Memorandum

To: Regional Directors

From: Deputy Director, Operations

Subject: Changes to Standard Contract Language for Category I, II and III Concession Contracts

This memorandum addresses the changes to the standard concession contract language as published in the Federal Register on July 19, 2000, and as revised, approved on January 22, 2009. The following standard contract language changes are made effective immediately and are reflected in the template documents found on the SharePoint site at [Home - Concession Contract and Prospectus Development Templates](Home - Concession Contract and Prospectus Development Templates). Please use the templates for prospectus development on this SharePoint site to ensure that the documents contain the current standard contract language.

For a Category I contract, the addition of the language below (in the box) in Exhibit A, Leasehold Surrender Interest is required. The addition of 9(b) is not applicable to a Category II or a Category III contract.

**Sec. 9. Extinguishment of a Leasehold Surrender Interest**

(b) The Director at any time during the term of this Contract or after its termination or expiration may in his discretion pay the Concessioner the then applicable Leasehold Surrender Interest Value in all or portions of the related Capital Improvements in which the Concessioneer holds a Leasehold Surrender Interest under the terms of this Contract. Upon receipt of such payment by the Concessioner, the applicable Leasehold Surrender Interest shall be extinguished or reduced, as applicable, for all purposes of this Contract and Applicable Laws. In the event of a dispute between the Director and the Concessioner as to the appropriate amount of such payment under the terms of this Contract, the dispute shall be resolved through binding arbitration as defined above.

The next change is applicable to a Category I contract with a Repair and Maintenance Reserve. The language below (in the box) identifies several terms as defined in 36 CFR Part 51 and replaces the language under Section 10(c)(5). The change is also applicable when a Category II contract uses the language from a Category I contract with approval of a standard deviation request to include a Repair and Maintenance Reserve. The change is not applicable to a Category III contract.
The language, "unless the damage exceeds $1,000,000," is added below (in the box) at the end of the first sentence in order for the National Park Service to manage proceeds for losses. This language is added to Section 12(d)(5) in a Category I contract and to Section 11(d)(5) in a Category II contract and is consistent with the recommended changes for the updated Insurance Exhibit, approved under a separate memorandum. This change is not applicable to a Category III contract.

And finally, the language below (in the box) is applicable to all category levels of contracts and the language is identical for each. The language is added to the General Provisions section in a Category I contract under Section J9(m), in a Category II contract under Section 17(m), and in a Category III contract under Section 10, General Provisions, Addendum 1, 8(g).

If you have any questions, please contact Jo A Pendry, Chief, Commercial Services Program, at 202/513-7156, or Debra Hecox, Planning and Development Branch Chief, at 303/987-6910.