

Authorization ID [REDACTED]  
Contact ID [REDACTED]  
Expiration 10/31/2012

**APPENDIX A**  
**GRANGER-THYE SUPPLEMENT TO**  
**SPECIAL USE PERMIT FS-2700-4**  
**AUTHORITY: Section 7 of the Granger-Thye Act, 16 U.S.C. 580d**

I. AUTHORITY AND GENERAL TERMS OF THE PERMIT

J. Risks. The holder assumes all risk of loss of the property. Loss to the property may result from but is not limited to theft, vandalism, fire and any fire-fighting activities (including prescribed burns), avalanches, rising waters, winds, falling limbs or trees, and acts of God. If the authorized improvements are destroyed or substantially damaged, the authorized officer shall conduct an analysis to determine whether the improvements can be safely occupied in the future and whether rebuilding should be allowed. If rebuilding is not allowed, this permit shall terminate.

III. RESPONSIBILITIES OF THE HOLDER

G. Alteration of Government Improvements. If during the term of this permit any government-owned improvements are altered in any way, the material, equipment, fixtures or other appurtenances that are affixed to or made a part of those improvements in connection with the alteration shall become the property of the United States, regardless of whether the work is performed by the holder or any other party. The holder shall not be entitled to any compensation for that property, other than to the extent it qualifies for fee offset under clause VI.D.

H. Government Maintenance, Reconditioning, Renovation and Improvement Plan. Government maintenance and reconditioning projects shall be performed in accordance with an annual Granger-Thye fee offset agreement as provided in clause VI.D.2. of this permit.

I. Holder Maintenance, Reconditioning or Renovation Plan. The holder at its expense shall perform holder maintenance, reconditioning, or renovation as defined in clause VI.D.1(d) of this permit under a holder maintenance, reconditioning, or renovation plan approved by the Forest Service. The holder maintenance, reconditioning, or renovation plan shall describe required holder maintenance, reconditioning, or renovation responsibilities and their frequency. The work performed under this plan shall not be subject to fee offset under clause VI.D.2.

The holder shall maintain all equipment and other facilities on site in good repair and free of leakage of lubricants, fuel, coolants, and hydraulic fluid. The holder shall properly dispose of all hazardous waste-contaminated soil, vegetation, debris; vehicle oil filters (drained of free-flowing oil); oily rags; and waste oil in accordance with local, State, and Federal regulations off of Government property and shall transport such substances, or arrange to have such substances transported in accordance with State and Federal regulations.

IV. LIABILITY

**<For most authorizations delete clause IV. C. in FS-2700-4 and replace with clauses C.1 and C.2 below. Retain the standard clause for states unless they will be purchasing an insurance policy.>**

C. 1 Insurance. The holder shall furnish proof of insurance, such as a certificate of insurance, to the authorized officer prior to issuance of this permit and each year thereafter that this permit is in effect. The Forest Service reserves the right to review and approve the insurance policy prior to issuance. The holder shall send an authenticated copy of any insurance policy obtained pursuant to this clause to the authorized officer immediately upon issuance of the policy. Any insurance policies obtained by the holder pursuant to this clause shall name the United States as an additional insured, and the additional insured provision shall provide for insurance coverage for the United States as required under this clause. Such policies shall also specify that the insurance company shall give 30 days' prior written notice to the authorized officer of cancellation of or any modification to the policies. The certificate of insurance, the authenticated copy of the insurance policy, and written notice of cancellation or modification of insurance policies should be sent to [insert mailing address of administering office]. Minimum amounts of coverage and other insurance requirements are subject to change at the sole discretion of the authorized officer on the anniversary date of this permit.

**<Use the following clause C-2 for split limit liability insurance policies. Delete for CSL policies>**

C.2 Liability Insurance. The holder shall have in force liability insurance covering losses associated with the use and occupancy authorized by this permit arising from personal injury or death and third-party property damage in the minimum amount of:

\$ \_\_\_\_\_ for injury or death to one person per occurrence,  
\$ \_\_\_\_\_ for injury or death to more than one person per occurrence, and  
\$ \_\_\_\_\_ for third-party property damage per occurrence.

**<Use the following clause C-2 for combined single limit insurance policies. Delete for split limit policies.>**

C.2 Liability Insurance. The holder shall have in force liability insurance covering losses associated with the use and occupancy authorized by this permit arising from personal injury or death and third-party property damage in the minimum amount of \$ \_\_\_\_\_ as a combined single limit per occurrence.

**< Use the following clause when the authorized officer has elected to require property insurance. Identify the specific property to be insured. Specify whether the insurance will be based on replacement in kind or functional replacement and specify the value of the improvement [the amount of insurance must represent 80 to 100% of the value of the property.] Do not require property insurance for roads or underground utilities.>**

C.3 Property Insurance. The holder shall have in force property insurance for [identify the federal property to be insured] in the minimum amount of [\$\_\_\_\_\_], which represents ["replacement in kind" or "functional replacement"] of the insured property. The types of loss to be covered by this clause shall include but not be limited to damage to the government-owned improvements identified herein. At the sole discretion of the authorized officer, the Forest Service may require the holder to use all proceeds from property damage insurance policies to repair, rebuild, restore, or replace damaged government property covered by the policy, or may obtain payment of those proceeds from the concessionaire or the insurance company.

**<If the holder's operations include use or storage of hazardous materials, include the following clause. If not, delete it.>**

C.4. Hazardous Materials. Depending on the holder's operations, the Forest Service may require the holder to demonstrate the availability of funds to address any release or threatened release of hazardous materials that may occur in connection with the holder's use and occupancy. Any requirements imposed would be established on a case-by-case basis by the authorized officer based on the degree of environmental risk from the holder's operations. The use and storage of normal maintenance items in nominal amounts would generally not trigger financial assurance requirements.

## VI. FEES

**<Select the appropriate clause VI.B. in FS-2700-4. Retain clause VI.C. and add the following clauses D.1 to 3 and if appropriate, E. 1 to 4. Renumber the late payment and interest clause.>**

D. Granger-Thye Fee Offset. Pursuant to 16 U.S.C. 580d, the Forest Service may offset all or part of the permit fee by the amount paid by the holder for renovation, reconditioning, improvement, and maintenance deemed to be the government's responsibility, as defined below, of government-owned improvements and their associated land.

### 1. Definitions

(a) Maintenance. Actions taken to keep fixed assets in acceptable condition. Maintenance includes preventive maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve a fixed asset so that it continues to provide acceptable service and achieves its expected life. Maintenance includes work needed to meet laws, regulations, codes, and other legal direction as long as the original intent or purpose of the fixed asset is not changed. Maintenance excludes activities aimed at expanding capacity of an asset or otherwise upgrading it to serve needs different from or significantly greater than those originally intended, such as construction of new facilities.

(b) Improvement. Advancing a fixed asset to a better quality or state. Improvement includes replacement. Replacement means substitution or exchange of an existing fixed asset or component with one having essentially the same capacity and purpose. Improvement is always the responsibility of the Government rather than the holder.

(c) Reconditioning or Renovation. A type of maintenance that rehabilitates an existing fixed asset or any of its components in order to restore the functionality or life of the asset. Reconditioning and renovation do not include construction of new facilities.

(d) Holder Maintenance, Reconditioning, or Renovation. Maintenance, reconditioning, or renovation that neither materially adds to the value of the property nor appreciably prolongs its life. The work serves only to keep the facility in an ordinary, efficient operating condition. From an accounting or tax perspective, it is work that may be expensed, but not capitalized. Examples include but are not limited to interior decorating, interior painting, vandalism repair, repair of broken windows, light bulb replacement, cleaning, unplugging drains, drive belt replacement, preventive maintenance, lubrication of motors, greasing, servicing, inspecting, oiling, adjusting, tightening, aligning, watering, weeding, sweeping, waxing, refinishing picnic tables, routine housekeeping, and general snow removal. In fulfilling these responsibilities, the holder shall obtain any licenses and certified inspections required by regulatory agencies and follow state and local laws, regulations, and ordinances and industry standards or codes applicable to the permitted operation.

(e) Government Maintenance, Reconditioning, Renovation, or Improvement. Maintenance, reconditioning, renovation, or improvement that arrests deterioration, improves and upgrades facilities, and appreciably prolongs the life of the property. Examples include but are not limited to installing a new roof, new floor, or new siding; rebuilding boilers; replacing pipes, pumps, and motors; repairing or maintaining the paths, lands, walks, walls, or landscaping adjacent to other government-owned structures; replacing vault toilets with flush facilities, paving interior roads, upgrading facilities, and installing utilities; and performing exterior painting and refinishing. Exterior painting that repairs unsightly visual marks caused by everyday use does not meet the definition outlined above. Government maintenance, reconditioning, renovation or improvement, whether performed by the holder or the Forest Service, shall be performed at the sole discretion of the authorized officer.

2. Granger-Thye Fee Offset Agreement. Before issuance of this permit and before each operating season thereafter, the Forest Service and the holder shall enter into an annual written Granger-Thye fee offset agreement that specifies the government maintenance, reconditioning, renovation and improvement to be used to offset the permit fee. The agreement shall specify whether the concessionaire shall be required or has the option to enter into a collection agreement to have the Forest Service perform the work. The agreement shall enumerate the portion of the permit fee to be offset by the cost of work performed by the holder and the schedule for completion of offset work. Additionally, the agreement shall specify the portion of the permit fee to be offset by the cost of work performed by the Forest Service. The agreement shall specify which projects are to be used for offset that year and shall also include standards for completion of the projects and examples of allowable costs.

3. Collection Agreements for Forest Service Oversight for Major Government Maintenance, Reconditioning, Renovation, and Improvements performed by the holder. The Forest Service may require the holder to enter into a collection agreement with the Forest Service to pay the cost of a Forest Service employee administering and overseeing major government maintenance, reconditioning, and improvement projects and offset those costs against the holder's annual permit fee. For purposes of this clause only, a major government maintenance, reconditioning, and improvement project is one costing \$ or more. Allowable costs include monitoring to ascertain that work is being done to Forest Service standards. Allowable costs do not include routine permit administration by the Forest Service. If the Forest Service exercises this option, a separate collection agreement shall be executed by the parties and made a part of this permit.

**<If the holder will perform fee-offset work in lieu of cash payments, include the following clause:>**

E. Holder Performed Fee Offset Work.

1. Work in Lieu of Cash Payments. Notwithstanding clause VI.B, the cost of work performed by the holder pursuant to a Granger-Thye fee offset agreement as provided in clause VI.D.2 may be credited in lieu of cash payments against the annual permit fee, provided that the work has been accomplished in accordance with the Granger-Thye fee offset agreement, and has been accepted as completed by the Forest Service before the end of the holder's fiscal year. In the absence of an approved fee offset agreement, payment shall be made in accordance with clause VI.B.

2. Documentation of Expenses. Prior to reimbursement or credit for Granger-Thye fee-offset work, the holder shall submit sufficient documentation to allow the authorized officer to determine that the costs claimed are allocable to the Granger-Thye fee offset agreement, actual, reasonable, and not unallowable.

3. Final Payment. The Forest Service shall reconcile annually the actual permit fee against permit fee payments made and credits for fee offset work. The holder shall pay any additional fees owed for the past year's operation within 30 days of billing.

4. Overpayment. Overpayment of the permit fee will be reimbursed by the Forest Service only if paid pursuant to clause VI.B. Credit for offset work pursuant to clause VI.D.2 is limited to the amount of the annual permit fee; expenses will not be reimbursed if they are greater than the annual permit fee.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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