

United States Department of the Interior

NATIONAL PARK SERVICE
PACIFIC WEST REGION
333 Bush Street, Suite 500
San Francisco, CA 94104-2828



IN REPLY REFER TO:

5A (PWR-CM)

DEC 1 2 2018

Mr. Demosthenis M. Hountalas
Peanut Wagon, Inc
1090 Point Lobos Avenue
San Francisco, CA 94121

Re: National Park Service Concession Contract No. CC-GOGA010-98

Dear Mr. Hountalas:

The National Park Service (NPS), after consideration of alternatives, has determined that an extension of NPS Concession Contract No. CC-GOGA010-98 (as it may be amended, "Contract") is necessary in order to avoid interruption of visitor services.

Accordingly, the Contract is hereby extended until December 31, 2019.

Please indicate your agreement by signing and dating in the space provided below no later than December 31, 2018 and returning the fully-executed letter to this office. A copy of this letter is enclosed for your files. If you have any questions or if we can provide further assistance, contact Isaiah Fitzgerald, Concessions Management Specialist, at (415) 623-2225.

Sincerely,

Stan Austin
Regional Director, Pacific West Region

Agreed:

Mr. Demosthenis M. Hountalas
Peanut Wagon, Inc.

12-18-18

Date

Enclosure



United States Department of the Interior

NATIONAL PARK SERVICE
PACIFIC WEST REGION
333 Bush Street, Suite 500
San Francisco, CA 94104-2828



IN REPLY REFER TO:

5A (PWR-CM)

FEB 12 2018

Mr. Demosthenis M. Hountalas
Peanut Wagon, Inc.
1090 Point Lobos Avenue
San Francisco, CA 94121

Re: National Park Service Concession Contract No. CC-GOGA010-98

Dear Mr. Hountalas:

The National Park Service (NPS), after consideration of alternatives, has determined that an extension of NPS Concession Contract No. CC-GOGA010-98 (as it may be amended, "Contract") is necessary in order to avoid interruption of visitor services.

Accordingly, the Contract is hereby extended until December 31, 2018.

Please indicate your agreement by signing and dating in the space provided below no later than March 1, 2018 and returning the fully-executed letter to this office. A copy of this letter is enclosed for your files. If you have any questions or if we can provide further assistance, contact Sue Eibeck, Concessions Management Specialist, at (415) 623-2224.

Sincerely,

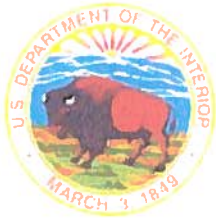
Martha J. Lee
Acting Regional Director, Pacific West Region

Agreed:

Mr. Demosthenis M. Hountalas
Peanut Wagon, Inc.

Feb 17 2018
Date

Enclosure



United States Department of the Interior

NATIONAL PARK SERVICE
PACIFIC WEST REGION
333 Bush Street, Suite 500
San Francisco, CA 94104-2828



IN REPLY REFER TO:

5A (PWR-CM)

21 JAN 2016

Mr. Demosthenis M. Hountalas
President
Peanut Wagon, Inc.
dba The Cliff House
1090 Point Lobos Avenue
San Francisco, California 94121

Re: National Park Service Concession Contract No. CC-GOGA010-98

Dear Mr. Hountalas:

Enclosed please find a new Exhibit E-3 (Building Replacement Costs for Insurance Purposes) for your Concession Contract No. CC-GOGA010-98. This new exhibit updates the required insurance replacement values for the Concession Facilities assigned to you under this Contract.

If you have any questions please contact Kimberley Gagliolo, Commercial Services Specialist, Pacific West Region, at (415) 623-2227.

Sincerely,

Martha J. Lee
Acting Regional Director, Pacific West Region

Enclosure

cc: Superintendent, Golden Gate National Recreation Area
Debra Hecox, Planning and Development Branch Chief, WASO

EXHIBIT E-3

**BUILDING REPLACEMENT COSTS FOR INSURANCE PURPOSES
(CONCESSION FACILITIES)**

Land Assigned

Land is assigned in accordance with the boundaries shown on the following map[s]:

Map 1 – The Cliff House and Lands End Lookout Cafe



Real Property Improvements Assigned

The following real property improvements are assigned to the concessioner for use in conducting its operations under this Contract:

FMSS Asset Code	FMSS Asset Description	FMSS Asset Type	Unit of Measure	Date Built or Installed	Historic (Y or N)	Insurance Replacement Value
38099	Cliff House	4100	29,418 SF	1908	Y	\$11,289,531
92437	Lands End Cafe (assigned area within Lands End Visitor Center)	4100	510 SF	2012	N	\$244,204

**Please note: The lack of value for an asset in the column for Insurance Replacement Value does not relieve the Concessioner of its obligation to insure the asset according to the terms of this Contract.*

Approved, effective Jan-21, 2016

By: 
Martha J. Lee
Acting Regional Director, Pacific West Region



United States Department of the Interior



NATIONAL PARK SERVICE
Pacific West Region
333 Bush Street, Suite 500
San Francisco, California 94104

IN REPLY REFER TO
C3823 (PWR-CM)

24 JUN 2014

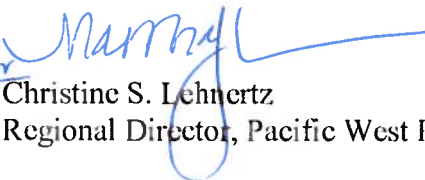
Mr. Demosthenis M. Hountalas
President
Peanut Wagon, Inc.
dba The Cliff House
1090 Point Lobos Avenue
San Francisco, California 94121

Dear Mr. Hountalas:

Enclosed please find a new Exhibit E-3 (Assigned Land and Real Property Improvements) to Concession Contract No. CC-GOGA010-98. This new exhibit updates the required insurance replacement values for the Concession Facilities assigned to you under this Contract.

If you have any questions please contact Chris Fryday, Financial Analyst, Pacific West Region, at (415) 623-2226.

Sincerely,

for 
Christine S. Lehnertz
Regional Director, Pacific West Region

Enclosure

cc: Superintendent, Golden Gate National Recreation Area
Debra Hecox, Planning and Development Branch Chief, WASO

TAKE PRIDE
IN AMERICA 

EXHIBIT E-3

**BUILDING REPLACEMENT COSTS FOR INSURANCE PURPOSES
(CONCESSION FACILITIES)**

Land Assigned

Land is assigned in accordance with the boundaries shown on the following map[s]:

Map 1 – The Cliff House and Lands End Lookout Cafe



Real Property Improvements Assigned

The following real property improvements are assigned to the concessioner for use in conducting its operations under this Contract:

FMSS Asset Code	FMSS Asset Description	FMSS Asset Type	Unit of Measure	Date Built or Installed	Historic (Y or N)	Insurance Replacement Value
38099	Cliff House	4100	29,418 SF	1908	Y	\$10,957,746
92437	Lands End Café (assigned area within Lands End Visitor Center)	4100	510 SF	2012	N	\$246,048

**Please note: The lack of value for an asset in the column for Insurance Replacement Value does not relieve the Concessioner of its obligation to insure the asset according to the terms of this Contract.*

Approved, effective June 24, 2014

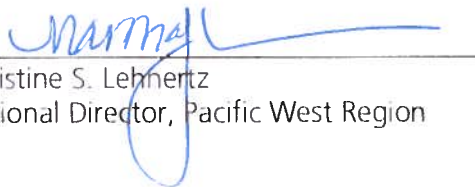
By: 
 Christine S. Lehnertz
 Regional Director, Pacific West Region

EXHIBIT E-3**BUILDING REPLACEMENT COSTS FOR INSURANCE PURPOSES
(CONCESSION FACILITIES)****EXHIBIT E-3: BUILDING REPLACEMENT COST FOR INSURANCE PURPOSES**

The following real property improvements are assigned to the concessioner for use in conducting its operations under this Contract:

FMSS Asset Code	FMSS Asset Description	FMSS Asset Type	Unit of Measure	Date Built or Installed	Historic (Y or N)	Insurance Replacement Value
38099	Cliff House	4100	29,418 SF	1908	Y	\$10,746,806
92437	Lands End Café (assigned area within Lands End Visitor Center)	4100	510 SF	2012	N	\$243,620

**Please note: The lack of value for an asset in the column for Insurance Replacement Value does not relieve the Concessioner of its obligation to insure the asset according to the terms of this Contract.*

Approved, effective: July 31, 2013

By: 
Christine S. Lehnertz
Regional Director, Pacific West Region

**AMENDMENT NO. 4
CONCESSION CONTRACT CC-GOGA010-98
PEANUT WAGON, INC., dba CLIFF HOUSE**

This Amendment No. 4 to Concession Contract CC-GOGA010-98 ("Amendment") is made and entered into by and between the United States of America, acting in this matter by the Secretary of the Interior, through the Director of the National Park Service, and the Regional Director of the Pacific West Region of the National Park Service, (collectively, the "Secretary") and Peanut Wagon, Inc., dba Cliff House, a corporation organized and existing under the laws of the State of California ("Concessioner") (collectively the Secretary and the Concessioner are the "Parties").

Recitals

- A. The Secretary and the Concessioner entered into Concession Contract CC-GOGA010-98, as amended by Amendment No. 1 dated January 24, 2003 and by Amendment No. 2 dated October 9, 2009 and by Amendment No. 3 dated February 23, 2012 (as so amended the "Contract"), whereby the Concessioner is authorized to provide accommodations, facilities, and services for the public within Golden Gate National Recreation Area ("GGNRA") for the period from July 1, 1998, through June 30, 2018.
- B. The services authorized under the Contract include, among other things, a range of food and beverage services in the Sutro Heights Historic District area of GGNRA. A new Lands End Visitor Contact Station is being constructed in this District and will be located immediately to the north of the Concession Facilities currently assigned to the Concessioner under the Contract. To complete the range of food and beverage services offered as visitor services in this area, the Secretary wishes to authorize the Concessioner to provide certain minor, additional visitor services at the Lands End Visitor Contact Station that will be a reasonable extension of the existing services authorized under the Contract. The Concessioner is willing to provide those minor additional visitor services.
- C. The Parties desire to amend the Contract to reflect a minor addition of visitor services, to occur at the Lands End Visitor Contact Station, that extends the existing food and beverage services authorized under the Contract.

Agreement

NOW, THEREFORE, for and in consideration of the foregoing Recitals and in consideration of the mutual promises and covenants contained herein and intending to be legally bound, the Secretary and the Concessioner agree as follows:

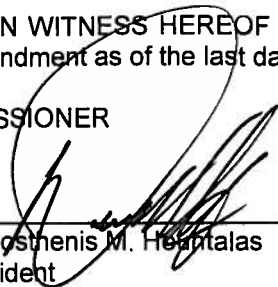
1. The Contract is hereby amended as follows:
 - a. Subsection (1) of SECTION 2. ACCOMODATIONS, FACILITIES AND SERVICES, shall be amended by replacing the first sentence of the subsection with the following:
 - (a) Provide the public a variety of food and beverage services within the Cliff House and Lands End Lookout Café within the Lands End Visitor Contact Station as approved by the Secretary.


2. EXHIBIT B. LAND ASSIGNED, is amended by replacing that exhibit in its entirety with the new EXHIBIT B-2 set forth in the attachment to this Amendment.
3. EXHIBIT E-2, BUILDING REPLACEMENT COST FOR INSURANCE PURPOSES, is amended by replacing that exhibit in its entirety with the new EXHIBIT E-2 set forth in the attachment to this Amendment.
4. All other terms and conditions of the Contract shall remain unchanged. As specifically modified herein, the Contract remains in full force and effect.
5. This Amendment shall be effective on the later of (1) the latest date signed and dated by any of the Parties below and (2) the date on which the Secretary advises the Concessioner in writing that Concessioner Lands End Lookout Café has been completed and may be occupied by the Concessioner.

IN WITNESS HEREOF the parties hereto have agreed to the terms and conditions set forth in this Amendment as of the last date written below.

CONCESSIONER

NATIONAL PARK SERVICE

By: 
Demosthenis M. Haniatalas
President
Peanut Wagon, Inc.

By: 
Christine S. Lehnertz
Regional Director
Pacific West Region

3-8-12
Date

April 2, 2012
Date

ATTEST:

By:  3/28/12
Date

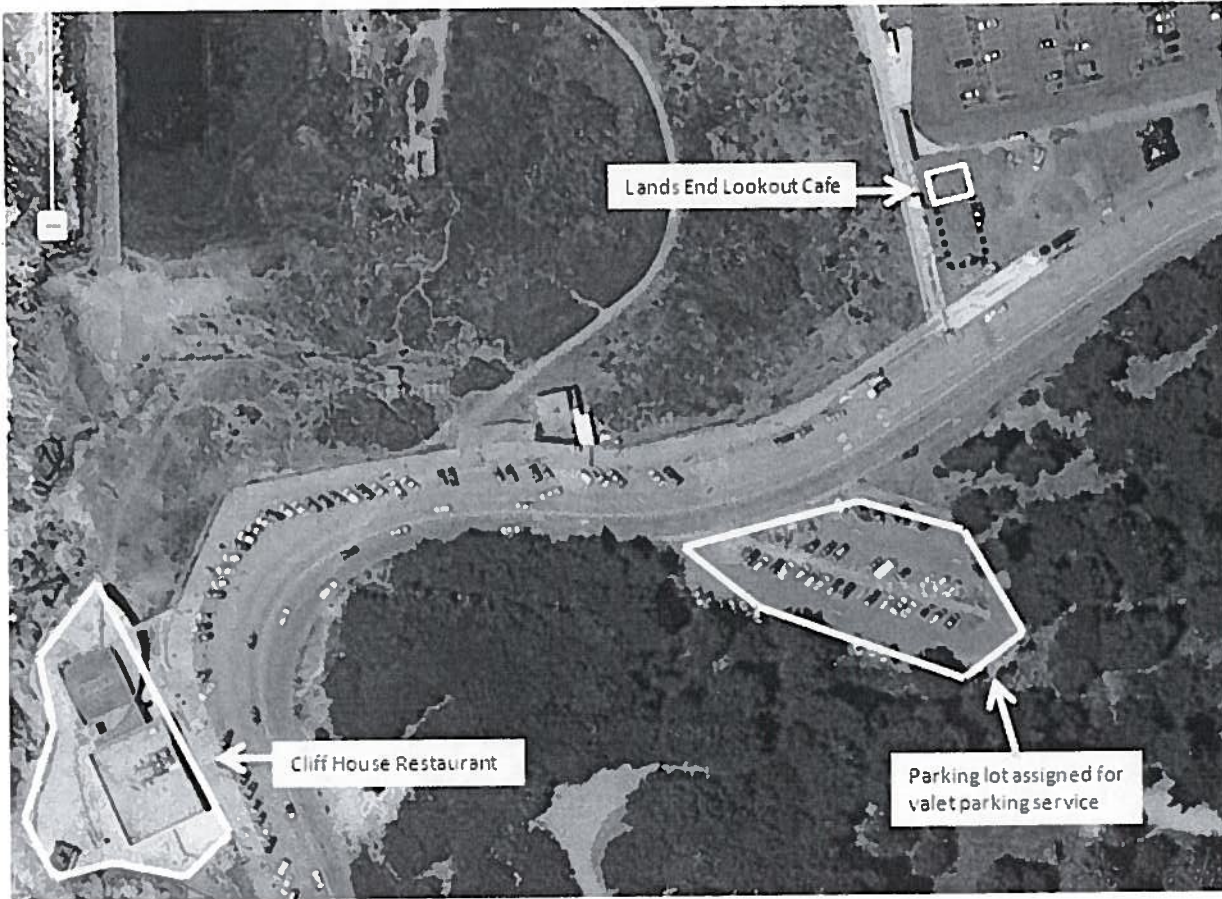
Typed Name: Kevin J. Weber

EXHIBIT B-2. LAND ASSIGNED

- A. Cliff House:
 - a. The Cliff House, including all modifications thereto, and all outdoor spaces existing or created within the footprint of the Cliff House, and the access driveway to the south.

- B. Valet Parking:
 - a. Additional lands shall be assigned, described as the parking lot located on Point Lobos Avenue across from Louis Restaurant, and as delineated in the overhead Land Assignment Map in this Exhibit. Use of such assigned land shall be restricted to the operating hours identified in EXHIBIT G.

- C. Lands End Lookout Café:
 - a. Additional land and real property improvements shall be assigned, described as the Lands End Lookout Café, comprised of 510 square feet of food service space on the North End of the Lands End Visitor Contact Station under development between Point Lobos Avenue and the Merrie Way Parking Lot and as delineated in the overhead Land Assignment Map in this Exhibit.



CONCESSIONER

BY:



President
Peanut Wagon, Inc.

UNITED STATES OF AMERICA

BY:



acting
Regional Director
Pacific West Region
National Park Service

EXHIBIT E-3

**BUILDING REPLACEMENT COSTS FOR INSURANCE PURPOSES
(CONCESSION FACILITIES)**

EXHIBIT E-3: BUILDING REPLACEMENT COST FOR INSURANCE PURPOSES

The following real property improvements are assigned to the concessioner for use in conducting its operations under this Contract:

FMSS Asset Code	FMSS Asset Description	FMSS Asset Type	Unit of Measure	Date Built or Installed	Historic (Y or N)	Insurance Replacement Value
38099	Cliff House	4100	29,418 SF	1908	Y	\$10,159,673
92437	Lands End Café (assigned area within Lands End Visitor Contact Station)	4100	510 SF	2012	N	\$131,007

**Please note: The lack of value for an asset in the column for Insurance Replacement Value does not relieve the Concessioner of its obligation to insure the asset according to the terms of this Contract.*

Approved, effective April 2, 2012

By: 
Christine S. Lehnertz
Regional Director, Pacific West Region



AMENDMENT NO. 3

**CONCESSION CONTRACT CC-GOGA010-98
PEANUT WAGON, INC., dba CLIFF HOUSE**

This Amendment No. 3 to Concession Contract CC-GOGA010-98 ("Amendment") is made and entered into by and between the United States of America, acting in this matter by the Secretary of the Interior, through the Director of the National Park Service and the Regional Director of the Pacific West Region of the National Park Service (collectively, the "Secretary"), and Peanut Wagon, Inc., dba Cliff House, a corporation organized and existing under the laws of the State of California ("Concessioner") (collectively the Secretary and the Concessioner are the "Parties" and individually each is a "Party").

Recitals

- A. The Secretary and the Concessioner entered into Concession Contract CC-GOGA010-98, as amended by Amendment No. 1 dated January 24, 2003 and Amendment No. 2 dated October 9, 2009 (as amended, the "Contract"), whereby the Concessioner is authorized to provide accommodations, facilities, and services for the public within Golden Gate National Recreation Area for the period from July 1, 1998, through June 30, 2018.
- B. The Contract, among other things, required the Concessioner to complete a building "Improvement Program" to rehabilitate the Cliff House structure. In return, the Contract provides the Concessioner a possessory interest in certain real property improvements completed under the Improvement Program and further provides for payment to the Concessioner of the applicable value of its possessory interest in specified circumstances. Amendment No. 2 dated October 9, 2009 established the Concessioner's total claims of possessory interest in Government Improvements, before depreciation, as of the date of the Amendment to be Nine Million Seventy Nine Thousand Four Hundred Ninety Four Dollars (\$9,079,494), and set forth an agreed upon depreciation schedule, according to the terms of the Contract, for the purposes of determining the Concessioner's future fair value of possessory interest ("Fair Value of Possessory Interest") for compensation of such upon the expiration or termination of the Contract.
- C. The Secretary and the Concessioner have agreed to an initial pre-payment of the Concessioner's Fair Value of Possessory Interest, otherwise due to the Concessioner at the expiration or termination of the Contract, in the amount of Five Hundred Thousand Dollars (\$500,000) (the "Possessory Interest Pre-Payment Amount").

Agreement

NOW, THEREFORE, for and in consideration of the foregoing Recitals and in consideration of the mutual promises and covenants contained herein and intending to be legally bound, the Secretary and the Concessioner agree as follows:

- 1. The Secretary shall pay to the Concessioner the Possessory Interest Pre-Payment Amount of Five Hundred Thousand Dollars (\$500,000) within 30 days of the effective date of this Amendment No. 3.
- 2. The Secretary may elect to make subsequent possessory interest pre-payments prior to the expiration or termination of the Contract. The Secretary shall provide written notice to the Concessioner of subsequent possessory interest pre-payments. The Secretary shall pay to the

Concession the possessory interest pre-payment amount within 30 days of providing notice of such payment.

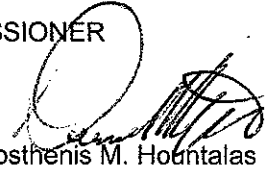
3. Notwithstanding any terms and conditions of the Contract to the contrary, upon expiration or termination of the Contract, at which time the Concessioner's Fair Value of Possessory Interest is determined, the initial Possessory Interest Pre-Payment Amount and any subsequent possessory interest pre-payment amounts, as adjusted for inflation as further described below, will be deducted from the Fair Value of Possessory Interest to determine the final amount of compensation due to the Concessioner. The initial Possessory Interest Pre-Payment Amount and any subsequent possessory interest pre-payment amounts shall be adjusted (increased or decreased as the case may be) by the change in the Consumer Price Index (CPI-U) – All Items for the San Francisco-Oakland-San Jose area as published by the United States Department of Labor, calculated from the effective date of each possessory interest pre-payment(s) to the effective date the Contract expires or is terminated (using the most recent CPI-U data available preceding either the effective date of a possessory interest pre-payment or the Contract expiration or termination date).

For example, Pursuant to Amendment No. 2, the agreed total claims in possessory interest before depreciation is \$9,079,494, and based on the agreed upon depreciation schedule, the ending Fair Value of Possessory Interest at the expiration of the Contract in June 2018 would be \$4,329,984. Assume the Secretary paid the initial Possessory Interest Pre-Payment Amount on June 30, 2011 in the amount of \$500,000. The CPI-U for June, 2011, for the specified area was 233.646 (the beginning CPI index). Assume the Concessioner receives the balance of its possessory interest compensation in June 2018, when the CPI-U is 250.000 (the ending CPI index). The CPI adjustment rate is determined by dividing the ending CPI index by the beginning CPI index or $250.000/233.646 = 1.070$. The Possessory Interest Pre-Payment Amount of \$500,000 is multiplied by the CPI adjustment rate of 1.070 with a resulting amount of \$535,000. This pre-payment amount and any other pre-payment amounts, as adjusted by CPI, are deducted from the ending Fair Value of Possessory Interest to determine the final amount of compensation due to the Concessioner. In this example, assuming no additional possessory interest pre-payments were made, the ending Fair Value of Possessory Interest of \$4,329,984 would be reduced by \$535,000 and the Concessioner's final amount of compensation would equal \$3,794,984.

4. The Parties agree and assert that the undertakings reflected in this Amendment No. 3 are unique to the special circumstances presented by this matter and are not intended to, nor should they be construed as, precedent for any other agreement by the National Park Service or the U.S. Department of the Interior on matters of a similar type or subject matter.
5. To the extent that any provisions of this Amendment No. 3 may be considered as in conflict with the terms and conditions of the Contract or other obligations of the Parties, the Secretary and the Concessioner agree that the provisions of this Amendment No. 3 modify or supersede such terms and conditions to the extent necessary for the effectuation of the purposes of this Amendment No. 3.
6. This Amendment No. 3 contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, as specifically set forth herein. No modification of this Amendment No. 3 shall be binding unless in writing and signed by the party to be bound.
7. All other terms and conditions of the Contract shall remain unchanged. As specifically modified herein, the Contract remains in full force and effect.
8. This Amendment shall be effective on the latest date signed and dated by any of the Parties below.

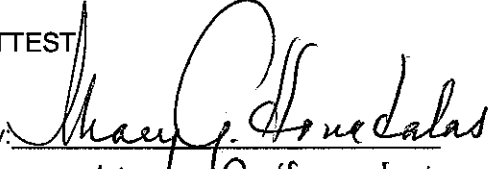
IN WITNESS HEREOF the parties hereto have agreed to the terms and conditions set forth in this Amendment as of the last date written below.

CONCESSIONER

By: 
Demosthenis M. Hountalas
President
Peanut Wagon, Inc.

Date: 2-17-12

ATTEST

By: 
Name: Macy G. Hountalas
(printed)
Title: Asst. Treasurer
(printed)
Date: 2/17/12

NATIONAL PARK SERVICE

By: 
Christine S. Lehnertz
Regional Director
Pacific West Region

Date: 02/23/12

**AMENDMENT NO. 2
CONCESSION CONTRACT CC-GOGA010-98
PEANUT WAGON, INC., dba CLIFF HOUSE**

This Amendment No. 2 to Concession Contract CC-GOGA010-98 ("Amendment") is made and entered into by and between the United States of America, acting in this matter by the Secretary of the Interior, through the Director of the National Park Service and the Regional Director of the Pacific West Region of the National Park Service (collectively, the "Secretary"), and Peanut Wagon, Inc., dba Cliff House, a corporation organized and existing under the laws of the State of California ("Concessioner").

Recitals


- A. The Secretary and the Concessioner entered into Concession Contract CC-GOGA010-98, as amended by Amendment No. 1 dated January 24, 2003, ("Contract"), whereby the Concessioner is authorized to provide accommodations, facilities, and services for the public within Golden Gate National Recreation Area for the period from July 1, 1998, through June 30, 2018.
- B. The Contract, among other things, provides for updating Government Land and Improvements and, pursuant to Section 4 of the Contract, Exhibit C to the Contract, to reflect the revised Concessioner Possessory Interest in Government Improvements following the completion of the Improvement Program.
- C. The Contract also provides for updating Land Assignments and, pursuant to Section 16 of the Contract, Exhibit E to the Contract, Building Replacement Cost for Insurance Purposes.
- D. The Contract also provides in Section 9(e) for the reconsideration at set times of the Franchise Fee.
- E. The Secretary and the Concessioner desire to further amend the Contract to reflect certain updates, including a new Franchise Fee amount, authorization of valet parking service, updating Concessioner Possessory Interest in Government Improvements, assigning of additional lands, elimination of annual government improvement use fee and other related changes to provisions of the Contract.

Agreement

NOW, THEREFORE, for and in consideration of the foregoing Recitals and in consideration of the mutual promises and covenants contained herein and intending to be legally bound, the Secretary and the Concessioner agree as follows:

1. The Contract is hereby amended as follows:
 - a. Subsection (a) of SECTION 2. ACCOMODATIONS, FACILITIES AND SERVICES, is hereby amended to include the following addition:
 - (a)7. Operate valet parking as a service utilizing the parking lot on Point Lobos Avenue across from Louis Restaurant, as delineated in Exhibit B.
 - b. Subsection (a) of SECTION 9. FEES, shall be amended by replacing that subsection in its entirety with the following:

Golden Gate National Recreation Area
Pacific West Region – National Park Service



- (a) Commencing January 1, 2009 and remaining for the term of this Contract, subject to sub-section (e) below, the Concessioner shall pay to the Secretary for the privileges granted herein, fees as follows:

A franchise fee equal to TEN PERCENT (10.0%) of the Concessioner's gross receipts, as herein defined, for the preceding fiscal year or portion of a fiscal year, in excess of the applicable annual threshold of gross receipts subject to fees as outlined below.

(A fiscal year shall be the period of January 1st to December 31st of each calendar year. For partial fiscal years the applicable threshold on gross receipts subject to fees shall be divided equally by the number of months in the applicable period. Revenues for the same period shall be prorated for the number of months in the applicable period.)

- (i) For the fiscal year commencing January 1, 2009 the applicable annual threshold on gross receipts subject to fees shall be Eleven Million Five Hundred Thousand (\$11,500,000) dollars.
- (ii) For the fiscal year commencing January 1, 2010, and each fiscal year thereafter, the annual threshold on gross receipts subject to fees shall increase or decrease from the previous fiscal years annual threshold by Fifty (50.0%) percent of the previous year's change in the All Items Consumer Price Index (CPI) in the San Francisco-Oakland-San Jose area as published by the United States Department of Labor.
- c. Subsection (b) of SECTION 9. FEES, shall be amended by replacing that subsection in its entirety with the following:
- (b) Beginning in the month during the fiscal year the applicable threshold on gross receipts subject to fees is exceeded, the franchise fee shall be due on a monthly basis thereafter at the end of each calendar month and shall be paid by the Concessioner in such a manner that payment shall be received by the Secretary within 15 days after the last day of each month that the Concessioner operates. The payment of any additional amounts due at the end of the operating year as a result of adjustments shall be paid at the time of submission of the Concessioner's annual financial statement. Overpayments shall be offset against the following year's franchise fees due. All franchise fee payments consisting of \$10,000 or more, shall be deposited electronically by the Concessioner using the Treasury Financial Communications System.
- d. Subsection (b)(3) of SECTION 13. COMPENSATION, is hereby amended to include the addition of the following sub-subsection (b)(3)(i),
- (b)(3)(i) As of December 31, 2008 the value of Possessory Interest in Concessioner Improvements is Zero (\$0) dollars and Possessory Interest in Government Improvements is Seven Million Four Hundred Fifty Nine Thousand Six Hundred Sixty (\$7,459,660) dollars, as further evidenced and pursuant to the attached Exhibit C-2.
- e. SECTION 15. APPROVAL OF SUBCONCESSION CONTRACTS, is hereby amended to include the following additional subsection:
- (a)(4) However, agreements with others to provide and collect fees for valet parking services, as authorized under SECTION 2 herein, shall not be considered as

subconcession contracts. Revenue to the concessioner as a result of any agreements with others to provide and collect fees for valet parking services will be considered "gross receipts" as defined in this Contract.

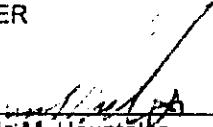
2. EXHIBIT B. LAND ASSIGNED, is hereby amended as follows:
 - a. Additional lands shall be assigned, described as the parking lot located on Point Lobos Avenue across from Louis Restaurant, and as delineated in the overhead map in Attachment 1 to this Amendment. Use of such assigned land shall be restricted to the operating hours identified in EXHIBIT G.
3. EXHIBIT C, GOVERNMENT IMPROVEMENTS, shall be amended by replacing EXHIBIT C in its entirety with the new EXHIBIT C-2 set forth in the Attachment 2 to this Amendment.
4. EXHIBIT E, BUILDING REPLACEMENT COST FOR INSURANCE PURPOSES, shall be amended by replacing EXHIBIT E in its entirety with the new EXHIBIT E-2 set forth in the Attachment 3 to this Amendment.
5. The Operating Plan, EXHIBIT G, is hereby amended as follows:
 - a. SECTION IV. SCOPE AND QUALITY OF SERVICE, is hereby amended to include the following additional subsection (J):
 - J. The Concessioner is authorized to provide valet parking service utilizing the parking lot located on Point Lobos Avenue across from Louis Restaurant, as delineated in Exhibit B.
 - a. Valet parking service may operate 7 days a week, 365 days per year, between the hours of 5:00 P.M. and 10:00 P.M. Pacific Standard Time.
 - b. Rates charged for valet parking services shall be subject to the same criteria as set forth in Section III(B) of this Operating Plan, although, at the discretion of the NPS, the valet parking fee may be subject to comparability analysis.
 - c. No physical barriers located within the parking lot area are allowed without prior written approval of the Secretary.
 - d. All gross receipts will be included in Annual Financial Report under a separate operating department, and subject to the contract's franchise fee calculation.
 - e. NPS or Concessioner will not close or sign the parking lot or block it in any way. During valet parking operation, general visitor cars will be entitled to drive in and circulate the lot so as to avoid any back-up on Point Lobos Ave.
 - f. Concessioner will begin the valet parking by placing cones in last 25 available spots available farthest from the entrance (closest to the exit). As cars from other visitors are removed, the valet may block additional spaces as needed but make the most number of spots possible available to general visitors. The disabled parking will not be utilized by valet.
 - g. There may be a non-affixed podium with approved signage for curb in front of the Concessioner. Valet will provide sufficient service so as to not allow cars to back-up on Point Lobos Ave or interfere with either lane of traffic.
 - h. Concessioner will provide monthly revenue and the number of cars per night activity reports.
 - i. The Concessioner shall ensure the parking lot area assigned for valet parking service is consistently clean and free from litter and other debris, and will conduct inspections and cleaning of such area on a nightly basis after valet parking services have concluded.

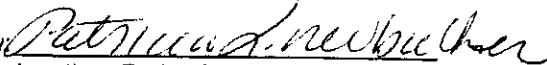
- j. Concessioner valet drivers will turn around at Balboa Street in a safe manner consistent with all local traffic laws and ordinances. Valet will also instruct patrons to do the same when picking up their vehicle.
 - k. Concessioner will utilize a system of valet parking staffing that minimizes valet personnel needing to cross Point Lobos Ave. This will be done with a radio system and at least one valet staff stationed at the lot at all times so as to "exchange" cars with the valet staff at the entrance.
 - l. Should the valet drivers need to cross Point Lobos Avenue on foot, they will only do so at the marked crosswalk, and do so walking, not running, and with a careful pause so as not to interfere with Point Logos traffic or to endanger their safety.
6. The Maintenance Plan, EXHIBIT F, is hereby amended as follows:
- a. Subsection J of SECTION V. CONCESSIONER'S RESPONSIBILITIES, is hereby amended to include the following addition:
 - 5. The Concessioner shall ensure the parking lot area assigned for valet parking service is consistently clean and free from litter and other debris, and will conduct inspections and cleaning of such area on a nightly basis after valet parking services have concluded.
7. All other terms and conditions of the Contract shall remain unchanged. As specifically modified herein, the Contract remains in full force and effect.
8. This Amendment shall be effective on the latest date signed and dated by any of the Parties below.

IN WITNESS HEREOF the parties hereto have agreed to the terms and conditions set forth in this Amendment as of the last date written below.

CONCESSIONER

NATIONAL PARK SERVICE

By: 
Demosthenis M. Hountalás
President
Peanut Wagon, Inc.

By: 
for Jonathan B. Jarvis
Regional Director
Pacific West Region

Date 9-18-09

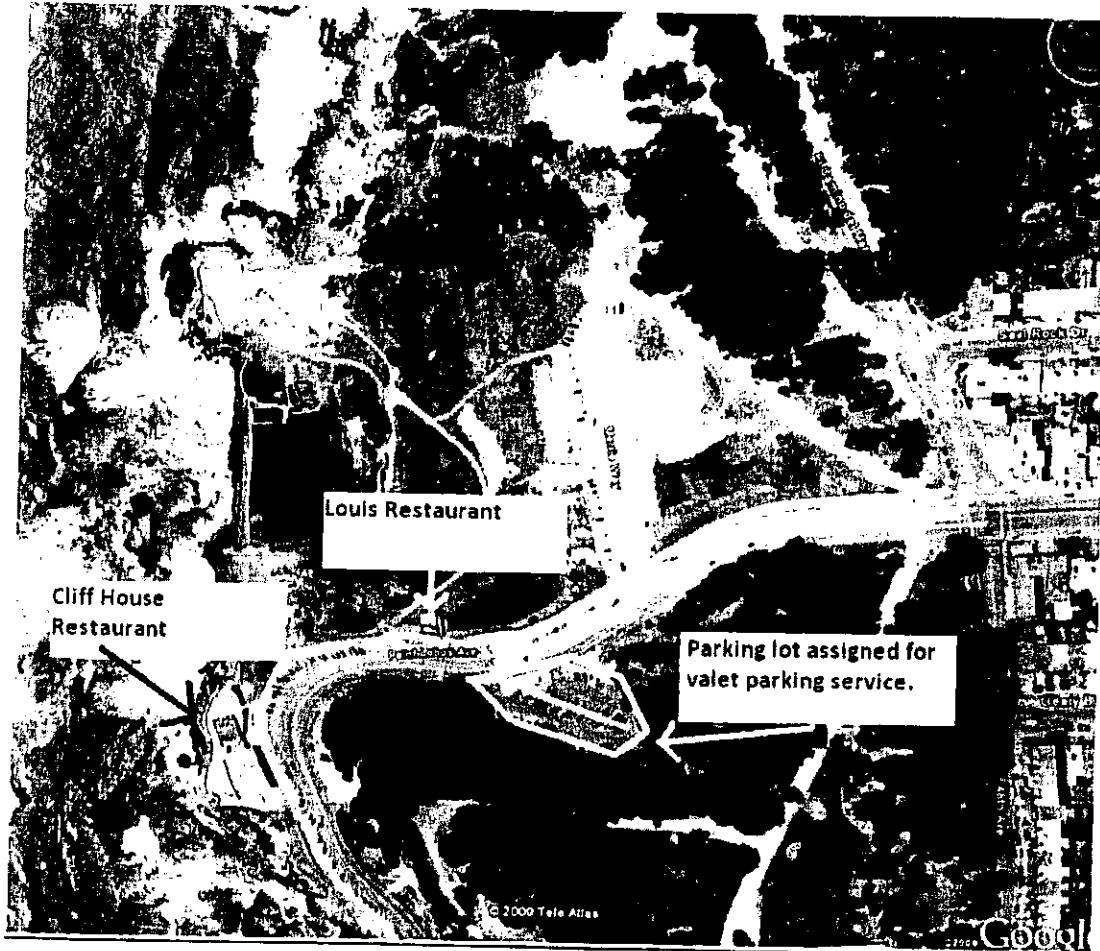
Date 10/9/09

ATTEST:

By:  | 9-24-09
Date

Typed Name: Ralph Burgia

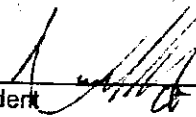
Attachment 1:
Assigned Lands - Parking lot located on Point Lobos Avenue across from Louis Restaurant.



Attachment 1 - Approved Effective: OCTOBER 9, 2009

CONCESSIONER

UNITED STATES OF AMERICA

BY: 
President
Peanut Wagon, Inc.

BY: 
Regional Director
Pacific West Region
National Park Service
actual

Golden Gate National Recreation Area
Pacific West Region - National Park Service

Attachment 2:

EXHIBIT C-2: GOVERNMENT IMPROVEMENTS

CONCESSIONER POSSESSORY INTEREST IN GOVERNMENT IMPROVEMENTS

The following listing is for the purposes of Section 13, COMPENSATION, and is a complete list, as of the date of this Amendment, of all Concessioner claims to Concessioner Possessory Interest in Government Improvements in existence following the completion to the Improvement Program to rehabilitate the Cliff House. Additionally, a schedule of the total depreciated value of such possessory interest over its useful life is included for reference purposes.

Description	Acquired Date	Useful Life	Beginning Value
10-year Possessory Interest			
Location = Administration Area			
10 Year Possessory Int.-Administration	01/01/04	10	57,284
10 Year Possessory Int.-C.I.P. -Administration	12/01/05	10	655
10 Year Possessory Int.-Administration, Basement Exit Doors	11/30/08	10	3,242
Location = Security Camera System			
10 Year Possessory Int.-Inst. Camera Front Entry, Wine Room, Receiving	06/06/06	10	1,522
10 Year Possessory Int.-Inst. Camera Sutro Bar, Stairs, TR Bathrooms	06/18/06	10	2,004
10 Year Possessory Int.-Inst. Color Day/Night Camera-Admin	10/10/06	10	1,754
10 Year Possessory Int.-Inst. Camera Sutro Balcony, Gift Shop North-Admin	11/07/06	10	1,164
10 Year Possessory Int.-Inst. Camera Manager's Office/Stairs/Bistro Bar.Hallway	07/14/06	10	1,627
10 Year Possessory Int.-Inst. Camera Locker Room, Vault Room Admin	09/13/06	10	1,372
Location = Bistro Bar Area			
10 Year Possessory Int.-Bistro Bar	01/01/04	10	343,707
10 Year Possessory Int.-Inst. Outdoor Camera/Receivers	11/01/06	10	2,667
10 Year Possessory Int.-C.I.P. - Bistro Bar	03/01/06	10	3,929
10 Year Possessory Int.-Bistro Bar	01/01/04	10	114,569
10 Year Possessory Int.-C.I.P.-Bistro Bar	03/01/06	10	1,310
10 Year Possessory Int.-Bistro Bar, Woven Vinyl Flooring	06/30/08	10	4,057
Location = Gift Shop Area			
10 Year Possessory Int.-Gift Shop	12/01/05	10	655
10 Year Possessory Int.-Gift Shop	01/01/04	10	57,284
Location = Sutro Bar Area			
10 Year Possessory Int.-Sutro Bar	01/01/04	10	400,991
10 Year Possessory Int.-C.I.P.-Sutro Bar	02/01/06	10	4,584
10 Year Possessory Int.-Sutro Bar	01/01/04	10	114,569
10 Year Possessory Int.-C.I.P.-Sutro Bar	02/01/06	10	1,310
10 Year Possessory Int.-Sutro Bar, Lutron Blinds	09/30/08	10	41,460
Location = Terrace Room Area			
10 Year Possessory Int. - TR	01/01/04	10	57,285
10 Year Possessory Int. Projector-TR	10/01/06	10	1,736
10 Year Possessory Int.-Speaker Inst.	11/22/06	10	4,650
10 Year Possessory Int.-C.I.P. TR	01/01/06	10	655

Description	Acquired Date	Useful Life	Beginning Value
30-year Possessory Interest			
Location = Administration Area			
30 Year Possessory Int. – Administration	04/15/06	30	13,800
30 Year Possessory Int. – Administration	02/15/06	30	9,962
30 Year Possessory Int.-Administration	01/01/05	30	378,412
30-Year Possessory Int. – Administration	12/01/05	30	2,700
Location = Bistro Bar Area			
30 Year Possessory Int.-Bistro Bar	01/01/05	30	2,286,675
30 Year Possessory Int.-Supply.Tempered Glass & Mirrors-Bistro Bar	10/12/06	30	3,960
30 Year Possessory Int..C.I.P. Bistro Bar	02/01/06	30	59,774
30 Year Possessory Int.-Bistro Bar	01/01/05	30	762,225
30 Year Possessory Int.-C. I. P. -Bistro Bar	02/01/06	30	19,925
Location = Gift Shop Area			
30 Year Possessory Int.-Gift Shop	01/01/05	30	381,112
30 Year Possessory Int.C.I. P. Gift Shop	02/01/06	30	9,962
Location = Sutro Bar Area			
30 Year Possessory Int.-Sutro Bar	01/01/05	30	2,667,787
30 Year Possessory Int.-Electrical Work Sutro Bar	05/10/06	30	7,650
30 Year Possessory Int. .C.I.P. Sutro Bar	05/01/06	30	69,737
30 Year Possessory Int. Track Lighting-Sutro Bar	08/31/07	30	1,722
30 Year Possessory Int.-Sutro Bar	01/01/05	30	762,225
30 Year Possessory Int.-C.I.P.-Sutro Bar	02/01/06	30	19,925
Location = Terrace Room Area			
30 Year Possessory Int.-Terrace Room	01/01/05	30	381,112
30 Year Possessory Int. Supply.Inst.Recess Light & Dimmers	07/22/06	30	4,825
30 Year Possessory Int.-C.I.P.-Terrace Room	02/01/06	30	9,962
Grand Totals:			\$9,079,494

Defined Terms:

- C.I.P. = Construction in Progress
- Inst. = Installed
- Int. = Interest

Period Ending	Depreciated Value of Possessory Interest in Government Improvements
12/31/2004	\$1,031,120
12/31/2005	\$8,286,106
12/31/2006	\$8,169,427
12/31/2007	\$7,791,677
12/31/2008	\$7,459,660
12/31/2009	\$7,075,274
12/31/2010	\$6,690,888
12/31/2011	\$6,306,502
12/31/2012	\$5,922,117
12/31/2013	\$5,537,731
12/31/2014	\$5,267,914
12/31/2015	\$4,998,108
12/31/2016	\$4,729,970
12/31/2017	\$4,463,313
6/30/2018*	\$4,329,984
12/31/2018	\$4,197,921
12/31/2019	\$3,936,139
12/31/2020	\$3,674,358
12/31/2021	\$3,412,576
12/31/2022	\$3,150,794
12/31/2023	\$2,889,012
12/31/2024	\$2,627,230
12/31/2025	\$2,365,449
12/31/2026	\$2,103,667
12/31/2027	\$1,841,885
12/31/2028	\$1,580,103
12/31/2029	\$1,318,321
12/31/2030	\$1,056,540
12/31/2031	\$794,758
12/31/2032	\$532,976
12/31/2033	\$271,194
12/31/2034	\$9,412
12/31/2035	\$1,623
12/31/2036	\$0

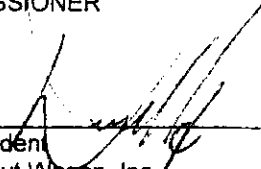
*Contract Expiration Date

Note: This table is provided for reference purposes only. It assumes no additions or deletions to Possessory Interest for the term of the Contract. The depreciated value of Possessory Interest in Government Improvements may be subject to change based on future approved additions or deletions.

Attachment 2 - Approved Effective: October 9, 2009

CONCESSIONER

UNITED STATES OF AMERICA

BY: 
 President
 Peanut Wagon, Inc.

BY: 
 Regional Director
 Pacific West Region
 National Park Service

Attachment 3:

EXHIBIT E-2: BUILDING REPLACEMENT COST FOR INSURANCE PURPOSES

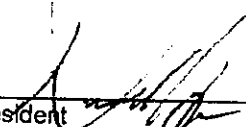
Building Description	FMSS Asset Code	FMSS Asset Type	Total Units (Qty)*	Unit	Insurance Replacement Cost
Cliff House	38099	4100	29,418	sq. ft.	\$10,357,389

*All square footage provided is approximate and is furnished solely for insurance purposes.

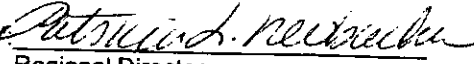
Exhibit E-2 Approved Effective: OCTOBER 9, 2007

CONCESSIONER

UNITED STATES OF AMERICA

BY: 

President
Peanut Wagon, Inc.

BY: 

Regional Director
Pacific West Region
National Park Service



United States Department of the Interior

NATIONAL PARK SERVICE

Golden Gate National Recreation Area
Fort Mason # 201
San Francisco, California 94123

IN REPLY REFER TO:
C50 (GOGA-BMD)

August 31, 2009

Mr. Dan Hountalas, President
Peanut Wagon, Inc., dba The Cliff House
1090 Point Lobos
San Francisco, CA 94121

Dan

Dear ~~Mr.~~ Hountalas:

Thank you for your patience throughout this franchise fee reconsideration period. Enclosed please find for your execution, Amendment No. 2 to Concession Contract CC-GOGA010-98. This Amendment No. 2 formalizes the accepted terms between the National Park Service (NPS) and Peanut Wagon, regarding the contractually required franchise fee reconsideration, as well as authorizes valet parking and assigns land for such use, confirms schedule of possessory interest and updates the insurance replacement costs for property insurance requirements.

We did not change language regarding timing of monthly payments, but we clarify in this letter that payments are not due until the point that cumulative gross receipts in a given fiscal year have surpassed the applicable annual threshold on gross receipts subject to fees. Therefore, payments will not become due, if at all, until late in your fiscal year, although we suggest you prudently budget a monthly set-aside in anticipation of payments that may be required.

For your reference, we have outlined below all material changes made to the attached Amendment No. 2 since the draft sent to you in July 2009, as a result of NPS legal review and Peanut Wagon concerns;

1. At your request, due to financial hardships this year resulting from the San Francisco Assessor's Possessory Tax ruling the franchise fee commencement period was changed from July 1, 2008 to January 1, 2009. This change was made to effectively waive any fees, approximately \$15,000, that would have been due for the six month period from July to December 2008.
2. The new provision which added franchise fee reconsideration language related to extraordinary, unanticipated changes was determined to be incompatible with Federal Laws and Regulations applicable to this concession contract and therefore had to be removed, however, the existing franchise fee reconsideration language remains.
3. Furthermore, although Peanut Wagon failed to follow proper procedures for obtaining Possessory Interest, at your request and in good faith to the long partnership between NPS

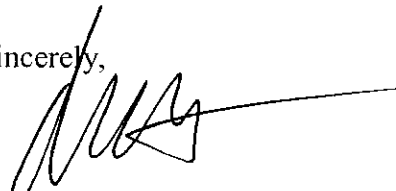
and Cliff House, we reviewed and considered your additional claimed 10-year possessory interest items for 2008 furnished by your accountant, and added \$48,759 to the total Possessory Interest settlement. Many of the items cannot be approved because they are not considered permanently affixed real property.

<u>Item</u>	<u>Amount</u>	<u>Approved (Y/N)</u>	<u>Justification</u>
Sound Proofing Entry Doors (2) –T.R.	\$4,927	No	Not Eligible
Dance Floor – T.R.	\$1,906	No	Not Eligible
Lutron Shades (Blinds) – Sutro	\$41,460	Yes	Permanently affixed capital improvement – Eligible
Flat Clear Mirror – Sutro Bar	\$2,350	No	Not Eligible
Woven Vinyl Flooring – Bistro	\$4,057	Yes	Permanently affixed capital improvement – Eligible
Palm Trees – Admin	\$7,450	No	Not Eligible
Vases for Palm Trees – Admin	\$5,411	No	Not Eligible
Exit Doors (2) Basement – Admin	\$3,242	Yes	Permanently affixed capital improvement – Eligible
Plasma TV – Bistro	\$1,279	No	Not Eligible
Plasma TV – Bistro	\$1,668	No	Not Eligible
Espresso Machine – Bistro Bar	\$4,747	No	Not Eligible
Admin – CIP	\$1,998	No	Not Eligible

PLEASE NOTE: Possessory Interest is a financial liability of the U.S. Government. Therefore, Section 4(b)(2) of the Contract specifies that all Possessory Interest eligible expenditures have prior written approval by NPS, which was not sought by Peanut Wagon for these amounts. Moreover, no additions to Possessory Interest were identified in the 2008 Annual Financial Report. **In our letter to you dated August 26, 2008 and again here we reiterate the necessity to receive NPS approval prior to such additions being made. Moving forward, absolutely no additions to possessory interest will be granted without prior written approval by NPS.**

Again, we appreciate your time and efforts in resolving this fee reconsideration and bringing this contract amendment to a close. Please feel free to call me to discuss any questions or concerns, otherwise please execute the Amendment No. 2 in a timely fashion and return an original copy to my attention at your earliest possible convenience. Upon receipt, the Amendment will be forwarded to our Regional Director for final signature and an original executed copy returned to you for your records.

Sincerely,



Aaron Roth
Chief, Business Management Division

cc: Frank Dean, Acting Superintendent, Golden Gate NRA



United States Department of the Interior

NATIONAL PARK SERVICE

Pacific West Regional Office
1111 Jackson Street, Suite 700
Oakland, California 94607

IN REPLY REFER TO:
C3823(PGSO-OC)
Y4

NOV 21 2002

Memorandum

To: Associate Director for Administration, Business Practices, and Workforce Development

From: ^{NOTED} Regional Director, Pacific West Region

Subject: Golden Gate NRA Contract Amendment, Cliff House (CC-GOGA010-98)

On September 16, 1998, the National Park Service, through this office, awarded a twenty-year contract for concession operations at the Cliff House within Golden Gate National Recreation Area. The contract requires, among other things, for the concessioner to provide "an operable camera obscura with appropriate space for public display/presentation." Since the award of the contract, the park has determined to instead have the camera obscura operate under a separate and independent concession contract. This has been agreed to by the concessioner.

In consideration of the above, your concurrence by signature below is requested to proceed with the attached amendment Number 1 for Concession Contract CC-GOGA010-98 to eliminate the references in the Contract to the camera obscura. Upon concurrence, please return the original to this office, attention Concessions Program Office.

Should you have any questions, please contact Tony Sisto, Regional Concession Program Manager, at 510-817-1366, or Lee Shenk, Chief, Business Management Division, Golden Gate NRA, at 415-561-4949.

Jonathan B. Jarvis

Jonathan B. Jarvis

Attachment

Concur:

Janet Mome Acting for Dick Ring
Associate Director for Administration, Business Practices, and
Workforce Development

Date:

12/17/02

AMENDMENT NO. 1
CONCESSION CONTRACT CC-GOGA010-98
PEANUT WAGON, INC., dba CLIFF HOUSE,

THIS AGREEMENT made and entered into by and between the United States of America, acting in this behalf by the Secretary of the Interior, through the Director of the National Park Service and Regional Director, Pacific West Region of the National Park Service, hereinafter referred to as the "Secretary", and Peanut Wagon, Inc., dba Cliff House, a corporation organized and existing under the laws of the State of California, and hereinafter referred to as the "Concessioner".

WITNESSETH

THAT WHEREAS, the Secretary entered into Concession Contract No. CC-GOGA 010-98, (hereinafter referred to as the CONTRACT) whereby the Concessioner is authorized to provide accommodations, facilities and services for the public within Golden Gate National Recreation Area (hereinafter referred to as the Area) for the period from July 1, 1998, through June 30, 2018; and

WHEREAS, the Secretary finds it necessary to modify the required and authorized services provided by the Concessioner; and

WHEREAS, all terms herein shall have the same meaning ascribed to them in the CONTRACT unless otherwise defined herein;

NOW, THEREFORE, the parties hereto covenant and agree to and with each other that the CONTRACT is hereby amended as follows:

A. Amend SEC. 1 TERM OF CONTRACT as follows:

In subsection 1(b) 1, lines 28 and 29, page 2, delete the words "Provide, within the structure, an operable camera obscura with appropriate space for public display/presentation."

B. Amend SEC. 2 ACCOMMODATIONS, FACILITIES AND SERVICES as follows:

In subsection (a), item 3, line 30, page 3, delete in its entirety

IN WITNESS WHEREOF, the parties hereto have subscribed their names.

Executed at Oakland, California, this 14th day of February, 200~~2~~³.

UNITED STATES OF AMERICA

BY: Patricia Neubacker
Jonathan B. Jarvis ^{FOR}
Regional Director, Pacific West Region

CONCESSIONER
Peanut Wagon, Inc., dba Cliff House.

ATTEST:

By: [Signature]

BY: [Signature]

Type Name: Demosthenis Hountalas

Type Name: Ralph Burgin

TITLE: President

TITLE: VP Operations

DATE: 02-13-03

DATE: 2-13-03

AMENDMENT NO. 1
CONCESSION CONTRACT CC-GOGA010-98
PEANUT WAGON, INC., dba CLIFF HOUSE,

THIS AGREEMENT made and entered into by and between the United States of America, acting in this behalf by the Secretary of the Interior, through the Director of the National Park Service and Regional Director, Pacific West Region of the National Park Service, hereinafter referred to as the "Secretary", and Peanut Wagon, Inc., dba Cliff House, a corporation organized and existing under the laws of the State of California, and hereinafter referred to as the "Concessioner".

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B. Amend SEC. 2 ACCOMMODATIONS, FACILITIES AND SERVICES as follows:

In subsection (a), item 3, line 30, page 3, delete in its entirety

IN WITNESS WHEREOF, the parties hereto have subscribed their names.

Executed at Oakland, California, this 14th day of February, 2002.

UNITED STATES OF AMERICA

BY: Patricia A. Neubacher
Jonathan B. Jarvis FOR
Regional Director, Pacific West Region

CONCESSIONER
Peanut Wagon, Inc., dba Cliff House.

ATTEST:

By: [Signature]

BY: [Signature]

Type Name: Demos Hannis Houn

Type Name: Ralph Burgin

TITLE: President

TITLE: VP Operations

DATE: 03-13-03

DATE: 2-13-03

UNITED STATES
DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
CONCESSION CONTRACT

--ooOoo--

FOOD AND BEVERAGE,
GIFT SHOP, AND CAMERA OBSCURA
AT THE CLIFF HOUSE
within
GOLDEN GATE NATIONAL RECREATION AREA

--ooOoo--

CONTRACT NO. CC-GOGA010-98

COVERING THE PERIOD

July 1, 1998 THROUGH June 30, 2018

CONCESSION CONTRACT

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EXHIBITS

- EXHIBIT "A": Nondiscrimination
- EXHIBIT "B": Land Assignment
- EXHIBIT "C": Government Improvements Assigned
- EXHIBIT "D": Concessioner Improvements
- EXHIBIT "E": Building Replacement Cost for Insurance Purposes
- EXHIBIT "F": Maintenance Plan
- EXHIBIT "G": Operating Plan
- EXHIBIT "H": Account Control Procedure

1
2 THIS CONTRACT made and entered into by and between the United States of
3 America, acting in this matter by the Secretary of the Interior, through the Director of
4 the National Park Service, and the Regional Director of the Pacific West Region,
5 hereinafter referred to as the "Secretary," and Peanut Wagon, Inc., a corporation
6 organized and existing under the laws of the State of California doing business as The
7 Cliff House, hereinafter referred to as the "Concessioner":
8

9 WITNESSETH:

10
11 THAT WHEREAS, Golden Gate National Recreation Area (hereinafter referred
12 to as the "Area") is administered by the Secretary to conserve the scenery and the
13 natural and historic objects and the wildlife therein, and to provide for the public
14 enjoyment of the same in such manner as will leave such area unimpaired for the
15 enjoyment of future generations; and
16

17 WHEREAS, the accomplishment of these purposes requires that facilities and
18 services that have been determined to be necessary and appropriate for the public use
19 and enjoyment of the area be provided for the public visiting the area; and
20

21 WHEREAS, the United States has not itself provided all such necessary facilities
22 and services and desires the Concessioner to establish and operate certain of them at
23 reasonable rates under the supervision and regulation of the Secretary; and
24

25 WHEREAS, pursuant to law the Secretary is required to exercise his authority
26 hereunder in a manner consistent with a reasonable opportunity by the Concessioner
27 to realize a profit on the operations conducted hereunder as a whole commensurate
28 with the capital invested and the obligations assumed:
29

30 NOW, THEREFORE, pursuant to the authority contained in the Acts of August
31 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2-4), and October 9, 1965 (79 Stat. 969; 16 U.S.C.
32 20 et seq.), and other laws supplemental thereto and amendatory thereof, the Secretary
33 and the Concessioner agree as follows:
34
35

36 **SEC. 1. TERM OF CONTRACT** (a) This CONTRACT shall be for the term of
37 TWENTY (20) years from July 1, 1998, conditioned upon the Concessioner's
38 completion of the improvement and building program set forth in subsection (b) hereof.
39 If, for any reason, the Concessioner fails to complete this program to the satisfaction of

1 the Secretary within FIVE (5) years from the effective date of this contract, then this
2 CONTRACT shall be for the term of SIX (6) years from effective date.

3
4 (b) The Concessioner shall undertake and complete an improvement and building
5 program (hereinafter "Improvement Program") costing not less than \$7.975 MILLION
6 DOLLARS (\$7,975,000) as adjusted to reflect par value in the year of actual
7 construction in accordance with the appropriate indexes of the Department of
8 Commerce's "Construction Review." It is agreed that such investment is consistent with
9 Section 3(a) hereof. The Improvement Program shall include:

10
11 1. Complete, to the satisfaction of the Secretary, in accordance with the approved
12 Sutro Historic District Comprehensive Design and Environmental Assessment, Title 36
13 of the Code of Federal Regulations (CFR) Part 68, a rehabilitation of the Cliff House
14 structure. The program shall consist of the following:

15
16 Retain the 1909 core building and rehabilitate its significant features. Make the
17 core building, any additions, and all building systems compatible with current
18 building codes. In the existing building, demolish the southern, western and
19 northern additions. Demolish the North Annex and restore the site. Square
20 footage may be added to the north side of the core building. The project may
21 have a maximum size of roughly 20,525 square feet of total building area.
22 Generally, the project should remain within the existing footprint of the core
23 building and the current north annex.

24
25 Install elevator service for patrons of the facility as well as for general park
26 visitors requiring access between the street and the terrace level.

27
28 Provide, within the structure, an operable camera obscura with appropriate
29 space for public display/presentation.

30
31 Construction shall be undertaken so as to achieve energy efficiency and
32 sustainable design practices in both initial design and future operations.

33
34 (c) The Concessioner shall commence construction under the Improvement Program
35 promptly, at the direction of the Secretary, in such a manner as to demonstrate to the
36 satisfaction of the Secretary that it is in good faith carrying the Improvement Program
37 forward reasonably under the circumstances. After written approval of plans and
38 specifications, the Concessioner shall provide the Secretary with such evidence or

1 documentation, as may be satisfactory to the Secretary, to demonstrate that the
2 Improvement Program duly is being carried forward.
3

4 (d) The Concessioner may, in the discretion of the Secretary, be relieved in whole or in
5 part of any or all of the obligations of the Improvement Program for such stated periods
6 as the Secretary may deem proper upon written application by the Concessioner
7 showing circumstances beyond its control warranting such relief.
8

9 (e) In addition to the Improvement Program described above, the Concessioner shall
10 accomplish such additional improvement projects as may be funded from the
11 account(s) established in Section 10 hereof.
12
13

14 **SEC. 2. ACCOMMODATIONS, FACILITIES AND SERVICES** (a) The Secretary
15 hereby requires and authorizes the Concessioner during the term of this CONTRACT
16 to provide accommodations, facilities and services for the public within the Area, as
17 follows:
18

19 1. Provide the public a variety of food and beverage services within the Cliff House, as
20 approved by the Secretary. Provide a range in the choice of foods as well as method
21 and extent of offerings, including but not limited to, quick service (such as stand up or
22 sit-down, counter, delicatessen, or cafeteria style), coffee shop, fine dining, and on-
23 premise sale of beer, wine, and other alcoholic beverages.
24

25 2. Provide gift and souvenir sales for the public that are related to the park and its
26 purposes and to the objectives of the National Park Service, as approved by the
27 Secretary. Provide this service in accordance with a Gift Shop Mission Statement as
28 that may be defined in Exhibit G, Operating Plan.
29

30 3. Operate, within the rehabilitated Cliff House structure, a camera obscura.
31

32 4. Within the renovated building, provide a weather information service using
33 electronic devices that display the current weather such as barometric pressure,
34 temperature, wind speed and direction, precipitation, and fog and rain forecasting.
35

36 5. Conduct this business so that it is presented to the public as part of the Area and
37 the history of the Sutro Historic District. Assure that employees are prepared to give
38 accurate information about the Sutro Historic District, the park, and the restaurant's
39 operation and setting.

1
2 6. Provide services incidental to the operations authorized hereunder at the request of
3 the Secretary.
4

5 (b) The Secretary reserves the right to determine and control the nature, type and
6 quality of the merchandise and services described herein to be sold or furnished by the
7 Concessioner within the Area.
8

9 (c) Operations under this CONTRACT and the administration of it by the Secretary
10 shall be subject to the laws of Congress governing the Area and rules, regulations and
11 policies promulgated thereunder, whether now in force or hereafter enacted or
12 promulgated, including but not limited to United States Public Health Service
13 requirements. The Concessioner must also comply with applicable requirements
14 promulgated by the United States Department of Labor's Occupational Safety and
15 Health Act of 1970 (OSHA) and those provisions outlined in the National Park Service's
16 Safety and Occupational Health Policy associated with visitor safety and health.
17

18 (d) In order to implement these requirements the Secretary, acting through the
19 Superintendent and in consultation with the Concessioner, shall establish and revise as
20 circumstances warrant, specific operating requirements in the form of an Operating
21 Plan which shall be adhered to by the Concessioner. The initial Operating Plan is
22 attached hereto as Exhibit "G" and is incorporated herein by this reference.
23 Modifications made to the initial Operating Plan by the Secretary shall not be
24 inconsistent with the terms and conditions of the main body of this CONTRACT.
25

26 (e) All printed material given to the public, including promotional material, must be
27 approved in writing by the General Superintendent prior to use. All such material will
28 identify the operation as "an authorized Concessioner of the National Park Service,
29 Department of the Interior."
30

31 (f) The Concessioner shall develop a comprehensive, written safety and occupational
32 health program for its concession operation in accordance with National Park Service
33 "Concessioner Risk Management Program" Guidelines.
34
35

36 SEC. 3. PLANT, PERSONNEL AND RATES (a) The Concessioner shall maintain
37 and operate the services described above to such extent and in such manner as the
38 Secretary may deem satisfactory, and shall provide the plant, personnel, equipment,
39 goods, and commodities necessary therefor, provided that the Concessioner shall not

1 be required to make investments inconsistent with a reasonable opportunity to realize a
2 profit on its operations under this CONTRACT commensurate with the capital invested
3 and the obligations assumed.

4
5 (b)(1) The Concessioner is required to have its employees who come in direct contact
6 with the public, so far as practicable, to wear a uniform or badge by which they may be
7 known and distinguished as the employees of the Concessioner.

8
9 (b)(2) The Concessioner shall establish pre-employment screening, hiring, training,
10 employment, termination and other policies and procedures for the purpose of
11 providing services to park visitors through its employees in an efficient and effective
12 manner and for the purpose of maintaining a healthful, law abiding, and safe working
13 environment for its employees. The Concessioner shall require its employees to be
14 hospitable and to exercise courtesy and consideration in their relations with the public.

15
16 (b)(3) The Concessioner shall hire, to the greatest extent possible, people of integrity
17 who are both interested in serving the public in a national park environment and
18 interested in being positive contributors to the park's purposes. The Concessioner
19 shall conduct appropriate background reviews of applicants for employment to assure
20 that they conform to the hiring policies established by the Concessioner.

21
22 (b)(4) The Concessioner shall review the conduct of any of its employees whose
23 actions or activities are considered by the Concessioner or the Secretary to be
24 inconsistent with the proper administration of the Area and enjoyment and protection of
25 visitors and shall take such actions as are necessary to fully correct the situation.

26
27 (b)(5) The Concessioner will maintain, to the greatest extent possible, a drug-free
28 workplace environment. The Concessioner shall conduct educational program(s) for its
29 employees to deter substance abuse and alcohol abuse. Those employees identified
30 in the Operating Plan as being in safety-sensitive positions will be required to
31 participate in periodic drug testing as part of the Concessioners drug-free workplace
32 program. Illegal drug possession, sale, or use, should it occur, will be promptly
33 reported by the Concessioner to Area authorities.

34
35 (b)(6) The Concessioner shall, in addition to other laws and regulations which may be
36 applicable to its operations, comply with applicable requirements:
37

1 (i) Title VII of the Civil Rights Act of 1964, 42 U.S.C. 2000e, et seq, as well as
2 Executive Order No. 11246 of September 24, 1965, as amended by Executive
3 Order No. 11375 of October 13, 1967;

4
5 (ii) Title V, Sections 503 and 504 of the Rehabilitation Act of September 26,
6 1973, P.L. 93-112, 29 U.S.C. 793, as amended in 1978;

7
8 (iii) 41 CFR Part 60-2 which prescribes affirmative action requirements for
9 contractors and subcontractors;

10
11 (iv) the Age Discrimination in Employment Act of December 15, 1967, (P.L. 90-
12 202), as amended by (P.L. 95-256) of April 6, 1978; and

13
14 (v) the Architectural Barriers Act of 1968 (P.L. 90-480).

15
16 (b)(7) Concessioner shall also comply with regulations heretofore or hereafter
17 promulgated, relating to nondiscrimination in employment and providing accessible
18 facilities and services to the public including those set forth in Exhibit "A" and
19 incorporated herein by this reference.

20
21 (c)(1) All rates and prices charged to the public by the Concessioner for
22 accommodations, services or goods furnished or sold shall be subject to regulation and
23 approval by the Secretary. Reasonableness of rates and prices will be judged
24 generally by comparison with those currently charged for comparable services or goods
25 furnished or sold outside of the areas administered by the National Park Service under
26 similar conditions, with due allowance for length of season, provision for peak loads,
27 accessibility, availability and cost of labor and materials, type of patronage, and other
28 conditions customarily considered in determining charges, but due regard may also be
29 given to such other factors as the Secretary may deem significant.

30
31 (c)(2) The initial rates for visitor services for this CONTRACT will be determined by
32 using the Competitive Market Declaration process. This process will continue to be
33 utilized as long as the Secretary determines the pricing is competitive and rates are
34 reasonable. The Declaration will be reviewed by the Superintendent annually and will
35 require the Concessioner to submit the basic maximum rate increase for approval by
36 the Superintendent before initiating any price increases.

37
38 (c)(2) The Concessioner shall require its employees to observe a strict impartiality as
39 to rates and services in all circumstances. The Concessioner may, subject to the prior

1 approval of the Secretary, grant complimentary or reduced rates under such
2 circumstances as are customary in businesses of the character conducted hereunder.
3
4

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

10
11 (a)(2) The Secretary reserves the right to withdraw such assignments or parts thereof
12 at any time during the term of this CONTRACT if, in his judgement,
13

14 (i) such withdrawal is for the purpose of enhancing or protecting area resources
15 or visitor enjoyment or safety, or
16

17 (ii) the operations utilizing such assigned lands or buildings are terminated
18 pursuant to Section 12 hereof.
19

20 (a)(3) Any permanent withdrawal of assigned lands or Government Improvements
21 which are essential for conducting the operation authorized hereunder will be
22 considered by the Secretary as a termination of this CONTRACT pursuant to Section
23 12 hereof. The Secretary shall compensate the Concessioner for any Possessory
24 Interest it may have in such properties permanently withdrawn pursuant to Section 13
25 hereof.
26

27 (b)(1) "Government Improvements" as used herein, means the buildings, structures,
28 utility systems, fixtures, equipment, and other improvements affixed to or resting upon
29 the lands assigned hereunder in such a manner to be part of the realty, if any,
30 constructed or acquired by the Secretary and assigned to the Concessioner by the
31 Secretary for the purposes of this CONTRACT.
32

33 (b)(2) The Concessioner shall have a Possessory Interest to the extent provided
34 elsewhere in this CONTRACT in capital improvements (as hereinafter defined) it makes
35 to Government Improvements (excluding improvements made from funds from any
36 Section 10 accounts) with the written permission of the Secretary. In the event that
37 such Possessory Interest is acquired by the Secretary or a successor concessioner at
38 any time, the Concessioner will be compensated for such Possessory Interest pursuant
39 to Section 13 hereof.

1
2 (c) The Secretary shall have the right at any time to enter upon the lands and
3 improvements utilized by the Concessioner hereunder for any purpose he may deem
4 reasonably necessary for the administration of the Area.

5
6 (d) The Concessioner may construct or install upon assigned lands such buildings,
7 structures, and other improvements as are necessary for operations hereunder, subject
8 to the prior written approval by the Secretary of the location, plans, and specifications
9 thereof. The Secretary may prescribe the form and contents of the application for such
10 approval. The desirability of any project as well as the location, plans and
11 specifications thereof will be reviewed in accordance with applicable provisions of the
12 National Environmental Policy Act of 1969 and the National Historic Preservation Act
13 of 1966, among other requirements.

14
15 (e) If, during the term of this CONTRACT, a Government Improvement requires capital
16 improvement (major repairs and/or improvements that serve to prolong the life of the
17 Government Improvement to an extent requiring capital investment for major repair),
18 such capital improvements shall be made by the Concessioner at its expense if
19 consistent with a reasonable opportunity for the Concessioner to realize a profit as
20 described above. Where capital improvements to other Government facilities which
21 directly support the Concessioner's operations under this CONTRACT are determined
22 by the Secretary to be necessary for the accommodation of Area visitors, such
23 improvements shall be made by the Concessioner at its expense unless the Secretary
24 determines that expenditures for such improvements are inconsistent with a reasonable
25 opportunity for the Concessioner to realize a profit as described above.

26
27 (f) Federal law prohibits the excavation, removal, damage, alteration, or defacement of
28 any archeological resource on Federal lands. (See Archeological Resource Protection
29 Act of 1979 (ARPA, Public Law 95-96).) The Concessioner shall control the actions of
30 its employees and contractors within the assigned lands to ensure that any protected
31 sites and archeological resources are not disturbed or damaged. Discoveries of such
32 resources by Concessioner employees or contractors are to be reported to the
33 Superintendent. It is also the obligation of the Concessioner to cease work or other
34 disturbance in the event of a newly discovered archeological site until further
35 authorization from the Secretary to continue work is obtained.

36
37
38 SEC. 5. MAINTENANCE (a) Subject to Section 4(e) hereof, the Concessioner will
39 physically maintain and repair all facilities (both Government Improvements and

1 Concessioner Improvements) used in operations under this CONTRACT, including
2 maintenance of assigned lands and all necessary housekeeping activities associated
3 with such operations, to the satisfaction of the Secretary.
4

5 (b) In order to implement these requirements, the Secretary, acting through the
6 Superintendent, shall undertake appropriate inspections, and, in consultation with the
7 Concessioner, shall establish and revise as circumstances warrant a Maintenance Plan
8 consisting of specific maintenance requirements which shall be adhered to by the
9 Concessioner. The initial Maintenance Plan is attached hereto as Exhibit "F" and is
10 incorporated herein by this reference. Modifications made to the initial Maintenance
11 Plan by the Secretary shall not be inconsistent with the terms and conditions of the
12 main body of this CONTRACT.
13

14
15 **SEC. 6. CONCESSIONER'S IMPROVEMENTS** (a)(1) "Concessioner Improvements,"
16 as used herein, means buildings, structures, fixtures, equipment, and other
17 improvements, affixed to or resting upon the lands assigned hereunder in such manner
18 as to be a part of the realty, provided by the Concessioner for the purposes of this
19 CONTRACT (excluding improvements made to Government Improvements and
20 improvements made from funds in any Section 10 accounts), as follows:
21

22 (i) such improvements upon the lands assigned at the date hereof as described
23 in Exhibit "D" hereto; and
24

25 (ii) all such improvements hereafter constructed upon or affixed to the lands
26 assigned to the Concessioner with the written consent of the Secretary.
27

28 (a)(2) Concessioner Improvements do not include any interest in the land upon which
29 the improvements are located.
30

31 (a)(3) Any salvage resulting from the authorized removal, severance or demolition of a
32 Concessioner Improvement or any part thereof shall be the property of the
33 Concessioner.
34

35 (a)(4) In the event that a Concessioner Improvement is removed, abandoned,
36 demolished, or substantially destroyed and no other improvement is constructed on the
37 site, the Concessioner, at its expense, shall promptly, upon the request of the
38 Secretary, restore the site as nearly as practicable to its original condition.
39

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

3
4 (b)(2) Possessory Interest in Concessioner Improvements or Government
5 Improvements shall not be extinguished by the expiration or other termination of this
6 CONTRACT, and may not be terminated or taken for public use without just
7 compensation as determined in accordance with Section 13. Performance of the
8 obligations assumed by the Secretary under Section 13 hereof shall constitute just
9 compensation with respect to the taking of Possessory Interest.

10
11 (b)(3) Possessory Interest, as the term is used in this CONTRACT, shall consist of all
12 incidents of ownership in capital improvements made by the Concessioner, except legal
13 title which shall be vested in the United States and subject to other limitations as set
14 forth in this CONTRACT. Particularly, among other matters, the existence of
15 Possessory Interest shall not be construed to include or imply any authority, privilege,
16 or right to operate or engage in any business or other activity, and the use or
17 enjoyment of any structure, fixture or improvement in which the Concessioner has a
18 Possessory Interest shall be wholly subject to the applicable provisions of this
19 CONTRACT and to the laws and regulations relating to the Area.

20
21
22 SEC. 7. UTILITIES (a) The Secretary may furnish utilities to the Concessioner for
23 use in connection with the operations authorized under this CONTRACT when
24 available at reasonable rates to be fixed by the Secretary in his discretion. Such rates
25 shall at least equal the actual cost of providing the utility or service unless a reduced
26 rate is provided for in an established policy of the Secretary in effect at the time of
27 billing.

28
29 (b) Should the Secretary not provide such utilities, the Concessioner shall, with the
30 written approval of the Secretary and under such requirements as the Secretary shall
31 prescribe, secure necessary utilities at its own expense from sources outside the Area
32 or shall install the same within the Area with the written permission of the Secretary,
33 subject to the following conditions:

34
35 (i) Any water rights deemed necessary by the Concessioner for use of water on
36 Federal lands shall be acquired at its expense in accordance with applicable
37 State procedures and law. Such water rights, upon expiration or termination of
38 this CONTRACT for any reason shall be assigned to and become the property of
39 the United States without compensation;

1
2 (ii) Any utility service provided by the Concessioner under this Section shall, if
3 requested by the Secretary, be furnished to the Secretary to such extent as will
4 not unreasonably restrict anticipated use by the Concessioner. The rate per unit
5 charged the Secretary for such service shall be approximately the average cost
6 per unit of providing such service; and
7

8 (iii) All appliances and machinery to be used in connection with the privileges
9 granted in this Section, as well as the plans for location and installation of such
10 appliances and machinery, shall first be approved by the Secretary.
11

12
13 **SEC. 8. ACCOUNTING RECORDS AND REPORTS** (a) The Concessioner shall
14 maintain an accounting system whereby its accounts can be readily identified with its
15 system of accounts classification.
16

17 The Concessioner shall submit annually as soon as possible but not later than ninety
18 days (90) days after the last day of its fiscal year, a financial statement for the
19 preceding year or portion of a year as prescribed by the Secretary, and such other
20 reports and data, including, but not limited to, operations information, as may be
21 required by the Secretary. Such information is subject to public release to the extent
22 authorized by law or established policies and procedures of the Secretary.
23

24 The Concessioner's system of accounts classification shall be directly related to the
25 Concessioner Annual Report form issued by the Secretary.
26

27 The Concessioner's financial statements (Concessioner Annual Financial Report) shall
28 be audited by an independent certified public accountant.
29

30 The Concessioner must use the accrual accounting method. In addition, it must include
31 in its annual financial statement (Concessioner Annual Financial Report) a footnote
32 that reconciles its annual financial statement to its Federal income tax returns.
33

34 (b) Within ninety (90) days of the execution of this Contract or its effective date,
35 whichever is later, the Concessioner shall submit to the Secretary a balance sheet as
36 of the beginning date of the term of this CONTRACT. The balance sheet shall be
37 audited by an independent certified public accountant. The balance sheet shall be
38 accompanied by a schedule that identifies and provides details for all assets in which
39 the Concessioner claims a Possessory Interest. The schedule must describe these

1 assets in detail showing for each such asset the date acquired, useful life, cost and
2 book value.

3
4 (c) The Secretary and Comptroller General of the United States, or any of their duly
5 authorized representatives, shall at any time up until the expiration of five (5) calendar
6 years after the expiration of this Contract, have access to and the right to examine any
7 of the Concessioner's pertinent books, documents, papers, and records, including
8 Federal and State income tax returns (collectively "documents"), and such documents
9 of any subconcessioner related to this Contract, and, such documents of any
10 proprietary or affiliate companies of the Concessioner.

11
12
13 SEC. 9. FEES (a) For the term of this CONTRACT, subject to sub-section (e)(1)
14 below, the Concessioner shall pay to the Secretary for the privileges granted herein,
15 fees as follows:

16
17 A franchise fee equal to ZERO PERCENT (0%) of the Concessioner's gross receipts,
18 as herein defined, for the preceding year or portion of a year.

19
20 (b) The franchise fee shall be due on a monthly basis at the end of each calendar
21 month and shall be paid by the Concessioner in such a manner that payment shall be
22 received by the Secretary within 15 days after the last day of each month that the
23 Concessioner operates. Such monthly payment shall include the annual use fee for
24 assigned Government Improvements, as set forth in Exhibit "C" hereto, divided by the
25 expected number of operating months, as well as the specified percentage of gross
26 receipts for the preceding month. The payment of any additional amounts due at the
27 end of the operating year as a result of adjustments shall be paid at the time of
28 submission of the Concessioner's annual financial statement. Overpayments shall be
29 offset against the following year's franchise fees due. All franchise fee payments
30 consisting of \$10,000 or more, shall be deposited electronically by the Concessioner
31 using the Treasury Financial Communications System.

32
33 (c) An interest charge will be assessed on overdue amounts for each 30-day period, or
34 portion thereof, that payment is delayed beyond the 15-day period provided for above.
35 The percent of interest charged will be based on the current value of funds to the
36 United States Treasury as published quarterly in the Treasury Fiscal Requirements
37 Manual.
38

1 (d)(1) The term "gross receipts" as used in this CONTRACT shall be mean the total
2 amount received or realized by, or accruing to, the Concessioner from all sales for cash
3 or credit, of services, accommodations, materials, and other merchandise made
4 pursuant to the rights granted by this CONTRACT, including gross receipts of
5 subconcessioners as herein defined and commissions earned on contracts or
6 agreements with other persons or companies operating in the Area, and excluding
7 intracompany earnings on account of charges to other departments of the operation
8 (such as laundry), charges for employees' meals, lodgings, and transportation, cash
9 discounts on purchases, cash discounts on sales, returned sales and allowances,
10 interest on money loaned or in bank accounts, income from investments, income from
11 subsidiary companies outside of the Area, sale of property other than that purchased in
12 the regular course of business for the purpose of resale, and sales and excise taxes
13 that are added as separate charges to approved sales prices, gasoline taxes, fishing
14 license fees, and postage stamps, provided that the amount excluded shall not exceed
15 the amount actually due or paid government agencies, and amounts received as a
16 result of an add-on to recover utility costs above comparable utility charges. All monies
17 paid into coin operated devices, except telephones, whether provided by the
18 Concessioner or by others, shall be included in gross receipts. However, only
19 revenues actually received by the Concessioner from coin-operated telephones shall
20 be included in gross receipts.

21
22 (d)(2) The term "gross receipts of subconcessioners" as used in this CONTRACT shall
23 mean the total amount received or realized by, or accruing to, subconcessioners from
24 all sources, as a result of the exercise of the rights conferred by subconcession
25 contracts hereunder without allowances, exclusions or deductions of any kind or nature
26 whatsoever and the subconcessioner shall report the full amount of all such receipts to
27 the Concessioner within 45 days after the last day of the Concessioner's fiscal year or
28 portion of a year. Subconcessioners shall maintain an accurate and complete record of
29 all items listed in Subsection (d)(1) of this Section as exclusions from the
30 Concessioner's gross receipts and shall report the same to the Concessioner with the
31 gross receipts. The Concessioner shall be entitled to exclude items listed in
32 Subsection (d)(1) in computing the franchise fee payable to the Secretary as provided
33 for in Subsection (a) hereof.

34
35 (e)(1) Immediately following the end of each five year period of this CONTRACT, the
36 amount and character of the franchise fees described in this Section and/or
37 contributions to any accounts described in Section 10 hereof (Section 10 contributions)
38 shall be reconsidered for a period of one hundred and eighty (180) days.
39

1 During this reconsideration period, the Secretary or the Concessioner may propose
2 adjustments to such franchise fees and/or Section 10 contributions (which shall reflect
3 their position as to the then current probable value of the privileges granted by this
4 CONTRACT based upon a reasonable opportunity for profit in relation to both gross
5 receipts and capital invested) by mailing written notice to the other party of such
6 proposal before the end of the reconsideration period.

7
8 If no such notices are duly mailed, the reconsideration shall end and the fees and
9 contributions shall remain the same until the occurrence of the next reconsideration
10 period.

11
12 (e)(2) If the Secretary or the Concessioner duly makes a proposal to adjust the
13 franchise fees and/or Section 10 contributions before the end of the reconsideration
14 period, they shall, commencing the day after the end of the reconsideration period,
15 undertake a good faith negotiation of the proposal.

16
17 If such negotiation does not result in an agreement as to adjustments to the fees and/or
18 contributions within sixty (60) days of its commencement, this negotiation period shall
19 end and any adjustments determined by the Secretary as of that time shall go into
20 effect, provided that, the Concessioner may extend this negotiation period by appealing
21 such adjustments to the Secretary. Such appeal must be received by the Secretary
22 within thirty (30) days after the end of the sixty (60) day negotiation period. The appeal
23 must be in writing and include the Concessioner's detailed position as to the validity of
24 such adjustments to the fees and/or contributions.

25
26 The Secretary, acting through a designee other than the official who determined the
27 adjustments from which the Concessioner duly has appealed, shall consider the
28 position of the Concessioner and related documents as appropriate, and, if applicable,
29 the written views of the mediator as described below.

30
31 The Secretary shall then make a written final determination of appropriate adjustments
32 to franchise fees and/or Section 10 contributions consistent with the probable value to
33 the concessioner of the privileges granted by this contract based upon a reasonable
34 opportunity for profit in relation to both gross receipts and capital invested.

35
36 This final determination, or, where applicable, a determination as to adjustments made
37 at the end of the sixty day negotiation period described above from which the
38 Concessioner fails to timely appeal, shall be conclusive and binding upon the parties to
39 this CONTRACT.

1
2 (e)(3) Adjustments to franchise fees and/or Section 10 contributions resulting from the
3 process described herein shall be retroactive to the commencement of the applicable
4 contract period for which a notice of reconsideration was given.

5
6 Payments or contributions made in arrears shall include interest at a per cent based on
7 the current value of funds to the United States Treasury as published quarterly in the
8 Treasury Fiscal Requirements Manual.

9
10 The adjustments shall also be effective for the remaining term of this CONTRACT,
11 subject to the results of any further reconsideration periods.

12
13 If an adjustment to franchise fees and/or Section 10 contributions results in higher fees
14 and/or contributions, the Concessioner will pay all back franchise fees due (with
15 applicable interest) and make all Section 10 contributions due (with applicable interest)
16 at the time of the next regular franchise fee payment or Section 10 contribution
17 respectively.

18
19 If an adjustment results in lower fees and/or contributions, the Concessioner may
20 withhold the difference from future franchise fee payments or Section 10 contributions
21 until the Concessioner has recouped the overpayment.

22
23 Adjustments to franchise fees and/or Section 10 contributions will be embodied in an
24 amendment to this Contract unless resulting from a determination of the Secretary
25 without the agreement of the Concessioner in which event a copy of such determination
26 shall be attached to this Contract and become a part hereof as if originally incorporated
27 herein.

28
29 During the pendency of the process described herein, the Concessioner shall continue
30 to make the established franchise fee payments and/or Section 10 contributions
31 required by this CONTRACT.

32
33 (e)(4) In connection with an appeal to the Secretary hereunder, the Concessioner may
34 request mediation of appropriate adjustments to franchise fees and/or Section 10
35 contributions by providing a written request for mediation with its appeal to the
36 Secretary as described above.

37
38 The mediation will be conducted by the American Arbitration Association (AAA) or a
39 similar organization chosen by the Secretary and take place in Washington D.C.

1
2 The purpose of the mediation shall be to provide for the Secretary's consideration
3 during such appeal the views of the mediator as to appropriate adjustments of franchise
4 fees and/or Section 10 contributions consistent with the probable value to the
5 Concessioner of the privileges granted by this CONTRACT based upon a reasonable
6 opportunity for profit in relation to both gross receipts and capital invested.
7

8 The written views of the mediator shall be provided to the Secretary within ninety (90)
9 days of the request for mediation unless, because of extenuating circumstances, the
10 Secretary determines that an extension of this time period is warranted.
11

12 If such views are not provided within this time period (or a duly extended time period),
13 the advisory mediation shall terminate and the Secretary shall make a determination on
14 the appeal as if the mediation had not been requested. The Concessioner and the
15 Secretary shall cooperate in good faith to permit the views of the mediator to be
16 provided within the applicable time period.
17

18 The Secretary and the Concessioner shall share equally the costs of the services of the
19 mediator and the mediation organization.
20

21 The views of the mediator are advisory only.
22

23 (e)(5) The mediator shall be selected by agreement between the Concessioner and the
24 Secretary from a list provided by the mediation organization within ten (10) days of
25 receipt.
26

27 Promptly following the selection, the Secretary shall schedule a date for the mediation
28 meeting to take place at which time the written positions of the Concessioner and the
29 Secretary shall be presented to the mediator along with appropriate oral presentations
30 unless advance submissions are agreed upon.
31

32 The mediator shall not have the power to compel the production of documents or
33 witnesses and shall not receive or take into account information or documents
34 concerning positions taken by the Concessioner or the Secretary in the negotiations
35 which preceded the request for mediation.
36

37 The mediator shall consider the written submissions and any oral presentations made
38 and provide his or her written views as described above to the Secretary within ninety

1 (90) days of the request for mediation, or, if applicable, by the last day of a duly
2 extended time period.

3
4
5 SEC. 10. ACCOUNT
6

7 The following account is established effective with the first day of this CONTRACT and
8 shall continue until the later of, January 1, 2002, or such time as the demolition and
9 construction phase of the Improvement Program included at Section 1 of this
10 CONTRACT is begun on a schedule approved by the Superintendent. After payment,
11 pursuant to sub-section (a)(1), is made on the gross receipts for each month through
12 December 31, 2001, or the entire month in which the Superintendent determines the
13 demolition and construction phase has adequately begun, whichever is the later, any
14 balance in the account is to be distributed in accordance with sub-section (a)(6), below,
15 final reconciliation of the account is to be made, the account is to be closed, and this
16 Section of the contract is to be deleted.

17
18 (a) GOVERNMENT IMPROVEMENT ACCOUNT (1) As consideration for the use and
19 occupancy of Government Improvements herein provided, the Concessioner shall
20 establish and manage a "Government Improvement Account." The funds in this
21 account, including interest earned thereon, shall be deposited in a separate account
22 established by the Concessioner. Such funds shall not be considered to be
23 government funds. Such funds shall be used to carry out the obligations of the
24 Concessioner in accordance with Exhibit "H" and only to undertake on a project basis
25 repairs and improvements to Government Improvements listed in Exhibit "C" to this
26 CONTRACT, as directed by the Superintendent in writing and in accordance with
27 project proposals approved by the Regional Director.

28
29 (a)(2) Projects paid for from the Government Improvement Account will not include
30 routine, operational maintenance of facilities or housekeeping activities. Nothing in this
31 Section shall lessen the responsibility of the Concessioner to carry out the
32 maintenance and repair of Government Improvements as otherwise required by this
33 CONTRACT from Concessioner funds exclusive of funds contained in the Government
34 Improvement Account, and, specifically, funds from such account shall not be used for
35 the purposes of fulfilling the Concessioner's obligations under Sections 3, 4 and 5 of
36 this CONTRACT. The Concessioner shall have no ownership, Possessory Interest, or
37 other interest in improvements made from funds from the Government Improvement
38 Account. It is agreed that the first priority use for the funds in the Government

1 Improvement Account shall be the project to renovate the Cliff House structure as
2 described at Section 1 of this CONTRACT.
3

4 (a)(3) The Concessioner shall deposit within fifteen (15) days after the last day of each
5 month a sum equal to the amount of the Government Improvement Account Allocation
6 as established in Exhibit "C" for the previous month into an interest bearing account(s)
7 at a Federally insured financial institution(s) or other institution agreed to by the
8 Secretary. The account(s) shall be maintained separately from all other Concessioner
9 funds, and, copies of monthly account statements shall be provided to the Secretary.
10 An interest charge will be assessed on overdue deposits for each thirty (30) day period,
11 or portion thereof, that and monthly deposit is delayed beyond the fifteen (15) day
12 period provided for herein. The percent of interest charged will be based on the then
13 current value of funds to the U.S. Treasury as published in the Treasury Fiscal
14 Requirements Manual.
15

16 (a)(4) The Concessioner shall submit annually, as part of the Concessioner's Annual
17 Financial Report, a statement reflecting total activity in the Government Improvement
18 Account for the preceding accounting year. The statement shall reflect all deposits, all
19 withdrawals identified by project or other purposes, and all interest earned. The
20 Concessioner shall provide such other reporting as the Secretary may require.
21

22 (a)(5) Advances or credits to the account by the Concessioner will not be allowed.
23 Projects will be carried out by the Concessioner as the Superintendent shall direct in
24 writing in advance of any expenditure being made. For all expenditures made for each
25 project from the account, the Concessioner shall maintain auditable records including
26 invoices, billings, canceled checks, and other documentation satisfactory to the
27 Secretary.
28

29 (a)(6) Upon the expiration or termination of this CONTRACT, or upon assignment or
30 sale of interests related to this CONTRACT, the unexpended balance remaining in the
31 Government Improvement Account shall, at the direction of the Secretary, be expended
32 by the Concessioner for approved projects, or shall be transferred to a successor
33 concessioner, or shall be remitted by the Concessioner to the Secretary in such a
34 manner that payment shall be received by the Secretary within fifteen (15) days after
35 the last day of the Concessioner's operation. Any payment consisting of \$10,000 or
36 more to be paid to the United States Treasury shall be deposited electronically by the
37 Concessioner using the Treasury Financial Communications System.
38
39

1 **SEC. 11. BOND AND LIEN** (a) The Secretary may, in his discretion, require the
2 Concessioner to furnish a surety bond acceptable to the Secretary conditioned upon
3 faithful performance of this CONTRACT, in such form and in such amount as the
4 Secretary may deem adequate.

5
6 (b) As additional security for the faithful performance by the Concessioner of all of its
7 obligations under this CONTRACT, and the payment to the Government of all damages
8 or claims that may result from the Concessioner's failure to observe such obligations,
9 the Government shall have at all times the first lien on all assets of the Concessioner
10 within the Area.

11
12
13 **SEC. 12. TERMINATION** (a)(1) The Secretary may terminate this CONTRACT in
14 whole or part for default at any time and may terminate this CONTRACT in whole or
15 part when necessary for the purpose of enhancing or protecting Area resources or
16 visitor enjoyment or safety.

17
18 (a)(2) Operations under this CONTRACT may be suspended in whole or in part at the
19 discretion of the Secretary when necessary to enhance or protect Area resources or
20 visitor enjoyment or safety.

21
22 (a)(3) Termination or suspension shall be by written notice to the Concessioner and, in
23 the event of proposed termination for default, the Secretary shall give the Concessioner
24 a reasonable period of time to correct stated deficiencies.

25
26 (a)(4) Termination for default may be utilized in circumstances where the
27 Concessioner has breached any requirement of this CONTRACT, including, but not
28 limited to, failure to maintain and operate accommodations, facilities and services to the
29 satisfaction of the Secretary in accordance with the Secretary's requirements
30 hereunder.

31
32 (b) In the event of termination or expiration of this CONTRACT, the total compensation
33 to the Concessioner for such termination or upon expiration shall be as described in
34 Section 13 ("Compensation") of this CONTRACT.

35
36 (c) In the event it is deemed by the Secretary necessary to suspend operations under
37 this CONTRACT in whole or in part to enhance or protect Area resources or visitor
38 enjoyment or safety, the Secretary shall not be liable for any compensation to the

1 Concessioner for losses occasioned thereby, including but not limited to, lost income,
2 profit, wages, or other monies which may be claimed.

3
4 (d) To avoid interruption of services to the public upon the expiration or termination of
5 this CONTRACT for any reason, the Concessioner, upon the request of the Secretary,
6 shall:

7
8 (i) continue to conduct all operations hereunder for a reasonable period of time
9 to allow the Secretary to select a successor concessioner, or

10
11 (ii) consent to the use by a temporary operator, designated by the Secretary, of
12 Concessioner Improvements and personal property, if any, not including current
13 or intangible assets, used in operations hereunder upon fair terms and
14 conditions, provided that the Concessioner shall be entitled to an annual fee for
15 the use of such improvements and personal property, prorated for the period of
16 use, in the amount of the annual depreciation of such improvements and
17 personal property, plus a return on the book value of such improvements and
18 personal property equal to the prime lending rate, effective on the date the
19 temporary operator assumes managerial and operational responsibilities, as
20 published by the Federal Reserve System Board of Governors or as agreed
21 upon by the parties involved.

22
23 In such circumstances, the method of depreciation applied shall be either straight line
24 depreciation or depreciation as shown on the Concessioner's Federal income tax
25 return, whichever is less.

26
27
28 SEC. 13. COMPENSATION (a) Just Compensation: The compensation described in
29 this Section shall constitute full and just compensation to the Concessioner from the
30 Secretary for all losses and claims occasioned by the circumstances described below.

31
32 (b) Contract expiration or termination where operations are to be continued: (b)(1) If,
33 for any reason, including CONTRACT expiration or termination as described herein,
34 the Concessioner shall cease to be required by the Secretary to conduct operations
35 hereunder, or substantial part thereof, and, at the time of such event the Secretary
36 intends for substantially the same or similar operations to be continued by a successor,
37 whether a private person, corporation or an agency of the Government;

1 (i) the Concessioner shall sell and transfer to the successor designated by the
2 Secretary its Possessory Interest in Concessioner Improvements and
3 Government Improvements, if any, as defined under this CONTRACT, and all
4 other tangible property of the Concessioner used or held for use within the Area
5 in connection with such operations; and,
6

7 (ii) the Secretary will require such successor to purchase from the Concessioner
8 such Possessory Interest, if any, and such other tangible property, and to pay
9 the Concessioner the fair value thereof.

10
11 (b)(2) The initial fair value of any Possessory Interest in Concessioner Improvements
12 in existence before the effective date of this CONTRACT shall be ZERO DOLLARS
13 (\$0) as of the effective date of this CONTRACT.
14

15 The initial fair value of any Possessory Interest in Government Improvements in
16 existence before the effective date of this CONTRACT shall be the book value of the
17 improvements as of the last day of the contract under which such Possessory Interest
18 was obtained, subject to further reduction in accordance with the continuation of the
19 same depreciation schedule for such improvements used under the previous
20 concession contract.
21

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

31 (b)(4) The fair value of merchandise and supplies shall be actual cost, including
32 transportation.
33

34 (b)(5) The fair value of equipment shall be its book (depreciated) value less
35 obsolescence. Such book value shall be based upon the initial acquisition cost, and
36 shall not be revalued.
37
38

1 (c) CONTRACT expiration or termination where operations are to be discontinued: If
2 for any reason, including CONTRACT expiration or termination as described herein,
3 the Concessioner shall cease to be required by the Secretary to conduct operations
4 hereunder, or substantial part thereof, and the Secretary at the time chooses to
5 discontinue such operations, or substantial part thereof, within the Area, and/or to
6 abandon, remove, or demolish any Concessioner Improvements, if any, then the
7 Secretary will take such action as may be necessary to assure the Concessioner of
8 compensation for:

9
10 (i) its Possessory Interest in Concessioner Improvements and Government
11 Improvements, if any, in the applicable amount as set forth in Section 13(b)
12 hereof;

13
14 (ii) the cost to the Concessioner of restoring any assigned lands to a natural
15 condition, including removal and demolition, (less salvage) if required by the
16 Secretary; and

17
18 (iii) the cost of transporting to a reasonable market for sale such movable
19 property of the Concessioner as may be made useless by such determination.
20 Any such property that has not been removed by the Concessioner within a
21 reasonable time following such determination shall become the property of the
22 United States without further compensation therefor.

23
24 (d) CONTRACT Termination for Default for Unsatisfactory Performance.

25 Notwithstanding any other provision of this CONTRACT to the contrary, in the event of
26 termination of this CONTRACT for default for failure to maintain and operate
27 accommodations, facilities and services hereunder to the satisfaction of the Secretary
28 in accordance with the Secretary's requirements, compensation for Possessory Interest
29 in Concessioner Improvements, if any, except for Possessory Interest in Concessioner
30 Improvements in existence before the effective date of this CONTRACT, shall be as set
31 forth in Section 13(b) hereof or at book value, whichever is less.

32
33
34 SEC. 14. ASSIGNMENT, SALE OR ENCUMBRANCE OF INTERESTS (a) Pursuant to
35 this Section and 36 CFR Part 51, the Concessioner and/or any person or entity which
36 owns a controlling interest (as is or as may be defined in 36 CFR Part 51) in a
37 Concessioner's ownership, (collectively defined as the "Concessioner" for the purposes
38 of this Section) shall not assign or otherwise sell or transfer responsibilities under this
39 CONTRACT or concession operations hereunder, or the Concessioner's assets in the

1 concession operation, nor sell or otherwise assign, transfer or encumber (including,
2 without limitation, mergers, consolidations, reorganizations, other business
3 combinations, mortgages, liens or collateral) a controlling interest in such operations,
4 this CONTRACT, or a controlling interest in the Concessioner's ownership or assets
5 (as is or as may be defined in 36 CFR Part 51), without the prior written approval of the
6 Secretary.

7
8 (a)(2) Such approval is not a matter of right and is further subject to the requirements
9 of 36 CFR Part 51 (as are or as may be set forth therein). The Secretary will exercise
10 his discretion as to whether and/or under what conditions a proposed transaction will
11 be approved in accordance with established policies and procedures.

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

19
20 (b) The Concessioner shall advise the person(s) or entity proposing to enter into a
21 transaction which is subject to this Section that the Secretary shall be notified and that
22 the proposed transaction is subject to review and approval by the Secretary. The
23 Concessioner shall request in writing the Secretary's approval of the proposed
24 transaction prior to consummation and shall promptly provide the Secretary all relevant
25 documents related to the transaction, and the names and qualifications of the person(s)
26 or entity involved in the proposed transaction. The relevant documents shall be as
27 described in 36 CFR Part 51 but shall also include other documents as the Secretary
28 may require.

29
30 (c) The Concessioner may not enter into any agreement with any entity or person
31 except employees of the Concessioner to exercise substantial management
32 responsibilities for operations hereunder or any part hereof without the written approval
33 of the Secretary given at least thirty (30) days in advance of such transaction.

34
35 (d) No mortgage shall be executed, and no bonds, shares of stock or other evidence of
36 interest in, or indebtedness upon, the rights and/or properties of the Concessioner,
37 including this CONTRACT, in the Area, shall be issued without prior written approval of
38 the Secretary. Approval of such encumbrances shall be granted only for the purposes
39 of installing, enlarging or improving, plant equipment and facilities, provided that, such

1 rights and/or properties, including possessory interests, or evidences of interests
2 therein, in addition, may be encumbered for the purposes of purchasing existing
3 concession plant, equipment and facilities. In the event of default on such a mortgage,
4 encumbrance, or such other indebtedness, or of other assignment, transfer, or
5 encumbrance, the creditor or any assignee thereof, shall succeed to the interest of the
6 Concessioner in such rights and/or properties but shall not thereby acquire operating
7 rights or privileges which shall be subject to the disposition of the Secretary.
8
9

10 **SEC. 15. APPROVAL OF SUBCONCESSION CONTRACTS** (a)(1) All contracts and
11 agreements (other than those subject to approval pursuant to Section 14 hereof)
12 proposed to be entered into by the Concessioner with respect to the exercise by others
13 of the privileges granted by this CONTRACT in whole or part shall be considered as
14 subconcession contracts and shall be submitted in advance of execution to the
15 Secretary for his approval and shall be effective only if approved.
16

17 (a)(2) However, agreements with others to provide vending or other coin-operated
18 machines shall not be considered as subconcession contracts.
19

20 (a)(3) In the event any such subconcession contract or agreement is approved the
21 Concessioner shall pay to the Secretary, within NINETY (90) days after the last day of
22 the Concessioner's fiscal year, each year or portion of a year a sum equal to FIFTY
23 PERCENT (50%) of any and all fees, commissions or compensation payable to the
24 Concessioner thereunder, which shall be in addition to the franchise fee payable to the
25 Secretary on the gross receipts of subconcessioners as provided for in Section 9 of this
26 CONTRACT.
27
28

29 **SEC. 16. INSURANCE AND INDEMNITY** (a)(1) **General.** The Concessioner shall
30 save, hold harmless, defend and indemnify the United States of America, its agents
31 and employees for losses, damages or judgments and expenses on account of fire or
32 other peril, bodily injury, death or property damage, or claims for bodily injury, death or
33 property damage of any nature whatsoever, and by whomsoever made, arising out of
34 the activities of the Concessioner, his employees, subcontractors or agents under this
35 CONTRACT.
36

37 (a)(2) The types and amounts of insurance coverage purchased by the Concessioner
38 shall be approved by the Secretary.
39

1 (a)(3) At the request of the Secretary, the Concessioner shall annually, or at the time
2 insurance is purchased, provide the Secretary with a Statement of Concessioner
3 Insurance and Certificate of Insurance as evidence of compliance with this section and
4 shall provide the Secretary thirty (30) days advance written notice of any material
5 change in the Concessioner's insurance program hereunder.
6

7 (a)(4) The Secretary will not be responsible for any omissions or inadequacies of
8 insurance coverages and amounts in the event the insurance purchased by the
9 Concessioner proves to be inadequate or otherwise insufficient for any reason
10 whatsoever.
11

12 (b) Commercial Property Insurance. (b)(1) The Concessioner will, in the event of
13 damage or destruction, repair or replace those buildings, structures, equipment,
14 furnishings, betterments and improvements and merchandise determined by the
15 Secretary to be necessary to satisfactorily discharge the Concessioner's obligations
16 under this CONTRACT and for this purpose shall purchase commercial property
17 insurance and provide fire and extended insurance coverage on both Concessioner
18 Improvements and Government Improvements in such amounts as the Secretary may
19 require during the term of the CONTRACT. Those values currently in effect are set
20 forth in Exhibit "E" to this CONTRACT. This exhibit will be revised at least every 3
21 years, or sooner, if there is a substantial increase in value.
22

23 The commercial property package shall include the following coverages in amounts set
24 forth in Exhibit "E":
25

- 26 1. Sprinkler Leakage - coverage for loss caused by leakage or discharge of
27 water or any other substance from within any automatic sprinkler system or from
28 collapse of tanks that are part of the sprinkler system, hydrants, standpipes, etc.
29

30 (b)(2) Commercial property insurance shall provide for the Concessioner and the
31 United States of America to be named insured as their interests may appear. In the
32 event of loss, the Concessioner shall use all proceeds of such insurance to repair,
33 rebuild, restore or replace Concessioner Improvements and Government
34 Improvements, equipment, furnishings and other personal property hereunder, as
35 directed by the Secretary. The lien provision of Section 11 shall apply to such
36 insurance proceeds.
37

1 (c) Additional Property Damage Requirements - Government Improvements, Property
2 and Equipment. The following additional requirements shall apply to structures all
3 or any part of which are Government Improvements as defined in this CONTRACT.
4

5 (b)(1) The insurance policy shall contain a loss payable clause approved by the
6 Secretary which requires insurance proceeds to be paid directly to the Concessioner
7 without requiring endorsement by the United States.
8

9 (b)(2) The use of insurance proceeds for repair or replacement of Government
10 Improvements will not alter their character as Government Improvements and,
11 notwithstanding any provision of this CONTRACT to the contrary, the Concessioner
12 shall gain no Possessory Interest therein.
13

14 (c). Commercial General Liability. (d)(1) The Concessioner shall provide commercial
15 general liability insurance against claims occasioned by actions or omissions of the
16 Concessioner in carrying out the activities and operation authorized hereunder.
17

18 (c)(2) Such insurance shall be in the amount commensurate with the degree of risk
19 and the scope and size of such activities authorized herein, but in any event, the limits
20 of liability shall not be less than \$2,000,000 per occurrence covering both bodily injury
21 and property damage. If claims reduce available insurance below the required per
22 occurrence limits, the Concessioner shall obtain additional insurance to restore the
23 required limits. An umbrella or excess liability policy, in addition to a commercial
24 general liability policy, may be used to achieve the required limits.
25

26 (c)(3) The commercial general liability policy shall provide the following coverages at
27 the same limits as required above unless other limits are specified below:
28

29 1. Premises/Operations Liability - coverage for third party claims alleging
30 personal injury and property damage arising from occupying property or
31 activities underway on the property;
32

33 2. Products/Completed Operations - coverage for bodily injury or property
34 damage (1) occurring away from premises owned by or rented to the named
35 insured and (2) arising out of the named insured's product or the named
36 insured's work after the named insured has relinquished possession of the
37 product or completed or abandoned the work;
38

1 3. Liquor Liability - provides coverage arising from injury or damage caused by
2 an intoxicated person if it can be established that the liquor licensee caused or
3 contributed to the intoxication of the person or for contributing to the intoxication
4 of any person or furnishing alcoholic beverages to any person under the legal
5 drinking age;

6
7 4. Contract Liability - coverage for liabilities assumed under a contract by the
8 insured with another party (Limits depending on contracts extant);

9
10 5. Medical Payments - to provide coverage for stipulated expenses caused by
11 an accident regardless of fault or legal obligation on the insured's part to pay
12 (Insurance must exist, limits determined by the Concessioner);

13
14 6. Fire Damage Legal Liability - to provide coverage for anyone who negligently
15 damages property of another while it is in his care, custody or control;

16
17 7. Business Auto - coverage for bodily injury and property damage arising out
18 of the ownership, maintenance or use of any automobile (per State
19 requirements), and, for operation of customer automobiles, if operated, is
20 required;

21
22 8. Workers Compensation and Employer Liability - to provide coverage for
23 immediate medical and surgical assistance to workers injured in occupational
24 accidents. Also provides financial compensation to the worker for his loss of
25 earnings if he is disabled as a result of such injuries and death benefits to his
26 widow and children if the injury is fatal (per State requirements);

27
28 9. Builder Risk - covers loss or damage to buildings under construction
29 (coverage appropriate to projects undertaken);

30
31 (c)(4) From time to time, as conditions in the insurance industry warrant, the Secretary
32 reserves the right to revise the minimum required limits.

33
34 (c)(5) All liability policies shall specify that the insurance company shall have no right
35 of subrogation against the United States of America or shall provide that the United
36 States of America is named an additional insured.

37
38

1 SEC. 17. PROCUREMENT OF GOODS, EQUIPMENT AND SERVICES In computing
2 net profits for any purposes of this CONTRACT, the Concessioner agrees that its
3 accounts will be kept in such manner that there will be no diversion or concealment of
4 profits in the operations authorized hereunder by means of arrangements for the
5 procurement of equipment, merchandise, supplies or services from sources controlled
6 by or under common ownership with the Concessioner or by any other device.
7

8
9 SEC. 18. GENERAL PROVISIONS (a) Reference in this CONTRACT to the
10 "Secretary" shall mean the Secretary of the Interior, and the term shall include his duly
11 authorized representatives.
12

13 (b) The Concessioner is not entitled to be awarded or to have negotiating rights to any
14 Federal procurement or service contract by virtue of any provision of this CONTRACT.
15

16 (c) Notwithstanding any other provision hereof, the Secretary reserves the right to
17 provide directly or through cooperative or other non-concession agreements with
18 non-profit organizations, any accommodations, facilities or services to Area visitors
19 which are part of and appropriate to the Area's interpretive program.
20

21 (d) That any and all taxes which may be lawfully imposed by any State or its political
22 subdivisions upon the property or business of the Concessioner shall be paid promptly
23 by the Concessioner.
24

25 (e) No member of, or delegate to, Congress or Resident Commissioner shall be
26 admitted to any share or part of this CONTRACT or to any benefit that may arise
27 herefrom but this restriction shall not be construed to extend to this CONTRACT if
28 made with a corporation or company for its general benefit.
29

30 Page Ends

1
2 (f) This CONTRACT may not be extended, renewed or amended in any respect except
3 when agreed to in writing by the Secretary and the Concessioner.
4

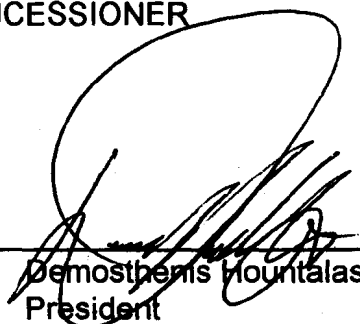
5 IN WITNESS WHEREOF, the parties hereto have hereunder subscribed their names.

6
7 Dated at San Francisco, California, this 16TH day of SEPT. , 1998
8

9
10 CONCESSIONER

UNITED STATES OF AMERICA

11
12
13
14
15
16 BY


Demosthenis Moutalas
President
Peanut Wagon, Inc.

BY 

John J. Reynolds
Regional Director
Pacific West Region
National Park Service

17
18
19
20
21
22 ATTEST:

23
24
25 BY 

26
27
28 TITLE Vice-President

NONDISCRIMINATION

SECTION I

REQUIREMENTS RELATING TO EMPLOYMENT
AND
SERVICE TO THE PUBLIC

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

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

(2) The Concessioner will, in all solicitations or advertisements for employees placed by or on behalf of the Concessioner, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, national origin, or disabling condition.

(3) The Concessioner will send to each labor union or representative of workers with which the Concessioner has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Secretary, advising the labor union or workers' representative of the Concessioner's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

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

practices, and procedures in accordance with the affirmative action program requirement.

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

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

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

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

B. CONSTRUCTION, REPAIR, AND SIMILAR CONTRACTS: The preceding provisions A(1) through A(8) governing performance of work under this contract, as set out in Section 202 of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, shall be applicable to this CONTRACT,

and shall be included in all contracts executed by the Concessioner for the performance of construction, repair, and similar work contemplated by this CONTRACT, and for that purpose the term "CONTRACT" shall be deemed to refer to this instrument and to contracts awarded by the Concessioner and the term "Concessioner" shall be deemed to refer to the Concessioner and to contractors awarded contracts by the Concessioner.

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

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

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

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

SECTION II

ACCESSIBILITY

Title V, Section 504, of the Rehabilitation Act of 1973, as amended in 1978, requires that action be taken to assure that any "program" or "service" being provided to the general public be provided to the highest extent reasonably possible to individuals who are mobility impaired, hearing impaired, and visually impaired. It does not require architectural access to every building or facility, but only that the service or program can be provided somewhere in an accessible location. It also allows for a wide range of

methods and techniques for achieving the intent of the law, and calls for consultation with disabled persons in determining what is reasonable and feasible.

No handicapped person shall, because a Concessioner's facilities are inaccessible to or unusable by handicapped persons, be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity receiving Federal financial assistance or conducted by any Executive agency or by the U.S. Postal Service.

PART A

DISCRIMINATION PROHIBITED

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

1. Deny a qualified handicapped person the opportunity to participate in or benefit from the aid, benefit, or service;
2. Afford a qualified handicapped person an opportunity to participate in or benefit from the aid, benefit, or service that is not equal to that afforded others;
3. Provide a qualified handicapped person with an aid, benefit, or service that is not as effective as that provided to others;
4. Provide different or separate aids, benefits, or services to handicapped persons or to any class of handicapped persons unless such action is necessary to provide qualified handicapped persons with aid, benefits, or services that are as effective as those provided to others;
5. Aid or perpetuate discrimination against a qualified handicapped person by providing significant assistance to an agency, organization, or person that discriminates on the basis of handicap in providing any aid, benefit, or service to beneficiaries of the recipient's program;
6. Deny a qualified handicapped person the opportunity to participate as a member of planning or advisory boards; or

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

PART B

EXISTING FACILITIES

A Concessioner shall operate each program or activity so that the program or activity, when viewed in its entirety, is readily accessible to and usable by handicapped persons.

This paragraph does not require a Concessioner to make each of its existing facilities or every part of a facility accessible to and usable by handicapped persons.

LAND ASSIGNED

Land is assigned for the purposes of the contract in accordance with the maps at Exhibit "C".

Due to the required Improvement and Building Program, the Land Assigned will consist of two sequential descriptions, the effective date of the latter being coincident with the completion, to the satisfaction of the Secretary in writing, of the Improvement and Building Program (Improvement Program):

Pre-Improvement Program: The Cliff House and the North Annex as they exist at the effective date of this contract, and the access driveway to the south that leads to Point Lobos Avenue (Great Highway); and,

Post-Improvement Program: The Cliff House, including all modifications thereto, and all outdoor spaces existing or created within the footprint of the Cliff House and North Annex as they existed at the effective date of this contract, and the access driveway to the south.

The boundary of the Land Assignment on the Point Lobos Avenue side is limited by the boundary of the property owned or effectively controlled by the federal government at the Cliff House site.

GOVERNMENT IMPROVEMENTS ASSIGNED
 utilized pursuant to Section 4

<u>Building Number</u>	<u>Description</u>	<u>Account Allocation</u>
SH0001	Cliff House	10.0% of all gross
N/A	North Annex	10.0% of all gross

PRIOR POSSESSORY INTEREST

The following listing is for the purposes of Section 13(b)(2) this CONTRACT and is a complete list, as of the date of signature of this CONTRACT, of all Concessioner claims to Concessioner Possessory Interest in Government Improvements in existence before the effective date of this contract.

This list is subject to verification of the Improvements as possessory interest items and of the depreciation schedule under the prior contract, in accordance with Section 13(b)(2).

This list will be revised upon completion of the Improvement Program, as defined in the CONTRACT, or as otherwise required.

To help identify location of possessory interest being claimed by the Concessioner the following reference is being used.

Cliff House; BEN BUTLER = BB, GIFT SHOP = GS, P T BARNACLE = PTB,
 TERRACE ROOM = TR

North Annex; PRONTO PUP= PP

<u>ITEM</u>	<u>ACQUISITION DATE</u>	<u>ORIGINAL BOOK VALUE</u>	<u>DESCRIPTION</u>
1 LEASEHOLD	1/1/87	32,012	PRIOR LEASEHOLD

IMPROVEMENT		IMPROVEMENT BALANCE		
2	TR CONSTRUCTION	2/15/88	30,954	MOVED WALLS LAID NEW FLOOR
3	FIRE SPRINKLERS TR	3/21/88	5,043	FIRE CONTROL SYSTEM
4	TOILET PARTITION	4/25/88	1,819	MAIN RESTROOMS REMODEL
5	REMODEL ENTRANCE PTB	5/31/88	985	REFINISH ENTRANCE PTB
6	HANDICAP ACCESS TOILET BB	6/30/88	11,603	PLACE SINKS AND TOILETS ADA
7	EXT AWNING	9/7/88	2,926	PTB EXIT
8	EXT AWNING	10/23/88	4,657	MAIN EXIT
9	CARPETS BB SF PTB	11/15/88	22,627	CARPET BARS & MAIN REST
1	AIR- CONDITIONING BB	12/31/88	7,500	BEHIND BANQUET OFFICE
1	CARPETS UPSTAIRS	3/30/89	5,780	UPSTAIRS REST
1	FIRE WTR CONECT SPRINKLR SYSTEM	5/21/89	12,732	RUN PIPES AND VALVES BASEMENT
1	CARPET 3	6/30/89	3,731	BAR BEN BUTLER
1	SPRINKLER 4 SYSTEM TR	6/30/89	114,025	RUN SPRINKLERS THROUGH BASEMENT
1	SPRINKLER 5 SYSTEM CARPET	5/31/90	25,230	FIRE CONTROL SYSTEM
1	SPRINKLER 6 SYSTEM CEILING BB	4/23/90	7,797	BEN BUTLER LOUNGE
1	SPRINKLER 7 SYSTEM ENAMELING BB	3/31/90	16,991	CEILING BEN BUTLER

*** GOLDEN GATE NATIONAL RECREATION AREA ***
 **** PACIFIC WEST REGION - NATIONAL PARK SERVICE ****

1	SPRINKLR SYSTM	1/31/90	24,744	RUN PIPES AND PLACE
8	ELECT SIGNS SB, PP			SIGNAGE
1	CARPET EXTR	12/31/89	4,120	PTB EXIT DOOR NEAR PHONES
9	DOOR EXT SIGNS			
2	CARPET PTB GS	9/30/89	3,775	CARPET & PHONE LINES
0	BASEMENT PHONES			
2	CARPET PTB GS	7/22/89	9,256	SPRINKLER LINES
1	WATERLINES			
2	WALL PAPER-	7/18/90	2,350	MANAGER'S OFFICE
2	OFFICES			
2	INSTALL GLASS	7/31/90	519	GIFT SHOP WINDOW
3				
2	LIGHT FIXTURES	7/31/90	1,158	ENTRANCE
4				
2	BRASS RAIL	7/9/90	1,094	FRONT DESK SFBC
5				
2	HALL MARBLE	7/11/90	5,000	MAIN ENTRANCE
6				
2	WOOD	7/14/90	1,098	MAIN RESTAURANT
7	MOUNDINGS			PLATFORMS
2	SPRINKLER	7/24/90	815	FIRE CONTROL SYSTEM
8	SYSTEM			
2	SPRINKLER	7/31/90	20,339	FIRE CONTROL SYSTEM
9	SYSTEM			
3	NEW ELECTRIC	7/31/90	8,774	STAIRS, MAIN HALL, GIFT
0	FIXTURES			
3	CONSTRUCTION	7/31/90	5,266	GLASS DOORS, LOBBY WALLS
1	WORK			
3	REMODEL	8/27/90	3,632	BANQUET OFFICE
2	OFFICE			
3	CARPET	8/2/90	108	INSERTS ENTRANCE
3				
3	WALL PAPER	8/3/90	2,900	HALLWAY
4				
3	PAINTING	8/7/90	1,100	HALLWAY
5				
3	SPRINKLER	8/21/90	15,000	HALLWAY

6 SYSTEM

3	MARBLE FLOOR	8/21/90	12,259	GIFT SHOP ENTRANCE
7				
3	LAUNDRY ROOM	8/23/90	14,433	MOVE WALLS, PAINT, DOORS, LIGHTING, ETC
8				
3	REMODEL HALL	8/31/90	1,995	MAIN ENTRANCE
9				
4	WALL PAPER	9/20/90	340	STAIRS, MAIN HALL, GIFT
0				
4	REMODEL	9/8/90	7,851	BANQUET OFFICE
1	OFFICE			
4	REMODEL	9/20/90	4,334	BANQUET OFFICE
2	OFFICE			
4	GAS TIE IN	9/28/90	989	TERRACE ROOM KITCHEN
3				
4	CASEMENT	10/30/90	2,607	GIFT SHOP LOBBY
4	WINDOWS			
4	WINDOW FILM	10/23/90	3,150	SUN FILM ON BAR WINDOWS
5				
4	ELECTRICAL	10/31/90	1,063	BRING SERVICE
6	LAUNDRY			
4	ELECTRICAL	11/9/90	9,524	TERRACE ROOM KITCHEN
7	KITCHEN			
4	PLUMBING	12/31/90	7,200	TERRACE ROOM KITCHEN
8	KITCHEN			
4	ELECTRICAL	12/31/90	31,591	TERRACE ROOM KITCHEN
9	KITCHEN			
5	DUCT WORK	12/31/90	21,823	TERRACE ROOM KITCHEN
0	KITCHEN			
5	PLUMBING	12/31/90	7,415	TERRACE ROOM KITCHEN
1	KITCHEN			
5	SPRINKLER	4/30/90	1,016	TERRACE ROOM KITCHEN
2				
5	SPRINKLER	5/25/91	1,542	TERRACE ROOM BASEMENT
3				
5	LEASEHOLD	5/31/91	5,800	GENERAL JOURNAL ENTRY
4	IMPROVEMENT			
5	CARPET	7/30/91	3,970	ENTRY
5				

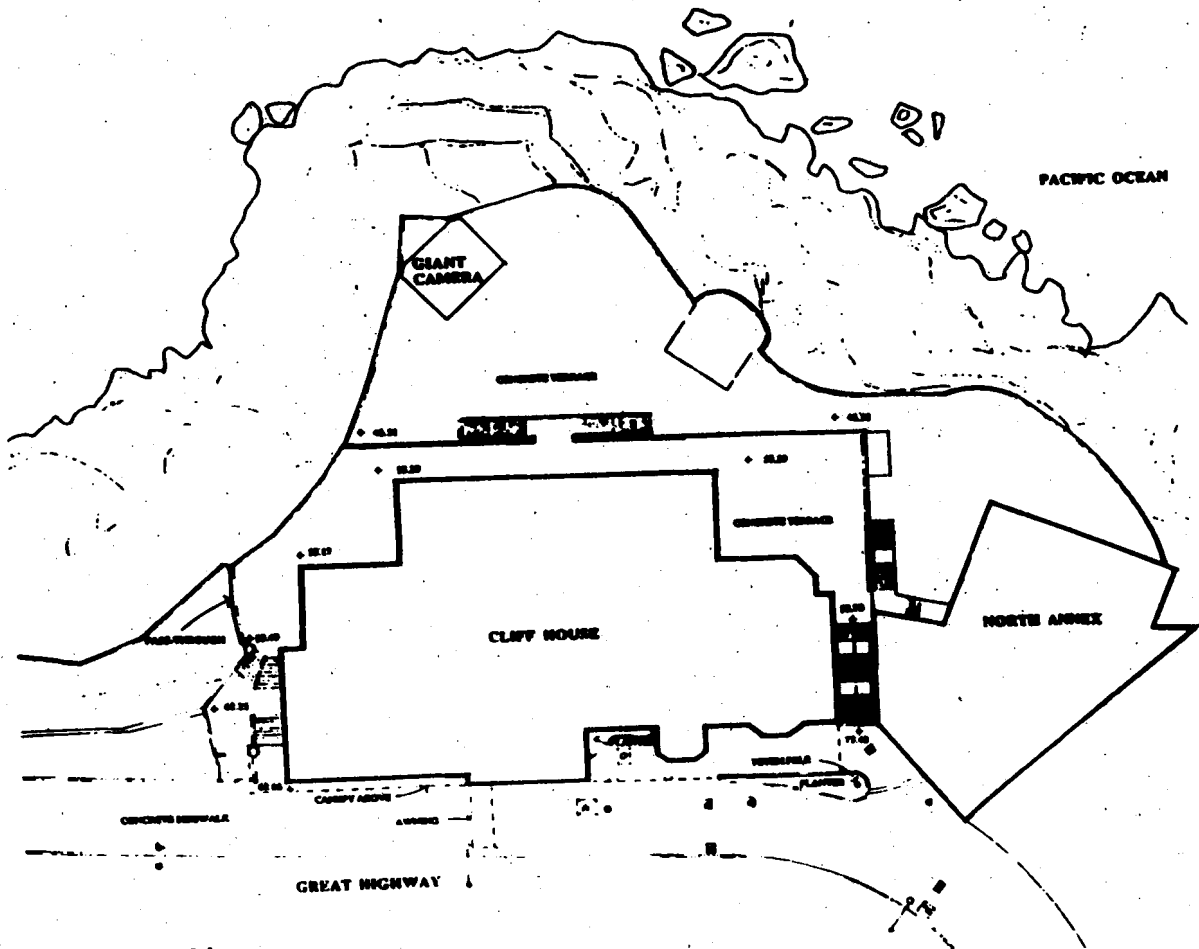
*** GOLDEN GATE NATIONAL RECREATION AREA ***
 **** PACIFIC WEST REGION - NATIONAL PARK SERVICE ****

5 6	REPLACEMENT	11/15/91	1,636	GENERAL JOURNAL ENTRY
5 7	MOTORS	11/21/91	537	FANS FOR REFER
5 8	BLOWERS	11/15/91	1,636	HOODS
5 9	MOTORS	11/21/91	537	SWAMP COOLER UPS KITCH
6 0	MOP SINK	10/29/91	2,298	TERRACE KITCHEN BASEMENT
6 1	MARBLE COUNTERS	4/15/93	3,000	BEN BUTLER & PTB BACK BARS
6 2	DOOR SEAFOOD & BAR	7/31/93	1,499	LEADED GLASS
6 3	DOOR TERRACE ROOM	7/31/93	2,328	DOUBLE DOORS & FRAME
6 4	TWO LEKAN PLASTIC SIGNS	4/30/93	2,028	EXTERIOR BUILDING
6 5	SOUTH DOOR	7/31/93	1,876	UPSTAIRS EMERGENCY EXIT
6 6	DOORS AWNING	3/31/93	1,264	REPAIR
6 7	LOGO DESIGNS	12/31/93	11,956	BARBERA LEISTICO DESIGNS
6 8	COMPRESSOR UNIT	7/28/93	1,333	BEER KEGS BASEMENT
6 9	JUSTEIN RINLING	7/7/93	3,393	DESIGN SERVICES
7 0	ARDO CONSTRUCTION	12/30/93	1,408	MOULDING TERRACE ROOM
7 1	WALL COVERINGS	3/19/93	559	TERRACE LOBBY
7 2	REMODEL LOCKER ROOM	4/1/95	3,440	LIGHTING BATHROOM PARTITIONS, TOILET
7 3	LEASEHOLD IMPROVEMENT	11/25/94	8,790	GENERAL JOURNAL ENTRY
7 4	MARBLE TERRACE ROOM	10/20/94	7,650	ENTRANCE
7	WALLPAPER	4/30/94	1,041	BANQUET OFFICE

*** GOLDEN GATE NATIONAL RECREATION AREA ***
 **** PACIFIC WEST REGION - NATIONAL PARK SERVICE ****

5 OFFICES

7	EXIT DOOR	8/16/96	1,006	LAUNDRY
6				
7	DISHWASHER	11/26/96	20,557	TERRACE KITCHEN BASEMENT
7	TERRACE ROOM			
	TOTAL		\$ 636,134	

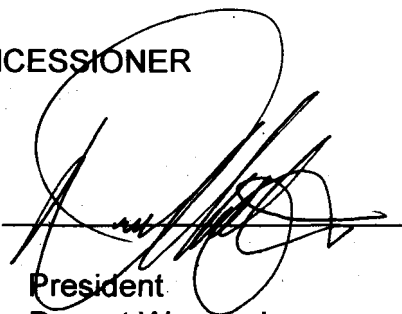


SITE PLAN

Exhibit "C" Approved Effective _____

CONCESSIONER

BY:


President
Peanut Wagon, Inc.

UNITED STATES OF AMERICA

BY:


for
Regional Director
Pacific West Region
National Park Service

CONCESSIONER IMPROVEMENTS
utilized pursuant to Section 6

NONE

Exhibit D Approved Effective JULY 1, 1998

CONCESSIONER

UNITED STATES OF AMERICA

BY:



President
Peanut Wagon, Inc.

BY:



Regional Director
Pacific West Region
National Park Service

BUILDING REPLACEMENT COST FOR INSURANCE PURPOSES

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

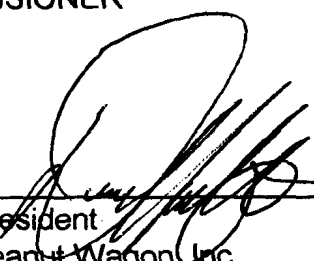
<u>BUILDING #</u>	<u>BUILDING</u>	<u>REPLACEMENT COST</u>
SH0001	CLIFF HOUSE	\$3,985,200
N/A	NORTH ANNEX	NONE

Last Item

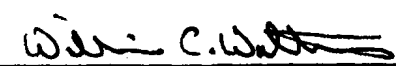
Exhibit E Approved Effective: JULY 1, 1998

CONCESSIONER

UNITED STATES OF AMERICA

BY: 

President
Peanut Wagon, Inc

BY: 

FOR Regional Director
Pacific West Region
National Park Service

EXHIBIT F
MAINTENANCE PLAN
FOR
THE CLIFF HOUSE
GOLDEN GATE NATIONAL RECREATION AREA

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*** GOLDEN GATE NATIONAL RECREATION AREA ***
*** PACIFIC WEST REGION - NATIONAL PARK SERVICE ***

EXHIBIT F
 MAINTENANCE PLAN
 CC-GOGA010-98

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*** GOLDEN GATE NATIONAL RECREATION AREA ***
 *** PACIFIC WEST REGION - NATIONAL PARK SERVICE ***

EXHIBIT F
MAINTENANCE PLAN
CC-GOGA010-98

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I. INTRODUCTION

This Maintenance Plan between Peanut Wagon, Inc. (hereinafter referred to as the "Concessioner"), and Golden Gate National Recreation Area, National Park Service (hereinafter referred to as the "Service") serves as a supplement to Concession Contract CC-GOGA010-98 (Contract) but it is not used to amend the authorization or to alter the rights and liabilities of parties to the Contract. It is intended to further define maintenance responsibilities of the Concessioner and the Service with relation to those lands and facilities within Golden Gate National Recreation Area which are assigned to, or otherwise used by the Concessioner for the purposes authorized by the Contract.

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

This Plan shall remain in effect until superseded or amended. It will be reviewed annually and revised as determined necessary by the Superintendent of Golden Gate National Recreation Area.

Incorporated within this Plan is the requirement of the Concessioner to provide the National Park Service with an "Annual Maintenance Plan" for each building and area assigned. Said Plan(s) shall be delivered to the Superintendent, Golden Gate National Recreation Area on or before each anniversary of the concession contract. The Superintendent shall provide written response thereto within thirty days from receipt thereof.

It is mutually accepted at this time that the facilities assigned under this Contract may not be in compliance with all aspects of the standards defined in this Maintenance Plan. The intent of this Maintenance Plan is to complete improvements to comply with the standards contained herein as funding permits over the term specified.

II. DEFINITIONS

A. Concessioner's improvements: "Concessioner Improvements" are defined as "buildings, structures, fixtures, equipment, and other improvements, affixed to or resting upon the lands assigned hereunder in such manner as to be a part of the realty, provided by the Concessioner for the purpose of the Contract, (excluding improvements made to Government Improvements by the Concessioner)."

B. Government improvements: "Government Improvements" are defined as "the buildings, structures, utility systems, fixtures, equipment, and other improvements upon the lands assigned hereunder, constructed or acquired by the government and provided by the government for the purpose of the Contract."

C. Assigned areas: Lands within Golden Gate National Recreation Area, as delineated in Exhibit A. These lands contain facilities used by the Concessioner. The Concessioner has specific responsibilities, defined below, regarding the condition of the exclusively-assigned lands together with the facilities and landscapes which occupy them. In areas other than the exclusive areas, maintenance will be limited to general housekeeping and maintenance and repairs directly associated with their operations.

The land assignment will cover not only exclusively assigned responsibility, but also shared, based upon areas needed for concessioner's operations. Currently proposed Maintenance Plan includes (or will include) full responsibility for all of the developed area currently comprised of North Annex and Cliff House. Sidewalk will be added exclusively in front of Cliff house complex if/when transferred from San Francisco to NPS, and paths, walkways, and sidewalk (if transferred) to Merrie Way and across the street Sutro Park parking).

Additional responsibilities could be Merrie Way maintenance activities: walks, parking surfaces, lighting repairs, landscaping, etc. Also, taking on what will be the interim remaining NPS maintenance responsibilities within the immediate Cliff House area. Energy efficiency, reduction of consumables in maintenance, minimizing needs for NPS maintenance, cutting edge technology applied to historic setting, innovation in techniques, products, etc., etc., etc.

D. Exterior: With regard to structures, the foundations, supports and joists under the lowest subfloor, exterior walls and surfaces, interior load-bearing structure, roofs, and load-bearing structure of all porches, stairways, and other structural attachments.

E. Interior: With regard to structures, the area above the lowest sub-floor inside the external walls that is not a part of the load-bearing structure including door and window frames, and those areas inside the roof which are not structurally load-bearing.

F. Maintenance: With regard to structures and facilities, the execution of procedures designed to correct physical deficiencies in a structure or facility that

may cause either accelerated deterioration and loss of the facility or unsafe or hazardous conditions. The objective of maintenance is to preserve structures or facilities in a stable condition that is to avoid deterioration or correct unacceptable conditions.

G. Operations: All aspects of activity by the Concessioner authorized under the Contract. Operations include all services provided to the public and all non-public actions necessary to support those authorized services as defined in the Contract.

H. Repair: The act of correcting an unsatisfactory physical condition. Repair is an aspect of maintenance, and the objective of repair is the same as the objective of the general act of maintenance as defined above in this section.

III. GENERAL STANDARDS FOR CONCESSIONER FACILITIES IN NATIONAL PARKS

A. General standards: NPS 48, *The National Park Service Guideline for Concessions Management*, offers the following general direction regarding standards for interior and exterior maintenance:

1. The exterior of the buildings and other outdoor appurtenances must be in good physical condition, well painted or otherwise treated to protect against deterioration and kept clean and in good repair. (Chapter 21, Page 1)
2. The lobby, offices, storerooms, workrooms, ticket booths, tack rooms, corridors, and other space shall be clean, properly illuminated and well maintained....Floors must be clean, free of litter and stains. Vinyl floor coverings must be clean, waxed, or buffed, free of cracks, chips and worn places. Masonry tile or flagstone grouting must be in good repair and clean. Wood floors are to be clean and waxed or otherwise sealed. Carpeting must be clean, reasonably free of stains and be in good repair. Walls and ceilings are to be free of breaks and stains and have a fresh appearance. Windows must be clean and free of breaks. (Chapter 21, Page 2)
3. It is the goal of this plan to ensure that these general standards are both adequately defined and fully achieved. To that end both the

Concessioner and the Service have specific responsibilities. These responsibilities are defined in the Sections VI and VII.

IV. MAINTENANCE INSPECTIONS

A. There shall be a joint review by the Service and the Concessioner of structures, facilities, and areas assigned to the Concessioner to determine what maintenance work is necessary and if the facilities are compliant with applicable laws, codes and regulations, guidelines, rules, and policies. As a result of these inspections, an Annual Maintenance Program Proposal will be prepared by the Concessioner and submitted to the Superintendent by (insert date same as above pg. 1). This program will specify the manner in which the Concessioner intends to execute its maintenance responsibilities during the following year.

V. CONCESSIONER'S RESPONSIBILITIES

A. Maintenance & repair

1. The Concessioner shall maintain and repair Government and Concessioner Improvements assigned to the Concessioner except as noted under "Service Responsibilities."

2. The Concessioner's maintenance responsibilities include, but are not limited to: lands, landscaping, and drainage structures; all improvements resting on the lands (buildings, walkways, trails, parking areas, pavement markings, fences, curbing, culverts, swimming pools, etc.); underground storage tanks and associated mitigation if needed; intrusion and fire alarm systems; interior and exterior lighting systems; fire suppression systems; utility and utility distribution systems; structural elements and surfaces (roofing, flooring, windows, doors, porches, etc. including hazard abatement); heating and cooling systems; and all installed fixtures and miscellaneous equipment.

3. The Concessioner will carry out general preventative and cyclic maintenance and emergency repair in a timely manner to ensure that all Improvements assigned to the Concessioner achieve the basic goals described by NPS-48 and other codes and guidelines. The contract does not specifically identify the extent of the concessioner's general responsibility for the physical maintenance, repair, or replacement of certain assigned areas.

The following specific requirements supplement the general Concessioner responsibilities listed above:

B. Buildings and appurtenances: Exterior maintenance

1. **Roofs:** Roofs shall be inspected on an annual basis to assure that roofing material(s) are intact and are free of deterioration that would effect the structural qualities and are not jeopardized by adjacent vegetation.

a. **Roof repair:** Repairs shall be made using the same type style and color of existing roofing material(s).

b. **Roof replacement:** Replacement of the total roof surface shall be done in accordance with National Park Service contract specifications.

c. **Roof Maintenance:** Overhanging tree limbs and vegetation causing roof deterioration shall be trimmed/pruned away from the structure(s). This includes fungi or moss accumulation in or on roofing material.

2. **Gutters, downspouts, and roof drains:** Shall be inspected and cleaned as a minimum on an annual basis or as necessary to maintain the system free of obstructions and to assure all openings are clear and operational.

a. **Gutters and Downspouts:** Surfaces shall be maintained to prevent deterioration of the material or structural damage to the building.

b. **Gutter and downspout replacement:** Replacement shall be done in accordance with National Park Service contract specifications.

3. **Doors and windows:** Shall be inspected on an annual basis and shall be maintained to prevent water or moisture from entering the building and causing deterioration of materials or structural damage to the building.

a. Door and window replacement: Door and window replacement shall conform to existing size, style, and appearance or as otherwise may be approved in writing by the Superintendent.

4. Siding: Shall be inspected on an annual basis and maintained to prevent water and moisture from entering the building or causing deterioration of the siding material, paint, structural damage or building appearance.

a. Siding: Siding and other exterior surfaces shall be painted on a regular basis of not less than every five (5) years or as necessary to comply with item number four (4) above.

b. Siding: Shall be free of encroaching vegetative growth.

c. Siding repair/replacement: Siding shall be repaired or replaced using the same size, style, type and grade of material as exists on the building/structure.

d. Siding painting: Repaired or replaced siding shall be painted with a minimum of one coat of primer and two coats of paint to match existing color and type of paint.

5. Paint and thinning products: Shall be stored in fire proof cabinets or disposed of according to City, County, State, and Federal Hazardous Waste Disposal Regulations.

6. Structural ventilation: Shall be inspected on an annual basis and maintained to permit air circulation as designed.

a. Structural Ventilation: Wire screen, metal or wooden louvers shall be intact to prevent the entering of birds, bees, rodents and other wildlife.

7. Bee hives: The structure(s) shall be inspected on an annual basis for bee hives.

a. Bee Hives: Shall be removed from the structure by a licensed bee keeper. (applies to honey bees)

b. Bee Hives: Chemical application to remove bees shall not be permitted. (applies to honey bees)

8. Foundations and exterior walls: Shall be inspected on an annual basis to assure they are structurally sound and support the superimposed loading.

a. Foundations and exterior walls: Shall be maintained to prevent differential settlement or lateral, vertical or longitudinal displacement.

b. Foundations and exterior walls: Major repair or replacement shall be done according to National Park Service Contract specifications.

9. Insect/pest control: All buildings/structures permitted for use under this Contract shall be inspected on a regular cycle not less than every five (5) years. Inspections shall be made by a licensed pest control contractor and submitted to the Superintendent. All pest control shall be completed in full compliance with the National Park Service Integrated Pest Management Program, (IPMP).

10. Emergency building access: Master keys for each building/structure shall be properly identified and placed in a KNOX BOX in accordance with the specific guidance provided in the Physical Security Codes, Attachment 2 of the Operating Plan.

11. Exterior lighting: Shall be maintained by the building user.

a. Exterior lighting: Installations shall be done by a California licensed electrician/contractor and shall be energy efficient with dusk-to-dawn controls or timers to provide prudent energy conservation.

C. Buildings and appurtenances: Interior maintenance

1. Painting: Paintable surfaces shall be painted on a regular cycle of not less than five (5) years when necessary in accordance with National Park Service Contract Specifications.

a. Painted surfaces: Shall be maintained in an acceptable manner free of peeling, blistering, and excessive wear.

b. Paint products: Shall be of a "best quality" from a major manufacturer and a type and color which is readily available on the open market. Any changes to paint colors from the color range provided by the Superintendent must be approved by the Superintendent.

c. Paint and Thinning products: Shall be stored in fire proof cabinets or disposed of according to City, County, State, or Federal Hazardous Waste Disposal Regulations, including, but not limited to, National Fire Protection Association (NFPA) requirements.

2. Heating, ventilating, and air conditioning units: Shall be inspected on an annual basis and be clean, maintained and operated in strict accordance with manufacturer's instructions.

a. Heating, ventilating and air conditioning units: New installation(s) and repair shall be done in accordance with manufacturer's recommended requirements.

b. Heating, ventilating, and air conditioning units: Adjacent areas shall be free of litter, dirt accumulation and unnecessary storage.

3. Electrical systems: Shall be maintained and inspected on an annual basis for compliance with the National Electrical Code and requirements of the utility provider.

a. Electrical Systems: Shall be equipped with properly functioning safety equipment, overload protective devices and switches.

b. Electrical Systems: High voltage (220v and higher) shall have contact points marked in accordance with National Safety Council coding standards.

Electrical Systems: Installations shall be in accordance with the National Electrical Code and installed by a California licensed electrician /contractor.

4. Fire protection systems: Fire Alarms and Sprinkler systems shall be inspected on an annual basis and be in full operating condition at all times

in accordance with City, County, State, and National Fire Protection Association requirements.

a. Fire Protection Systems: Installations shall be done by a licensed technician/contractor.

5. Fire escapes and exits: Shall be inspected on an annual basis and be maintained to provide safe and expedient exit from the building at all times.

a. Fire Escapes and Exits: Fire exit doors shall be equipped with operable panic hardware and be identified by illuminated fire exit signs.

b. Fire Escapes and Exits: A fire or emergency exit plan shall be posted on each floor showing escape routes and emergency exit doors.

c. Fire Escapes and Exits: Installations of fire escapes and emergency exit hardware and signs shall receive prior written approval from the Superintendent.

6. Floors and floor coverings: Shall be inspected on an annual basis and be maintained to prevent signs of displacement, deflection, water damage, and abnormal deterioration.

a. Floors and Floor Coverings: Shall be maintained so they are free of objectionable deterioration, evidence of vandalism and excessive wear.

b. Floors and Floor Coverings: Hardwood floors, tile and linoleum coverings shall be maintained using proper sealants and waxes.

7. Asbestos: The Concessioner is responsible for maintaining health and safety standards in the presence of asbestos in all assigned buildings and areas.

D. Utilities

1. Water systems: The Concessioner shall maintain the water system within its assigned areas, including piping, faucets, spigots, water troughs, and stand pipes.

a. The concessioner shall replace or repair any damage to the water system, within the assigned areas. The Concessioner shall also maintain all fixtures attached to the water system within all buildings and structures. The Concessioner shall provide bacteriological monitoring and chemical analysis of potable water as required by applicable law or policy.

b. Water systems shall be maintained showing no evidence of leaks and all reasonable measures have been taken to conserve water through the use of water restricting/low flow devices and low volume flush toilets.

c. New installations shall be done by a licensed plumber/contractor and receive prior written approval of the Superintendent.

2. Sewage systems: Shall be operated and maintained within the assigned areas.

a. The Concessioner shall replace or repair any damage to the sewage disposal system within the assigned areas.

b. The Concessioner shall maintain and repair the internal building fixtures attached to the sewage disposal system (including sinks, toilets, urinals, and dish washing equipment etc.).

c. The Concessioner shall be responsible for maintenance and clearing of grease traps (interceptors) serving all facilities within assigned areas.

d. Effluent discharged on the ground shall be handled according to U.S. Public Health Service and State of California Water Quality Control Board standards.

3. Natural and liquefied petroleum gas systems:

a. Shall be maintained from the meter or tank into the building and installations and appliances shall comply with the following:

b. National Fire Protection Association (NFPA) installation of gas appliances and gas piping.

c. National Fire Protection Association storage and handling of liquefied petroleum gases.

d. The Concessioner shall maintain, according to NFPA codes, all liquid petroleum gas (LPG) systems in their assigned areas. This includes, but is not limited to tanks, valves, regulators, and piping. Placement of new or additional tanks will be subject to written approval from the Superintendent.

e. The Concessioner will arrange for an annual inspection of its gas storage distribution systems. Such inspection will include a representative of the Service. All gas installations will require a licensed California LPG installer.

4. Electrical systems

a. The Concessioner shall be responsible for maintenance of all electrical lines and equipment (conduits, fuses, panels, switches, etc) within all assigned buildings and structures (both Government and concessioner improvements) and for all fixtures (lines, cords, and equipment) affixed to the secondary electrical lines beyond the electric meters/main disconnects within the assigned areas maintained by the concessioner. Maintenance of electrical circuits shall be considered as beginning at the meter/main disconnects.

b. The Concessioner shall repair or replace any damage to the electrical system beyond the meters/main disconnects within the assigned areas, as a result of acts by the concessioner, its employees, patrons and/or agents.

c. All construction requiring electrical work or rewiring of existing facilities must be completed only by a California licensed

electrician at the Concessioner's expense, and that inspection will certify to the Service that the installation meets all applicable code. Examples of electrical work include additions of electric panels or subpanels, a new circuit or meter box, and renovations of existing electrical systems.

E. Food service equipment

1. All equipment used in food service operations, especially dishwashers, refrigerators, freezers, serving counters, etc, will be maintained in compliance with United States Public Health Service Standards and State and Local requirements associated with food service activities.

F. Historic structures

1. The Cliff House facilities are considered eligible for listing on the National Register of Historic Places. All work on these facilities will be done in accordance with the Secretary of the Interior's Standards for Historic Preservation (36 CFR 68) and in full compliance with the National Historic Preservation Act of 1966.

G. Signs

1. The Service's Guidelines (NPS-48) for signing state:

Public signs for which the Concessioner is responsible must be appropriately located, accurate, attractive, and well maintained. Signs of a permanent nature shall be prepared in a professional manner, consistent with NPS standards, appropriate for the purpose they serve, and be approved by the Superintendent prior to installation. (NPS 48), Chapter 21, Page 1)

2. The Concessioner will be responsible for the installation, maintenance, and replacement of all interior and exterior signs relating to its operations and services within the assigned areas. Examples of this responsibility are signs identifying the location of functions (when attached to concessioner-operated buildings or on grounds assigned to the Concessioner), signs identifying operating services and hours, and signs identifying the Concessioner's rules or policies.

3. The Concessioner is responsible for ensuring that its signs are compatible with Service sign standards as determined by the Golden Gate National Recreation Area Sign Committee. All new sign installations shall be approved in advance by the Superintendent. No handwritten or typed signs shall be permitted within the Concessioner's assigned area(s).

H. Litter and garbage

1. The Concessioner shall keep all assigned areas free of litter, garbage, abandoned equipment, vehicles, furniture or fixtures. The NPS standard of this activity is defined in NPS 48:

The Concessioner shall provide an effective system for the collection and disposal of garbage and trash within its areas of responsibility. Waste should not accumulate in trash containers to the point of overflowing. Trash containers shall be conveniently located and in sufficient quantity to handle the needs of the area. Refuse shall be stored in receptacles which are covered, waterproof, and which comply with all relevant construction standards (such as raccoon and vermin proof), as specified by the National Park Service. State and/or county codes shall also be followed if applicable. (Chapter 21, Page 1)

2. The Service's general standard for grounds includes the following:

Grounds shall be well maintained, properly illuminated, uncluttered, and free of litter and debris. This will include facility entrances, stairways, parking areas, trails, driveways, walkways, and other areas for which the Concessioner has responsibility or as outlined in the land assignment. (NPS 48, Chapter 21, Page 1)

3. The Concessioner will use adequate Service approved trash and garbage containers within the assigned areas. These containers will be clean, well maintained, serviceable, and the sites free of spills, waste and reasonably odor free. Additionally, to prevent pest attraction and breeding, all garbage will be adequately bagged and tied.

4. All materials generated as solid waste, slash, untreated wood, tree branches, must be removed from the Park at the Concessioner's expense and disposed of at an approved land fill or disposal site outside the boundary of GGNRA.

I. Grounds and landscaping

1. The Concessioner shall conduct his business and daily activities in such a manner as to minimize impacts on the natural scene. This will involve protecting native vegetation and controlling erosion.

2. The Concessioner will undertake landscaping activities only with the written permission of the Superintendent, and only after the authorization of a formal landscaping plan has been prepared and submitted by the concessioner and recommended to the Superintendent by the park's Division of Resource Management and Planning.

3. The Concessioner shall be responsible for removing slash buildup around buildings in their assigned areas to prevent fire and egress hazards. National Park Service rules, regulations, and policies for fire control and City and County fire control policies apply to this contract and shall be followed by the Concessioner.

4. The Service is responsible for the identification, periodic monitoring, and removal of hazardous trees within the assigned areas.

J. Roads, trails, parking areas, and walkways

1. The Service is responsible for the construction of and physical maintenance of paved surfaces used for public roadways. The Concessioner, however, will be responsible for removing litter and trash from these areas when they fall within the concessioner's assigned areas.

2. The Concessioner shall be responsible for maintaining, repairing and replacement of all parking areas, sidewalks, walkways, and trails within its assigned areas.

3. Maintenance of sidewalks, walkways, and trails shall ensure that paved/unpaved surfaces are safe for pedestrian traffic. In all assigned areas

the Concessioner shall be responsible for sweeping walks on a recurring schedule that ensures public areas are consistently clean and free from litter, and other debris, and otherwise maintained in safe conditions and aesthetically acceptable as public use areas.

4. The Concessioner shall install and maintain lighting systems that provide adequate levels of lighting for security and safe night-time walking in assigned areas. Construction of additional path or parking area lighting shall occur only with written permission of the Superintendent.

K. Major alterations

1. For any projects/maintenance/repair work that will result in major changes, alterations, or modifications to existing structures, facilities, or as signed areas the Concessioner will submit a written proposal package to the Superintendent for prior written approval. This clause applies to projects that change the functions, nature, or appearance of a structure, facility, or area and not to routine work that does not change, alter, or modify the same. Sufficient lead time should be allowed for project review. Project review committee meetings occur twice monthly.

2. Project Proposal Package to include, but is not limited to the following:

- a. Background Narrative & Justification Statement.
- b. Full Written Description of Project:
 - What work is to be accomplished.
 - Cost estimates with basis.
 - Design/Construction drawings, photos, maps, etc.
 - How work is to be accomplished and by whom.
 - Proposed start date and estimated completion date.
 - Hours of planned work activity.
 - Description of proposed safety measures to be taken.
 - Listing of Project Supervisor and on Site Supervisor.
- c. Compliance with Federal Accessibility Standards.
- d. Analysis of foreseen impacts to the visiting public and to natural and cultural resources.

3. All work which will modify the existing configuration of facilities and/or site improvements must be defined by construction documents stamped by the appropriate professional engineering or licensed architectural

designer. These documents must be submitted to the Superintendent for consideration. No work is to commence until written approval from the Superintendent is received.

4. Prior to beginning work on any project, a Pre-Construction meeting shall be held between the Concessioner and the National Park Service.

5. All approved projects must be performed by licensed California contractors, or as authorized in advance in writing by the Superintendent, with work meeting or exceeding all applicable codes and regulations. All work on electrical systems, fire protection systems, or gas-fired heating systems shall be performed by a California licensed contractor.

6. Computer generated "as built" drawings in the form of AutoCAD files (FILE.DWG) and a project completion report, which includes total project costs, shall be supplied to the Service within 45 days of completion of work on the project.

7. Projects and work sites are subject to on-site inspection and review by the National Park Service and must be "signed off" by the National Park Service upon completion. A letter stating acceptance or rejection and corrective action recommendations will be issued subsequent to final inspection.

VI. SERVICE RESPONSIBILITIES

A. The Service admits or assumes no responsibility for the execution of physical maintenance work on Government buildings, structures, facilities, or areas assigned to the Concessioner except as stated below. The Service will assist the Concessioner in its maintenance program by assuming and executing the following responsibilities:

1. Exterior fire equipment:

a. The Service will be responsible for assisting in the maintenance, testing, and repair of all fire hydrants on water mains within the Concessioner assigned areas.

2. Historic structures:

*** GOLDEN GATE NATIONAL RECREATION AREA ***
*** PACIFIC WEST REGION - NATIONAL PARK SERVICE ***

a. The Service, through its Cultural Resources Management staff, will provide oversight and advice regarding the management of identified or potentially eligible cultural resources assigned to the Concessioner.

3. Signs:

a. The Service is responsible for all regulatory, control, or information signs that serve the interest of the Government; examples include information signs along roadways, directional signs along Park trails, and interpretive signing. The service will install, maintain, and replace all such exterior signing outside the assigned area. All roadway signs are the responsibility of the Service.

b. Through the Park's Sign Committee, the Service will provide direction and assistance to the Concessioner as the latter designs and installs signing which is the Concessioner's responsibility.

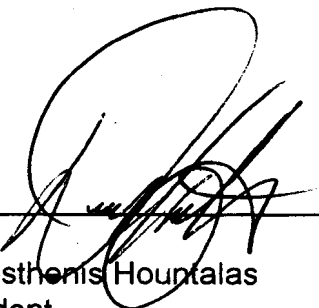
4. Grounds and landscaping:

a. The Service is responsible for the identification, periodic monitoring, and removal of hazardous trees within the assigned areas.

Dated at Golden Gate National Recreation Area this 21st day of APRIL, 1998.

CONCESSIONER

NATIONAL PARK SERVICE



Demosthenis Hountalas
President
Peanut Wagon, Inc.



Brian O'Neill
Superintendent
Golden Gate National Recreation Area

Date: May 20, 1998

EXHIBIT G
 OPERATING PLAN
 FOR
 THE CLIFF HOUSE
 GOLDEN GATE NATIONAL RECREATION AREA

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I. INTRODUCTION

This Operating Plan between Peanut Wagon, Inc. (hereinafter referred to as the "Concessioner"), and Golden Gate National Recreation Area, National Park Service (hereinafter referred to as the "Service") serves as a supplement to Concession Contract CC-GOGA010-98 (Contract) but it is not used to amend the authorization or to alter the rights and liabilities of parties to the Contract. It is intended to further define operating responsibilities of the Concessioner and the Service with relation to those lands and facilities within Golden Gate National Recreation Area which are assigned to, or otherwise used by the Concessioner for the purposes authorized by the Contract.

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

This Plan shall remain in effect until superseded or amended. It will be reviewed annually and revised as determined necessary by the Superintendent of Golden Gate National Recreation Area. Incorporated within this Plan is the requirement of the Concessioner to provide the National Park Service with an "Annual Operating Plan" for each building and area assigned. Said Plan(s) shall be delivered to the Superintendent, Golden Gate National Recreation Area on or before each anniversary of the concession contract. The Superintendent shall provide written response thereto within thirty days from receipt thereof.

The Concessioner is authorized to operate a food and beverage, restaurant and gift shop service deemed necessary and appropriate by the Service.

II. MANAGEMENT, ORGANIZATION AND RESPONSIBILITIES

A. Concessioner

1. The Concessioner will direct this concession operation. The Concessioner shall employ an on-site manager, who carries out the policies and directives of the Service as well as those of the Concessioner in the operation of the authorized concessions facilities and services in the Area. To achieve an effective and efficient working relationship between the Concessioner and the Service, the Concessioner must designate one representative who has full authority to act as a liaison in all concession administrative/operational matters within the Area.

2. The on-site manager will employ a staff with the expertise to operate all services authorized under the concession contract.

3. The on-site manager will furnish the Service with an initial list identifying key concession management and supervisory personnel and their job titles, with updates as changes occur.

B. Service

1. The General Superintendent manages the total park operation, including concession operations. The General Superintendent carries out the policies and directives of the Service, including management of concessioner contractors. Through Service representatives, the General Superintendent reviews, supervises, and coordinates concession activities related to the Area. Monitoring concession contract compliance includes evaluating all concession operations and services, and reviewing and authorizing all rates, improvements to facilities, and construction.

2. The Business Management Division is responsible for managing and coordinating planning and development activities, overseeing environmental compliance, and supervising the concession management activities within the park. The Management Division coordinates the functions of other Service divisions relating to concession operations. The Chief or his/her designee makes recommendations on all aspects of the concessioner's operation to the General Superintendent. He/she ensures necessary evaluations and inspections are performed, including those required by the United States Public Health Service (USPHS), Park Safety Officer, fire inspections, and the Concessioner Review Program. The Chief ensures all concessioner rates are approved based upon current comparability studies or applicable guidelines. He/she has authority from the General Superintendent to make field decisions, which pertain to the concessions operation, and acts as liaison between the Concessioner and General Superintendent.

a. Concessions Management Specialist(s) review and coordinate the Concessioner's day-to-day activities; operational and maintenance activities; rate, service, and schedule changes; equal employment opportunity and affirmative action plans; advertisements; construction proposals; annual financial reports; insurance coverage; and any other contract requirements.

3. The Park Safety Officer monitors the Concessioner's Loss Control program to ensure it meets all applicable standards.

4. The United States Public Health Service (PHS) environmental health consultant, in coordination with the City and County of San Francisco Department of Public Health, monitors food and beverage services, solid waste disposal, water, and waste water systems to ensure adherence to all applicable public health standards.

5. The Chief Ranger initiates, reviews, supervises, and coordinates the activities of personnel who provide public safety (law enforcement, fire, emergency medical, and physical security) functions. Assistant Chief Ranger, Public Safety, and District Rangers serve as the direct line of communication to the Concessioner on matters related to fire management, law enforcement, search and rescue, emergency medical services, physical security and resource protection. Rangers may assist with concession operational evaluations, PHS evaluations, and critical item follow-up inspections.

6. The Chief of Interpretive Services acts on behalf of the General Superintendent in matters pertaining to interpretation, environmental education, museum services, and public information. The Interpretive Division will work with the Business Management Division to evaluate/monitor concession interpretive activities.

a. Interpretive Rangers provide interpretive programs for the visiting public and serve as the direct line of communication to the Concessioner about interpretive matters, including concession staff training. Interpretive Rangers may assist with concession operational evaluations.

7. The Chief, Division of Communication and Partnerships, coordinates media relations and activities directly with the Concessioner.

8. The Chief, Division of Maintenance and Engineering, acts on behalf of the General Superintendent in matters pertaining to maintenance and supervises the activities of the Facility Managers.

a. The Facility Managers, District Maintenance Supervisors and staffs provide day-to-day supervision over all maintenance activities and operations, including any utilities provided by the National Park Service, in their

districts. They serve as the direct line of communications to the Concessioner on routine maintenance matters.

9. The Chief, Division of Resource Management and Planning, acts on behalf of the General Superintendent in all matters pertaining to natural resources management such as air quality monitoring, vegetation management, fish and wildlife management, and hazard tree mitigation.

a. The park Cultural Resources Specialist serves as the direct line of communication to the Concessioner about the care, treatment, and preservation of the historic structures assigned to the Concessioner.

10. The Administrative Officer acts on behalf of the General Superintendent in matters related to fiscal management associated with the concession activities, including billing for payment of franchise fees, utilities, lease fees, and personal services provided by the Service to the Concessioner.

III. CONCESSION OPERATIONS

The operation of accommodations, facilities, and services authorized by the Contract will conform to the evaluation standards set forth in the National Park Service Concessions Guideline (NPS-48) and with this Operating Plan.

A. Operational evaluations

1. The Service and the Concessioner shall separately inspect and monitor concession facilities and services with respect to Service policy, applicable standards, authorized rates, safety, public health, impacts on cultural and natural resources, and visitor concerns and reactions. The Service will evaluate all services and facilities operated by the Concessioner to ensure public safety and health, identify maintenance and operating deficiencies, and ensure satisfactory services and accommodations for the general public within assigned areas of responsibility and in accordance with the Land Assignment Maps included in Exhibit B to the Contract.

2. The General Superintendent's representative(s), normally the Concessions Management Specialists, will conduct periodic inspections of concessioner facilities and services to ensure conformance to operational standards established by NPS-48. Location managers will be contacted at the time of

evaluations so that a representative of the Concessioner can accompany the Service evaluator.

3. The Park's Safety Officer will conduct at least one annual comprehensive safety and occupational health evaluation. The Concessioner will perform periodic interior and exterior safety inspections of all concession facilities, in accordance with its documented safety program ("Loss Control Plan"), discussed in Section VIII below.

4. The United States Public Health Service (PHS) environmental health consultant shall conduct periodic food service evaluations; inspections may be conducted without prior notice. The City and County of San Francisco Department of Public Health may also conduct periodic inspections. The PHS will coordinate with the City and County of San Francisco Department of Public Health to assure consistency in the correction of any deficiencies. The Concessioner will maintain and follow a formal, written food service sanitation self-inspection program. The Service will assist the concessioner in reviewing and updating the program as necessary.

5. The NPS is the jurisdiction having authority (JHA) for all fire codes on federal lands. Fire Inspectors will conduct periodic inspections no less than once a year. All violations will be corrected in accordance with the terms of this contract and within the negotiated time frames. The San Francisco Fire Department may also conduct periodic inspections. Corrections of any violations identified by them shall be made through coordination with the Service's Fire Inspectors. The Concessioner will perform periodic interior and exterior fire inspections of all concession buildings. Written records, verifying the completion of such inspections, will be maintained by the Concessioner and available to the Service upon request.

6. The Service reserves the right, in accordance with the Concession Contract, to enter the Concessioner's facilities at any reasonable time for any inspection or when otherwise deemed necessary.

7. The Concessioner must be responsive to dates assigned for correction of deficiencies and abatement plans for correction of identified deficiencies. The Concessioner will meet with Service officials to schedule and prioritize correction of deficiencies and improvement programs resulting from these inspections.

B. Rates

1. Rates for services provided by the concessioner are established as follows:

- a. Food and beverage - competitive market
- b. Gift shop/souvenirs - competitive market
- c. Camera obscura - competitive market

The General Superintendent reserves the right, at any time during the term of the contract, to re-evaluate and change this method of rate determination.

A competitive market declaration is a process by which the General Superintendent determines that the pricing of a specific item, items, or service is not related to or enhanced by operating with the National Park Service area. Such services include those in a highly competitive market. A declaration is made that further rate reviews are unnecessary as the concessioner's pricing must be competitive to secure business and is therefore comparable. This declaration must be reviewed annually.

2. The Concessioner shall provide a range of service levels, qualities, and associated prices for all goods and services provided to the public under the Concession Contract. The concessioner shall reasonably accommodate special needs such as children's or senior's menus, vegetarian, or dietary needs.

3. If the Concessioner offers an item or service at less than the optimum condition (because of unavailable amenities or condiments, or because of poor service or other conditions), the item or service will be discounted. This should not be construed to condone shortages or "running out" of items on a regular basis and should be used only in unavoidable situations.

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

5. The Concessioner will prominently post all rates for goods and services provided to the visiting public.

C. Reduced rates for government employees and others

*** GOLDEN GATE NATIONAL RECREATION AREA ***
**** PACIFIC WEST REGION - NATIONAL PARK SERVICE ****

1. Government employees on official business and others (not family members) on park-related business, as designated by the General Superintendent, may receive reduced rates only for lodging and transportation. Reduced rates are not applicable under any circumstances for any services provided under this CONTRACT, except as is available to the general public.

2. Goods and services may not be provided to government employees or their families without charge or at reduced rates except within the provisions described above or as available to the general public.

D. Schedule of operation

1. The Concessioner will provide authorized services for the Area visitors on a year-round basis. The current approved schedules are included as **Attachment 1** to this Plan. The Concessioner will submit a written schedule of proposed changes in operating hours for all concession facilities and activities for the General Superintendent's approval prior to implementation. The Service will give reasonable notice of any schedule changes that it may initiate.

E. Staffing and employment

1. Concessioner Hiring

a. The Concessioner will hire a sufficient number of employees to ensure satisfactory services at all times.

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

c. The Concessioner will establish hiring policies which will include appropriate background reviews of applicants for employment. The Concessioner will not hire any person known to have an outstanding warrant for arrest and will make reasonable efforts to secure this information prior to hiring new employees. The Concessioner will implement a Drug Free Policy for all concession employees.

d. The Concessioner shall formally inform employees and potential employees that any individuals required to register with the law enforcement agency in accordance with California Health and Safety Code 11590 (drug offenders) and California Penal Code 290 (sex offenders) must register with the park's Criminal Investigations Unit.

e. Drivers of delivery trucks or passenger carrying vehicles shall have a valid California operators license for the size and class of vehicle being driven. They shall also meet any additional requirements established by the California Highway Patrol for the vehicle driven or passengers carried. The Concessioner will participate in the California Department of Motor Vehicles pull notice program to monitor employee driving records.

2. Employee/Staffing Practices

a. All employees dealing with the general public shall wear suitable clothing with own personal name tag. Employees will project a hospitable, friendly, helpful, positive attitude, be capable and willing to answer visitors' questions, and provide visitor assistance. The Concessioner shall take appropriate steps to enforce these rules.

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

3. Service Employees and Families

a. The Concessioner shall not employ in any status a Service employee, his/her spouse, or minor children of Service employees without the General Superintendent's approval. Employees must submit a written request to the General Superintendent. The Concessioner shall not employ in any status the spouse or children of the General Superintendent, Deputy Superintendent, Chief of Business Management, Concessions Management Specialists, Safety Officer, or Public Health Sanitarian.

4. Training Program

a. The Concessioner will provide employee orientation and training and will inform employees of park regulations and requirements which affect their employment and activities while residing and working in the Area. Additional

orientation, pertinent to the developed area where the employees are assigned, will be conducted by the Concessioner with Service participation on location.

b. The Concessioner will provide adequate, applicable training to each employee prior to job assignments and working with the public. The Service will provide orientation(s) to NPS-48, which emphasizes the operational review program, to managers on an annual basis.

c. The Concessioner will provide hospitality training for employees who have direct visitor contact and/or who provide visitor information. The Concessioner will provide the California Alcohol and Beverage Control (ABC) training to all personnel who serve alcoholic beverages. Certificates of completion will be available for inspection.

d. The Concessioner will design and provide interpretive training for all employees who provide interpretive and/or informational services. The Service will work closely with the Concessioner to refine the methods of preparing and conducting effective interpretive programs. The Service will evaluate interpretive visitor services to ensure appropriateness, accuracy, and the relationship of interpretive presentations to park themes.

IV. SCOPE AND QUALITY OF SERVICE

A. General

1. All services are to be provided in a consistent, quality manner. Service standards provided by the NPS Operational Performance Program are considered service minimums. The Concessioner is expected to make every effort to exceed these standards. The Concessioner shall be responsible for monitoring their operations to assure that quality standards are met.

2. The Concessioner will provide a variety of food services as well as a gift shop. Foods and beverages offered should include a focus upon locally or regionally grown, raised, or harvested products; foods should be selected to provide a broad array of choices to the visitor, reflecting the diversity of the public and the opportunity to provide quality fare based upon the unique resources of this region of the country. Menus should reflect the most current approach to food service in terms of quality, ingredients, preparation, serving, and should tap the innovation of the food service/restaurant industry.

3. Gifts and souvenirs should reflect park and regional themes. All merchandise should be appropriate for sale in a national park, be of high quality, reflect local talents when possible, and not be generally available in non-park settings. The Concessioner must demonstrate the maximum integration of the cultural and natural resources of the park into the gift shop operation.

4. The Concessioner should continually evaluate the mix of services in the total operation, and routinely develop and implement a combination of services that maximizes the attributes of the facility provided and park themes.

B. Food and beverage service

1. All menus will maintain a price range that will accommodate the general range of park visitors.

2. The Concessioner will offer a range of food services, which provide a range in the choice and price of foods as well as method and extent of offerings, including but not limited to, quick service (such as stand up or sit-down, counter, delicatessen, or cafeteria style), coffee shop, fine dining, bar/lounge. Foods and beverages offered should focus upon locally or regionally grown, raised, or harvested products; foods shall be selected to provide a broad array of choices to the visitor, reflecting the diversity of the public and the opportunity to provide quality fare based upon the unique resources of this region of the country. Food service operations will offer variety at each location, including vegetarian entrees, light eater's portions, and children's menus.

C. Alcoholic beverage sales

1. The Concessioner will comply with the State of California Alcoholic Beverage Control (ABC) Act, which will be enforced by the Service and the State of California.

2. Alcoholic beverage service will be available to the public with meal service (bona fide eating place) and at designated lounges. Alcoholic beverage sales will not be a principal focus, and no promotional activities will center on alcoholic beverages (i.e., happy hours, two-for-one sales, etc.)

D. Merchandising

1. General: All retail services will comply with the guidelines established by NPS-48, "Concessioner Review Policy, Operational Performance Standards" and "Handcrafts, Gifts and Merchandise."

2. Gifts and Souvenirs: The Concessioner shall develop and present to the National Park Service for approval written a "Gift Shop Mission Statement" for its gift shop within the Area. Once established, this mission statement will become **Attachment 2** to this Plan. The Concessioner will maintain and periodically update this statement as required by the General Superintendent.

E. Camera Obscura

1. The Concessioner shall operate a fully functional camera obscura. The concessioner will initially provide an operating schedule for approval by the National Park Service. The concessioner shall develop and present to the National Park Service for approval a written "Camera Obscura Interpretive Statement" as part of this service to explain the operating elements of the camera obscura, its role in the field of photography, as well as explain the role of a camera obscura within the Sutro Historic District. Once established a description of the interpretive statement will become **Attachment 3** to this Plan. The Concessioner will maintain and periodically update this statement as required by the General Superintendent.

F. Interpretive services

1. General: The Concessioner shall submit to the Service for approval a written "**Cliff House** Interpretive Program" which outlines, for both non-personal and personal services, a basic description of topics to be covered, bibliography of resource materials being used, and the scope of employee training. Once approved the program will be included as **Attachment 4** to this Plan. The Concessioner will maintain and periodically update this statement as required by the General Superintendent.

a. The Concessioner will adequately train staff members in safe operating procedures and interpretive techniques. The Concessioner will provide and be evaluated upon thematic interpretation. Employees will demonstrate their knowledge of The Gate National Recreation Area, Service goals, and appropriate interpretive techniques in their programs.

2. Non-Personal Interpretive Services

a. In addition to personal interpretation, the Concessioner will actively pursue a non-personal interpretive program. At food service facilities, interpretive messages will be included on menus, placemats, paper cups, tent-cards, etc. The Concessioner will develop and implement a wide array of methods to convey interpretive messages to visitors on park-related themes and topics such as resource protection, appreciation of park values, and Service goals. This information shall include, but not be limited to, the cultural and natural histories of the specific site, relationships between the site, San Francisco, the region, and the environment, as well as the relationship between the particular service and the site, etc. (not only what the site is all about, but why the services are part of the site). (back page history on menus, regional fare descriptions, hang-tags)

b. Park interpretive themes will carry over to merchandise sold in retail outlets.

3. Interpretive Assistance: The Division of Interpretation is available to advise/assist the Concessioner in the development of an interpretive program which encompasses all of these efforts.

G. Telephone services

1. Telephone services shall provide public access to 9-1-1, local and long distance telephone services and shall comply fully with the California Public Utility Commission requirements for pay phones in the State of California, any local ordinances and any GGNRA requirements. Charges to the public will not exceed the FCC approved AT&T tariff time-of-day and day-of-week, public switched-message rates. The concessioner will not remove, relocate, or supplement public pay phones currently installed by the service in the park.

H. Reservations

1. The Concessioner will develop a restaurant/facilities reservation policy for approval by the National Park Service. The plan generally shall reflect the policy of similar facilities within the area, and will include a deposit/ cancellation/ refund policy. Any deposit may be paid by cash, check, money order, or major credit cards.

I. Vending

1. Cigarette vending machines are not allowed.

*** GOLDEN GATE NATIONAL RECREATION AREA ***
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V. REPORTS

A. Concessioner:

1. **Management Information System:** To document visitor use impact, the Concessioner shall develop and maintain a management information system on the operations and shall provide the General Superintendent a monthly report which will reflect at the least the following information for each operation:

- a. Number of meals served (breakfast, lunch and dinner).
- b. Number of visitors per day (camera obscura).

2. **Incident Reports:** The Concessioner will immediately report to the Park Communication Center: any fatalities or visitor-related incidents which could result in a tort claim to the United States; property damage over \$500; any employee or visitor injuries requiring more than minor first aid treatment; any fire; all motor vehicle accidents; any incident that affects the park's resources; and any known or suspected violations of the law involving persons not employed by the Concessioner.

Human Illness Reporting: Information on all human illnesses, whether employees or guests, is to be promptly reported to the Service's Safety Office. This information, along with other information received, will be evaluated by the Park Health Service environmental health consultant to help identify outbreaks of illness associated with contaminated water or food sources, or caused by other adverse environmental conditions. Reports shall be made by telephone. Specific procedures shall be included within the Concessioner's Documented Loss Control Plan.

3. **Other Reports Required by the Contract:**

- a. Annual Financial Report w/in 90 days after fiscal year
- b. Certificate of Insurance annually, at renewal or change in policy
- c. Statement of Insurance annually, pursuant to request by NPS
- d. Hazardous Materials Management Plan w/in 6 months for initial plan; updates as storage changes

B. Service:

1. Annual Review of Utility Rates: Operating costs for utility systems and services will be reviewed annually, and the Concessioner will be notified in writing annually for the upcoming year.

VI. SANITATION

A. The Service will inspect on a periodic basis each food service facility for compliance with the most recent edition of the Food Code Recommendations of the United States Public Health Service, Food and Drug Administration (Food Code). These inspections may be made without prior notice by the United States Public Health Service (PHS) as well as the National Park Service. Other food service inspections may be made by the California State Department of Health or the City and County of San Francisco Health Department for compliance with applicable regulations. The PHS will coordinate with these entities to assure consistency in compliance. The concessioner will adequately pass all safety and public health inspections.

B. The Concessioner will provide sanitation training to food service employees, at a minimum, at the start of their employment in a food service facility; at least once every five years; or as often as necessary to assure compliance with all aspects of the Food Code

C. Garbage Collection: If requested by the NPS, the Concessioner will be responsible for contracting for the removal of trash and garbage generated by its operations.

VII. UTILITY RESPONSIBILITY

A. Concessioner: The Concessioner is responsible for contracting independent suppliers to provide all utility services necessary for its operations.

B. Maintenance responsibilities are described in the Maintenance Plan.

VIII. LOSS CONTROL PROGRAM

A. Per the Occupational Safety and Health Act of 1970 and the "National Park Service Loss Control Management Program" Guideline NPS-50, the

Concessioner will provide a safe and healthful environment for all of its employees and visitors.

B. The Concessioner will develop, maintain, and implement a documented safety program ("Loss Control Plan"), as outlined in NPS-48. An initial submittal and request of approval of this plan will be made to the General Superintendent within 120 days of the execution of the Contract.

C. The Service shall conduct an annual evaluation of the Concessioner's Loss Control Program.

IX. LOST AND FOUND POLICY

Each found item shall be tagged, listing the item found, location found, date and time found, and by whom it was found. If an item is not claimed within seven (7) days, it shall be turned over to the Service in accordance with the parks' Lost and Found Policy.

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

X. INTEGRATED PEST MANAGEMENT

The control of pests by chemical and other means is subject to park approval. Procedures are outlined in the Park's Integrated Pest Management Plan. Specific problems can be referred to the park's Integrated Pest Management Coordinator.

XI. COMPLAINTS

A. The Service will send complaints or comments regarding Concessioner facilities to the Concessioner for investigation and response in a timely manner. The Concessioner will provide a copy of the response to the General Superintendent. A copy of the Service's response will be forwarded to the Concessioner.

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

*** GOLDEN GATE NATIONAL RECREATION AREA ***
**** PACIFIC WEST REGION – NATIONAL PARK SERVICE ****

This service is operated by Peanut Wagon, Inc., a Concessioner under contract with the U.S. Government and administered by the National Park Service. The Concessioner is responsible for conducting these operations in a satisfactory manner. The reasonableness of prices is based on similar operations operating under similar conditions in the area. Prices are approved by the National Park Service.

Please address comments to:
General Superintendent
Golden Gate National Recreation Area
Fort Mason, Building 201
San Francisco, CA 94123

XII. ADVERTISEMENTS/PUBLIC INFORMATION

A. All promotional material must be approved by the General Superintendent prior to publication, distribution, broadcast, etc. Advertisements must include a statement that the Concessioner is authorized by the NPS, Department of the Interior, to serve the public in The Area. Brochure changes and layout should be submitted to the General Superintendent for review at least 30 days prior to projected need/printing dates. The General Superintendent will make every effort to respond to minor changes to brochure and menu texts within 15 days. Longer periods may be required for major projects or where NPS assistance is required to help develop the product. The concessioner should contact park staff well in advance to establish specific time frames for each project.

B. Advertisements for employment must contain a statement that the Concessioner is an equal opportunity employer.

XIII. PUBLIC SAFETY

A. Visitor Protection: Visitor protection shall be provided by the Service and the City of San Francisco. Concessioner-employed security personnel, in regards to visitors, may act as private citizens as identified in the California Penal Code but have no authority to carry firearms.

B. Fire Protection: Fire protection shall be provided jointly by the Service, the City of San Francisco and the Concessioner, with primary responsibility lying with the City of San Francisco. The Concessioner has the responsibility to ensure that all buildings within its assigned area meet Fire and Life Safety Codes and that fire detection and suppression equipment is installed, operated, and maintained in accordance with applicable National Fire Protection Association standards at all times. It is also the Concessioner's responsibility to report all structural fires immediately (even if the fire has been extinguished). The Concessioner will allow employees to be on the various developed area volunteer fire brigades and will allow time away from their primary duties for necessary training.

1. The park's fire department has a professional fire inspection staff which is responsible for the inspection of all buildings within Golden Gate National Recreation Area. The fire inspectors are responsible for reviewing and approving design and construction documents, inspecting construction in progress, and the life safety inspection of subsequent occupancy. They establish occupancy loads for public assembly areas and enforce those standards.

2. The Service and Concessioner will enter into a separate agreement or memorandum of understanding prior to any active participation and/or training.

3. Fire hazard reduction: All new construction, and existing historic and non-historic buildings undergoing major rehabilitations or alterations may require sprinkler and/or fire alarm systems.

4. Fire alarm systems shall be made up of detection, initiation, and notification devices. A fire alarm control panel is to be placed at the primary entrance to the facility in an area approved by the public safety office. All new fire alarm systems will operate on low voltage. These systems will transmit all alarm system activity, via analog phone signal, to the park's Central Station Via the Modem IIe or BFSK format. Fire alarm systems shall be installed in accordance with National Fire Protection Association Codes 70 and 72. The park's Fire Prevention Office will be responsible for approving zones and/or points of annunciation. Installing contractor shall be capable of UL Certifying the fire alarm installation.

5. For reporting purposes, sprinklers are to be zoned. The fire alarm control panel and, where applicable, remote annunciator will indicate, as a minimum, on which floor the sprinkler head was activated. All newly installed sprinkler systems shall be hydraulically calculated.

6. A minimum of four (4) names and phone numbers are to be supplied as emergency contact points. They will be called in the event of a fire, intrusion or other emergency.

C. Emergency Medical Care: Any injury sustained by a visitor or employee in a concession facility and/or all medical emergencies should be reported promptly to 9-1-1. All employee and/or visitor illness complaints will be promptly reported to the Service through the appropriate District Protection Ranger so that thorough investigating procedures can be completed as necessary.

D. All violations of Federal, State, County or National Park Service regulations or policies shall be handled by the National Park Service. State or County officials may be called to assist in some matters but this will be accomplished through the office of the South District Ranger or his/her authorized representative.

E. Concessioner-employed security personnel are empowered to enforce the Concessioner's employee policies, prevent unauthorized access and detect crime. All concession personnel are expected to adhere to all laws, regulations and policies now in force or which may hereafter be promulgated. All concessioner-employed security personnel will be currently licensed by the California Consumer Board as a security guard. No concession-employed security guards will be employed with either a history of violent crimes or of property crimes. All security personnel must have current first responder medical and CPR certifications. The Service agrees to provide an eight hour orientation to all concessioner-employed security personnel. Only those personnel who have completed the orientation training will be assigned security duties except in emergencies.

F. Security personnel must have adequate command of the English language to allow for effective communications with visitors, park employees and permit the effective use of radios and telephones. The concessioner will supply security personnel with a hand-held radio capable of contacting the park's communication center.

G. Disaster Planning: The Concessioner within 90 days of occupancy must submit to the park's emergency services coordinator a disaster plan for that occupancy. The plan must be approved by the Service.

H. Emergency Access: All Golden Gate National Recreation Area facilities are to be accessible to responding emergency crews 24 hours a day. GGNRA

requires that all facilities be equipped with a Knox Box. The Knox Box is to be mounted on the exterior wall of the facility at the primary entrance. The Concessioner will be required to place a master key (or keys), which will provide access to all areas of the building, in the Knox Box. These keys shall include keys for all key-operated fire alarm panels and devices. If hazardous materials/waste are to be stored or used in the building, Material Safety Data Sheets and Hazardous Material Management Plans will be required to be provided in the Knox Box.

The Concessioner will be responsible for notifying the Knox Box company of their exact needs, so the appropriate size box is installed. The name and home telephone number of an emergency contact person and four alternates must also be in the box. The Knox Box is required to be keyed to the GGNRA Knox Box master key. The Concessioner is responsible for specifying this to the Knox Box representative. Specific information about ordering a Knox Box can be provided by the Physical Security Manager or the Fire Prevention Office.

I. Physical Security: Golden Gate National Recreation Area has a physical security manager on staff who will review all plans. All exterior plans must be approved by the physical security specialist. Areas of particular concern are lighting and landscaping. The Project Manager will coordinate review with the park's landscape architects to assure compliance with the cultural landscape guidelines.

The park's physical security manager is available to assist the Concessioner with physical security needs and evaluations. The degree to which the Concessioner requires intrusion protection is a decision made by the Concessioner. The physical security manager is willing to discuss and advise on proper installation of a system to address risks, including lighting and lock systems.

Golden Gate National Recreation Area has a central alarm monitoring facility in the communications center of the park and all Concessioners are required to use this facility. Either Radionics or Interactive Technologies Corporation format must be transmitted to the central station. Receivers designed to accept these two particular transmission formats are in use. Consideration will be given to accommodate other systems which are already in place.

It is possible to purchase a large variety of quality detection devices. The Park Service requests that hardwired motion detectors use both microwave and infrared to determine an intrusion. This type of device greatly minimizes false alarms. Stranded copper wire is required for wired intrusion systems. When a wood door is being contacted, the contact is to be recessed into the door.

The quality of the installation greatly determines the effectiveness, longevity and appearance of the system. If the manufacturer has a training and certification program for the installation of their equipment, the Park Service requires that the installers be certified by that manufacturer.

XIV. DESIGN AND CONSTRUCTION

A. The Service must approve plans and specifications for all types of construction prior to the start of each project. Submittals should be made in a time frame which allows for all necessary reviews and clearances. Plans and specifications must be prepared in accordance with NPS-48, Design and Construction and NPS-10, Drafting Guideline. Construction codes to be followed include, but are not limited to, the most current editions of the Uniform Building Code, the National Plumbing Code, the National Electric Code, Uniform Federal Accessibility Standards, NFPA's Life Safety Code, and California Public Resource Code 4291. Where locally applicable codes exist that set a higher standard than national codes for a particular issue, then local codes will apply for that issue at the discretion of the General Superintendent.

B. Construction and renovation of buildings on the List of Classified Structures or the National Register of Historic Places must be carried out in accordance with the Public Law, 96-515, National Historic Preservation Act; Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings; the Secretary of the Interior's Standards for Historic Preservation Projects; 36 CFR, Chapter VIII, Advisory Council on Historic Preservation, and 36 CFR Part 800 (Advisory Council of Historic Preservation's regulations for completing Section 106 compliance)

C. Further direction is provided in the Maintenance Plan.

XV. UNDERGROUND STORAGE TANK/HAZARDOUS WASTE PROGRAM

A. The Concessioner will develop and submit a Hazardous Materials Business Plan to the Service for approval within 6 months of the execution of the Contract.

B. The Service must approve all plans for any work involving underground storage tanks, tracer probes, monitoring wells, removal of contaminated soil, ground water remediation work, etc. The Concessioner must comply with all federal, state and local regulations regarding hazardous waste.

C. The Concessioner will properly clean, mitigate, and remediate all unauthorized discharges of hazardous materials or non-hazardous chemical and biological products released from fleet and public service vehicles and/or stationary sources. Response shall be consistent with guidelines established within applicable federal, state, and local regulations, and as outlined within the Concessioner's Hazardous Materials Business Plan. When a spill, leak, or other release occurs, the Concessioner shall notify the Service's Communications Center as soon as possible without impeding cleanup.

D. When a release of hazardous or non-hazardous chemical or biological product occurs, proper corrective, cleanup, and safety actions must be implemented immediately. Individual fleet and public service vehicles with a load rating greater than two tons should carry, at minimum, enough absorbent materials to effectively immobilize the total volume of fluids contained within the vehicle. Vehicles and operators transporting hazardous materials must be DOT certified and/or registered, and operators must be knowledgeable of local emergency response and personal safety protocol.

XVI. RECYCLING AND CONSERVATION

A. Source Reduction: The Concessioner will implement a source reduction program designed to minimize its use of disposable products in its operations. Reusable and recyclable products are preferred over "throwaways." Polystyrene and plastics will be used as little as possible, and then only polystyrene not containing chlorofluorocarbons. Where disposable products are needed, products will be used which have the least impact on the environment. The use of post-consumer recycled products whenever possible is encouraged.

B. Recycling and Beverage Container Programs: The Concessioner shall participate fully in the California beverage container redemption/recycling program. The Concessioner shall implement a recycling program which fully supports the efforts of the Service. Products to be recycled include but are not limited to paper, newsprint, cardboard, bimetals, plastics, aluminum, glass, waste oil, antifreeze, and

batteries. The Concessioner shall provide access to and use of recycling programs to the Service and its cooperators.

1. Any beverage container deposits collected in excess of related operating expenses will be used for environmental projects as approved in writing by the General Superintendent. An accounting of the beverage container deposits collected and distributed will be provided to the Service on an annual basis.

C. Water and Energy Conservation: The Concessioner will implement water and energy conservation measures for each of its operations. As new technologies are developed, the Concessioner will explore the possibility of integrating them into existing operations where there is potential for increased efficiency, reduced water or energy consumption, or reduced impacts on the environment.

D. Sustainable design: The Concessioner will implement sustainable design practices into its operations.

XVII. VOLUNTEERS IN THE PARK (VIP)

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

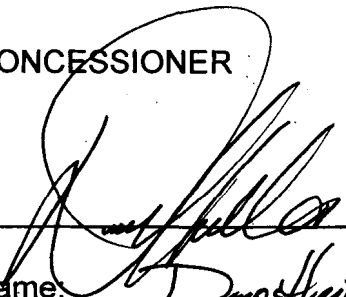
XVIII SMOKING IN PUBLIC BUILDINGS

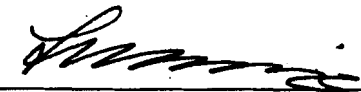
Concession food service facilities will comply with all local/State ordinances/regulations. In other concession facilities smoking must comply with Service policy and Department of the Interior guidelines relative to Service areas. The Concessioner will post notices in all public buildings as necessary.

Dated at Golden Gate National Recreation Area this 24th day of September, 1998.

CONCESSIONER

NATIONAL PARK SERVICE


Name: James M. Howarth
Title: President


Name: Brian O'Neill
Title: Superintendent
Golden Gate National Recreation Area

Date: 9-21-98

Date: 9/24/98

APPROVED SCHEDULE OF OPERATING HOURS

The Cliff House will be open as follows:

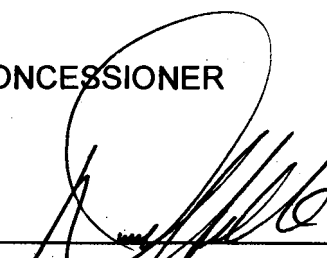
9:00 A.M. until 1:00 A.M. daily

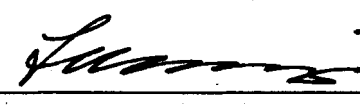
365 days per year

Dated at Golden Gate National Recreation Area this 21st day of September,
1998.

CONCESSIONER

NATIONAL PARK SERVICE





Name: Dan Stare M. Neupert for

Brian O'Neill

Title: President

Superintendent
Golden Gate National Recreation Area

Date: 9-21-98

Date: 9/21/98

GIFT SHOP MISSION STATEMENT

Introduction

Merchandise outlets in national parks provide a necessary service to the visitor, whether it be touring and camping supplies or gifts and souvenirs of their experience. Many visitors have saved all year to be able to take a once-in-a-lifetime trip to a park and want to take something home as a memento of their trip. For many of them, buying a gift or souvenir from within the park is more meaningful than purchasing it elsewhere.

The availability of gifts and souvenirs can also support the purpose of the park and the mission of the National Park Service. One of the goals of the Service is to expand the roles that concessioners might fulfill in augmenting the basic interpretation of park resources. The Vail Agenda report recommended that the private sector and "particularly concessions have a legitimate, productive role to play in educating park visitors, and their involvement should be encouraged." Gifts and souvenirs can and should be a part of this interpretive role in at least reminding the visitor of the park's values, if not providing some educational benefits. The gift shop should serve as an extension of the educational purposes of the park, a means of allowing visitors to take something of their park experience away with them. Providing general souvenirs which do not relate to the park or its immediate region does not achieve this objective.

The purpose of gift shops should be, therefore, to support the mission of the park, and not simply be an end in themselves or serve a primary purpose of providing an income source for the concessioner or to support other concessioner services.

A mission statement provides park objectives for the sale of gifts, providing priority to those items which interpret the park and its area, as well as foster cultural appreciation and environmental awareness. Objectives should address relationships (park and shop, gifts and park), themes and categories, merchandise types and selection responsibilities, handcrafts, environmental merchandise, display space, interpretive messages and tags, price ranges, gift shop staff training, merchandise particulars (collectibles, clothing, children's, etc.), and unacceptable merchandise (NPS-48 list).

Purpose

Gift shops at the Golden Gate National Recreation Area serve a two-fold mission of 1) providing opportunities for visitors to purchase mementos of their park visit, and 2) serving as an extension of the park's interpretive responsibilities to the public. The shops provide a means for visitors to take something of their park experience away with them by purchasing gifts and souvenirs which relate to the park's resources and educational messages. The purchases have the potential of both providing memories of an enjoyable experience and further contributing to the understanding of park preservation and related environmental and cultural values.

The stated purpose for The Golden Gate National Recreation Area from the park's enabling legislation is: "to preserve for public use and enjoyment certain areas of Marin and San Francisco Counties, California, possessing outstanding natural, historic, scenic, and recreational values..." Additionally, the General Management Plan for the park states that the natural areas of the park represent: "...one of the nation's largest coastal preserves...including sandy beaches, rugged headlands, grasslands, forests, lakes, streams, estuaries, and marshes." The Plan also states that the cultural history of the park provides: "... a rich chronicle of two hundred years of history of one of the world's most important and spectacular seaports."

The purpose of the Cliff House Gift Shop is to support the purposes of the park, and shall do so as outlined below:

Objectives

In responding to the purposes for which the Golden Gate National Recreation Area was established and to Concession Guidelines (NPS-48), the following objectives are established:

1. The image of the park and the gift shops are intertwined; the shops, in terms of both merchandise and personnel, are a front line of the park's interaction with its visitors, and should exemplify quality and professionalism. The Business Management Division, with support from the Division of Interpretation, will assist the concessioner's staff training in terms of the interpretive/ educational messages to be conveyed by sales items. The concessioner will continue its training of retail personnel to be aware of the source (when of importance), quality and authenticity (when appropriate) of merchandise items.

2. To the greatest extent possible, gift and souvenir items will have an identifiable relationship to the Golden Gate National Recreation Area, its environs, its natural/cultural history, or other related topics.
3. Themes and categories will be identified by the National Park Service and the concessioner's staff to guide in the implementation of objective 1. Gifts and souvenir items which do not relate to any of the above identified themes will be phased out of inventory.
4. Sales items with park interpretive and environmental or cultural educational value will be provided prominent display space.
5. Handcraft items representing park and regional themes will be encouraged and sought; conversely, handcraft items from other regions of the United States are discouraged.
6. When possible and appropriate, informational tags will be attached to sales items in an interpretive/educational effort to illustrate the relationship of the item to one or more of the themes.
7. Gifts and souvenirs representing the desired themes will be sought within a broad price range, providing visitors the opportunity to purchase items from both expensive and inexpensive categories. When appropriate, fine art may be included within the concessioner's sales inventory.
8. The concessioner has the responsibility to select specific sales items that comply with this Mission Statement and the general NPS merchandising guidelines found in NPS-48 (Concession Guidelines). Park managers must be careful not to dictate the sale of specific gift items based on individual tastes in gifts and souvenirs. It is recognized that purchasing and merchandising new inventory will be phased over a period of time, and that items which do not sell, regardless of how well they support park themes, need not be sold or reordered.

Gift and Souvenir Themes

1. The Golden Gate National Recreation Area.

A. The gift shop will offer items which have a direct relationship to Golden Gate National Recreation Area, its environs, its site specific histories, or other related environmental or cultural topics. This will provide visitors with opportunities to buy memorabilia of their park visit while at the same time obtaining information or educational messages related to the park's resources. Where possible and appropriate, informative tags will be attached to the sales item to show their relationship to park themes. Items of park interpretive value and general value in environmental and cultural education will be prominently displayed.

B. Handcraft items representing park and regional themes, including crafts by local and Indian artists, will be actively sought and prominently displayed. Items shall feature local manufacturers and artists where possible

C. Primary themes shall include: Native American history and culture, Spanish history, local U.S. history, San Francisco history, maritime history, military history, historic architecture, local cultural landscape, national parks, recreation, scenic views, lighthouses, and lifesaving.

D. Secondary themes (after primary themes are met) may include: cross-cultural contact, technology, communications, archeology, geography, biodiversity, ecological processes, geology and sustainability.

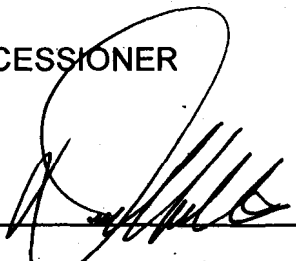
2. Only high quality gifts and souvenirs will be sold.
3. Gifts and souvenirs will be available in all price ranges.

4. Gifts and souvenir items, and sundries, which are commonly found outside the park and which do not relate to identified park themes will not be sold.

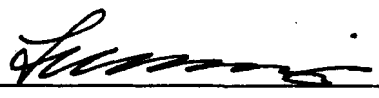
Dated at Golden Gate National Recreation Area this 24th day of September, 1998.

CONCESSIONER

NATIONAL PARK SERVICE



Name: Douglas M. Haupe
Title: President
Date: 9-15-98



for Brian O'Neill
Superintendent
Golden Gate National Recreation Area
Date: 9/24/98

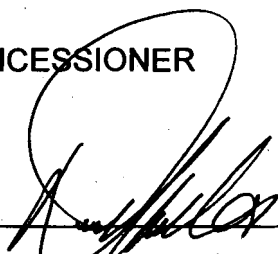
CAMERA OBSCURA INTERPRETIVE STATEMENT


(to be submitted prior to opening of the new Camera Obscura)

Dated at Golden Gate National Recreation Area this 24th day of September, 1998.

CONCESSIONER

NATIONAL PARK SERVICE





Name: Douglas M. Houghton

Brian O'Neill

Title: President

Superintendent
Golden Gate National Recreation Area

Date: 9-21-98

Date: 9/24/98

CLIFF HOUSE INTERPRETIVE PROGRAM

Introduction

The Cliff House has been in existence since 1863. Many parts of the area tell stories of times past. The Cliff House has always stood watch over the natural beauty of the sea life and the coastline. From its construction, visitors have come to the Cliff House to experience nature in its unspoiled glory.

The Cliff House located in the Golden Gate National Recreation Area provides a necessary service to the visitor. Many visitors come from great distances to enjoy an experience of a National Park and want to enjoy several diverse activities. Many visitors will arrive wanting to enjoy something they would otherwise not be able to enjoy elsewhere.

Purpose

The purpose of The Cliff House is to support the goals of the Golden Gate National Recreation Area and the mission of the National Park Service. The Cliff House will support the interpretation of park resources, educate park visitors, and encourage their involvement in the park system.

The Cliff House will allow the visitor to take something tangible from the Gift Shop or Restaurants, and an experience from learning about and enjoying the Golden Gate National Recreation Area.

The Cliff House will not focus solely on making a profit but will embrace the mission of the National Park Service, to preserve and protect the resources while educating and allowing visitors to enjoy them.

Objectives

The image of the Cliff House and the Golden Gate National Recreation Area are intertwined in terms of merchandise, personnel, structure, history, and the enjoyment of the park visitor. The Cliff House trains its' employees in terms of the interpretive/

educational messages conveyed by all activities of the concession. The Cliff House will continue its training of front line employees to be aware of all facets of its operation, and of its relationship with the Golden Gate National Recreation Area, and the National Park Service and its mission.

The product mix of the Cliff House concession will enhance the experience of the park visitor while remaining within the National Park Service' mission.

These goals will be achieved through means of both personal and non-personal interaction with the park visitors.

Non-Personal Services

An informative history of the area and the building will be placed on the menus, matches, paper cups, and placards where practicable. Tent Cards containing the history of the area and the building will be placed on the bar.

Pictures of the periods will be placed on the walls and contain interpretive messages.

Exhibit displays of historic photographs and or artifacts will have approved interpretive messages attached.

A conspicuous weather station will display the actual current weather. Interpretive displays will explain the weather instruments and their readings with historical averages to compare against.

The design of the Cliff House and the relationship with the Park Service will be displayed either inside or outside whichever is feasible.

Personal Services

During the employee orientation- staff will complete training in all applicable areas.

All guest contact staff will be fluent in all aspects of Cliff House area information, whether it's directions by bus to the Presidio, or the local marine life.

All guests will be greeted cordially and given direction to fulfill their interpretive needs.

The hosting staff will be knowledgeable in interpreting the weather, the marine life, directions around the park, operating hours of the various park concessions, etc. All training will include all current employees initially, extend to new hires at time of hiring, and a refresher course for all employees as often as deemed necessary.

Training Plan

During Employee Orientation, all employees will receive a copy of the Goals and Mission statement of the Golden Gate National Recreation Area and the National Park Service.

The information covered will include significant dates, names of historical people associated with the area, the different geographic portions of the park, the name of the superintendent, our association with the NPS, Training in methods of appropriate interpretive techniques. All of the staff will be given training in dealing sensitively with the disabled community. This training will include discovering our visitor's challenges with language, culture, preconceptions and sociology. A resource binder will be made available which will include more information on all topics covered during employee orientation. The information will be covered during their orientation followed by a question and answer period.

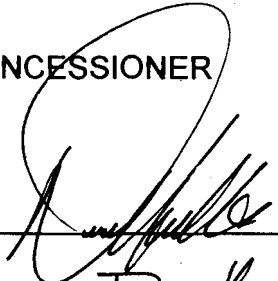
Cliff House Theme

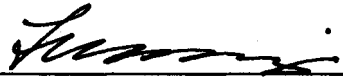
The park visitor will experience a surrounding not found in any other national park. All facilities and services will support the themes of the area to include the sea and it's shore, marine life, our maritime history, and the architecture of past, present and future Cliff House structures. The Cliff House will enhance the visitor's appreciation for San Francisco's history and cuisine as it relates to the Cliff House, scenic views, life saving from the cliff and ocean, and all that is related to the Cliff House

Dated at Golden Gate National Recreation Area this 24th day of September, 1998.

CONCESSIONER

NATIONAL PARK SERVICE


Name: Donald A. Novak for
Title: President


Name: Brian O'Neill
Title: Superintendent
Golden Gate National Recreation Area

Date: 9-21-98

Date: 9/24/98

ACCOUNT CONTROL PROCEDURE

INTRODUCTION

For the purposes of this Exhibit, the term "Superintendent" hereinafter will refer to the "Superintendent or his/her designee." The term "Concessioner" hereinafter will refer to the Concessioner. This Account Control Procedure is to control the management of a Government Improvement Account (GIA).

This document is about the use of funds. The source of these funds is established in the contract language at section 10.

The GIA is to be used to rehabilitate or construct facilities which directly support concessioner services authorized by the Concession Contract. The GIA is for "projects" and is established as a contract obligation. There is no possessory interest accrued by the Concessioner for improvements made through the GIA.

Funds in the GIA can be invested in various instruments in advance of being used to carry out projects appropriate to the GIA. Whatever the method selected to hold the funds pending the start of project work, the parties to this contract agree that all funds will either be held in an account(s) insured by the Federal Deposit Insurance Corporation or a similar insuring activity of the Federal government and/or that all investment instruments will be notes, bills, and bonds issued by the United States Treasury which shall be whole instruments including both principal and interest (no derivative instruments) and which shall be directly backed by the full faith and credit of the United States of America.

The funds in the GIA will be held in a separate account established by the concessioner to carry out concessioner obligations under this contract.

Deposits shall be made into the GIA account established by the Concessioner to carry out the purposes of the contract. The concessioner makes an irreversible commitment when deposits are made into a GIA. Deposited funds do not become Government funds. Any interest earned on GIA balances becomes an addition to the balance of the GIA.

GIA funds must be maintained in a separate account(s) with record keeping used to maintain continuous records of the balances and allocation of income and expenses appropriate to the account.

Concessioners are responsible for reporting or ensuring the reporting of GIA activity each month and for annually filing, as part of their Annual Financial Report, the schedules that may be required by the Secretary.

The Concessioner shall not be paid or reimbursed in any way for account management. However, account management expenses incurred by third parties in accordance with an account management agreement and with the written approval, in advance, of the Regional Director, may be considered as account expenses.

The Concessioner may, with the approval of the Superintendent, be allowed to charge the GIA for actual expenses incurred, in an amount not to exceed ten percent (10%) of approved project expenditures, for **reasonable administrative costs** directly associated with carrying out individual projects. The Concessioner shall provide a detailed listing of each cost incurred to the Superintendent who shall determine the reasonableness and appropriateness of such expenses prior to their being allowed.

The GIA is not to be used for the payment of routine maintenance and operating expenses of the Concessioner. Additionally, it is not to be used for maintenance of government property not assigned to the Concessioner or for government projects or activities not directly related to the provision of the involved concessioner's services.

The GIA is not to be used to pay or otherwise reimburse or credit concessioner annual operating costs or government appropriation accounts.

The contracts entered into by a Concessioner are private contracts, not government contracts, issued at an arm's length to obtain the best contract price possible. The Concessioner shall not, directly or indirectly, enter into any arrangement or agreement whereby it receives money or other benefits from the contractor.

The Superintendent may require that the GIA fund the cost of an independent, third party construction supervisor/inspector to represent the interests of the Government on any project where the Superintendent feels that would be cost effective and necessary to the sound administration of the project.

A Concessioner will ensure that a Builders Risk insurance policy is in effect during all construction projects where it would be applicable. The type and amount of insurance will be approved in writing by the Superintendent. This policy is an appropriate expenditure from the GIA.

In the event of any inconsistency between this Exhibit and the main body of the concession contract, the contract shall prevail.

POLICY FOR USE OF THE GOVERNMENT IMPROVEMENT ACCOUNT

The contract includes specific provisions establishing a GOVERNMENT IMPROVEMENT ACCOUNT (GIA) and describing its purpose or principal goals.

In every case, the Government Improvement involved must be assigned to the concessioner for either exclusive or non-exclusive use by the concessioner in carrying out the obligations of the Concession Contract. Such assignment should be made by modification of the applicable Exhibit of the contract including a map.

Appropriate GIA expenses would include major capital expenditures such as foundation, building frame, window frame replacement, sheathing, subfloors, drainage, rehabilitation of building systems such as electrical, plumbing, built-in heating and air conditioning, roofing, and similar. Projects could also include additions to buildings.

The account would not be appropriate for the operating costs of building systems or for minor adjustment and repair that would be the usual, routine responsibility of the concessioner.

The account would not be appropriate for decorating costs, furniture, or periodic re-carpeting or other cosmetic work necessary. Neither would the account be appropriate for cleaning or landscaping care or similar routine upkeep activity.

The GIA would not be appropriate for seasonal opening and closing costs.

Decisions are based on the facts of the particular situation. However, appropriate expenditures should typically be non-recurring within a five-to-seven year time frame.

It would not be appropriate to defer routine care to future GIA projects. Facilities should have a consistent high quality of maintenance and housekeeping. The Concessioner Review Program will be used to identify and correct problems in this area.

PROJECT NOMINATION AND APPROVAL

*** GOLDEN GATE NATIONAL RECREATION AREA ***
*** PACIFIC WEST REGION - NATIONAL PARK SERVICE ***

1. Spending money from the GIA requires a coordinated effort between the Concessioner and the Superintendent. Projects must be proposed, prioritized, approved, bid and accomplished with an orderly process that ensures accountability.
2. The National Park Service staff and/or the Concessioner may submit proposals to the Superintendent for the use of the GIA using a format established by the Superintendent for "**Account Project Nomination**" (a standard control form). It is intended that a nomination form be the first step in the development of a project file.
3. The GIA are predictable accumulations of funds. Project lists should be developed extending priorities over several years and projects initiated as funds are available. A contingency balance should be maintained for potential additions and adjustments.
4. The Superintendent will establish an Account Committee (AC) to review and recommend approval/disapproval of project nominations. The committee will include at least the Park's Concession Management Specialist and will also include other staff members deemed appropriate by the Superintendent. The Chair will be the park's lead concession operative unless a different appointment is made by the Superintendent. The Superintendent will establish a process to review and approve/disapprove project nominations based on but not limited to the following:

- Applicable Laws and regulations
- NPS Policies
- Concession Contract and Amendments Including the Appropriateness of the Project Given the GIA Purposes Stated in this Exhibit
- Operating and Maintenance Plans
- Need, based on resource impacts or human risk factors
- Compliance with NPS planning documents
- Other applicable factors

Upon completion of the review, the AC will prepare a record of the evaluation and a recommendation for approval/disapproval by the Superintendent. The documentation will be placed in the "**Project Statement**" (a standard control form).

5. Regional Director/Field Director approval is required before projects can be advanced for implementation. This review is to consider the appropriateness of each project for accomplishment through the GIA. It is not expected, at this point in the process that projects will have more than a rough estimate for a budget.

6. Approved projects will be implemented as funding and scheduling allow. Overall project management for the park will be the responsibility of the Superintendent.

7. The **Project Statement** will guide and document each project's implementation through completion. This Statement will contain the following: justification, specific proposal, scope of work, design responsibility, proposed project schedule and compliance requirements. The Project Statement will be signed by the Superintendent and the Concessioner's authorized representative. The signed Project Statement constitutes official authority for the Concessioner to begin work on the project.

The Project Statement will provide a chronological audit trail of the project's decision making activity including meetings, inspections, change orders, etc., from nomination to project completion. Support documents will be maintained in the Project File or reference made in the Project Statement where related documents can be found.

SPECIFICATIONS, DESIGN, AND BIDDING

1.(a) Work funded by the GIA is to be accomplished through competitive contracts in order to:

- (1) ensure contractually required maintenance work is not deferred by diverting concessioner in-house personnel from that work,
- (2) promote low cost by bidding jobs, and,
- (3) avoid the appearance of conflict of interest by co-mingling sources and uses of funds

1.b. Construction work will not be done by concessioner employees unless the Superintendent determines that there are unusual circumstances that make such work both advantageous and able to be managed effectively. Concessioners may use sole-source contracts only with the prior approval of the Superintendent.

1.c. Concessioner and NPS employees may not bid as independent contractors, or be employed by the contractor for GIA projects.

1.d. The Concessioner shall not directly or indirectly, enter into any contract whereby it benefits directly or indirectly through the transfer of funds or other benefits from a GIA project contractor.

1.e. Exceptions to these policies may be granted in writing by the Superintendent on a case-by-case basis when there are unusual circumstances, clear advantages to the government, and adequate controls.

2. The Concessioner will develop a project description sufficient to secure an architect, engineer, or construction contractor. These will be reviewed and authorized in writing by the Superintendent.

3. Plans and specifications will be prepared by the Concessioner and will follow NPS-10, NPS-48, and NPS-70. When design is involved in a project, the designs will be reviewed by the Superintendent as appropriate to the project, such as 50%, draft 100% completion, etc. Appropriate time should be allowed for design review, by appropriate NPS staff at park, region, or service center, or by independent consultants.

4. Once plans and specifications are approved, the Concessioner will prepare to advertise or otherwise solicit or secure estimates or bids for the project.

5. For each project, the package for bidding or estimating will include at least the plans and specifications, the General Provisions, and a draft contract or agreement under which the work will be carried out and that has been reviewed and approved by the Superintendent. If lodging and/or meals are provided by the Concessioner as part of the contract, the contract must include this provision and rates. If you are not doing a construction project, prepare a package appropriate to the required project and determine how to proceed to bid or otherwise secure cost estimates.

6. If the project is bid, the Concessioner will receive, open, and evaluate project bids.

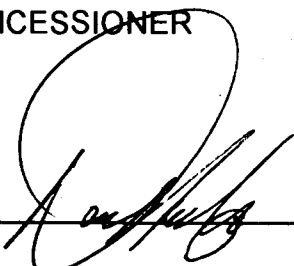
7. The Concessioner will recommend and justify a contractor from among the bidders or from other sources if a bid process was not used. This recommendation will be accepted/rejected by the Superintendent in writing. Once confirmation has been issued, the Concessioner is authorized to sign a contract and proceed with the project.

8. At this time, the Concessioner will submit to the Superintendent an estimate of the final budget and time schedule for the project.

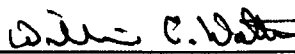
9. At appropriate intervals the Concessioner will submit to the Superintendent a project progress report enumerating project costs, with invoices, certificates, and other documentation, work accomplished to date.
10. Change orders on project contracts require approval in writing from the Superintendent.
11. Upon certification from the contractor that a project is complete, the project will be inspected jointly by the Concessioner and the Superintendent. The project will not be accepted by the Concessioner until authorized in writing by the Superintendent.
12. Upon project completion, the Concessioner will submit to the Superintendent a project completion report including total project costs, warranties, service manuals, other similar documents, and as-built drawings of the project in the form specified. Invoices, certificates, and other documentation related to the final segment of work accomplished shall accompany the report and be the basis for final payment of the contractor. Final payment to the contractor and final reimbursement to the concessioner for administrative costs shall not be made until the project has been accepted in writing by the Superintendent. The Concessioner is required to submit a summary of administrative costs for the project.

CONCESSIONER

UNITED STATES OF AMERICA

BY: 

date May 20, 1998

BY:  date 9/15/98

Demosthenis Hountalas
President
Peanut Wagon, Inc.

^{FOR}
John J. Reynolds
Regional Director
Pacific West Region
National Park Service