

EXHIBIT F1**CONCESSIONER NEW CONSTRUCTION AND
MAJOR REHABILITATION PROJECT PROCEDURES****SEC. 1. INTRODUCTION**

This Exhibit presents step-by-step procedures for the administration of Concessioner-funded new construction and Major Rehabilitation, as that term is defined in Exhibit A, projects within the Area. All Concessioner-funded new construction and Major Rehabilitation projects must be proposed, approved, and accomplished under these procedures. In the event of any inconsistency between this Exhibit and the main body of this Contract and Exhibit A, the main body of the Contract and Exhibit A, as appropriate, will prevail. All projects undertaken by the Concessioner require a coordinated effort between the Concessioner and the Director.

The documentation collected and organized by the use of these procedures will provide a record of decision concerning project development, implementation, and costs that will assist the Director with Leasehold Surrender Interest determinations, as defined in Exhibit A.

The National Environmental Policy Act (NEPA) of 1969, as amended, may require the review of projects. The National Historic Preservation Act of 1966, as amended, may require that projects within historic and culturally significant areas use certain building management methods. All construction must comply with all applicable federal, state, and local statutes, codes, and regulations, and with all appropriate industry standards.

The Concessioner is responsible for all aspects of project development and implementation. The Director's role is to provide direction, authorization, and oversight. The Concessioner and the Director must work closely together to successfully complete construction projects in a manner that achieves the goals and objectives of the Director.

SEC. 2. DEFINITIONS

"Approved Project Documents" means project drawings and specifications approved by the Director and used by the Concessioner to direct its Contractor.

"Change Order" means a written agreement between the Construction Supervisor and the Contractor that changes the contract documents or scope of project work as agreed upon contractually.

"Concessioner Project Plan and Report," also referred to herein as "CPPR," is an annual plan and report that presents new construction, Major Rehabilitation, Component Renewal Reserve, and Personal Property Reserve projects to be undertaken by the Concessioner during the following five (5) years.

"Construction Supervisor" means a Concessioner employee designated to administer and coordinate day-to-day projects, while representing the interests of the Concessioner and the Director and ensuring quality work is performed that meets the design and specifications of the project. This person must have the authority to direct the Contractor, as that term is defined herein, in any way that may change the contractual agreement between the Concessioner and the Contractor.

"Contractor" means an entity certified or licensed by the state in which the project is located that is party to a written contract with the Concessioner to perform construction services.

"Major Rehabilitation" shall have the meaning set forth in Exhibit A.

"Project Statement," also referred to herein as "PS," means an agreement between the Director and the Concessioner approved by the Director that authorizes the development and implementation of individual projects identified in a CPPR.

"Registered Technical Professionals" means architects, engineers, or any subject area experts either certified or licensed by the state in which the project is located, or by a widely-recognized industry association for a technical subject matter, to perform specialized construction-related services.

"Substantial Completion" shall have the meaning set forth in Exhibit A.

"Total Project Cost" means the total of all actual project expenditures (invoiced and paid) for completion of a project.

"Total Estimated Project Price" means the total of all estimated project expenditures for completion of a project.

SEC. 3. PROJECT PLANNING AND DESIGN FOR NEW CONSTRUCTION AND MAJOR REHABILITATION PROJECTS

(a) Submit a Construction Project Plan and Report

The Concessioner must provide to the Service, for review and approval, a Concessioner Project Plan and Report (CPPR) that includes prospective projects in priority order for the following five (5) years.

(1) The CPPR must identify project titles, asset numbers, project descriptions, justifications, anticipated NEPA and Section 106 planning and compliance, and cost estimates for all proposed projects.

(2) If design is planned prior to construction, the CPPR must accurately reflect the years of design versus construction.

(b) Notify Service of Intent to Proceed

The Concessioner must formally notify the Director in writing of its intent to proceed with any facility planning, design, or project.

(c) Prepare a Proposed Project Statement

The Concessioner must arrange and facilitate a project planning conference with the Director and prepare a proposed PS to submit to the Director for review.

(1) Planning Conference. The primary goal of the planning conference is to clearly define in detail the project scope so the Concessioner can carry the project through to completion without significant deviation from an approved PS. The product of the conference should be a PS prepared by the Concessioner that is the result of collaboration between the Concessioner and the Director.

(2) Project Statement Content. The PS must include, at minimum, the following: project description; justification; scope of work, including NEPA and Section 106 planning and compliance; Total Estimated Project Price; proposed schedule; design review milestones; and third-party project inspection and certification. The elements of the PS will function as accountability check points, and will vary in frequency and scope depending on the nature, complexity, and scope of the proposed project.

(3) Leasehold Surrender Interest. If the Concessioner intends to seek Leasehold Surrender Interest as a result of a construction project, the Concessioner must notify the Director in advance. Not all projects or costs qualify for Leasehold Surrender Interest. The Director grants Leasehold Surrender Interest only under the terms of this Contract, including, without limitation, its Exhibit A.

(4) Professional Services and Construction. In its PS the Concessioner must represent and warrant to the Director that for any project requiring professional services, such services will be acquired from and provided by appropriate Registered Technical Professionals. Licensed Contractors must perform all project work unless otherwise approved in writing by the Director. The Concessioner must ensure that Registered Technical Professionals perform project inspection and facility certification, or any other service the Director deems necessary for project implementation and requests the Concessioner to perform.

(5) National Park Service Operations. In the PS, the Concessioner must clearly identify any aspect of its proposed project it expects to interact with National Park Service operations, such as utility service connections or road maintenance.

(d) Submit Project Statement for Director Review

The Concessioner must submit the proposed PS to the Director for review. A PS signed by the Director constitutes official authority for the Concessioner to continue further project development to the level specified in the PS.

(e) Submit Resource Compliance Documents for Review and Approval

The Concessioner must develop compliance documentation concurrently with project planning and design.

(1) Historic/Cultural Compliance. Prior Director approval of historic and cultural compliance documents is required for property listed in or eligible for inclusion in the National Register of Historic Places. Any undertaking affecting property listed in the National Register of Historic Places must be performed in accordance with The Secretary of the Interior's Standards for Rehabilitation & Illustrated Guidelines for Rehabilitating Historic Buildings.

(2) Ground Disturbance. In situations in which ground disturbance will take place, the Concessioner must submit drawings that show the area and depth of the proposed ground disturbance. All project documents that include ground disturbance must have the following specification included within them:

Petroglyphs, artifacts, burial grounds or remains, structural features, ceremonial objects, domestic objects, and archeological objects of any nature, historic or prehistoric, found within the project area are the property of and may be removed only by the U.S. Government. Should Contractor's operations uncover, or should its employees find, any archeological remains of any sort, Contractor must suspend operations at the site of discovery, notify the U.S. Government immediately of the findings, and continue operations in other areas. Contractor must include a brief statement of the location of and details concerning the findings in its notification. Should the temporary suspension of work at the discovery site result in delays, or should the discovery site require archeological studies that result in delays to the Contractor's work, the Contractor will be compensated by an equitable adjustment to the contract governing the Contractor's work.

(3) Archeological Monitoring. When significant ground disturbance occurs during project work, the Concessioner must monitor project activity for potential archeological issues under the direction of the Director. The Concessioner must provide the Director with reasonable advance notice of the need for an archeological monitor. If the Director is unable to provide an archeological monitor, it will assist the Concessioner in making arrangements for the services of a monitor at the Concessioner's expense.

(4) NEPA Compliance. Director approval of NEPA compliance documents is required before the Concessioner commences any project that is covered by NEPA. The Director will use best efforts to identify projects requiring NEPA compliance early in the project planning process.

(f) Establish a Project File

The Concessioner must compile a project file for each project and identify each project with a unique project number. Every document entered into the project file must clearly display the project number. A typical project file must include the following information:

Section A. Project Statement. This section contains the approved PS and notice-to-proceed letter.

Section B. Planning. This section contains documents pertaining to any project planning. Typical documents include those produced for NEPA and Section 106 compliance. This section also contains any concept design, preliminary design, or schematic design correspondence and documents. This section also contains written approvals granted by the Director for any stage of project development.

Section C. Assessment. This section contains a record of all assessments, site or facility investigative reports, and quality assurance documents.

Section D. Design. This section contains a record of documents produced and decisions made during the design phase. This section also contains correspondence from the Development Advisory Board and the Director providing design approval.

Section E. Project Work. This section contains a record of documents produced and decisions made during project work. This section contains all contractor proposals, change-orders, design modification documents, daily construction activity records, weekly meeting minutes, etc. Documentation for larger projects should be organized according to contractor and subcontractor activity.

Section F. Financial. This section contains copies of all contracts, contract modifications, and invoices. Monthly financial detail reports must be filed in this section, along with copies of all project budget documents.

Section G. Photo Documentation. This section contains before-and-after photos.

Section H. As-Built Drawings. This section contains complete as-built drawings.

Section G. Leasehold Surrender Interest. This section contains a copy of the Concessioner's CPA certification.

(g) Submit Project Documents for Review and Approval

The Concessioner must submit project documents for the Director's review and approval. The scope and detail of the project documents will vary depending on the nature and complexity of the project. The Concessioner is responsible for the technical accuracy and completeness of project documents, and must provide technical review as needed to ensure compliance with all applicable federal, state and local statutes, codes, and regulations, and with all appropriate industry standards.

(h) Submit a Project Estimate and Schedule

The Concessioner must submit the Total Estimated Project Price and completion schedule to the Director before work begins. These documents must be revisions of the Total Estimated Project Price and completion schedule the Concessioner submitted with the Project Statement, and that the Director agreed to in approving the Project Statement.

SEC. 4. PROJECT MANAGEMENT PROCEDURES FOR NEW CONSTRUCTION AND MAJOR REHABILITATION PROJECTS**(a) Identify a Construction Supervisor**

The Concessioner must identify a Construction Supervisor, and vest the Construction Supervisor with the authority to direct the Contractor on behalf of the Concessioner. The Director will direct its communication concerning the nature and progress of day-to-day project activity to this Construction Supervisor.

(b) Notice-to-Proceed with a Project

The Director will issue a "Notice-to-Proceed" with a project when all submittals requested by the Director have been reviewed and approved by the Director. The Concessioner must receive the written Notice-to-Proceed before any construction occurs.

(c) Hold a Pre-Project Conference with the Contractor

The Concessioner must arrange and facilitate a pre-project conference to provide the Director the opportunity to meet the Contractor, confirm that the Contractor has a full understanding of the work to be performed, and establish communication protocols among the Concessioner, the Contractor, and the Director.

(d) Submit Project Activity Reports

The Concessioner must submit a monthly report of project activity that summarizes daily project activity and records important observations and decisions. The reports must identify any changes to the approved project documents and code compliance inspections. Independent industry-certified inspectors or Registered Technical Professionals must perform all inspections and project component certifications.

(e) Submit Requests for Changes to Approved Project Documents

The Concessioner must notify the Director immediately in writing upon identifying the need for a change to approved project documents. The written notification must include a request for change to the approved project documents, complete with the Concessioner's justification and explanation of the effect of such change on all other aspects of project design and work.

Director review and approval is required for the following changes to the approved project documents:

- (1) Changes affecting natural, cultural, and historic resources;
- (2) Changes to designated visual appearance;
- (3) Changes to the interface with Service utility and/or road facility maintenance operations;
- (4) Changes to project scope.

The Concessioner cannot change previously-approved project documents without the Director's prior written approval.

(f) Submit Change Orders for Review and Approval

The Concessioner must submit a revised Total Estimated Project Price with each Change Order. Increases in the Total Estimated Project Price require Director's review and approval.

(g) Project Inspections

The Director will inspect the project periodically. These inspections are not in lieu of, or in any way substitutes for, project inspections that the Concessioner must perform.

(h) Maintain Up-to-Date Project Documents

The Concessioner must keep complete project drawings and specifications, including any design or project modifications, on the project site in a well-organized form.

(i) Request Substantial Completion Inspection and Occupancy

The Director and the Concessioner will inspect the project jointly upon the Concessioner's notification to the Director that it believes the project has reached Substantial Completion. The Director will formulate a "punch list" of work items. The Director will accept the project as having reached Substantial Completion by written notice to the Concessioner only after the Concessioner completes the "punch-list" items. The Concessioner must not occupy any facility until authorized to do so in writing by the Director.

(j) Submit Project Completion Report

Upon completion of any project, the Concessioner must submit a project completion report to the Director. This report must include the Total Project Cost, before-and-after photo documentation, warranties, operation and maintenance manuals, all inspection and certification reports, and as-built drawings. As-built drawings must be of full-size archival quality and prepared in accordance with Service policies. The Concessioner also must provide at least two (2) half-size sets of drawings.

(k) Request Approval of Leasehold Surrender Interest

The Concessioner must submit a Leasehold Surrender Interest request to the Director that includes the project file containing invoices, payments, and a CPA's certification that complies with Exhibit A to this Contract.

(l) Request Project Acceptance and Close-Out by the Director

The Concessioner must submit a request for project acceptance and close-out to the Director. Project acceptance and close-out will be contingent upon the Concessioner's fulfillment of all requested project completion work tasks and its submittal of all project documentation in accordance with these procedures and as requested by the Director. The Concessioner retains full responsibility for all project construction activity and full liability for both completed and uncompleted work until it receives formal written project acceptance and close-out from the Director.