The Management Company will be available to consult with and advise the Owner, at the Owner's reasonable request, concerning all policies and procedures affecting all phases of the conduct of business at the Hotel. The Management Company will determine the guest policies, billing policies with respect to the operation of the Hotel (including entering into agreements with credit card organizations), rate schedules (subject to the Owner's right to review and

require its prior approval of rate ranges and changes), Third Party Operator agreements (subject to the prior approval of the agreement and the Third Party Operator by the Owner), and supervise, direct, and control the collection of income of any nature from the Hotel's operations and the giving of receipts in connection therewith, define the use of rooms for commercial purposes, establish rates (subject to the Owner's right to review and require its prior approval of rate ranges and changes) and policies for use of the conference/meeting/group facilities, and direct and manage the food and beverage operations of the Hotel, all subject to the limitations and provisions relating thereto set forth in the Operating Budget and the terms and provisions of this Agreement. The Management Company will negotiate, enter into, and administer contracts with groups and individuals for the noncommercial use of banquet and meeting facilities and guest rooms.

B. The Management Company will implement and maintain a robust system of internal controls to ensure the accuracy and reliability of financial reports, efficiency of operations, and compliance with Applicable Laws.

C. The Management Company must develop an Operating Manual and keep it up to date and make it available for review by the Owner annually and upon request. The Operating Manual must incorporate the Operating Standards.

Section 3.11 Account Establishment.

A. The Owner hereby authorizes the Management Company to establish and maintain at a financial institution or bank designated by the Owner, on a date that is at least seven days prior to the Commencement Date, a deposit account which will be named "Bryce Canyon Hotel Operating Special Account" (the "**Operating Special Account**") in accordance with the procedures outlined in Section 3.11.F. All advance payments received from the Owner, revenues received from the operation of the Hotel, including revenues received by approved Third Party Operators, and all items paid by the Management Company arising by virtue of the Management Company's operation of the Hotel must pass through the Operating Special Account or such other bank account(s) established in accordance with this Section 3.11.

B. Each calendar month, the Management Company, on behalf of the Owner, must disburse funds from the Operating Special Account (to the extent available) first on account of Operating Costs and then on account of Specified Ownership Costs (other than the s Management Fee, which will be paid annually). Subject to Section 12.8, if after such disbursements (or if because of the next month's reasonably projected disbursements) a deficiency (or a projected deficiency for the next month) exists in the Minimum Balance, the Owner must promptly provide such funds as may be required to maintain the Minimum Balance in the Operating Special Account. After such disbursements on account of Operating Costs and Specified Ownership Costs, the Management Company will distribute any excess funds remaining in the Operating Special Account over [\$_____] (the "**Maximum Balance**") to the Owner for deposit in the Revolving Fund monthly.

C. The Owner hereby authorizes the Management Company to cause a financial institution or bank designated by the Owner to establish and maintain a separate reserve bank account which will be named "Bryce Canyon Hotel Special Account for Capital Expenditures" (the "**Special Account for Capital Expenditures**") in accordance with the procedures outlined in Section 3.11.F from which to fund expenditures for Capital Replacements.

D. In addition, the Management Company may establish a payroll account under the sole ownership and control of the Management Company, or a designee approved by the Owner (the **"Payroll Account"**), provided such Payroll Account maintains only such balance as is needed for current monthly payroll expenses of the Hotel. The Management Company may make transfers from the Operating Special Account to the Payroll Account, but such transfers must not exceed the amounts that the Management Company or its designee will disburse from such Payroll Account in the current monthly payroll cycle. Such transfer of funds may occur not more than thirty days prior to disbursement by the Management Company or its designee from the Payroll Account.

E. In addition, the Management Company must establish a separate account for paid time off (**"PTO"**) of Hotel Personnel (the **"PTO Account"**) under the Management Company's name to cover all accrued vacation, sick pay, and other paid time off of Hotel Personnel. The Management Company or its designee, as approved by the Owner, will have the sole control of the PTO Account, and will not commingle funds therein with other funds of the Management Company or its Affiliates. The Management Company will transfer amounts from the Operating Special Account to the PTO Account to fund the accrued obligations to Hotel Personnel. Upon expiration or termination of this Agreement, the Management Company, in its sole discretion, will pay out funds in the PTO Account either (i) to the Hotel Personnel entitled thereto, or (ii) transferred to the Owner's name or, at the Owner's direction, into the name of any successor manager or purchaser of the Hotel, provided that the successor manager or purchaser assumes the then outstanding PTO liability, if any, for all Hotel Personnel and indemnifies the Management Company with respect thereto. After the Commencement Date, the PTO Account will be funded from Gross Revenues, in an amount identified for such purposes in the applicable Operating Budget.

F. Account Procedures and Policies. The Owner authorizes the Management Company to establish, maintain, and use the Operating Special Account, the Special Account for Capital Expenditures, or other accounts indicated in this Section 3.11 in accordance with the following procedures, or such other procedures as the Owner may establish from time to time upon notice to the Management Company:

(i) The Management Company must establish and maintain all accounts at one or more FDIC insured banks or other such financial institution as the Owner designates. The deposit accounts must be interest bearing to the extent reasonably available. All funds deposited in the Operating Special Account, Special Account for Capital Expenditures, and other accounts indicated in this Section 3.11 will be in the name of the Management Company, and the Owner will hold a first lien on the balance. The account names or names will be designated and styled by the Owner;

(ii) A Management Company Representative, Corporate CFO, Hotel General Manager, Hotel Controller, Hotel Director of Finance, or such other persons as the Management Company may designate with the Owner's prior written approval must sign all checks or other documents of withdrawal from the accounts. Two authorized signatures are required for all checks issued for more than \$10,000. The Management Company must not change the financial institution at which the accounts are established without the Owner's prior written approval. The Management Company must notify the Owner of any changes in the Management Company-designated signatories for the Operating Special Account. The Owner, in its sole and absolute discretion, may direct the Management Company in writing to change any such financial institution, signatories, or arrangements;

(iii) The Owner acknowledges and agrees, provided the Management Company establishes the accounts with a financial institution designated or approved by the Owner, that the Management Company will not be responsible to the Owner for losses sustained by the Owner to the extent those losses result from the insolvency of such financial institution;

(iv) The Management Company hereby acknowledges that the Owner has a first lien on the accounts and will deliver written notice to each financial institution at which accounts are established stating that the Owner has a first lien on the funds in the accounts. The Management Company will make no changes in the signature cards pertaining to the Owner's representatives, except as expressly provided in this Agreement; and

(v) The Management Company must not commingle funds of the Owner or the Hotel (including those on deposit in the Operating Special Account) with other funds of the Management Company or with funds of any other property owned, leased, or managed by the Management Company or any of its Affiliates.

Section 3.12 Operating Budgets.

A. Attached hereto and made a part hereof as Exhibit C is the approved operating budget (the "**Operating Budget**") for the first partial Fiscal Year until September 30, 2027. The Management Company, not less than ninety days before the commencement of each subsequent Fiscal Year hereafter, must submit to the Owner for its approval a proposed Operating Budget for the ensuing full or partial Fiscal Year, as the case may be. In preparing each proposed Operating Budget, the Management Company must base its revenue projections on assumptions regarding rates and other charges for use of the Hotel through the process described as Pricing, and must supervise, direct, and control collection of income of any nature from the Hotel's operations and the giving of receipts in connection therewith. The foregoing in no way limits (i) the Owner's right to review and approve each proposed Operating Budget (including, without limitation, the budgeted Gross Revenues of the Hotel and the rate ranges) as provided in this Section 3.12, or (ii) the Owner's right to appoint an Asset Manager and implement certain written recommendations of the Asset Manager pursuant to the provisions of Section 4.10.B.

B. At minimum, the Operating Budget submitted to Owner for approval will include:

(i) Detailed annualized projections of departmental (e.g., lodging, food and beverage, etc.) operating revenues, departmental and undistributed expenses, Gross Operating Profit, and EBITDA for the budget year;

(ii) For each month, the estimated results of operations (projections of departmental operating revenues, departmental and undistributed expenses, non-operating income and expenses, Gross Operating Profit, and EBITDA);

(iii) For each month, a complete cash flow forecast prepared in accordance with the USALI depicting all Management Fee obligations as defined in Sections 5.1 and 5.2, the monthly source and use of cash including the requirements of funding and the anticipated expenditures for taxes (if any), insurance, and other expenditures from the Special Account for Capital Expenditures;

(iv) For each month, estimates of total labor costs;

- (v) For each month, and each room type, estimates of the occupancy, average room rates, budgeted room rate ranges, and targeted average daily rate;
- (vi) For each month, and each food and beverage outlet, estimates of number of customers and average revenues per customer;
- (vii) For each month, and each retail, showers and laundry, and recreational equipment rental outlet, estimates of number of customers and average revenue per customer;
- (viii) For each month, an estimate of all centralized services charges, the Management Fee as defined in Section 5.2, and other payments to the Management Company and its Affiliates; and
- (ix) An annual marketing plan, which contains a description of the Hotel's target markets, the Hotel's relative position in those markets (including managing the Hotel's online presence), the current and future sales plan for the Hotel, the advertising and public relations plan for the Hotel, the proposed staffing for the sales and marketing activities of the Hotel, and published operating information; and
- (x) Proposed rate structures and ranges for all visitor services, including information relating to pricing of goods and services for competitors in the immediate area.

C. The Owner will either approve, disapprove, or provide the Management Company specific written objections within forty-five days after the Management Company's submission of the proposed Operating Budget to the Owner.

D. If the Owner disapproves or raises objections to a proposed Operating Budget, the parties will attempt to resolve in good faith any objections raised by the Owner within twenty-five days after the Management Company's receipt of such objections. If the Owner and the Management Company are unable to resolve the disputed or objectionable matters prior to the commencement of the applicable Fiscal Year, then the Operating Budget for such Fiscal Year will be the most recently approved Operating Budget (excluding any non-recurring items) increased by Inflation and adjusted as a result of changes to Applicable Laws that materially impact the costs of managing and operating the Hotel, as determined by the Owner.

E. The Management Company may propose for the Owner's approval revisions to the approved Operating Budget from time to time, as necessary, to reflect any unpredicted changes, variables, or events, or to include significant, additional, unanticipated items of income or expense. The Owner acknowledges that the Operating Budget is intended as a reasonable good faith estimate of the Hotel's income and expenses for the ensuing Fiscal Year.

Section 3.13 Operating Statements.

A. The Management Company must prepare and furnish to the Owner, the following monthly statements:

(i) Unless access to acceptable data files is provided to the Owner, within three days after the end of each calendar month, preliminary financial statements and journal entries for the previous calendar month for the Asset Manager's review.

(ii) Together with the financial statements in Section 3.13.A(i) above, the Management Company's expense variance report, segmentation analysis, group activity report, competition survey, month-end sales report, Capital Expenditure status report (including information regarding uncompleted capital projects), and key action items report (including any negotiations relating to any collective bargaining agreement);

(iii) Within twenty days after the end of each calendar month, a profit and loss statement, a statement of cash flow, a report of Capital Expenditures, and an accounts receivable aging report, each for the previous calendar month, with explanations of material Budget variances, and dated as of the end of the previous calendar month;

(iv) Within thirty days after the end of each calendar month, a reforecast report, which includes a calculation of the actual Management Fee using the actual Gross Revenues for the year to date; and

(v) Such other additional statements, computations, and reports as the Owner or Asset Manager reasonably requests in accordance with the provisions of Sections 3.19 and 3.22.

B. The Management Company must prepare and furnish to the Owner, the following annual statements (the "**Annual Financial Statements**"):

(i) Within thirty calendar days after the close of each Fiscal Year, a preliminary and unaudited balance sheet for the Hotel, a preliminary and unaudited statement of income and expenses, and a preliminary and unaudited statement of cash flow (in each case, dated as of the end of such Fiscal Year, and with explanations of material Budget variances); and

(ii) Within sixty calendar days after the close of each Fiscal Year, a balance sheet for the Hotel, a related statement of income and expense, and a statement of cash flow, each dated as of the end of the Fiscal Year, and all other information, including inventory reports as required in Section 3.27, reasonably required by the Owner, all of which must explain material Budget variances and be certified to the Owner by the Management Company as being, to the best of the Management Company's knowledge, the true and correct Annual Financial Statements.

C. All Annual Financial Statements must include a certificate of the Management Company's designated accounting officer certifying that such statement was prepared under such officer's direction and, in such officer's opinion, is true, correct, and complete in all material respects. The financial reports must be taken from the books and records maintained by the Management Company in the manner specified in accordance with the provisions of Section 3.19.

D. The Management Company will cause the Annual Financial Statements and internal controls to be audited by a nationally or regionally recognized firm of independent certified public accountants, the cost of which is paid for as an Operating Cost, in accordance with the USALI and Systems and Organization Controls (SOC-1).

Section 3.14 Capital Budgets.

A. Attached hereto and made a part hereof as Exhibit D is the approved capital budget (the “**Capital Budget**”) for the first partial Fiscal Year until September 30, 2026. The Management Company, not less than ninety days before the commencement of the second and each subsequent Fiscal Year, must submit a proposed Capital Budget for the forthcoming Fiscal Year to the Asset Manager for review and the Owner for approval. All proposed Capital Budgets must include:

(i) a recommended detailed capital budget for the ensuing full or partial Fiscal Year, as applicable, for Capital Replacements as required to operate the Hotel in accordance with the Operating and Maintenance Standards set forth in this Agreement;

(ii) a summary five-year schedule of other recommended Capital Expenditures for the Hotel;

(iii) a forecast detailing anticipated contributions to and proposed expenditures from the Special Account for Capital Expenditures, established in accordance with the provisions of Section 3.11.C;

(iv) a description of any proposed Major Capital Projects to be made during the next Fiscal Year;

(v) the commercial rationale for such Major Capital Projects; and

(vi) a request for any additional funds that may be required to fund Capital Expenditures in excess of funds available in the Special Account for Capital Expenditures.

B. The Capital Budget must include a description of existing FF&E targeted for sale or disposal by the Management Company; the Owner may choose to relocate or otherwise salvage historic furnishings no longer serviceable within the operation. The Owner will not unreasonably withhold or condition approval of the proposed Capital Budget with respect to Capital Replacements required pursuant to Applicable Laws or to maintain safety standards, but otherwise may approve or disapprove the remaining Capital Replacements and other Capital Expenditures in its sole discretion. The Owner and the Asset Manager will have the opportunity to discuss and revise the proposed Capital Budget with the Management Company. The Owner must either approve or disapprove and provide the Management Company specific written objections to the proposed Capital Budget within forty-five days after the Management Company’s submission of the proposed Capital Budget to the Owner. In the second and subsequent years, unless the Owner disapproves and provides written objections to the proposed Capital Budget, the Management Company may nonetheless make expenditures for Capital Replacements provided that the proposed Capital Budget for the year is consistent with the summary budget approved as part of the prior year’s Capital Budget. If the Owner does not approve the Capital Budget, then the Management Company may spend only those amounts for Capital Replacements required pursuant to Applicable Laws or to maintain safety standards at the Hotel. The Management Company may propose, for the Owner’s approval, revisions to any Capital Budget from time to time, as

necessary to reflect any unpredicted changes, variables, or events, or to include significant, additional, unanticipated items of Capital Expenditures. The Management Company must present the Capital Budget in the form used by the Management Company at their other operations. Once approved by the Owner and reviewed by the Asset Manager the Management Company's Capital Budget must include a comparison of actual expenditures against planned, a forecast detailing anticipated contributions to and proposed expenditures from the Special Account for Capital Expenditures (set forth in Section 3.11.C), analysis of fees paid to the Management Company, analysis of USALI to U.S. Standard General Ledger (USSGL) conversion (set forth in Section 3.19.B), analysis of the Management Company's cash balance against Budget with proposed amount due to Owner, and an analysis of fraud, waste, and abuse risk.

C. The Management Company must deposit five percent of Adjusted Gross Revenues monthly into the Special Account for Capital Expenditures established in accordance with Section 3.11.C. The Management Company may disburse from the Special Account for Capital Expenditures only the expenditures set out in an approved Capital Budget unless the Owner specifically approves other expenditures in writing. The Management Company will carry forward and retain in the Special Account for Capital Expenditures all amounts remaining in the Special Account for Capital Expenditures at the close of each Fiscal Year (including, without limitation, all interest earned thereon) until fully used as provided in this Agreement. The Management Company will deposit into the Special Account for Capital Expenditures all proceeds from the sale or other disposition of FF&E no longer needed for the operation of the Hotel. Prior to the sale or other disposition of such FF&E, the Management Company must submit a list of such FF&E to the Owner at least 30 days prior to the sale or other disposition to receive approval of the sale or other disposition from the Owner, in order to ensure compliance with Federal Property Management Regulations. The Owner may identify, including, but not limited to, historic furnishings no longer serviceable in the operation that the Owner chooses to relocate or otherwise salvage, as described in Section 3.14.B.

Section 3.15 General Maintenance - Non-Capital Replacements.

A. The Management Company must keep the Hotel, the Systems, and the FF&E in good operating order, repair, and condition, consistent with the Maintenance Standards, including making necessary replacements, improvements, additions, and substitutions thereto and, in connection therewith, formulating and implementing preventative maintenance and other programs designed to efficiently and effectively maintain the condition of the Hotel, including all "back of the house" areas, HVAC systems serving the Hotel, fire and life safety, plumbing, and other Systems. The Owner's maintenance and care obligations with respect to the Hotel are expressly delegated to the Management Company. The Management Company or its designated contractor must supervise the maintenance, repair, and replacement of non-Capital Replacements. "**Non-capital Replacements**" are replacements of certain fixtures or individual items of furnishing or equipment that must be replaced to maintain Hotel standards outside of a Cyclical Upgrade or refresh to the Hotel. If the Management Company designates a contractor to supervise the maintenance and/or repair of the Hotel, the Systems, and the FF&E or to provide and install Non-capital Replacements, the Management Company remains responsible for its designee's acts and omissions. The Management Company must develop a Maintenance Manual and keep it up to date and make it available for review by the Owner annually and upon request. For historic structures the Management Company must comply with the Secretary of the Interior's Standards for Historic Preservation. The Maintenance Manual must incorporate the Maintenance Standards.

B. Inspection of Hotel; Written Report. In connection with the performance of its responsibilities under this Agreement, the Management Company must arrange to have the Hotel

physically inspected at least once each Fiscal Year (either by a qualified employee of the Management Company or an outside consultant selected by the Management Company) to evaluate compliance with the Maintenance Standards and prepare a written report describing the results of such inspection in a form reasonably acceptable to the Owner. The Management Company promptly must provide a copy of such written report to the Owner. A representative of the Owner may accompany the Management Company on such inspection. The Owner may, in its discretion, conduct additional periodic inspections and evaluations as described in the Operating and Maintenance Standards (Exhibit G).

Section 3.16 Operating Equipment. The Management Company must select and purchase all operating equipment for the Hotel, such as linens, utensils, uniforms, and other similar items ("**Operating Equipment**") in accordance with the Budget and the terms of this Agreement.

Section 3.17 Operating Supplies. The Management Company must select and purchase all operating supplies for the Hotel, such as food, beverages, retail inventory, fuel, soap, cleansing items, stationery, and other consumable items ("**Operating Supplies**") in accordance with the Budget and the terms of this Agreement.

Section 3.18 Contracts.

A. The Management Company must negotiate, enter into, administer, and enforce, in its role as the Management Company under this Agreement for the benefit of the Owner, service contracts and licenses for Hotel operations, including (without limitation) contracts and licenses for health and safety systems, maintenance, electricity, gas, telecommunications (including internet service), cleaning, maintenance for elevators, and other people movers, boiler maintenance, air conditioning maintenance, laundry and dry cleaning, restaurant equipment, master television service, use of copyrighted materials (including music and videos), entertainment, automation systems, and other services the Management Company deems advisable, provided, however, that the Management Company must not enter into any such contract or amend any such contract without the Owner's prior written approval, if:

(i) The contract is a "barter" arrangement in whole or in part;

(ii) The contract is with an Affiliate of the Management Company; or

(iii) The contract is for a period of more than one year, unless (i) such contract is terminable by the Owner upon not more than thirty days' notice without penalty and without the payment of any amount, fee, or premium; or (ii) such contract (or amendment thereto) is expressly set forth in an Owner-approved Budget.

B. The Management Company, however, must not exercise any remedies or make any other material decision with respect to third parties who default on obligations relating to the Hotel, unless the action is (i) with respect to the collection of accounts receivable and accounts payable incurred in the ordinary course of business, (ii) expressly authorized in an Owner-approved Budget, or (iii) otherwise specifically approved by the Owner.

C. Without limiting any of the other requirements and provisions in this Agreement, and except as expressly provided to the contrary in this Agreement, after the Commencement Date, all contracts required in this Agreement or entered into in furtherance of the performance of the Management Company's duties hereunder must: (1) be in the name of the Management Company; (2) be assignable, at the Owner's option, to the Owner in its own name or the Owner's nominee; (3) include

a provision for cancellation thereof by the Owner (or by the Management Company, upon the direction of the Owner), without premium or penalty, immediately upon written notice if with cause and upon not less than thirty days' written notice if without cause; (4) be for a stated term not exceeding one year; and (5) require that all contractors provide evidence of sufficient insurance as determined by the Owner and underwritten by such insurers as are satisfactory to the Owner. If this Agreement expires or is terminated, the Management Company, at the Owner's option, must assign to the Owner in its own name or the Owner's designee all service agreements pertaining to the Hotel, which obligation shall survive any such termination.

Section 3.19 Accounting Standards.

A. The Management Company must maintain the books and records reflecting the operations of the Hotel in accordance with GAAP as well as the USALI and must adopt and follow a Fiscal Year accounting period. The Management Company may report all books and records in the format the Management Company generally uses at its other hotels and must include such additional information as the Owner may reasonably require for a certified public accountant or the Asset Manager to understand the information contained in such books and records. All such books and records, including all books of accounts, guest records, front office records and financial, tax, and other reports and statements prepared in accordance with this Agreement, unless exclusively owned and controlled by the Management Company, are property of the Owner. The Management Company must provide centralized and routine accounting services, and at the Owner's request, routine purchasing services, in both cases as required in the ordinary course of business and without mark-up or profit to the Management Company or its Affiliates. The Management Company must comply with all Internal Revenue Service and other reporting requirements related to third-party vendors. The Management Company will bear losses arising from any such instances as provided in Article 6 of this Agreement. Upon the expiration or earlier termination of this Agreement, the Management Company must provide to the Owner all such books and records, although the Management Company may retain copies. The Management Company may keep Hotel-level generated accounting records, reflecting detailed day-to-day transactions of the Hotel's operations, at the Hotel or at the Management Company's regional offices or corporate headquarters, or at such other location as the Management Company may reasonably determine.

B. The Management Company must comply with periodic Owner reporting requirements, such as property reporting and inventory in accordance with Section 3.27, as well as energy and vehicle usage. The Management Company must establish controls over accounting and financial transactions designed to protect the Owner's assets from theft, error, and fraudulent activity on the part of the Management Company's and its Affiliates' employees, agents, or others. The Management Company must prepare entries to convert its financial statements from hospitality industry standards (USALI) to government standards (USSGL) monthly within three business days or as otherwise agreed with the Owner. The Owner's Asset Manager will review the converted financial statements prior to the Management Company submitting them to the Owner.

Section 3.20 Marketing and Advertising.

A. The Management Company must advertise, market, and promote the Hotel in a manner consistent with recognized standards of the hotel management industry for mid-scale hotels. The Management Company may participate in sales and promotional campaigns and activities involving complimentary rooms. The Owner can limit the complimentary rooms as necessary. The Management

Company, in marketing and advertising the Hotel, may use marketing and advertising services of employees of the Management Company and its Affiliates not located at the Hotel, and may participate in group or cluster marketing activities where services may be shared, provided that such services must be without mark-up or profit to the Management Company or its Affiliates and that the Management Company must include charges for such services in the Budget.

B. Notwithstanding the foregoing or anything to the contrary herein, (i) the Management Company will have no right or license to use the Owner's name, logo, or any marks owned by or associated with the Owner or any of its Affiliates, except as provided in Article 11 of this Agreement, and (ii) the Management Company must not use the name of the Owner or any of its Affiliates or any trade-name, trademark, trade device, service mark, or symbol, owned by the Owner or any of its Affiliates in any publication, marketing, or advertising material, except as provided in Article 11 of this Agreement.

Section 3.21 Permits and Licenses. The Management Company must obtain and maintain in good standing in the Management Company's name (to the extent permitted under Applicable Law) or the Owner's name all licenses and occupancy and operating permits required for the legal operation and occupancy of the Hotel. The Management Company must send to the Owner a copy of all initial or renewal license applications at least thirty days prior to the date when due. The Management Company must obtain all such licenses, permits, and other instruments in the Management Company's name whenever possible and permitted by Applicable Law. The Management Company will hold all such licenses, permits, and other instruments held in its name and upon the termination or expiration of this Agreement, the Management Company must transfer or assign (to the extent permitted under Applicable Law) any such licenses, permits, and other instruments to the Owner's designee. The Management Company or an Affiliate of the Management Company (and the Owner hereby approves the use of an Affiliate of the Management Company for such purposes) must use commercially reasonable efforts to obtain and maintain the appropriate licenses and permits (to include a mixed beverage permit, mini-bar permit, a mixed beverage late hours permit, and food and beverage certificates, as applicable) for the service of alcoholic beverages at the Hotel, will act in accordance with professional standards typical of mid-scale hotels, and will comply with all laws, regulations, and requirements applicable in the Hotel's jurisdiction to the sale and service of alcoholic beverages and applicable to the maintenance of such licenses and permits at the Hotel. Upon termination of this Agreement, the Management Company agrees to cooperate with the Owner or its designee in the transition of the alcoholic beverage operations at the Hotel. With respect to the serving of liquor at the Hotel, the Management Company, as an Operating Cost, agrees to the extent required by law, rule, or regulation, to form one or more subsidiary entities to hold any liquor license permits and to enter into any necessary management or license agreements by and between the Management Company and such subsidiary liquor permit holders, upon terms reasonably acceptable to the Management Company and the Owner.

Section 3.22 Owner Meetings. The Hotel's general manager must meet with the Owner Representatives from time to time as the Owner may reasonably request to review and discuss previous and future operating statements, cash flow, budgets, Capital Expenditures, important personnel matters, and the general concerns of the Owner and the Management Company. Except to the extent otherwise mutually agreed upon by the Owner and the Management Company (acting reasonably), all such meetings will be held at the Hotel.

Section 3.23 Insurance. The Management Company must procure and maintain throughout the Term the insurance coverages set forth in Exhibit B.

Section 3.24 Management Company Representatives. The Management Company must appoint representatives to represent the Management Company in all matters relating to this Agreement and the Hotel (each a “**Management Company Representative**”). The Management Company’s initial Management Company Representatives are _____. The Owner has the right to deal with any one of the Management Company Representatives on all such matters. The Owner may rely upon statements and representations of any Management Company Representative as binding upon the Management Company. The Management Company may change its Management Company Representatives from time to time by providing written notice to the Owner in the manner provided for in Section 12.12 of this Agreement. A Management Company Representative will attend all meetings with the Owner pursuant to Section 3.22.

Section 3.25 Compliance with Requirements. The Management Company must comply (i) with all Applicable Laws, including all environmental laws and the Architectural Barriers Act (ABA), relative to the use, operation, repair, and maintenance of the Hotel, and (ii) with the rules, regulations, or orders of the local Board of Fire Underwriters or other similar body of any federal, state, or municipal authority to the extent applicable during the Term with respect to the Hotel or the performance of the Management Company’s obligations under this Agreement (collectively, the “**Requirements**”). In connection with the foregoing, the Owner may provide the Management Company with asbestos or similar operations and maintenance program requirements and the Management Company must comply with such program requirements. The Management Company must promptly remedy any violation of any such Requirements that comes to its attention all at the Owner’s expense in accordance with this Agreement, except to the extent that the Management Company is responsible for such expense pursuant to Section 6.1.B. If the cost of compliance exceeds \$10,000 in any instance, the Management Company must notify the Owner promptly and obtain the Owner’s prior written approval prior to making the expenditure.

Section 3.26 Project Management Services by Management Company.

A. Supervision and Coordination of Renovations, Improvements, Etc. In connection with the performance of its responsibilities described in Sections 3.1, 3.14, and 3.15, the Management Company must (i) supervise and coordinate the construction and installation of any renovations, improvements, repairs, or replacements of a capital nature to the Hotel (other than Major Capital Projects, unless the Management Company furnishes Project Services for a Major Capital Project per Section 3.26.B) that may be implemented from time to time in accordance with this Agreement (at no additional fee to the Management Company unless the additional fee is specifically included in the applicable Capital Budget, and specifically identified as such, or otherwise specifically approved in writing by the Owner); (ii) reasonably cooperate with the Owner, Asset Manager, the Owner’s design and construction personnel and consultants and their respective designees and consultants with regard to any related design review and project oversight undertaken by any of them; and (iii) cooperate with and render assistance to, as reasonably necessary, each of them and their respective employees, agents, contractors, and representatives in connection with any such work.

B. The Management Company will furnish Project Services for Major Capital Projects when the parties provide for the same in an Operating Budget or Capital Budget or when otherwise specifically approved by the Owner. When the Management Company furnishes Project Services for Major Capital Projects, the Owner will pay to the Management Company an additional fee of [____] of the hard costs (those being any costs associated with the physical construction of the building and any equipment that is fixed) of such Major Capital Project. The Management Company may use the services of its Affiliates

to perform Project Services. In any event, the Owner will not itself (or engage any third party to) make any alterations or renovations to the Hotel without first consulting and coordinating with the Management Company to minimize interference with Hotel operations.

C. The Management Company must, and must include terms in all contracts and subcontracts it executes in furtherance of this Agreement that require contractors and subcontractors to, assign to the Owner all rights, titles, and interests, including all copyright, trademark, trade secret, or other intellectual property, in all design and construction documents and other drawings, plans, specifications, and studies related to the Hotel, whether pre-existing or arising from activities under this Agreement, or, at minimum, grant to the Owner an irrevocable, royalty-free, universal, perpetual, sublicensable, non-exclusive license to use, reproduce, modify, and distribute such documents for any purpose. The Management Company must, and must include terms in all contracts and subcontracts it executes in furtherance of this Agreement that require contractors and subcontractors to, fully cooperate with the Owner in the protection and enforcement of any intellectual property rights resulting from activities and services performed in connection with this Agreement. This obligation includes timely execution, acknowledgment, and delivery to the Owner of all documents and papers that may be necessary to enable the Owner to utilize in any manner any copyrights, patents, trademarks, trade secrets, and other intellectual property and proprietary rights.

D. In purchasing FF&E, goods, supplies, equipment, and services for the Hotel, including, without limitation, Operating Supplies, Operating Equipment, insurance, and long distance telephone services, the Management Company may use purchasing procurement services of its Affiliates or other group buying techniques involving other hotels (including so-called “captive” insurance arrangements), provided that the total cost (including any fee or other compensation for arranging such purchases) is no greater than with that which would be charged by non-Affiliate third party vendors in an arms-length transaction.

Section 3.27 Personal Property and Personal Property Inventories. All FF&E and other personal property will be the property of the Owner. The Management Company will submit their personal property inventory/assessment plan for Owner approval. The plan may incorporate direct physical inventory of personal property and/or other commercial methodologies that would lead to accurate assessments to maintain an appropriate level of protection against fraud, waste, and abuse of government property. All items of personal property with a purchase price of \$5,000 dollars or more must be labeled as “U.S. Government Property”; labels may be affixed to minimize aesthetic impact on the item. Personal property with a cost per unit of greater than \$500 but less than \$5,000 will be inventoried no less than triennially. Personal property with a cost per unit of greater than \$5,000 and less than \$25,000, will be inventoried no less than biennially. Personal property with a cost per unit of greater than \$25,000 will be inventoried no less than annually. All items, regardless of value, that require special control and accountability due to unusual rates of loss, theft, or misuse, or due to national security or export control considerations must be inventoried annually. The Management Company shall use the inventory results to validate the property record data, specifically location and use status, and will prepare and provide summary reports of inventory to the Owner showing the number and value of items inventoried, details of property losses noted, a summary of items available for reuse or disposition, and a summary of adjustments made to location, condition, status, or user as a result of the physical inventory reconciliation.

Section 3.28 Transition Budget. Attached hereto and made a part hereof as Exhibit F is an approved transition budget (the “**Transition Budget**”) for the costs and expenses the Owner and the

Management Company will incur in transitioning the management of the Hotel. The Owner has approved the Transition Budget to enable the Management Company to prepare to assume management of the Hotel pursuant to this Agreement, and the Owner agrees to reimburse the Management Company for any such costs or expenses incurred by the Management Company substantially in accordance with the Transition Budget.

Section 3.29 Services by Affiliates. The Management Company may provide any service required by this Agreement through one or more of its Affiliates. If the Management Company arranges for an Affiliate of the Management Company to perform services the Management Company is required to provide, the Management Company is ultimately responsible to the Owner for the actions of the Management Company's Affiliate, the Owner will not pay more for the Affiliate's services and expenses than the Management Company would have been entitled to receive under this Agreement had the Management Company performed the services, and the limitations on the Management Company's authority as well as all obligations applicable to the Management Company hereunder will apply to such Affiliate with respect to all of its activities at or for the benefit of the Hotel.

Section 3.30 Method of Transactions to Owner. The Management Company will make available to the Owner all amounts due the Owner under this Agreement using electronic transfers to the Revolving Fund.

ARTICLE 4. OWNER'S OBLIGATIONS DURING THE TERM

Section 4.1 Right to Enter Hotel. The Owner retains the right to enter the Hotel for all lawful purposes including undertaking Major Capital Projects.

Section 4.2 Owner's Approval. The Owner will reasonably exercise its authority under this Agreement as permitted and constrained by Applicable Laws.

Section 4.3 Owner Funding Obligations. Notwithstanding anything to the contrary in this Agreement, the Owner's obligation to fund operations is limited to the funds available in the Revolving Fund created under the VEIA. Subject to Section 12.8, the Owner will maintain sufficient funds in the Revolving Fund to meet the Owner's obligations under this Agreement.

Section 4.4 Licenses and Permits. The Owner will cooperate with the Management Company in obtaining and maintaining all governmental permissions, licenses, and permits necessary to enable the Management Company to operate the Hotel in accordance with the terms of this Agreement. The Owner, as applicable, may assist with the preparation and execution of required applications for operational licenses and permits including the execution of necessary consents, providing necessary information regarding the Owner or the Hotel, and submitting requirements of local police and governmental officials regarding specialized licenses such as liquor licenses.

Section 4.5 Insurance. The Owner will cooperate with the Management Company in obtaining and maintaining all insurance coverages the Management Company must procure and maintain under this Agreement. The Owner, as applicable, may assist in the preparation and execution of required applications for coverage including the execution of necessary consents, and providing necessary information regarding the Owner or the Hotel.

Section 4.6 Operating Funds. Subject to Sections 4.3 and 12.8, the Owner will provide all funds necessary to enable the Management Company to manage and operate the Hotel in accordance

with the terms of this Agreement. The Owner agrees to deliver to the Management Company for deposit into the Operating Special Account on the Commencement Date an amount equal to \$_____, which amount is the “**Minimum Balance**” the Owner must maintain, provided that the parties may modify the amount of the Minimum Balance from time to time pursuant to the Operating Budget. The Minimum Balance will serve as working capital for the Hotel’s operations. Subject to Sections 4.3 and 12.8, the Owner, within ten business days of the Management Company’s written request, agrees to furnish the Management Company with sufficient funds to make up any deficiency in the Minimum Balance (provided the Management Company, to the satisfaction of the Owner, adequately explains such request, including the use of the required funds and the reason the Management Company did not anticipate the deficiency).

Section 4.7 Capital Funds. Subject to Sections 4.3 and 12.8, the Owner will provide for expenditure by the Management Company such amounts for renovation programs, replacements of FF&E as part of a Cyclical Upgrade or refresh to the Hotel, and ordinary Hotel Capital Replacement items as provided for in the Capital Budget and required from time to time to maintain the Hotel in good order and repair and comply with governmental regulations and orders. The Owner will cooperate with the Management Company in establishing appropriate procedures and timetables for the Management Company to undertake Capital Replacement projects.

Section 4.8 Method of Transactions to Management Company. Subject to Sections 4.3, 4.6, and 12.8, the Owner will make available to the Management Company all amounts due the Management Company under this Agreement using electronic transfers to the Operating Special Account.

Section 4.9 Reimbursement.

A. In addition to the Base Management Fee and Incentive Management Fee payable under this Agreement, the Owner will reimburse the Management Company, subject to Sections 3.6, 3.9.A, 3.9.B, 4.3 and 12.8, for the following costs to the extent paid by the Management Company or any of its Affiliates from its own funds to third parties in the performance of the Management Company’s responsibilities under and within the scope of this Agreement (“**Reimbursable Costs**”) not to exceed the actual costs incurred in accordance with the terms and conditions of the applicable legal instruments:

(i) All Operating Costs and other costs and expenses this Agreement requires the Owner to bear;

(ii) Reasonable travel expenses, consistent with the Federal Travel Regulation (41 C.F.R. Subtitle F), of the Management Company’s central or regional office employees to the extent directly engaged in the performance of this Agreement (the advisability of which the Management Company will determine in its reasonable judgment) and incurred in the ordinary course of business, with air travel to be reimbursed at the lowest available coach fares for flights from the central office of the Management Company, regional office of the Management Company, or point of origin, whichever costs less, and with all expenses incurred on any trip that includes visits to more than one property managed by the Management Company or Affiliates of the Management Company equitably allocated among all the properties visited;

(iii) With prior Owner approval, reasonable one-way relocation costs of supervisory-level Hotel Personnel (not to exceed a total of two weeks of relocation living expenses for each relocated supervisory-level Hotel Personnel) and actual and reasonable employee training costs;

(iv) Subject to Sections 3.9.A and 3.9.B of this Agreement, the prorated amount of any reasonable payroll, fringe benefits (including retirement, pension, profit-sharing benefits, and 401(k) plans), payroll taxes, and other reasonable employment-related costs of other employees of the Management Company or any Affiliates of the Management Company for any temporary period in which they perform duties exclusively for the Hotel normally performed by permanent Hotel employees. To the extent any employee of the Management Company performs services for any other hotels in addition to the Hotel, a portion of such employee's compensation and related costs will be fairly allocated to the Hotel as an Operating Cost of the Hotel based on the percentage of such employee's time devoted to the Hotel;

(v) Reasonable local bank charges, costs of check stock, mailing envelopes, software license costs, payroll processing costs, and data transmission costs; and

(vi) Any other reasonable cost or expense actually incurred by or on behalf of the Management Company the Owner is required to bear or reimburse to the Management Company under this Agreement or otherwise approved in writing by the Owner for reimbursement.

B. Reimbursable Costs will not include (i) the corporate expenses, administrative expenses, or general overhead of the Management Company or Affiliates of the Management Company, (ii) the payroll and employment-related costs of any employees of the Management Company or Affiliates of the Management Company who are not employed at the Hotel on a regular (for a season or year-round) basis (except to the extent such costs and expenses constitute Reimbursable Costs under Section 4.9.A(iv) hereof), or (iii) any costs or expenses incurred or paid by the Management Company that are prohibited under any provision of this Agreement.

Section 4.10 Owner Representatives.

A. The Owner will appoint representatives to represent the Owner in all matters relating to this Agreement and the Hotel (each an "**Owner Representative**"). The Owner's initial Owner Representatives will be _____. The Management Company may rely upon statements and representations of any Owner Representative as being from and binding upon the Owner. The Owner may change its Owner Representatives from time to time by providing written notice to the Management Company. An Owner Representative will attend all meetings with the Management Company pursuant to Section 3.22.

B. The Management Company acknowledges that the Owner may from time to time, engage an individual or entity (an "**Asset Manager**") to advise the Owner with respect to the Hotel and the decisions to be made about the Hotel by the Owner under this Agreement. The Management Company agrees to cooperate with the Asset Manager fully in order to permit the Asset Manager to effectively perform its duties and responsibilities in advising the Owner and must provide the Asset Manager with the same access to the Hotel, its books and records, accounting, reports, Hotel Personnel and meetings relating to the Hotel as it must provide to the Owner under the terms of this Agreement.

Section 4.11 Owner's Audits. On no less than forty-eight hours' prior written notice, the Owner will have the absolute right to conduct an audit of the Hotel's operations and the Management Company's books and records related thereto by using its own internal auditors or by employing independent auditors. Except as set forth below, the Owner will bear the costs associated with conducting any such audit. Should the Owner's employees or agents discover either weaknesses in

internal controls or errors in record keeping, the Owner will communicate such findings to the Management Company in writing. The Management Company must correct such discrepancies upon discovery. The books of accounts and all other records relating to or reflecting operations of the Hotel at all reasonable times must be available to the Owner and its auditors for examination, audit, inspection, transcription, and reproduction, with no less than forty-eight hours' prior written notice. If any audit conducted by or on behalf of the Owner reveals a discrepancy in the calculation of Gross Operating Profit in excess of two percent thereof, the Management Company will be responsible for the costs and expenses of such audit.

ARTICLE 5. MANAGEMENT FEE

Section 5.1 Base Management Fee. Upon delivery to the Owner of each monthly statement set forth in Section 3.13.A, the Owner authorizes the Management Company to pay itself from the Operating Special Account a base management fee equal to ___% of Adjusted Gross Revenues allocable to the preceding calendar month (or portion of a calendar month) (the "**Base Management Fee**"); a supporting invoice for the monthly Base Management Fee must be retained in the Hotel records.

Section 5.2 Incentive Management Fee. Upon delivery to the Owner of the Annual Financial Statements described in Section 3.13.B, and provided the Management Company has furnished detailed calculations supporting the statements to the Owner, the Owner authorizes the Management Company to pay itself from the Operating Special Account [XX]% of Net Cash Flow allocable to the preceding Fiscal Year (or portion of a Fiscal Year) (the "**Incentive Management Fee**"); however, the Management Company must provide a supporting invoice in the Hotel records for payment of the Incentive Management Fee (collectively, the Base Management Fee and Incentive Management Fee are referred to herein as the "**Management Fee**.") The Management Company must calculate the Incentive Management Fee separately for each Fiscal Year during the Term. Notwithstanding anything to the contrary, the sum of the Base Management Fee and the Incentive Management Fee shall be capped at ___% of Adjusted Gross Revenues in the aggregate for each Fiscal Year during the Term, and the Owner may, during the term of the Agreement, establish a minimum level of Net Cash Flow below which the Management Company is not authorized to pay itself an Incentive Management Fee.

Section 5.3 Annual Reconciliation. Promptly after the end of each Fiscal Year during the Term, the Management Company must calculate the Management Fee that is due and payable to the Management Company from the Owner for the preceding Fiscal Year after giving effect to the provisions of Sections 5.1 and 5.2 above and provide the calculations to the Owner in writing. To the extent the Management Company has not received the full Management Fee for the preceding year, then the Owner authorizes the Management Company to pay itself the balance of the Management Fee from the Operating Special Account or, to the extent funds therein are not sufficient (taking into account reasonably anticipated needs for funds), the Owner must promptly pay such balance to the Management Company, subject to Sections 4.3 and 12.8. To the extent that the Management Company has received on account of the Management Fee an amount in excess of the Management Fee actually due to the Management Company for the preceding year, then the amount thereafter due to the Management Company on account of the Management Fee for succeeding periods will be reduced by such excess payment or, at the Owner's option, the Management Company promptly will return such excess payment to the Operating Special Account.

Section 5.4 Revenues and Expenses Related to Liquor Sales. To the maximum extent permitted by Applicable Law, all income and expenses relating to the provision of alcoholic beverages at

the Hotel (in whatever manner the same is accomplished and irrespective of whether the Management Company (or an Affiliate thereof) holds the applicable liquor permits and licenses) are to be treated in the same manner as Gross Revenues and Operating Costs, respectively. In the event that Applicable Law does not permit such income and expenses to be treated as provided in the preceding sentence, then the Management Company and the Owner (acting reasonably) will cooperate with each other such that, to the maximum extent permitted by Applicable Law, the net result of the provision of alcoholic beverages at the Hotel is as provided in the preceding sentence, including, if applicable, a reduction in the Management Fee due hereunder equal to any net profit from liquor operations at the Hotel (after all expenses related thereto including taxes (but not income taxes of the Management Company)) retained by the Management Company or its applicable Affiliate that may not under Applicable Law be paid to the Owner.

Section 5.5 Business Interruption Insurance Proceeds. At any time when the Owner receives business interruption insurance proceeds with respect to the Hotel, but subject to the Owner's termination rights set forth herein and Sections 4.3 and 12.8, the Owner must pay to the Management Company a Base Management Fee equal to the budgeted Base Management Fee for the period of the claim of interruption (based upon the Budget in effect at the time of the casualty, even if the business interruption insurance claim extends beyond the period of time covered by such Budget) but only to the extent the insurer has not paid the Management Company directly for such loss of fees.

ARTICLE 6. CLAIMS AND LIABILITY

Section 6.1 Liability and Indemnification.

A. Subject to Section 6.2, and only to the extent authorized by applicable federal law, including the Federal Tort Claims Act, codified as amended primarily at 28 U.S.C. §§ 1346(b), 2671–80, the Owner will be liable for the negligent or wrongful acts or omissions of its officers or employees while acting within the scope of their office or employment. The Owner's commitment to pay any lawful obligation or liability incurred by the Owner under this Agreement is backed by the full faith and credit of the United States. Notwithstanding the foregoing, in no event will the Owner's obligations under this Section 6.1.A extend to Claims for which the Management Company is required to indemnify the Owner under Section 6.1.B.

B. Subject to Section 6.2, the Management Company will indemnify, defend, and hold harmless the Owner for, from, and against any and all Claims to the extent caused by (i) the negligent or wrongful acts or omissions of the Management Company, its Affiliates, its officers and directors, one or more of the Management Company Representatives, the Management Company's employees, agents, or contractors, or Third Party Operators, expressly including any duty or responsibility of the Management Company under this Agreement irrespective of any approval or oversight by the Owner, or (ii) any action taken by the Management Company or any of the aforementioned persons which is knowingly or intentionally beyond the scope of the Management Company's authority under this Agreement. The Management Company acknowledges it will not assert, as a defense to a demand for indemnity, that less than all Claims asserted against the Owner are subject to indemnification.

C. "**Claims**" means any and all claims, demands, civil or criminal actions (including enforcement proceedings initiated by any government agency), penalties, suits, proceedings and liabilities (including the reasonable cost of defense, settlement, appeal, reasonable attorneys' fees and disbursements, and any other amounts that (i) the Owner or (ii) the Management Company, its

Affiliates, or any of the Management Company's and its Affiliates' respective partners, members, managers, directors, trustees, officers, employees and agents may be required to pay to third parties in connection with such matters) that the Owner or the Management Company, its Affiliates, or any of the Management Company's and its Affiliates' respective partners, members, managers, directors, trustees, officers, employees and agents, may have alleged against them, actually incur, become responsible for, or pay out to third parties for any reason related to the ownership or operation of the Hotel.

Section 6.2 Liability Insurance and Defense

A. The Management Company must name the Owner as an insured or additional insured under the Management Company's policies of casualty insurance and ensure that the policy waives subrogation against the Owner. The Management Company must accept, defend, and/or settle any third-party claim or legal action brought against the Owner but subject to the Management Company's indemnity and tendered to the Management Company by the Owner. Subject to Sections 4.3, 6.1, and 12.8, (i) any Claim that is not covered by insurance and for which the Owner is exclusively liable under Section 6.1.A will be paid by the Owner, and (ii) any other Claim that is not covered by insurance will be paid by the Management Company. Notwithstanding the foregoing or anything else to the contrary in this Agreement, the Management Company must not commence, defend, or settle any matter involving the Owner as a named party without the express prior written consent of the Owner, which consent may be withheld in the Owner's sole discretion.

B. Notwithstanding anything to the contrary set forth in this Article 6, the Owner and the Management Company mutually agree for the benefit of each other to look first to any appropriate insurance coverages in effect pursuant to this Agreement in the event of any Claim and regardless of the cause of such Claim, provided that any deductibles required to be paid by the applicable insured shall be an Operating Cost unless the applicable Claim results from the Management Company's negligent or wrongful acts or omissions, or willful acts or omissions, in which event the Management Company shall pay the deductible.

C. In no event will the settlement by either party in good faith of any Claim brought by a third party (including Hotel employees) in connection with the ownership or operation of the Hotel be deemed to create any presumption of the validity of the Claim, nor will any such settlement be deemed to create any presumption that the alleged acts or omissions giving rise to such claim constituted the negligent or wrongful acts or omissions of either party or its Affiliates, agents, representatives, or employees.

Section 6.3 Survival. The provisions of this Article 6 will survive any cancellation, termination, or expiration of this Agreement and will remain in full force and effect until such time as the applicable statute of limitations cuts off all demands, claims, actions, damages, losses, liabilities, or expenses that are the subject of the provisions of this Article 6.

ARTICLE 7. CLOSURE: FORCE MAJEURE, EMERGENCIES, AND SEASONAL CLOSURES

Section 7.1 Events of Force Majeure.

A. If at any time during the Term it becomes necessary, in the Management Company's or the Owner's opinion, to cease operation of the Hotel in order to protect the Hotel, any part of the Area and/or the health, safety and welfare of Area visitors and/or Hotel Personnel for reasons beyond the reasonable control of the Management Company, such as, but not limited to, acts of war, terrorism,

insurrection, civil strife and commotion, labor unrest, governmental regulations and orders, contagious illness, catastrophic events, government shutdown, or acts of God (“**Force Majeure**”), then in such event or similar events the Management Company may (upon prior notice to and the approval of the Owner) and must, if so directed by the Owner, close and cease operation of all or any part of the Hotel, reopening and commencing operation when the Management Company and the Owner agree that such may be done without jeopardy to the Hotel, Area resources or visitors, and Hotel Personnel.

Section 7.2 Emergencies. If a condition of an emergency nature should exist during the Term that requires immediate repairs for the preservation and protection of the Hotel, Area resources or visitors, or Hotel Personnel, or to assure compliance with Applicable Laws or the continued operation of the Hotel, the Management Company may take all actions and make expenditures necessary to repair and correct such condition; provided, that if the applicable Budget for such emergency expenditures has no provisions for such expenditures, then the Management Company may expend only up to \$25,000 in any instance without the Owner’s prior written approval except in life-safety or other similar extraordinary emergency circumstances. To the extent reasonably appropriate, any emergency actions taken by the Management Company in accordance with this Section 7.2 without prior notice to the Owner will be limited to temporary actions that will not permanently modify any portion of the Hotel, its operations, or its policies and procedures. The Management Company will make expenditures in connection with an emergency in accordance with the provisions of this Section 7.2 out of the Operating Special Account, provided that sufficient funds exist in the Operating Special Account for the payment of such emergency expenditures, unless otherwise directed by the Owner. To the extent reasonably practical, prior to taking any action or expending any funds pursuant to the provisions of this Section 7.2, the Management Company must provide the Owner with written notice of its intention to act in accordance with the provisions of this Section 7.2, together with the Management Company’s best estimate of the costs to be incurred or the funds to be expended. In the event providing such prior written notice is not practical, the Management Company must give the Owner prompt written notice of any such action or expenditure as soon as possible pursuant to the authorizations and provisions of this Section 7.2. The Management Company will consult with the Owner on the need to file any insurance claim related to the emergency and the use of any insurance proceeds from such a claim.

Section 7.3 Seasonal Closures. As part of the annual preparation and review of the Operating Budget, the Owner and the Management Company will discuss whether to keep the Hotel open throughout the Fiscal Year, reduce operations, or to close the Hotel for certain periods to address seasonal declines in occupancy and tourism in the Area. If the Owner and the Management Company are unable to agree, the Owner’s decision will prevail; provided, however, that if the Owner elects to keep the Hotel fully or partially open throughout the Fiscal Year, the Owner will undertake, at its sole cost and expense, subject to Sections 4.3 and 12.8, all such necessary changes and additions to the employee housing and recreational facilities (and utilities and access roads serving such housing and recreational facilities) that the Management Company and the Owner reasonably agree are necessary to allow the necessary Hotel Personnel to remain year-round.

ARTICLE 8. CASUALTY

Section 8.1 Casualty. In the event of a fire or other casualty, the Management Company promptly must notify the Owner, and, as directed by the Owner, the Management Company must evaluate the extent of the damage, file and pursue insurance claims, and modify the applicable Operating Budget to reflect the effect of the casualty on operations. The Management Company must cooperate with the Owner to develop plans for the restoration of the Hotel as directed by the Owner

and modify the applicable Capital Budget to reflect any new Major Capital Project. So long as the Management Company receives the budgeted Base Management Fee, the Management Company will continue to meet its obligations as provided in this Agreement. Except as otherwise provided herein, this Agreement will remain in full force and effect subsequent to such casualty, provided that, (a) the Owner may, subject to Section 12.22 hereof, terminate this Agreement in whole or part upon sixty days' prior notice to the Management Company if the Owner elects to close the Hotel in whole or part as a result of such casualty, and (b) the Owner or the Management Company may each terminate this Agreement upon sixty days' written notice to the other party, subject to Section 12.22 hereof, if in the reasonable judgment of such party the Hotel, after giving effect to any proposed restoration as determined by the Owner, cannot profitably operate the Hotel at the same level of utility and service as it was immediately preceding such casualty. No termination fee or penalty will be due upon any termination made in compliance with this Section 8.1.

ARTICLE 9. TERMINATION AND SUSPENSION RIGHTS

Section 9.1 General. The Owner may terminate or suspend this Agreement in whole or part at any time to protect Area visitors, protect, conserve, and preserve Area resources, or to limit visitor services in the Area to those that continue to be necessary and appropriate for public use and enjoyment of the Area.

Section 9.2 The Owner will owe the Management Company no compensation of any nature in the event of a suspension of operations.

Section 9.3 Nothing in this Agreement will be construed as preventing the termination or suspension of this Agreement in whole or part by the Owner in the exercise of its sovereign authority otherwise provided by Applicable Laws.

Section 9.4 Bankruptcy and Dissolution. If the Management Company, Parent, or any other direct or indirect owner of the Management Company (a "**Management Company Party**") is voluntarily or involuntarily dissolved or declared bankrupt or insolvent, or commits an act of bankruptcy; or if a Management Company Party becomes the subject of voluntary or involuntary reorganization proceedings and, in the case of involuntary proceedings, the same are not dismissed within sixty days after the filing thereof; or if a Management Company Party enters into liquidation whether compulsory or voluntary (other than in connection with a merger, consolidation, or other similar event pursuant to which there is a surviving entity as the Management Company in compliance with the provisions of Section 12.7.A hereof), or makes a composition of its debts with or a general assignment for the benefit of its creditors, or has a receiver appointed over all or any part of its assets, or passes title by foreclosure or a transfer in lieu of foreclosure; then, and in any of such events, the Owner may, to the extent permitted by Applicable Law, terminate this Agreement immediately upon serving notice to the Management Company, without liability on the part of the Owner to pay any termination fee or penalty and without prejudice to its right to seek damages or other remedies available to it at law or in equity, subject to the limitations set forth in Section 9.4 hereof.

Section 9.5 Breach.

A. If, during the Term of this Agreement, either party commits a material breach of this Agreement or of any representation or warranty hereunder, and the breaching party fails to remedy or correct such breach within a period of thirty calendar days (ten calendar days in the case of a monetary breach) after receiving written notice of its breach from the non-breaching party, then the non-

breaching party may terminate this Agreement with no obligation to pay any termination fee or penalty and without prejudice to its right to seek damages or other remedies available to it at law or in equity, subject to the limitations set forth in Section 9.3 hereof; provided, however, if such non-monetary breach can be cured but cannot reasonably be cured within such thirty day period, the cure period will continue if such breaching party commences to cure the breach within such thirty day period, for so long as such breaching party diligently prosecutes the cure to completion, but in no event to exceed an additional sixty day period. Notwithstanding the foregoing, upon the occurrence of a breach under this Agreement due to the Management Company's gross negligence, willful misconduct, or fraud (but only if such act or omission was that of one or more of the Management Company Representatives, corporate office personnel, or the general manager or controller of the Hotel), the Owner may terminate this Agreement, subject to Section 12.22 hereof, with no obligation to pay any termination fee or penalty, without providing the Management Company an opportunity to cure, and without prejudice to the Owner's right to seek damages or other remedies available to it at law or in equity, subject to the limitations set forth in Section 9.3.

B. **Repeated Breaches.** Notwithstanding anything in Section 9.3.A to the contrary, repeated breaches (two or more) of the same nature will be grounds for termination for breach without any cure period. In the event of a breach of any nature, the Owner may temporarily suspend operations under this Agreement.

C. **Waivers.** No failure or delay by the Management Company or the Owner to insist upon the strict performance of any covenant, agreement, term, or condition of this Agreement, or to exercise any right or remedy consequent upon the breach thereof, will constitute a waiver of any such breach or any subsequent breach of such covenant, agreement, term, or condition. No covenant, agreement, term, or condition of this Agreement and no breach thereof will be waived, except by written instrument. No waiver of any breach will affect or alter this Agreement, but each and every covenant, agreement, term, and condition of this Agreement will continue in full force and effect with respect to any other then existing or subsequent breach.

Section 9.6 Additional Remedies. The rights granted under Sections 9.1, 9.2, and 9.3 above will not substitute for, but are in addition to, any and all rights and remedies available to the non-breaching party (including, without limitation, injunctive relief and damages) by reason of applicable provisions of law or equity; provided, however, that the Owner and the Management Company hereby agree that neither will be liable to the other for punitive, incidental, or consequential damages as a result of any breach of this Agreement.

Section 9.7 Performance Termination. The Owner has the option to terminate this Agreement without payment of any fee or penalty to the Management Company if deficiencies in any of the following "**Performance Termination Tests**" occur: (a) the Management Company does not prepare and deliver to the Owner for the Owner's approval, in accordance with Section 3.1, an Environmental Management Program; (b) for any two Fiscal Years during the Term (which do not have to be consecutive), the Management Company fails to meet the applicable annual metrics for the reduction of the environmental impact of the operation of the Hotel that, along with annual reporting deadlines, are set out in the Environmental Management Program approved by the Owner; (c) for any two Fiscal Years during the Term (which do not have to be consecutive), the Management Company fails to achieve the minimum passing score on the guest satisfaction surveys, which surveys (and the minimum passing score, required calculations, and reporting deadlines) will be developed by the Management Company

with the input of the Asset Manager and approval of the Owner prior to the Commencement Date; or (d) for any two Fiscal Years during the Term (which do not have to be consecutive), the Management Company fails to meet the occupancy metrics for the high-season, the shoulder season and/or the off-season (the occupancy metrics and reporting deadlines will be established by the Owner, in consultation with the Management Company, prior to the Execution Date, and may be based on numbers of visitors or any year-over-year increases or other criteria determined by the Owner). The Owner may exercise such option to terminate by serving written notice thereof (the “**Performance Termination Notice**”) on the Management Company no later than one hundred twenty (120) days after (i) with respect to clause (a) above, the end of the twelve-month period following the due date for submission of the Environmental Management Program, and (ii) with respect to each of clauses (b) through (d) above, the receipt by the Owner from the Management Company of the required calculations that indicate the applicable test has been failed, and (iii) with respect to clauses (b) through (d) above, failure to submit the calculations to measure performance before the required deadlines. In such event, this Agreement will terminate, subject to Section 12.22, on the date set forth in the Performance Termination Notice.

Section 9.8 Post Expiration/Termination Procedures.

A. Upon the expiration or earlier termination of this Agreement, the Management Company must establish a reserve (funded out of Gross Revenues and from the Operating Special Account), in an amount determined by the Management Company in its reasonable judgment and approved by the Owner, to cover costs and expenses that may come due after expiration or termination relating to causes or events arising during the Term or otherwise pursuant to this Agreement. Such costs and expenses include: the amount of any insurance retention and other costs and expenses with respect to workers’ compensation; and expenses anticipated to be incurred by the Management Company on account of Hotel Personnel incident to the termination or expiration of this Agreement. Such Hotel Personnel related costs and expenses also include (1) amounts which may become due under the Consolidated Omnibus Budget Reconciliation Act (“**COBRA**”), (2) any other payments to or expenses with respect to Hotel Personnel mandated by Applicable Law, and (3) to the extent approved in the Operating Budget, termination-related expenses including accrued sick pay, vacation pay, and pension payments to employees, as well as bonus and termination payments.

B. Upon the expiration or earlier termination of this Agreement, the Management Company must cooperate with the Owner in all reasonable respects at no additional cost to the Management Company in transferring management of the Hotel (including without limitation all books, records, guest data, sales records, and assignable licenses, but excluding software or proprietary information that is the property of the Management Company) to the Owner or another management company with as little hindrance to the operations of the Hotel as reasonably practicable. Subject to Sections 4.3 and 12.8, the Owner will reimburse the Management Company, from the reserve established in Section 9.8.A, for all reasonable costs and expenses incurred by the Management Company in connection therewith, including, without limitation, payroll and other out-of-pocket expenses incurred by Off-Site Personnel assigned to the Hotel on a temporary basis to effect the transition. Without limiting the generality of the foregoing, the Management Company will:

(i) At the Owner’s request, continue to manage the Hotel under this Agreement in full compliance with all of the terms and conditions of this Agreement for such period (not to exceed ninety days or result in the Term to exceed 10 years) as the Owner may request after the date of such expiration or termination;

(ii) Use its commercially reasonable efforts (1) to transfer to the Owner or the Owner's nominee all licenses relating to the Hotel, or (2) if such transfer is prohibited by law or the Owner otherwise elects, to reasonably cooperate with the Owner or the Owner's nominee in connection with the processing by the Owner or the Owner's nominee of any applications for all such licenses; provided, in either case, that the Owner or the Owner's nominee will pay the costs and expenses of any such transfer or the processing of any such application;

(iii) At the Owner's request, assign to the Owner or the Owner's nominee simultaneously with the expiration or earlier termination of this Agreement, all third-party operating agreements in effect with respect to the Hotel then in the Management Company's name or an Affiliate of the Management Company's name; provided, however, that the Owner and the Owner's nominee will not be required to assume any such third-party operating agreements;

(iv) Subject to the reserve to be established by the Management Company pursuant to Section 9.8.A above, deliver to the Owner, on the effective date of the expiration or termination of this Agreement, the balance of any and all funds of the Owner held by the Management Company;

(v) Assign and deliver to the Owner as the Owner's sole property all design and construction documents and other drawings, plans, specifications, and studies related to the Hotel;

(vi) Deliver to the Owner all materials, supplies, keys, passwords, security codes, equipment leases, contracts, other documents, insurance policies, plans, specifications, permits, licenses, promotional materials and all other papers and records (including general correspondence) related to this Agreement, the operations of the Hotel, and the performance of the Management Company's duties hereunder (excluding confidential or proprietary material of the Management Company that it is not otherwise required to provide to the Owner under this Agreement);

(vii) Keep confidential all information concerning the Hotel obtained by the Management Company or in the Management Company's possession, and not use any of the same for its own account, for the account of others, or in any other manner that would directly or indirectly compete with the Hotel or disclose the Owner's internal operating policies, procedures, or similar information proprietary to the Owner, except (i) to the extent that at the time the Management Company obtained such information, the information was in the public domain or thereafter enters into the public domain, other than through the act or omission of the Management Company or any Affiliate of the Management Company, and (ii) as required by a court of law with competent jurisdiction over the applicable matter;

(viii) Subject to the provisions of Section 9.8.A above, immediately remit to the Owner the balance, if any, of the Operating Special Account, the Special Account for Capital Expenditures, and the Payroll Account, and the Owner, thereafter, will pay to the Management Company (provided that the Agreement was not terminated pursuant to a breach by the Management Company hereunder) all unpaid Management Fees, Reimbursable Costs, and other amounts expressly due the Management Company under the terms of this Agreement to the extent accrued prior to the effective date of such expiration or earlier termination less any

amounts owed by the Management Company to the Owner; provided, however, that if the Management Company fails to immediately remit to the Owner the balance, if any, of the Operating Special Account, the Special Account for Capital Expenditures, and the Payroll Account in compliance with this Section 9.8.B(vii), the Owner will have authority to operate and draw from the Operating Special Account, the Special Account for Capital Expenditures, and the Payroll Account, and the Management Company will cease to have authority to operate and draw from the Operating Special Account, the Special Account for Capital Expenditures, and the Payroll Account;

(ix) Cooperate and assist with, and do all things reasonably necessary or advisable to effectuate, the proper and smooth transition of operations of the Hotel from the Management Company to the Owner or its designee;

(x) Immediately upon the expiration or earlier termination of this Agreement, at its cost and expense, remove all signs that it may have placed at the Hotel indicating that it is the manager of the Hotel and repair any resulting damage;

(xi) For a reasonable period after the expiration or earlier termination of this Agreement, make itself available to consult with and advise the Owner or such other person or persons designated by the Owner regarding the operation, use, management, and maintenance of the Hotel; and

(xii) Deliver to the Owner a final accounting (including the reports, statements, and other matters described in Section 3.13 of this Agreement) for the Hotel up to and including the expiration or earlier termination of this Agreement. Within ninety days of the receipt by the Owner of such final accounting statement, the parties will make whatever cash adjustments are necessary pursuant to such final statement, and the Management Company will return to the Owner any remaining funds held by the Management Company pursuant to Section 9.8.A. The cost of preparing such final accounting statement will be an Operating Cost.

C. Upon any termination or expiration of this Agreement for any reason whatsoever, the Owner expressly agrees that the Management Company may remove any documents that are exclusively owned and controlled by the Management Company or its Affiliates (e.g., internal manuals, software programs, internal correspondence of a proprietary nature, etc.).

D. This Section 9.8 shall survive the expiration or earlier termination of this Agreement.

ARTICLE 10. APPLICABLE LAW NO WAIVER OF SOVEREIGN IMMUNITY

Section 10.1 Interpretation. The interpretation, validity, and performance of this Agreement will be governed by the procedural and substantive federal laws of the United States and the laws of the state in which the Hotel is located provided that, in the event of a conflict between federal laws and the laws of the state in which the Hotel is located, federal laws will govern.

Section 10.2 No Waiver of Immunity. Nothing herein is intended or should be construed as limiting or waiving the United States of America's sovereign immunity.

ARTICLE 11. NATIONAL PARK SERVICE TRADEMARK LICENSE

Section 11.1 License Grant. The unique nature of this Agreement blends commercial enterprise with the treasured historic, cultural, and natural assets that the National Park Service is responsible for protecting. The Owner hereby grants to the Management Company a royalty-free, non-exclusive, non-transferable license to use the marks as listed in Exhibit H (the “**Marks**”) for use solely to carry out the services described under this Agreement in a manner that promotes National Park Service goals and values as stated herein. The Owner specifically approves the Management Company’s use of the Marks on the Management Company’s website marketing materials, and in identifying the location of the Hotel, provided that such uses must comply with this Article 11. The Management Company may sub-license the Marks in order to carry out the services described under this Agreement, but only upon receiving the prior written approval of the Owner and under the same or substantially similar terms as contained herein. Any use of any Mark intended to identify the National Park Service, or the Hotel, shall inure to the benefit of the National Park Service. This license will cease upon termination or expiration of this Agreement, or as otherwise determined by the Owner or by law. This license does not constitute a compensable interest to the Management Company.

Section 11.2 Quality Control and Goodwill. The Management Company acknowledges that the maintenance of the high quality of the services, materials, products, and merchandise produced, sold, or otherwise prepared for public dissemination pursuant to or in order to carry out services provided under this Agreement, as well as the control by the Owner over their nature, quality, and manner of delivery or distribution, are material conditions of this Agreement. The Management Company must maintain the distinctiveness of the Marks, the image of the National Park Service brand, and the image and high quality of the services, materials, products, and merchandise bearing the Marks licensed herein. Marks may be used and appear together with other marks used in connection with the Hotel but must stand by themselves. The Management Company immediately must cease use of a Mark used in association with the services provided under this Agreement on request of the Owner.

Section 11.3 Rights and Ownership. The Management Company acknowledges that the Owner is the sole and exclusive owner of all right, title, and interest in and to its Marks, including those licensed under this Agreement, as well as to all combinations, forms, and derivatives thereof, the use of which must be approved by the Owner in advance. The Management Company further acknowledges, represents, and warrants that it has not acquired and will not acquire (whether by operation of law, by this Agreement, or otherwise) any right, title, interest, or ownership (collectively “**Ownership Rights**”) in or to any National Park Service Marks or any part thereof. Should any Ownership Rights become vested in the Management Company, the Management Company agrees to assign, and hereby assigns, all such Ownership Rights to the Owner free of consideration. The Management Company must immediately provide and execute all documents reasonably requested by the Owner to effectuate and record each such assignment. The Management Company will not, during the Term or at any time thereafter, do anything which, in the Owner’s sole judgment, could in any way damage the validity and subsistence of the Marks. The Management Company will not attack, dispute, or challenge the Owner’s Ownership Rights in or to the Marks or the validity of this Agreement, nor will the Management Company assist others in so doing.

ARTICLE 12. GENERAL PROVISIONS

Section 12.1 Representations. The Management Company represents and warrants to the Owner that it has full power and authority to execute this Agreement and to be bound by and perform the terms hereof. On request, the Management Company will furnish to the Owner evidence of such authority. The Management Company represents and warrants to the Owner that (a) it is an entity duly

authorized, validly existing, and in good standing under the laws of the state in which it is formed, and is qualified to do business in the state in which the Hotel is located and all other states where it is required to be qualified to do business, and (b) the execution, delivery, and performance of all or any portion of its obligations under this Agreement does not require any consent or approval of any governmental authority that has not been obtained (other than required liquor license transfer approvals), does not violate any provisions of law or any governmental order, and does not conflict with, result in a breach of, or constitute a default under any operating agreements or other instrument to which it is a party or by which it is bound.

Section 12.2 Relationship. The Management Company and the Owner will not be construed as joint venturers or partners of each other by reason of this Agreement and neither will have the power to bind or obligate the other except as set forth in this Agreement.

Section 12.3 Management Company's Contractual Authority in the Performance of This Agreement. Subject to the provisions of this Agreement, the Management Company is authorized to make, enter into, and perform any contracts deemed necessary by the Management Company to perform its obligations under this Agreement.

Section 12.4 Public Records. Any and all records and/or information arising out of this Agreement must comply with Applicable Laws, including but not limited to the Federal Records Act and the Freedom of Information Act. This Agreement and any information exchanged under this Agreement may be subject to public release, to the extent required by Applicable Laws.

Section 12.5 Limitation of Rights to Other Contracts. The Management Company 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 Agreement.

Section 12.6 Further Actions. The Owner and the Management Company agree to execute all contracts, agreements, and documents, and to take all actions necessary to comply with the provisions of this Agreement and its intent.

Section 12.7 Successors and Assigns.

A. The Management Company may not assign this Agreement, any rights to operate under or manage the performance of this Agreement, or a controlling interest in this Agreement without the prior written consent of the Owner. In the event the Management Company seeks the Owner's consent for such an assignment, the Owner will require information substantiating the experience and financial capability of the proposed assignee. It will be a condition of any assignment that any assignee agrees in a written instrument delivered to and approved by the Owner to be bound by the terms and conditions of this Agreement, and that the Management Company must pay or reimburse the Owner for all costs incurred by the Owner on account of such assignment. A change in the direct or indirect control of the Management Company (with control defined as set forth in the definition of "Affiliate") will be deemed to be an assignment of this Agreement. The Management Company, with the prior written consent of the Owner, may pledge or collaterally assign as security its right to receive the Management Fee and other charges and reimbursements due under this Agreement (but not its other contractual rights or duties and obligations under this Agreement) to an institutional lender to secure financing to the Management Company or any of its Affiliates. The failure to obtain the Owner's prior written consent as set out in this Section 12.7.A will be deemed a material breach caused by the willful misconduct of the

Management Company, entitling the Owner, in accordance with Section 9.5.A, to exercise all its rights and remedies under this Agreement.

B. Upon the assumption of this Agreement by the assignee pursuant to a permitted full assignment of this Agreement, the assignor will be relieved of any obligation or liability under this Agreement arising from and after the effective date of the assignment.

Section 12.8 Federal Anti-Deficiency Act. Notwithstanding any provision to the contrary herein, nothing in this Agreement will be construed as binding the United States of America to expend in any one Fiscal Year any sum in excess of appropriations made by Congress or administratively allocated for the purpose of compliance with the terms and conditions of this Agreement for the Fiscal Year, or bind the United States of America under any contract or other obligation for the further expenditure of money in excess of such appropriations or allocations, and nothing in this Agreement may be considered as implying that Congress will at a later date appropriate funds sufficient to meet deficiencies.

Section 12.9 No member of, or delegate to, Congress may be admitted to any share or part of this Agreement or to any benefit that may arise from this Agreement, but this restriction will not be construed to extend to the Agreement if made with a corporation or company for its general benefit.

Section 12.10 This Agreement is subject to the provisions of 2 C.F.R. Part 1400, as applicable, concerning nonprocurement debarment and suspension. The Owner may recommend that the Management Company be debarred or suspended in accordance with the requirements and procedures described in those regulations, as they are effective now or may be revised in the future.

Section 12.11 Claims against the Owner (to the extent subject to 28 U.S.C. § 2514) arising from the Agreement shall be forfeited to the Owner by any person who corruptly practices or attempts to practice any fraud against the United States in the proof, statement, establishment, or allowance thereof with the meaning of 28 U.S.C. § 2514.

Section 12.12 Notices. All notices or other communications provided for in this Agreement must be in writing and either hand delivered, delivered by certified mail with postage prepaid, return receipt requested, delivered by an overnight delivery service, or delivered by email, addressed to the Owner or the Management Company (as the case may be) at their respective addresses set forth below:

OWNER:

National Park Service
1849 C Street, NW
Washington, DC 20240
Tel. No.: (____) ____ - ____
E-mail: _____
Attention: _____

With a copy to:

Tel. No.: (____) ____ - ____
E-mail: _____
Attention: _____

MANAGEMENT COMPANY:

Tel. No.: (____) ____ - ____
E-mail: _____
Attention: _____

With a copy to:

Tel. No.: (____) ____ - ____
E-mail: _____
Attention: _____

Notices will be deemed delivered (a) on the date that is three business days after the notice is deposited in the U.S. mail (not counting the mailing date) if sent by certified mail, (b) if hand delivered, on the date the hand delivery is made or refused, or (c) if delivered by email, on the date the transmission is made provided the email is transmitted during normal business hours of the recipient, or otherwise on the next business day. If given by an overnight delivery service, the notice will be deemed delivered on the next business day following the date that the notice is deposited with the overnight delivery service. The addresses given above may be changed by either party by notice given in the manner provided herein.

Section 12.13 Documents. Subject to Applicable Laws, the Owner will furnish to the Management Company copies of all documents pertaining to the Hotel as the Management Company reasonably may request in connection with the performance of the Management Company's obligations under this Agreement.

Section 12.14 Captions. The captions for each Article and Section are intended for convenience only.

Section 12.15 Severability. If any of the terms and provisions of this Agreement are held invalid or unenforceable, such invalidity or unenforceability will not affect any of the other terms or provisions of this Agreement.

Section 12.16 Interest. The Management Company will be assessed an interest charge on any amounts overdue to the Owner for each thirty (30) day period, or portion thereof, that payment is delayed beyond fifteen (15) days. 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. The Owner may also impose penalties for late payment to the extent authorized by Applicable Law.

Section 12.17 Set-off. Without prejudice to the Management Company's right to terminate this Agreement pursuant to the provisions of this Agreement, the Management Company may at any time, upon at least ten days' prior written notice to the Owner, set off or transfer any sums held by the Management Company to the order of the Owner or on behalf of the Owner or standing to the credit of the Owner in the Operating Special Account in or towards satisfaction of any of sums due to the Management Company or its Affiliates from the Owner under the terms of this Agreement.

Section 12.18 No Third Party Beneficiary. This Agreement is exclusively for the benefit of the parties hereto and no other party may enforce this Agreement.

Section 12.19 Brokerage. The Management Company represents and warrants that it has not sought the services of a broker, finder, or agent in connection with this Agreement, and that it has not employed or authorized any other person to act in such capacity. The Management Company hereby agrees to indemnify and hold the Owner harmless from and against any and all claims, loss, liability, damage, or expenses (including reasonable attorneys' fees and costs) suffered or incurred by the Owner as a result of a claim brought by a person or entity engaged or claiming to be engaged as a finder, broker, or agent by the Management Company in connection with this Agreement.

Section 12.20 Survival of Covenants. Any covenant, term, or provision of this Agreement that, to be effective, must survive the termination of this Agreement, will survive any such termination.

Section 12.21 Release. Upon termination of this Agreement, the Management Company, upon request by the Owner, will execute such documents and instruments as may be necessary to evidence termination of this Agreement and all rights of the Management Company hereunder.

Section 12.22 Extension of Date of Termination. Notwithstanding any contrary provision of this Agreement, the parties agree the date of termination of this Agreement will provide the Management Company sufficient time to provide its employees advance notice of termination of employment as required by the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101 et. seq., as hereafter amended, or any similar federal or state statute (collectively, the "**WARN Act**").

Section 12.23 No Representations.

A. The Owner and the Management Company acknowledge that there have been no representations, inducements, promises, or agreements made by the Management Company or the Owner, one to the other, other than those specifically set forth herein.

B. Financial projections, budgets, or similar forecasts that the Management Company or its Affiliates have prepared or in the future will prepare do not take into account, nor make provision for, any rise or decline in local or general economic conditions or other factors beyond the control of the Management Company and that are not reasonably foreseeable by the Management Company. The Management Company and its Affiliates cannot and do not warrant or guaranty in any way said financial projections, budgets, or other forecasts. The Management Company and its Affiliates prepare any financial projections, budgets, or forecasts on the basis of information available at the time of such preparation and the experience of the Management Company and its Affiliates in the hotel industry. The Management Company and its Affiliates prepare the financial projections, budgets, and forecasts for information only and not as an inducement for action. The Owner hereby acknowledges that in entering into this Agreement, the Owner has not relied on any projection of earnings, statements as to the possibility of future success, or other similar information which may have been prepared by the Management Company or its Affiliates. The Owner further understands and acknowledges that no guaranty is made or implied by the Management Company or its Affiliates as to the cost, or the future financial success or profitability, of the Hotel, provided that the Owner may exercise its termination right set forth in Section 9.7 hereof to the extent the Management Company fails a Performance Termination Test.

Section 12.24 Entire Agreement. This Agreement, together with any other writings signed by the parties contemporaneously herewith and together with any other instruments to be executed and delivered pursuant to this Agreement, constitute the sole and entire agreement between the parties, except for the survival of the Management Company's commitments as set forth in its Transmittal Letter and Certification in response to the solicitation for this Agreement. No oral representations of any nature form the basis of or may amend this Agreement. Amendments to this Agreement will not be effective unless in writing and signed by the parties hereto.

Section 12.25 Periods of Time. Whenever any determination is to be made or action is to be taken on a date specified in this Agreement, if such date falls on a Saturday, Sunday, or legal holiday under the laws of the United States, then and in such event, said date will be extended to the next day that is not a Saturday, Sunday, or legal holiday.

Section 12.26 Preparation of Agreement. This Agreement will not be construed more strongly against either party regardless of who has prepared it.

Section 12.27 Exhibits. All exhibits attached hereto are incorporated herein by reference and made a part hereof as if fully rewritten or reproduced herein.

Section 12.28 Attorneys' Fees and Other Costs. If the Owner or the Management Company engage in litigation or another form of dispute resolution to enforce their respective rights pursuant to this Agreement and the Owner prevails it will have the right to recover from the Management Company the Owner's reasonable attorneys' fees, court costs, and expenses arising therefrom. If the Management Company prevails the Owner will be liable for attorneys' fees and litigation costs in accordance with applicable federal statutes subjecting the United States and its agencies to liability for such fees and costs.

Section 12.29 Counterparts. This Agreement may be executed in two counterparts, each of which is deemed an original.

Section 12.30 Contesting Violations. The Owner and the Management Company, as applicable, each will have the right to contest the validity of any alleged violation of any conditions or requirements required to be observed or performed in connection with any license or permit, but only so long as any such contest: (a) is conducted diligently and in good faith; (b) will not materially interfere with the normal operations of the Hotel; and (c) will not subject the other party (the non-contesting party) or any Affiliate of the non-contesting party, the Hotel, or the businesses conducted thereat to civil or criminal sanctions or penalties. If any contest would or is likely to involve the interference or sanctions described in clause (b) or (c) of the preceding sentence, the party proposing to conduct such contest first must obtain the approval of the other non-contesting party, which approval shall not be unreasonably withheld or delayed.

Section 12.31 No Recordation. The Management Company will not record either this Agreement, any memorandum hereof, or any affidavit pertaining hereto. Any such recordation by the Management Company will constitute a breach hereunder. In the event of a breach hereunder, in addition to any other remedies of the Owner, the Management Company must execute an instrument in recordable form releasing this Agreement, the memorandum, or affidavit pertaining hereto.

ARTICLE 13. TRANSITION PROVISIONS

Section 13.1 Transition Services. The selected Management Company will provide Transition Services as defined below, starting upon the Execution Date of this Agreement. **“Transition Services”** include the activities necessary for the Management Company to undertake before the existing concession contract expires to ensure a seamless start of operations upon the Commencement Date of this Agreement. Transition Services will include the initial FF&E acquisition, recruiting and training the Hotel staff, and other administrative tasks to prepare the Management Company for a seamless transition. The existing concessioner of the Hotel owns the FF&E currently employed in the Hotel operation including the lodge, the restaurants, general store, gift shop, and employee housing. The Management Company will advise the Owner on the appropriate pricing for existing FF&E and/or the sourcing and purchase of required new FF&E. The Owner will fund the Transition Budget to allow the Management Company to acquire the appropriate FF&E required to operate the Hotel, either by purchasing the present FF&E from the existing concessioner, acquiring new FF&E, or some combination of both.

Section 13.2 Operating Costs. In no event will Operating Costs include any write-offs of accounts receivable based upon goods sold or services rendered prior to the Commencement Date, nor will any other item of income, cost, or expense attributable to termination of any previous management or concession contract, or to any period prior to the Commencement Date as determined by GAAP, be included in the calculation of Adjusted Gross Revenues, Operating Costs, Gross Operating Profit, or EBITDA.

Section 13.3 Expiration of Concession Contract. The Owner will allow the existing concession contract for the Hotel to expire on or before the Commencement Date at the Owner’s sole cost and expense; the Owner acknowledges, however, that it has not been induced by the Management Company to take this action.

Section 13.4 Compliance Process. The Owner may need to start the compliance process for projects that will occur in the first year of this Agreement before the Commencement Date.

The parties have respectively caused this Agreement to be executed as of the Execution Date in order to evidence their agreement to all of the terms hereof.

OWNER:

UNITED STATES OF AMERICA

By: _____

Name:

Title: Director, National Park Service

MANAGEMENT COMPANY:

By: _____

Name:

Title:

JOINDER BY MANAGEMENT COMPANY AFFILIATE¹

Creation] _____, a _____, the direct or indirect owner of the Management Company, hereby agrees to be jointly and severally liable with the Management Company for the payment and performance of all of the Management Company's obligations under this Agreement. The obligations of Parent hereunder remain in full force and effect notwithstanding any amendments to or modifications of the Agreement and apply thereto as amended or modified. Parent hereby waives notice of demand, dishonor or presentment, and all suretyship defenses generally. Action may be taken under this Joinder against Parent with or without prior resort to any other legal, equitable, or contractual remedy. The obligations of Parent under this Joinder inure to the benefit of and are enforceable by the Owner and its successors and assigns permitted under the terms of the Agreement.

By: _____

Name:

Title:

¹ To be provided if the Management Company is a single-purpose-entity or only manages some (but not all) of its Parent's properties.