

Torres-Rojas, Genara

From: [REDACTED]
Sent: Wednesday, August 12, 2015 5:15 PM
To: Olivencia, Mildred
Cc: Torres-Rojas, Genara; Van Duyne, Sheree; Ng, Danny
Subject: Freedom of Information Online Request Form

Information:

First Name: Michael
Last Name: Bloom
Company: Self-Employed
Mailing Address 1: [REDACTED]
Mailing Address 2: [REDACTED]
City: [REDACTED]
State: [REDACTED]
Zip Code: [REDACTED]
Email Address: [REDACTED]
Phone: [REDACTED]
Required copies of the records: No

List of specific record(s):

I am seeking contract information pertaining to vending machine operators at JFK Airport. Specifically the language pertaining to percentage of sales from retail and food vending machines that the Port Authority requires for placement of machines.

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

September 18, 2015

Mr. Michael Bloom
[REDACTED]
[REDACTED]

Re: Freedom of Information Reference No. 16241

Dear Mr. Bloom:

This is in response to your August 12, 2015 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code", copy enclosed) for a copies of contract records pertaining to vending machine operators at JFK Airport, specifically the language pertaining to percentage of sales from retail and food vending machines that the Port Authority requires for placement of machines.

Material responsive to your request and available under the Code can be found on the Port Authority's website at <http://www.panynj.gov/corporate-information/foi/16241-LPA.pdf>. Paper copies of the available records are available upon request.

Pursuant to the Code, certain portions of the material responsive to your request are exempt from disclosure as, among other classifications, personal privacy.

Please refer to the above FOI reference number in any future correspondence relating to your request.

Very truly yours,


Danny Ng
FOI Administrator

Enclosure

4 World Trade Center, 18th Floor
150 Greenwich Street
New York, NY 10007
T: 212 435 7348 F: 212 435 7555

: For Port Authority Use Only :
:
: Permit Number AYE-251 :

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
225 Park Avenue South
New York, New York 10003

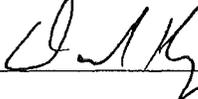
**PERMIT
COIN OPERATED MACHINES**

The Port Authority of New York and New Jersey (herein called the "Port Authority") hereby grants to the Permittee hereinafter named the privilege to install, maintain and service the hereinafter described Machines at the Port Authority Facility hereinafter named, in accordance with the Terms and Conditions hereof and the endorsements annexed thereto; and the Permittee agrees to pay the fees hereinafter specified, and to perform all other obligations imposed upon it in the Terms and Conditions and endorsements as hereinafter set forth:

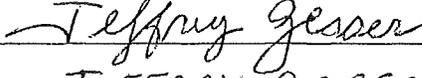
1. FACILITY: JOHN F. KENNEDY INTERNATIONAL AIRPORT
2. PERMITTEE: GESCO ICE CREAM VENDING CORPORATION, a corporation organized and existing under the laws of the State of New York
3. PERMITTEE'S ADDRESS: 40 Lombardy Street
Brooklyn, New York 11222
4. PERMITTEE'S REPRESENTATIVE: Jeffrey Gesser, President
5. MACHINES: As set forth in Special Endorsement No. 1 hereof
6. FEES: A basic fee of Thirty Dollars and No Cents (\$30.00) per machine per month for non-public areas (including, without limitation, non-airline terminal building areas), Two Hundred Twenty-five Dollars and No Cents (\$225.00) per machine per month for public areas and Eighty Dollars and No Cents (\$80.00) per machine per month for game machines, all of the aforesaid fees to be payable in advance on the first day of each month during the effective period of the permission granted under this Permit.
7. EFFECTIVE DATE: January 1, 2013
8. EXPIRATION DATE: December 31, 2020, unless sooner revoked or terminated in accordance with Section 1 of the Terms and Conditions hereof
9. SECURITY DEPOSIT: \$1,000.00
10. INSURANCE REQUIREMENT: \$2,000,000.00 minimum limit Commercial General Liability and \$2,000,000.00 minimum limit Commercial Automobile Liability
11. ENDORSEMENTS: Specials and Schedule G

Dated: As of January 1, 2013

**THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY**

By 
Name David Kagan (Please Print Clearly)
Assistant Director
(Title) Business Properties & Airport Development

GESCO ICE CREAM VENDING CORP., Permittee

By 
Name JEFFREY GESSER (Please Print Clearly)
President
(Title) President

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:
<u></u>	<u>RR</u>

RR

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TERMS AND CONDITIONS

1. The permission hereby granted shall take effect upon the effective date hereinbefore set forth. Notwithstanding any other term or condition thereof, it may be revoked without cause, upon thirty (30) days' written notice, by the Port Authority or terminated without cause, upon thirty (30) days' written notice by the Permittee; provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Further, in the event the Port Authority exercises its right to revoke or terminate this Permit for any reason other than "without cause", the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the cleaning, repair and restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it cleaned, repaired or restored), preparing such space for use by a succeeding permittee, the care and maintenance of such space during any period of non-use of the space, the foregoing to include, without limitation, personnel costs and legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), and repairing the space and putting the space in order (such as but not limited to cleaning, repairing and restoring the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth. Revocation or termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.

2. As used in this Permit:

(a) The term "Airport" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(b) The term "City" shall mean the City of New York.

(c) The term "City Lease" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) The term "Executive Director" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee, it shall mean the Executive Director of the Port Authority for the time being, or his duly designated representative or representatives.

(e) The term "General Manager of the Facility" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said General Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the General Manager (or temporary or Acting General Manager) of the Facility for the time being, or his duly designated representative or representative.

3. The rights granted hereby shall be exercised

(a) if the Permittee is a corporation, by the Permittee acting only through the medium of its officers and employees;

(b) if the Permittee is an unincorporated association, or a business trust, by the Permittee acting only through the medium of its members, trustees, officers and employees;

(c) if the Permittee is a partnership, by the Permittee acting only through the medium of its partners and employees;

(d) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(e) if the Permittee is a limited liability company, by the Permittee acting only through the medium of its members, managers and employees,

and the Permittee shall not, without the written approval of the Port Authority, exercise such rights through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or any of the rights granted hereby, directly or indirectly, in whole or in part, by operation of law or otherwise, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor, without the written approval of the Port Authority.

In the event of the issuance of this Permit to more than one individual or other legal entity (or to any combination thereof), then and in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.

4. This Permit does not constitute the Permittee the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint venture is hereby created, notwithstanding the fact that all or a portion of the fees to be paid hereunder may be determined by gross receipts from the operations of the Permittee hereunder.

5. The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Facility. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification and, upon the request of the Port Authority, the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the prior written approval of the Manager of the Facility. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

6. (a) In the use of the roads, hallways, stairs and other areas constituting a means of ingress to and egress from the space at or on which the Machines are located, the Permittee shall conform (and shall require its employees, invitees and others doing business with it to conform) to the rules and regulations of the Port Authority which are now in effect or which may hereafter be adopted for the safe and efficient operation of the Facility.

(b) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations of the Port Authority now in effect, and such further reasonable rules and regulations which may from time to time during the effective period of this Permit be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Facility, including any space covered by this Permit, or for the safe and efficient operation of the Facility. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(c) Unless otherwise expressly provided, the Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Facility.

7. (a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees, agents or persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers, employees or agents at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

(b) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. The Permittee shall promptly repair or replace all property of the Port Authority damaged by the operations of the Permittee hereunder. The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with its prior written approval.

9. (a) All Machines covered by this Permit and other property of the Permittee placed on or kept at the Facility shall remain the property of the Permittee and must be removed on or before the expiration of the permission hereby granted or on or before the revocation or termination of the permission hereby granted, whichever shall be earlier.

(b) If the Permittee shall fail to remove its property upon the expiration, termination or revocation hereof, the Port Authority may, at its option, as agent for the Permittee and at the Permittee's risk and expense, remove such property to a public warehouse for deposit or retain the same in its own possession and after the expiration of thirty (30) days sell the same at public auction, the proceeds of which shall be applied first to the expenses of sale, second to any sums owed by the Permittee to the Port Authority, and any balance remaining shall be paid to the Permittee, or may take such other action as may be necessary or desirable.

10. The Permittee represents that it is the owner of or fully authorized to use and/or sell any and all services, processes, machines, articles, marks, names or slogans used and/or sold by it in its operations under or in any wise connected with this Permit. Without in any way limiting its obligations under Section 7 hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any way connected with this Permit.

11. The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Machines and equipment of the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any Machines or equipment owned by or in the possession of the Permittee on the Facility or to be placed or brought on the Facility, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any Machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the Machine from service, and provide a satisfactory substitute.

12. The Permittee's representative hereinbefore specified (or such substitute as the Permittee may hereafter designate in writing) shall have full authority to act for the Permittee in connection with this Permit and any things done or to be done hereunder, and to execute on the Permittee's behalf any amendments or supplements to this Permit or any extension thereof, and to give and receive notices hereunder.

13. (a) The basic fee, if any, or the part thereof which may be prorated as hereinafter provided, shall be due and payable in advance on the effective date hereof and on the first day of each and every month thereafter. The percentage fee, if any, or if that percentage fee is additional to a basic fee, the portion thereof prorated as hereinafter provided, and any fees or part thereof mentioned on the first page of this Permit to be measured by the number of items and/or units of service dispensed by a Machine, shall be due and payable monthly on the tenth day of the month following the calendar month in which the effective date hereof falls, and on the tenth day of each month thereafter and shall be based on the Permittee's gross receipts, sales made and services rendered in the preceding calendar month; provided, however, that if the permission granted hereby shall expire or be revoked effective on a date other than the last day of a month, the percentage fee or prorated part thereof, or the fee or part thereof measured by the number of items or units of service, shall be due and payable within ten days after such date. If the permission granted by this Permit commences on a date other than the first day of a month, or if the said permission expires or is revoked effective on a date other than the last day of a month, the fees due for the period of time during which the said permission shall have been in effect shall be the fees specified on the first page of this Permit,

prorated however in the case of a basic fee or in the case of a basic fee and percentage fee, in the same proportion that the number of days the permission is in effect bears to thirty days, as follows: the portion of the basic fee due shall be computed by prorating the monthly basic fee on the above basis; the amount of the percentage fee shall be equivalent to the excess over the prorated basic fee of the percentage applied to the gross receipts arising in such portion of the month. There shall be no proration of other fees. The computation of fees for each month, or for a portion of a month as provided above, shall be individual to such month or such portion of a month, and without relation to any other month or any other portion of a month.

(b) Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
P.O. BOX 95000-1556
PHILADELPHIA, PENNSYLVANIA 19195-0001

or made via the following wire transfer instructions (for basic fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: _____ or made via the following wire transfer instructions (for percentage fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: _____ or to such other address as may hereafter be substituted therefor by the Port Authority from time to time, by notice to the Permittee.

(c) The term "gross receipts" shall include all monies paid or payable to the Permittee for sales made and for services rendered at or from the Facility pursuant to the permission granted hereby; provided, however, that if the fees or any part thereof mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts and by the number of items and/or units of service dispensed by a Machine the monies paid or payable to the Permittee by customers for said items and/or units of service shall be excluded from "gross receipts" and provided, further, however, that any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee shall be excluded therefrom.

(d) The Permittee acknowledges and agrees that it shall maintain separate and distinct gross receipts records of all sales made from each Machine installed and operated by the Permittee at each location designated by the Port Authority. The Port Authority may request at any time and from time to time a sworn statement of gross receipts, which shall separately state the various types and amounts of gross receipts derived from sales made at or from each Machine and location and shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice. The Permittee further acknowledges and agrees that the Port Authority reserves the right to implement an inventory tracking system of vending machines at the Facility and should the Port Authority so implement such an inventory tracking system, the Permittee agrees to cooperate fully with the Port Authority by promptly providing the Port Authority with all information it shall request.

14. If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority including, without limitation, any payment of any fixed or percentage fee or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount

equal to eight-tenths of one percent (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Permit. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Permit including, without limitation, the Port Authority's rights set forth in Section 1 of the Terms and Conditions of this Permit or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. A bill or statement may be rendered or any notice or communication which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given if the same be in writing and sent by registered or certified mail addressed to the Permittee at the address specified on the first page hereof or at the latest address that the Permittee may substitute therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's representative, and the time of rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is mailed, left or delivered as herein provided. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

16. (a) The Permittee, in its own name as insured, and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits as set forth in Item 10 of the Cover page to this Permit.

(b) In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of the Permit.

(c) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority

were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under this Permit.

(d) All insurance coverages and policies required hereunder may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the period of permission under the Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the above-listed insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

(e) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(f) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(g) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under this Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by this Permit or any other agreement or by law.

17. (a) If the fee or fees mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts or by the number of items or units of service dispensed by a Machine, the Permittee shall:

(i) use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;

(ii) not divert or cause or allow to be diverted, any business from the Facility;

(iii) maintain in accordance with accepted accounting practice during the effective period of this Permit and for one year after the expiration or earlier revocation thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all sales of merchandise and charges for services made through the Machines and all transactions at, through or in any way connected with the Facility, which records and books of account shall be kept at all times within the Port of New York District;

(iv) permit in ordinary business hours during the effective period of this Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision, the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account;

(v) permit the inspection by the officers, employees and representatives of the Port Authority of any equipment or devices used by the Permittee, including but not limited to coin receptacles and counting or metering devices attached to the Machines;

(vi) furnish on or before the twentieth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder, and if the fees or any part thereof mentioned on the first page of this Permit are based in whole or in part on the number of items or units or service dispensed by a Machine, a sworn statement showing the number of such items and/or units of service dispensed during the preceding month. When gross receipts exceed \$8,000 monthly the statements shall be certified at the Permittee's expense, by a certified public accountant; and

(vii) install and use such equipment or devices for recording sales made and services rendered as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts and sales made and services rendered.

(b) In the event that upon conducting an examination and audit as described in this Section the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee, the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Permit or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority to payment of any late charge(s) or other service charge(s) payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid hereunder. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under

this Permit, including, without limitation, the Port Authority's rights to revoke this Permit or (ii) any obligations of the Permittee under this Permit.

18. Collections shall be made from the Machines in the manner and at the times specified by the Port Authority. The Port Authority shall have the right at any time and from time to time to prohibit the Permittee from making any collection from any Machines except in the presence of a representative of the Comptroller's Department of the Port Authority.

19. (a) Machines shall dispense only such merchandise and render only such services as are approved in writing by the Port Authority. Specification of merchandise and/or services in Item 5 on the first page hereof shall be an approval hereunder and all approvals hereunder shall be subject to the terms of Section 29 hereof.

(b) The Permittee agrees that prior to the installation of any Machines it shall obtain the written approval of the Port Authority as to the design and type thereof as well as the method and manner of installation and the Permittee shall comply with any requirements, procedures or standards established by the Port Authority for the installation of the Machine and for the removal and relocation thereof. The Port Authority shall designate in writing the number of Machines to be installed, maintained and serviced under this Permit and it may in its discretion, from time to time, consent to the inclusion under this Permit of an additional Machine or Machines, such additional Machine or Machines to dispense such items only and render such services only as may be approved in writing by the Port Authority. The location of each Machine covered by this Permit is to be only that designated in writing by the Port Authority. The Port Authority shall have the right, from time to time, to redesignate in writing the location or locations of any or all Machines covered by this Permit, and the Permittee shall thereupon, at its own expense, comply therewith by promptly removing and reinstalling each such Machine. The Port Authority shall also have the right, from time to time, to direct that the number of Machines covered by this Permit be decreased and the Permittee shall promptly remove the Machines as directed.

(c) In the event of the removal of any or all of the Machines covered by this Permit for any reason including, but not limited to, revocation, expiration, redesignation or decrease, the Permittee shall, at its own expense, immediately restore the Facility at and about the location to the same condition as before the installation, including the removal of any wires, conduits, outlets, ducts and pipes installed by or for the Permittee.

(d) The Port Authority may request from time to time and at any time a sworn statement from the Permittee as to the total number, description of types of items dispensed and locations of all Machines to which the fee under this Permit is applied on a monthly basis. The Permittee shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice.

(e) The Permittee shall also be required to send written notice to the Port Authority (Attn: JFK Properties & Commercial Development, JFK Airport, Building 14, 2nd Floor, Jamaica, NY 11430) at least thirty (30) days' prior to its addition or removal of a Machine from its operations at the Facility, and in such notice shall indicate the number of Machines being added or removed and the proposed location (if an addition) or then-current location (if a removal) of each such Machine. In the event the Permittee removes a Machine from operation but fails to provide the Port Authority with the required advance written notice as aforesaid, the Permittee shall nevertheless

continue to be obligated to pay fees hereunder with respect to such removed Machine until the Port Authority receives such written notice and, then, the obligation to pay fees with respect to such removed Machine shall cease as of the first calendar month after the 30-day notice period has expired.

20. (a) The purposes of the Port Authority in extending the permission granted hereby is to have available at the Facility the merchandise and services which the Permittee is permitted to sell and render hereunder, and the Permittee agrees that it will conduct a first class operation and will furnish all necessary or proper Machines, fixtures, equipment, personnel, supplies, materials and other facilities and replacements therefor.

(b) The Permittee shall provide new Machines of the latest design and shall maintain all the Machines in first class appearance, condition and working order, and if the Machines dispense items, the Permittee shall keep the Machines always well stocked with merchandise of first class quality and fit for human use, and if the merchandise is intended for consumption, it shall be fresh and safely consumable. The Permittee covenants that all its merchandise and services shall comply with all applicable federal, state, municipal and other governmental laws, ordinances and regulations.

21. (a) The Permittee shall furnish all merchandise and all services at reasonable prices and at the times and in a manner which will be fully satisfactory to the public and to the Port Authority. All prices charged by the Permittee shall be subject to the prior written approval of the Port Authority; provided, however, that such approval will not be withheld if the proposed prices do not exceed reasonable prices for similar merchandise and services in the municipality in which the Machines are located as more specifically described herein in Section 22. The Permittee shall cause the merchandise sold and the services rendered by the Machines to be available to the public during such hours of the day and on such days of the week as may properly serve the needs of the public. The Port Authority's determination of reasonable prices and proper business hours and days shall control.

(b) The Permittee shall

(i) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(ii) furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

As used in the above subsections "service" shall include furnishing of parts, materials and supplies (including sale thereof).

22. (a) Without limiting the generality of Section 21, above, the Permittee shall comply with the Port Authority Aviation Department Street Pricing Policy. In connection therewith, the Permittee shall not charge prices to its customers in excess of "Street Prices", which for purposes of this Permit is defined as follows:

(i) if the Permittee conducts a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Greater New York City - Northern New Jersey Metropolitan Area (herein referred to as "the Metro Area"), "Street Prices" shall mean the average price regularly charged by the Permittee for the same or similar item in such Metro Area location;

(ii) if the Permittee does not conduct a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Metro Area, "Street Prices" shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item;

(iii) if neither the Permittee nor other similar retailers sell a particular item in the Metro Area, "Street Prices" shall mean the average price regularly charged by the Permittee or similar retailers for the same or similar item in any other geographic area, with a reasonable adjustment for any cost of living variance between such area and the Metro Area.

(iv) If the Permittee is engaged in the business of selling duty-free goods, "Street Prices" shall mean the price regularly charged by the Permittee or similar retailer for the same or similar duty-free item at other urban airports in the Northeast region of the United States, including but not limited to John F. Kennedy International Airport, New York, New York.

(b) The Permittee's breach of the aforesaid Street Pricing Policy (as defined herein) shall be deemed a material breach of the Permittee's obligations under this Permit.

(b) The Permittee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Permittee subscribes to a "Street Pricing Policy", such notice to be clearly visible and unobstructed. If the Permittee charges any price to a customer in excess of the price, which would satisfy the "Street Pricing Policy" in violation of its obligations under this Permit, the amount of such excess shall constitute an overcharge, which shall upon demand by the Port Authority or the Permittee's customer, be promptly refunded to the customer.

(c) The Permittee shall submit to the Port Authority, from time to time, an annual pricing report demonstrating compliance by the Permittee with the aforementioned pricing requirements. For purposes of establishing the Street Price of an item, any difference in the size or quality of a product or service shall constitute a price differential.

23. City Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(i) This Permit is subject and subordinate to the City Lease and to any interest

superior to that of the Port Authority;

(ii) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security or other deposits required under this Permit);

(iii) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(iv) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(v) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(vi) The Permittee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(vii) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

24. The Permittee shall not place or cause or permit to be placed any sign, poster or advertising matter whatsoever of the Permittee or of third parties on the Facility or on the Machines or the items dispensed therefrom without the prior written approval of the Port Authority. The restriction hereunder shall not apply to manufacturers' own advertising appearing on items dispensed by the Machines. The Port Authority may at any time and from time to time withdraw its approval under this Section. Any sign, poster or advertising matter not so approved may be removed by the Port Authority at the expense of the Permittee.

25. (a) The Permittee shall place in a conspicuous place on each Machine installed and operated pursuant to the permission granted hereunder a Port Authority standard vending machine decal containing such information as the Port Authority may from time to time determine to be necessary including, without limitation the name and address of the Permittee, the location of the Machine, type of product or service to be dispensed and Permit Number.

(b) The Permittee shall promptly handle in a manner satisfactory to the Port Authority all customer complaints including, but not limited to, those based on failure or malfunction of the Machines or defective merchandise dispensed or services rendered therefrom or thereby and the Permittee shall make all suitable refunds, exchanges, credits and allowances in connection therewith.

26. (a) The Permittee shall daily remove from the Facility all garbage, debris, litter, liquids and other waste materials arising out of the operation of the Machines, or customer disposal of the Permittee's merchandise.

(b) For the purpose of temporary storage, the Permittee shall provide and maintain in a clean and sanitary condition, suitable garbage and waste receptacles, the same to be made of metal and equipped with tight fitting covers. The covers may have self-closing openings for disposal purposes. The receptacles shall be kept completely covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris, litter and other waste materials from the Facility. The manner of such storage and removal shall be subject in all respects to the approval of the Port Authority. No facilities of the Port Authority shall be used for such removal and storage without the approval of the Manager of the Facility.

27. (a) The Port Authority shall furnish electricity of the voltage, phase and type already available at the location and cold water sufficient for the operation of such of the Machines as may require the same; provided, however, that the Port Authority may at any time after installation of appropriate meters, sell electricity and/or cold water to the Permittee and the Permittee agrees to pay therefor at the same rates charged by the Port Authority to other permittees at the Facility at the time the electricity and/or cold water is supplied for the same quantity, under the same conditions and in the same service classification. Charges for electricity and/or cold water shall be payable when billed. The quantity of service consumed shall be measured by meters installed for the purpose; provided, however, that if for any cause any meter fails to record the consumption of electricity or cold water, the consumption during the period the meter is out of service will be considered to be the same as the consumption for a like period either immediately before or immediately after the interruption, as selected by the Port Authority.

(b) The Port Authority shall also make available, without additional charge, non-exclusive toilet and washroom facilities for the employees of the Permittee.

(c) No failure, delay or interruption in supplying agreed services (whether separately charged for or not) shall release the Permittee from any of its obligations hereunder or be, (unless resulting from the negligence of the Port Authority and continuing for a period of five (5) days after notice to the Port Authority) grounds for any claim by the Permittee for damages, consequential or otherwise.

(d) The Permittee shall provide and install all wires, conduits, outlets, ducts and pipes necessary to supply the electricity and/or cold water to the Machines which may require the same. Such installation shall be subject to the provisions of Section 8 hereof.

28. (a) Except as specifically provided herein to the contrary, the Permittee shall not, by virtue of the issue and acceptance of this Permit, be released or discharged from any liabilities or obligations whatsoever under any other Port Authority permits or agreements including, but not limited to, any permits to make alterations.

(b) In the event that any space or location covered by this Permit is the same as is or has been covered by another Port Authority permit or other agreement with the Permittee, then any liabilities or obligations which by the terms of such permit or agreement, or permits thereunder to make alterations, mature at the expiration, revocation or termination of said permit or agreement, shall be deemed to survive and to mature at the expiration or sooner revocation of this Permit,

insofar as such liabilities or obligations require the removal of property from and/or the restoration of the space or location.

29. The Port Authority may at any time and from time to time by notice to the Permittee withdraw or modify any approval, designation or direction given hereunder by the Port Authority.

30. The privilege granted by this Permit is non-exclusive.

31. Wherever in this Permit, including all endorsements and exhibits thereto, the pronoun "it" or the adjective "its" may occur, referring to the Permittee, the said pronoun or adjective shall be deemed and taken to mean "it", "he", "him", "she", "her", "they", "them" or "its", "his", "her", "hers", "their" or "theirs", as the circumstances of the reference and the gender and number of the Permittee may require.

32. No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant or condition of this Permit or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Permit during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term, covenant or condition. No agreement, term, covenant or condition of this Permit to be performed or complied with by the Permittee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Permittee in performance of any agreement, term, covenant or condition of this Permit shall affect or alter this Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

33. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Facility.

(b) The Permittee shall procure all licenses, certificates, permits or other authorization necessary for the Permittee's operations at the Facility from all governmental authorities, if any, having jurisdiction.

(c) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Facility and are not to be construed as a submission by the Port Authority to the application to itself of any such requirements.

34. The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal

statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

35. (a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (i) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (ii) in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, and (iii) the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any person or persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

(c) The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. Without limiting any other term or provision hereof or any other rights or remedies of the Port Authority hereunder or at law or equity, in the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) Without limiting any other term or provision hereof, the Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third persons, including the United States of America, resulting from the Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any space at the Airport, or any right to use or occupy any space at the Airport.

36. In the event 49 CFR Part 23 is applicable to the permission granted under this Permit, then:

(a) This Permit is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The Permittee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

(b) The Permittee agrees to include the statement set forth in paragraph (a), above, in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreements.

(c) The Permittee agrees to comply with the terms and provisions of Schedule G, annexed hereto and hereby made a part hereof.

37. The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

38. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Board of Fire Underwriters and The Fire Insurance Rating Organization of New Jersey, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Facility or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

(b) The Permittee shall not do or permit to be done any act which:

(i) will invalidate or be in conflict with any fire insurance policies covering the Facility or any part thereof or upon the contents of any building thereon, or

(ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Facility or any part thereof or upon the contents of any building thereon, or

(iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(iv) may cause or produce upon the Facility any unusual, noxious or objectionable smokes, gases, vapors or odors, or

(v) may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Facility, or

(vi) shall constitute a nuisance in or on the Facility or which may result in the creation, commission or maintenance of a nuisance in or on the Facility.

(c) For the purpose of this Section, "Facility" includes all structures located thereon.

39. If any type of strike or other labor activity is directed against the Permittee at the Facility or against any operations pursuant to this Permit resulting in picketing or boycott for a period of at least forty-eight (48) hours, which, in the opinion of the Port Authority, adversely affects or is likely adversely to affect the operation of the Facility or the operations of other permittees, lessees or licensees thereat, whether or not the same is due to the fault of the Permittee, and whether caused by the employees of the Permittee or by others, the Port Authority may at any time during the continuance thereof, by twenty-four (24) hours' notice, revoke this Permit, effective at the time specified in the notice. Revocation shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

40. The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the Manager of the Facility covering the operations of the Permittee under this Permit at any time and from time to time.

41. The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed. The foregoing reference to summary proceedings shall not be construed to mean that a landlord-tenant relationship exists between the Port Authority and the Permittee.

42. Without in any way limiting the provisions hereof, unless otherwise notified by the Port Authority in writing, in the event the Permittee shall continue to operate the Machines after the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Permit or other remedies the Port Authority may have by law or otherwise, the Permittee shall pay to the Port Authority a fee for the period commencing on the day immediately following the date of such expiration or the effective date of such revocation or termination and ending on the date that the Permittee shall cease to operate the Machines at the Airport equal to twice the sum of the fee payable hereunder. Nothing

SPECIAL ENDORSEMENTS

1. (a) In accordance with and subject to the provisions of Section 20 of the foregoing Terms and Conditions the Port Authority hereby grants to the Permittee the privilege of installing, maintaining, and operating coin-operated vending machines dispensing food products and non-alcoholic beverages as may from time to time be consented to in advance in writing by the Port Authority (herein the "Machines") in such numbers and at such locations at the Airport as may be hereinafter designated from time to time in writing by the Port Authority.

(b) The Permittee recognizes that portions of the Facility where the Permittee's Machines may be installed are or may be under lease or under permit to third parties for their exclusive occupancy and that the Permittee must be independent arrangement with such parties acquire the right or rights of access and user necessary for its operations in such areas and shall make its own arrangements with such parties for the supply to its Machines of such facilities, utilities and services as it may require. The Port Authority makes no representations or warranties as to location, size, adequacy, suitability or availability of any such areas or facilities to be used by the Permittee in the exercise of its privileges hereunder. The Permittee further understands that its operations in such areas shall also be subject to the respective lease or permit between the Port Authority and the third party covering such exclusive occupancy and in the event of expiration or earlier termination of any such lease or permit then the privileges granted under this Permit shall terminate with respect to the areas covered by such lease or permit. In the event of any inconsistency between the terms of any such lease or permit and the terms of this Permit, the terms of this Permit shall control.

2. (a) Upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the sum of One Thousand Dollars and No Cents (\$1,000.00), either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee, all of the terms, provisions, covenants and conditions of this Permit on its part to be fulfilled, kept, performed or observed. Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Permittee may deposit such bonds or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond in registered form unless such bond has been re-registered in the name of the Port Authority (the expense of such re-registration to be borne by the Permittee) in a manner satisfactory to the Port Authority. The Permittee may request the Port Authority to accept a registered bond in the Permittee's name and if acceptable to the Port Authority the Permittee shall deposit such bond together with an irrevocable bond power (and such other instruments or other documents as the Port Authority may require) in form and substance satisfactory to the Port Authority. In the event the deposit is returned to the Permittee any expenses incurred by the Port Authority in re-registering a bond to the name of the Permittee shall be borne by the Permittee. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option, at any time and from time to time, with or without notice, to use the deposit or any part

thereof in whole or partial satisfaction of any of its claims or demands against the Permittee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of the deposit itself shall cure any default or breach of this Agreement on the part of the Permittee. With respect to any bonds deposited by the Permittee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Permittee, to sell the same in whole or in part, at any time, and from time to time, with or without prior notice at public or private sale, all as determined by the Port Authority, together with the right to purchase the same at such sale free of all claims, equities or rights of redemption of the Permittee. The Permittee hereby waives all right to participate therein and all right to prior notice or demand of the amount or amounts of the claims or demands of the Port Authority against the Permittee. The proceeds of every such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to advertising or commission expenses) and then to the amounts due the Port Authority from the Permittee. Any balance remaining shall be retained in cash toward bringing the deposit to the sum specified above. In the event that the Port Authority shall at any time or times so use the deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the above-mentioned amount, the Permittee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional cash or bonds so as to maintain the deposit at all times to the full amount above stated, and such additional deposits shall be subject to all the conditions of this Special Endorsement. After the expiration or earlier revocation or termination of the effective period of the permission under this Permit, and upon condition that the Permittee shall then be in no wise in default under any part of this Permit, and upon written request therefor by the Permittee, the Port Authority will return the deposit to the Permittee less the amount of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Permittee of this Permit or any part thereof. The Permittee agrees that it will not assign or encumber the deposit. The Permittee may collect or receive any interest or income earned on bonds and interest paid on cash deposited in interest-bearing bank accounts, less any part thereof or amount which the Port Authority is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of an administrative expense, or custodial charge, or otherwise; provided, however, that the Port Authority shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts.

(b) In connection with the Permittee's obligation to deliver a security deposit to the Port Authority as required by the provisions of paragraph (a) above of this Special Endorsement, the Permittee hereby certifies that its federal taxpayer identification number is

(c) The Permittee acknowledges and agrees that the Port Authority reserves the right, in its sole discretion at any time and from time to time upon fifteen (15) days' notice to the Permittee, to adjust the amount of the security deposit required in paragraph (a) of this Special Endorsement. Not later than the effective date set forth in said notice by the Port Authority, the Permittee shall furnish additional cash or bonds, as provided for in paragraph (a) above, and such additional cash and/or bonds shall thereafter constitute the security deposit required under this Special Endorsement.

3. With respect to the fees to be paid by the Permittee pursuant to Item 6 on the first page of this Permit, reference to "non-public areas" and "non-airline terminal building areas" shall mean those areas at the Airport at which employee identification is required by the building lessee, Permittee, or the Port Authority to obtain access.

4. The fees payable under this Permit shall be subject to increase from time to time upon thirty (30) days' notice from the Port Authority to the Permittee, given by the General Manager of the Airport or such other representative as the Port Authority may substitute from time to time by notice to the Permittee, and upon the effective date of the increase set forth in such notice the fees payable by the Permittee under this Permit shall be as set forth in said notice. In the event within ten (10) days after the Permittee receives such notice from the Port Authority, the Permittee notifies the Port Authority that the Permittee does not wish to pay the increased fees, this Permit and the permission granted hereunder shall be, and shall be deemed to be, cancelled effective at the close of business on the day preceding the effective date of the increase, as set forth in the Port Authority's notice to the Permittee. If the Permittee does not so notify the Port Authority, the increased fees shall become effective on the date set forth in the Port Authority's notice as aforesaid. No cancellation of this Permit and the permission granted thereunder pursuant to this paragraph shall be construed to relieve the Permittee of any obligations or liabilities hereunder which shall have accrued on or before the effective date of such cancellation.



For the Port Authority

Initialed:

JG

For the Permittee

SCHEDULE G

Airport Concession Disadvantaged Business Enterprise (ACDBE) Participation

In accordance with regulations of the US Department of Transportation 49 CFR Part 23, the Port Authority has implemented an Airport Concession Disadvantaged Business Enterprise (ACDBE) program under which qualified firms may have the opportunity to operate an airport business. The Port Authority has established an ACDBE participation goal, as measured by the total estimated annual gross receipts for the overall concession program. The goal is modified from time to time and posted on the Port Authority's website: www.panynj.gov.

The overall ACDBE goal is a key element of the Port Authority's concession program and Concessionaire shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25 (f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through joint ventures in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

To qualify as an ACDBE, the firm must meet the definition set forth below and be certified by the New York State or New Jersey Uniform Certification Program (UCP). The New York State UCP directory is available on-line at www.nysucp.net and the New Jersey UCP at www.njucp.net.

An ACDBE must be a small business concern whose average annual receipts for the preceding three (3) fiscal years does not exceed \$47.78 million and it must be (a) at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially or economically disadvantaged individuals who own it. The personal net worth standard used in determining eligibility for purposes of part 23 is \$750,000.

The ACDBE may, if other qualifications are met, be a franchisee of a franchisor. An airport concession is a for-profit business enterprise, located on an airport, which is subject to the Code of Federal Regulations 49 Part 23, subpart F, that is engaged in the sale of consumer goods or services to the public under an agreement with the sponsor, another concessionaire, or the owner or operator of a terminal, if other than the sponsor. The Port Authority makes a rebuttable presumption that individuals in the following groups who are citizens of the United States or lawful permanent residents are "socially and economically disadvantaged":

- a. Women;
- b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;
- c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
- d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;
- e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;
- f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and
- g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

Other individuals may be found to be socially and economically disadvantaged on a case-by-case basis. For example, a disabled Vietnam veteran, an Appalachian white male, or another person may claim to be disadvantaged. If such individual requests that his or her firm be certified as ACDBE, the Port Authority, as a certifying partner in the New York State and New Jersey UCPs will determine whether the individual is socially or economically disadvantaged under the criteria established by the Federal Government. These owners must demonstrate that their disadvantaged status arose from individual circumstances, rather than by virtue of membership in a group.

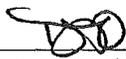
Certification of ACDBEs hereunder shall be made by the New York State or New Jersey UCP. If Concessionaire wishes to utilize a firm not listed in the UCP directories but which the Concessionaire believes should be certified as an ACDBE, that firm shall submit to the Port Authority a written request for a determination that the firm is eligible for certification. This shall be done by completing and forwarding such forms as may be required under 49 CFR Part 23. All such requests shall be in writing, addressed to Lash Green, Director, Office of Business and Job Opportunity, The Port Authority of New York and New Jersey, 233 Park Avenue South, 4th Floor, New York, New York 10003 or such other address as the Port

Authority may designate from time to time. Contact OBJOcert@panynj.gov for inquiries or assistance.

General

In the event the signatory to this agreement is a Port Authority permittee, the term Concessionaire shall mean the Permittee herein. In the event the signatory to this agreement is a Port Authority lessee, the term Concessionaire shall mean the Lessee herein.

Initialed:



For the Port Authority

JG

For the Permittee

: For Port Authority Use Only :
:
: Permit Number AYE-252 :

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
225 Park Avenue South
New York, New York 10003

**PERMIT
COIN OPERATED MACHINES**

The Port Authority of New York and New Jersey (herein called the "Port Authority") hereby grants to the Permittee hereinafter named the privilege to install, maintain and service the hereinafter described Machines at the Port Authority Facility hereinafter named, in accordance with the Terms and Conditions hereof and the endorsements annexed thereto; and the Permittee agrees to pay the fees hereinafter specified, and to perform all other obligations imposed upon it in the Terms and Conditions and endorsements as hereinafter set forth:

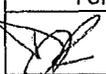
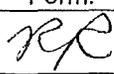
1. FACILITY: JOHN F. KENNEDY INTERNATIONAL AIRPORT
2. PERMITTEE: AIRLINE VENDING SERVICES, INC., an entity organized and existing under the laws of the State of New York
3. PERMITTEE'S ADDRESS: 151-57 7TH Avenue
Whitestone, New York 11357
4. PERMITTEE'S REPRESENTATIVE: Robert A. Romagna
5. MACHINES: As set forth in Special Endorsement No. 1 hereof
6. FEES: A basic fee of Thirty Dollars and No Cents (\$30.00) per machine per month for non-public areas (including, without limitation, non-airline terminal building areas), Two Hundred Twenty-five Dollars and No Cents (\$225.00) per machine per month for public areas and Eighty Dollars and No Cents (\$80.00) per machine per month for game machines, all of the aforesaid fees to be payable in advance on the first day of each month during the effective period of the permission granted under this Permit.
7. EFFECTIVE DATE: January 1, 2013
8. EXPIRATION DATE: December 31, 2020, unless sooner revoked or terminated in accordance with Section 1 of the Terms and Conditions hereof
9. SECURITY DEPOSIT: As set forth in Special Endorsement No. 2 hereof.
10. INSURANCE REQUIREMENT: \$2,000,000.00 minimum limit Commercial General Liability and \$2,000,000.00 minimum limit Commercial Automobile Liability
11. ENDORSEMENTS: Specials and Schedule G

Dated: As of January 1, 2013

**THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY**

By 
Name David Kagan
Assistant Director
(Title) Business, Properties & Airport Development
(Please Print Clearly)

AIRLINE VENDING SERVICES, INC., Permittee
By 
Name Robert Romagna
(Please Print Clearly)
(Title) President

Port Authority Use Only	
Approval as to Terms:	Approval as to Form:
<u></u>	<u></u>


RHR/NEI

TERMS AND CONDITIONS

1. The permission hereby granted shall take effect upon the effective date hereinbefore set forth. Notwithstanding any other term or condition thereof, it may be revoked without cause, upon thirty (30) days' written notice, by the Port Authority or terminated without cause, upon thirty (30) days' written notice by the Permittee; provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Further, in the event the Port Authority exercises its right to revoke or terminate this Permit for any reason other than "without cause", the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the cleaning, repair and restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it cleaned, repaired or restored), preparing such space for use by a succeeding permittee, the care and maintenance of such space during any period of non-use of the space, the foregoing to include, without limitation, personnel costs and legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), and repairing the space and putting the space in order (such as but not limited to cleaning, repairing and restoring the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth. Revocation or termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.

2. As used in this Permit:

(a) The term "Airport" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(b) The term "City" shall mean the City of New York.

(c) The term "City Lease" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) The term "Executive Director" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee, it shall mean the Executive Director of the Port Authority for the time being, or his duly designated representative or representatives.

(e) The term "General Manager of the Facility" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said General Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the General Manager (or temporary or Acting General Manager) of the Facility for the time being, or his duly designated representative or representative.

3. The rights granted hereby shall be exercised

(a) if the Permittee is a corporation, by the Permittee acting only through the medium of its officers and employees;

(b) if the Permittee is an unincorporated association, or a business trust, by the Permittee acting only through the medium of its members, trustees, officers and employees;

(c) if the Permittee is a partnership, by the Permittee acting only through the medium of its partners and employees;

(d) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(e) if the Permittee is a limited liability company, by the Permittee acting only through the medium of its members, managers and employees,

and the Permittee shall not, without the written approval of the Port Authority, exercise such rights through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or any of the rights granted hereby, directly or indirectly, in whole or in part, by operation of law or otherwise, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor, without the written approval of the Port Authority.

In the event of the issuance of this Permit to more than one individual or other legal entity (or to any combination thereof), then and in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.

4. This Permit does not constitute the Permittee the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint venture is hereby created, notwithstanding the fact that all or a portion of the fees to be paid hereunder may be determined by gross receipts from the operations of the Permittee hereunder.

5. The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Facility. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification and, upon the request of the Port Authority, the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the prior written approval of the Manager of the Facility. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

6. (a) In the use of the roads, hallways, stairs and other areas constituting a means of ingress to and egress from the space at or on which the Machines are located, the Permittee shall conform (and shall require its employees, invitees and others doing business with it to conform) to the rules and regulations of the Port Authority which are now in effect or which may hereafter be adopted for the safe and efficient operation of the Facility.

(b) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations of the Port Authority now in effect, and such further reasonable rules and regulations which may from time to time during the effective period of this Permit be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Facility, including any space covered by this Permit, or for the safe and efficient operation of the Facility. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(c) Unless otherwise expressly provided, the Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Facility.

7. (a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees, agents or persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers, employees or agents at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

(b) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. The Permittee shall promptly repair or replace all property of the Port Authority damaged by the operations of the Permittee hereunder. The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with its prior written approval.

9. (a) All Machines covered by this Permit and other property of the Permittee placed on or kept at the Facility shall remain the property of the Permittee and must be removed on or before the expiration of the permission hereby granted or on or before the revocation or termination of the permission hereby granted, whichever shall be earlier.

(b) If the Permittee shall fail to remove its property upon the expiration, termination or revocation hereof, the Port Authority may, at its option, as agent for the Permittee and at the Permittee's risk and expense, remove such property to a public warehouse for deposit or retain the same in its own possession and after the expiration of thirty (30) days sell the same at public auction, the proceeds of which shall be applied first to the expenses of sale, second to any sums owed by the Permittee to the Port Authority, and any balance remaining shall be paid to the Permittee, or may take such other action as may be necessary or desirable.

10. The Permittee represents that it is the owner of or fully authorized to use and/or sell any and all services, processes, machines, articles, marks, names or slogans used and/or sold by it in its operations under or in any wise connected with this Permit. Without in any way limiting its obligations under Section 7 hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any way connected with this Permit.

11. The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Machines and equipment of the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any Machines or equipment owned by or in the possession of the Permittee on the Facility or to be placed or brought on the Facility, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any Machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the Machine from service, and provide a satisfactory substitute.

12. The Permittee's representative hereinbefore specified (or such substitute as the Permittee may hereafter designate in writing) shall have full authority to act for the Permittee in connection with this Permit and any things done or to be done hereunder, and to execute on the Permittee's behalf any amendments or supplements to this Permit or any extension thereof, and to give and receive notices hereunder.

13. (a) The basic fee, if any, or the part thereof which may be prorated as hereinafter provided, shall be due and payable in advance on the effective date hereof and on the first day of each and every month thereafter. The percentage fee, if any, or if that percentage fee is additional to a basic fee, the portion thereof prorated as hereinafter provided, and any fees or part thereof mentioned on the first page of this Permit to be measured by the number of items and/or units of service dispensed by a Machine, shall be due and payable monthly on the tenth day of the month following the calendar month in which the effective date hereof falls, and on the tenth day of each month thereafter and shall be based on the Permittee's gross receipts, sales made and services rendered in the preceding calendar month; provided, however, that if the permission granted hereby shall expire or be revoked effective on a date other than the last day of a month, the percentage fee or prorated part thereof, or the fee or part thereof measured by the number of items or units of service, shall be due and payable within ten days after such date. If the permission granted by this Permit commences on a date other than the first day of a month, or if the said permission expires or is revoked effective on a date other than the last day of a month, the fees due for the period of time during which the said permission shall have been in effect shall be the fees specified on the first page of this Permit,

prorated however in the case of a basic fee or in the case of a basic fee and percentage fee, in the same proportion that the number of days the permission is in effect bears to thirty days, as follows: the portion of the basic fee due shall be computed by prorating the monthly basic fee on the above basis; the amount of the percentage fee shall be equivalent to the excess over the prorated basic fee of the percentage applied to the gross receipts arising in such portion of the month. There shall be no proration of other fees. The computation of fees for each month, or for a portion of a month as provided above, shall be individual to such month or such portion of a month, and without relation to any other month or any other portion of a month.

(b) Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
P.O. BOX 95000-1556
PHILADELPHIA, PENNSYLVANIA 19195-0001

or made via the following wire transfer instructions (for basic fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: or made via the following wire transfer instructions (for percentage fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: or to such other address as may hereafter be substituted therefor by the Port Authority from time to time, by notice to the Permittee.

(c) The term "gross receipts" shall include all monies paid or payable to the Permittee for sales made and for services rendered at or from the Facility pursuant to the permission granted hereby; provided, however, that if the fees or any part thereof mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts and by the number of items and/or units of service dispensed by a Machine the monies paid or payable to the Permittee by customers for said items and/or units of service shall be excluded from "gross receipts" and provided, further, however, that any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee shall be excluded therefrom.

(d) The Permittee acknowledges and agrees that it shall maintain separate and distinct gross receipts records of all sales made from each Machine installed and operated by the Permittee at each location designated by the Port Authority. The Port Authority may request at any time and from time to time a sworn statement of gross receipts, which shall separately state the various types and amounts of gross receipts derived from sales made at or from each Machine and location and shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice. The Permittee further acknowledges and agrees that the Port Authority reserves the right to implement an inventory tracking system of vending machines at the Facility and should the Port Authority so implement such an inventory tracking system, the Permittee agrees to cooperate fully with the Port Authority by promptly providing the Port Authority with all information it shall request.

14. If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority including, without limitation, any payment of any fixed or percentage fee or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount

equal to eight-tenths of one percent (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Permit. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Permit including, without limitation, the Port Authority's rights set forth in Section 1 of the Terms and Conditions of this Permit or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. A bill or statement may be rendered or any notice or communication which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given if the same be in writing and sent by registered or certified mail addressed to the Permittee at the address specified on the first page hereof or at the latest address that the Permittee may substitute therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's representative, and the time of rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is mailed, left or delivered as herein provided. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

16. (a) The Permittee, in its own name as insured, and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits as set forth in Item 10 of the Cover page to this Permit.

(b) In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of the Permit.

(c) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority

were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under this Permit.

(d) All insurance coverages and policies required hereunder may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the period of permission under the Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the above-listed insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

(e) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(f) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(g) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under this Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by this Permit or any other agreement or by law.

17. (a) If the fee or fees mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts or by the number of items or units of service dispensed by a Machine, the Permittee shall:

(i) use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;

(ii) not divert or cause or allow to be diverted, any business from the Facility;

(iii) maintain in accordance with accepted accounting practice during the effective period of this Permit and for one year after the expiration or earlier revocation thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all sales of merchandise and charges for services made through the Machines and all transactions at, through or in any way connected with the Facility, which records and books of account shall be kept at all times within the Port of New York District;

(iv) permit in ordinary business hours during the effective period of this Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision, the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account;

(v) permit the inspection by the officers, employees and representatives of the Port Authority of any equipment or devices used by the Permittee, including but not limited to coin receptacles and counting or metering devices attached to the Machines;

(vi) furnish on or before the twentieth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder, and if the fees or any part thereof mentioned on the first page of this Permit are based in whole or in part on the number of items or units or service dispensed by a Machine, a sworn statement showing the number of such items and/or units of service dispensed during the preceding month. When gross receipts exceed \$8,000 monthly the statements shall be certified at the Permittee's expense, by a certified public accountant; and

(vii) install and use such equipment or devices for recording sales made and services rendered as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts and sales made and services rendered.

(b) In the event that upon conducting an examination and audit as described in this Section the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee, the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Permit or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority to payment of any late charge(s) or other service charge(s) payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid hereunder. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under

this Permit, including, without limitation, the Port Authority's rights to revoke this Permit or (ii) any obligations of the Permittee under this Permit.

18. Collections shall be made from the Machines in the manner and at the times specified by the Port Authority. The Port Authority shall have the right at any time and from time to time to prohibit the Permittee from making any collection from any Machines except in the presence of a representative of the Comptroller's Department of the Port Authority.

19. (a) Machines shall dispense only such merchandise and render only such services as are approved in writing by the Port Authority. Specification of merchandise and/or services in Item 5 on the first page hereof shall be an approval hereunder and all approvals hereunder shall be subject to the terms of Section 29 hereof.

(b) The Permittee agrees that prior to the installation of any Machines it shall obtain the written approval of the Port Authority as to the design and type thereof as well as the method and manner of installation and the Permittee shall comply with any requirements, procedures or standards established by the Port Authority for the installation of the Machine and for the removal and relocation thereof. The Port Authority shall designate in writing the number of Machines to be installed, maintained and serviced under this Permit and it may in its discretion, from time to time, consent to the inclusion under this Permit of an additional Machine or Machines, such additional Machine or Machines to dispense such items only and render such services only as may be approved in writing by the Port Authority. The location of each Machine covered by this Permit is to be only that designated in writing by the Port Authority. The Port Authority shall have the right, from time to time, to redesignate in writing the location or locations of any or all Machines covered by this Permit, and the Permittee shall thereupon, at its own expense, comply therewith by promptly removing and reinstalling each such Machine. The Port Authority shall also have the right, from time to time, to direct that the number of Machines covered by this Permit be decreased and the Permittee shall promptly remove the Machines as directed.

(c) In the event of the removal of any or all of the Machines covered by this Permit for any reason including, but not limited to, revocation, expiration, redesignation or decrease, the Permittee shall, at its own expense, immediately restore the Facility at and about the location to the same condition as before the installation, including the removal of any wires, conduits, outlets, ducts and pipes installed by or for the Permittee.

(d) The Port Authority may request from time to time and at any time a sworn statement from the Permittee as to the total number, description of types of items dispensed and locations of all Machines to which the fee under this Permit is applied on a monthly basis. The Permittee shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice.

(e) The Permittee shall also be required to send written notice to the Port Authority (Attn: JFK Properties & Commercial Development, JFK Airport, Building 14, 2nd Floor, Jamaica, NY 11430) at least thirty (30) days' prior to its addition or removal of a Machine from its operations at the Facility, and in such notice shall indicate the number of Machines being added or removed and the proposed location (if an addition) or then-current location (if a removal) of each such Machine. In the event the Permittee removes a Machine from operation but fails to provide the Port Authority with the required advance written notice as aforesaid, the Permittee shall nevertheless

continue to be obligated to pay fees hereunder with respect to such removed Machine until the Port Authority receives such written notice and, then, the obligation to pay fees with respect to such removed Machine shall cease as of the first calendar month after the 30-day notice period has expired.

20. (a) The purposes of the Port Authority in extending the permission granted hereby is to have available at the Facility the merchandise and services which the Permittee is permitted to sell and render hereunder, and the Permittee agrees that it will conduct a first class operation and will furnish all necessary or proper Machines, fixtures, equipment, personnel, supplies, materials and other facilities and replacements therefor.

(b) The Permittee shall provide new Machines of the latest design and shall maintain all the Machines in first class appearance, condition and working order, and if the Machines dispense items, the Permittee shall keep the Machines always well stocked with merchandise of first class quality and fit for human use, and if the merchandise is intended for consumption, it shall be fresh and safely consumable. The Permittee covenants that all its merchandise and services shall comply with all applicable federal, state, municipal and other governmental laws, ordinances and regulations.

21. (a) The Permittee shall furnish all merchandise and all services at reasonable prices and at the times and in a manner which will be fully satisfactory to the public and to the Port Authority. All prices charged by the Permittee shall be subject to the prior written approval of the Port Authority; provided, however, that such approval will not be withheld if the proposed prices do not exceed reasonable prices for similar merchandise and services in the municipality in which the Machines are located as more specifically described herein in Section 22. The Permittee shall cause the merchandise sold and the services rendered by the Machines to be available to the public during such hours of the day and on such days of the week as may properly serve the needs of the public. The Port Authority's determination of reasonable prices and proper business hours and days shall control.

(b) The Permittee shall

(i) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(ii) furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

As used in the above subsections "service" shall include furnishing of parts, materials and supplies (including sale thereof).

22. (a) Without limiting the generality of Section 21, above, the Permittee shall comply with the Port Authority Aviation Department Street Pricing Policy. In connection therewith, the Permittee shall not charge prices to its customers in excess of "Street Prices", which for purposes of this Permit is defined as follows:

(i) if the Permittee conducts a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Greater New York City - Northern New Jersey Metropolitan Area (herein referred to as "the Metro Area"), "Street Prices" shall mean the average price regularly charged by the Permittee for the same or similar item in such Metro Area location;

(ii) if the Permittee does not conduct a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Metro Area, "Street Prices" shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item;

(iii) if neither the Permittee nor other similar retailers sell a particular item in the Metro Area, "Street Prices" shall mean the average price regularly charged by the Permittee or similar retailers for the same or similar item in any other geographic area, with a reasonable adjustment for any cost of living variance between such area and the Metro Area.

(iv) If the Permittee is engaged in the business of selling duty-free goods, "Street Prices" shall mean the price regularly charged by the Permittee or similar retailer for the same or similar duty-free item at other urban airports in the Northeast region of the United States, including but not limited to John F. Kennedy International Airport, New York, New York.

(b) The Permittee's breach of the aforesaid Street Pricing Policy (as defined herein) shall be deemed a material breach of the Permittee's obligations under this Permit.

(b) The Permittee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Permittee subscribes to a "Street Pricing Policy", such notice to be clearly visible and unobstructed. If the Permittee charges any price to a customer in excess of the price, which would satisfy the "Street Pricing Policy" in violation of its obligations under this Permit, the amount of such excess shall constitute an overcharge, which shall upon demand by the Port Authority or the Permittee's customer, be promptly refunded to the customer.

(c) The Permittee shall submit to the Port Authority, from time to time, an annual pricing report demonstrating compliance by the Permittee with the aforementioned pricing requirements. For purposes of establishing the Street Price of an item, any difference in the size or quality of a product or service shall constitute a price differential.

23. City Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(i) This Permit is subject and subordinate to the City Lease and to any interest

superior to that of the Port Authority;

(ii) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security or other deposits required under this Permit);

(iii) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(iv) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(v) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(vi) The Permittee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(vii) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

24. The Permittee shall not place or cause or permit to be placed any sign, poster or advertising matter whatsoever of the Permittee or of third parties on the Facility or on the Machines or the items dispensed therefrom without the prior written approval of the Port Authority. The restriction hereunder shall not apply to manufacturers' own advertising appearing on items dispensed by the Machines. The Port Authority may at any time and from time to time withdraw its approval under this Section. Any sign, poster or advertising matter not so approved may be removed by the Port Authority at the expense of the Permittee.

25. (a) The Permittee shall place in a conspicuous place on each Machine installed and operated pursuant to the permission granted hereunder a Port Authority standard vending machine decal containing such information as the Port Authority may from time to time determine to be necessary including, without limitation the name and address of the Permittee, the location of the Machine, type of product or service to be dispensed and Permit Number.

(b) The Permittee shall promptly handle in a manner satisfactory to the Port Authority all customer complaints including, but not limited to, those based on failure or malfunction of the Machines or defective merchandise dispensed or services rendered therefrom or thereby and the Permittee shall make all suitable refunds, exchanges, credits and allowances in connection therewith.

26. (a) The Permittee shall daily remove from the Facility all garbage, debris, litter, liquids and other waste materials arising out of the operation of the Machines, or customer disposal of the Permittee's merchandise.

(b) For the purpose of temporary storage, the Permittee shall provide and maintain in a clean and sanitary condition, suitable garbage and waste receptacles, the same to be made of metal and equipped with tight fitting covers. The covers may have self-closing openings for disposal purposes. The receptacles shall be kept completely covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris, litter and other waste materials from the Facility. The manner of such storage and removal shall be subject in all respects to the approval of the Port Authority. No facilities of the Port Authority shall be used for such removal and storage without the approval of the Manager of the Facility.

27. (a) The Port Authority shall furnish electricity of the voltage, phase and type already available at the location and cold water sufficient for the operation of such of the Machines as may require the same; provided, however, that the Port Authority may at any time after installation of appropriate meters, sell electricity and/or cold water to the Permittee and the Permittee agrees to pay therefor at the same rates charged by the Port Authority to other permittees at the Facility at the time the electricity and/or cold water is supplied for the same quantity, under the same conditions and in the same service classification. Charges for electricity and/or cold water shall be payable when billed. The quantity of service consumed shall be measured by meters installed for the purpose; provided, however, that if for any cause any meter fails to record the consumption of electricity or cold water, the consumption during the period the meter is out of service will be considered to be the same as the consumption for a like period either immediately before or immediately after the interruption, as selected by the Port Authority.

(b) The Port Authority shall also make available, without additional charge, non-exclusive toilet and washroom facilities for the employees of the Permittee.

(c) No failure, delay or interruption in supplying agreed services (whether separately charged for or not) shall release the Permittee from any of its obligations hereunder or be, (unless resulting from the negligence of the Port Authority and continuing for a period of five (5) days after notice to the Port Authority) grounds for any claim by the Permittee for damages, consequential or otherwise.

(d) The Permittee shall provide and install all wires, conduits, outlets, ducts and pipes necessary to supply the electricity and/or cold water to the Machines which may require the same. Such installation shall be subject to the provisions of Section 8 hereof.

28. (a) Except as specifically provided herein to the contrary, the Permittee shall not, by virtue of the issue and acceptance of this Permit, be released or discharged from any liabilities or obligations whatsoever under any other Port Authority permits or agreements including, but not limited to, any permits to make alterations.

(b) In the event that any space or location covered by this Permit is the same as is or has been covered by another Port Authority permit or other agreement with the Permittee, then any liabilities or obligations which by the terms of such permit or agreement, or permits thereunder to make alterations, mature at the expiration, revocation or termination of said permit or agreement, shall be deemed to survive and to mature at the expiration or sooner revocation of this Permit,

insofar as such liabilities or obligations require the removal of property from and/or the restoration of the space or location.

29. The Port Authority may at any time and from time to time by notice to the Permittee withdraw or modify any approval, designation or direction given hereunder by the Port Authority.

30. The privilege granted by this Permit is non-exclusive.

31. Wherever in this Permit, including all endorsements and exhibits thereto, the pronoun "it" or the adjective "its" may occur, referring to the Permittee, the said pronoun or adjective shall be deemed and taken to mean "it", "he", "him", "she", "her", "they", "them" or "its", "his", "her", "hers", "their" or "theirs", as the circumstances of the reference and the gender and number of the Permittee may require.

32. No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant or condition of this Permit or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Permit during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term, covenant or condition. No agreement, term, covenant or condition of this Permit to be performed or complied with by the Permittee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Permittee in performance of any agreement, term, covenant or condition of this Permit shall affect or alter this Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

33. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Facility.

(b) The Permittee shall procure all licenses, certificates, permits or other authorization necessary for the Permittee's operations at the Facility from all governmental authorities, if any, having jurisdiction.

(c) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Facility and are not to be construed as a submission by the Port Authority to the application to itself of any such requirements.

34. The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal

statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

35. (a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (i) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (ii) in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, and (iii) the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any person or persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

(c) The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. Without limiting any other term or provision hereof or any other rights or remedies of the Port Authority hereunder or at law or equity, in the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) Without limiting any other term or provision hereof, the Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third persons, including the United States of America, resulting from the Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any space at the Airport, or any right to use or occupy any space at the Airport.

36. In the event 49 CFR Part 23 is applicable to the permission granted under this Permit, then:

(a) This Permit is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The Permittee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

(b) The Permittee agrees to include the statement set forth in paragraph (a), above, in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreements.

(c) The Permittee agrees to comply with the terms and provisions of Schedule G, annexed hereto and hereby made a part hereof.

37. The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

38. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Board of Fire Underwriters and The Fire Insurance Rating Organization of New Jersey, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Facility or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

(b) The Permittee shall not do or permit to be done any act which:

(i) will invalidate or be in conflict with any fire insurance policies covering the Facility or any part thereof or upon the contents of any building thereon, or

(ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Facility or any part thereof or upon the contents of any building thereon, or

(iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(iv) may cause or produce upon the Facility any unusual, noxious or objectionable smokes, gases, vapors or odors, or

(v) may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Facility, or

(vi) shall constitute a nuisance in or on the Facility or which may result in the creation, commission or maintenance of a nuisance in or on the Facility.

(c) For the purpose of this Section, "Facility" includes all structures located thereon.

39. If any type of strike or other labor activity is directed against the Permittee at the Facility or against any operations pursuant to this Permit resulting in picketing or boycott for a period of at least forty-eight (48) hours, which, in the opinion of the Port Authority, adversely affects or is likely adversely to affect the operation of the Facility or the operations of other permittees, lessees or licensees thereat, whether or not the same is due to the fault of the Permittee, and whether caused by the employees of the Permittee or by others, the Port Authority may at any time during the continuance thereof, by twenty-four (24) hours' notice, revoke this Permit, effective at the time specified in the notice. Revocation shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

40. The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the Manager of the Facility covering the operations of the Permittee under this Permit at any time and from time to time.

41. The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed. The foregoing reference to summary proceedings shall not be construed to mean that a landlord-tenant relationship exists between the Port Authority and the Permittee.

42. Without in any way limiting the provisions hereof, unless otherwise notified by the Port Authority in writing, in the event the Permittee shall continue to operate the Machines after the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Permit or other remedies the Port Authority may have by law or otherwise, the Permittee shall pay to the Port Authority a fee for the period commencing on the day immediately following the date of such expiration or the effective date of such revocation or termination and ending on the date that the Permittee shall cease to operate the Machines at the Airport equal to twice the sum of the fee payable hereunder. Nothing

herein contained shall give, or be deemed to give, the Permittee any right to continue to operate the Machines at the Airport after the expiration, revocation or termination of the effective period of the permission granted under this Permit. The Permittee acknowledges that the failure of the Permittee to cease to operate the Machines at the Airport from and after the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. The Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

43. This Permit and any claim, dispute or controversy arising out of, under or related to this Permit shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

44. No Commissioner, director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

45. This Permit, including the attached exhibits, endorsements and schedules, constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended, except by written endorsement duly executed on behalf of the parties and attached hereto. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.



For the Port Authority

Initialed:



For the Permittee

SPECIAL ENDORSEMENTS

1. (a) In accordance with and subject to the provisions of Section 20 of the foregoing Terms and Conditions the Port Authority hereby grants to the Permittee the privilege of installing, maintaining, and operating coin-operated vending machines dispensing food products and non-alcoholic beverages as may from time to time be consented to in advance in writing by the Port Authority (herein the "Machines") in such numbers and at such locations at the Airport as may be hereinafter designated from time to time in writing by the Port Authority.

(b) The Permittee recognizes that portions of the Facility where the Permittee's Machines may be installed are or may be under lease or under permit to third parties for their exclusive occupancy and that the Permittee must be independent arrangement with such parties acquire the right or rights of access and user necessary for its operations in such areas and shall make its own arrangements with such parties for the supply to its Machines of such facilities, utilities and services as it may require. The Port Authority makes no representations or warranties as to location, size, adequacy, suitability or availability of any such areas or facilities to be used by the Permittee in the exercise of its privileges hereunder. The Permittee further understands that its operations in such areas shall also be subject to the respective lease or permit between the Port Authority and the third party covering such exclusive occupancy and in the event of expiration or earlier termination of any such lease or permit then the privileges granted under this Permit shall terminate with respect to the areas covered by such lease or permit. In the event of any inconsistency between the terms of any such lease or permit and the terms of this Permit, the terms of this Permit shall control.

2. (a) Upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deliver to the Port Authority, as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee of all of its obligations to the Port Authority, including without limitation, all of the terms, provisions, covenants and conditions of this Permit on its part to be fulfilled, kept, performed or observed, a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District and acceptable to the Port Authority, in favor of the Port Authority, and payable in the Port of New York District in the amount of Twenty-five Thousand Dollars and No Cents (\$25,000.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Without limiting the generality of the foregoing sentence, attached hereto as Attachment A is a form of letter of credit to be provided by the Permittee to the institution issuing the letter of credit. Such letter of credit shall provide that it shall continue throughout the effective period of the permission under this Permit and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent clean and irrevocable satisfactory letter of credit. If requested by the Port Authority, said letter of credit shall be accompanied by a letter expressing the opinion of counsel for the banking institution that the issuance of said clean, irrevocable letter of credit is a appropriate and valid exercise by the banking institution of the corporate power conferred upon it by law. Upon notice of cancellation of a letter of credit, the Permittee agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by another letter of credit satisfactory to the Port

Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security hereunder. Failure to provide such a letter of credit at any time during the effective period of the permission, under this Permit, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of this Permit on the part of the Permittee. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Permittee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount. No action by the Port Authority pursuant to the terms of any letter of credit, or any receipt by the Port Authority of funds from any bank issuing such letter of credit, shall be or be deemed to constitute a waiver of any default by the Permittee under the terms of this Permit and all remedies of the Port Authority consequent upon such default shall not be affected by the existence of any recourse to any such letter of credit.

(b) The Permittee hereby certifies that its Federal Tax Identification Number is _____ for the purposes of this Special Endorsement.

(c) The Permittee acknowledges and agrees that the Port Authority shall have the right, at its sole discretion, to adjust at any time and from time to time upon fifteen (15) days' notice to the Permittee, the amount of the security required pursuant to this Special Endorsement (the "New Security Amount"). Not later than the effective date set forth in said notice, the Permittee shall deliver to the Port Authority an additional letter of credit or an amendment to the existing letter of credit previously delivered by the Permittee to the Port Authority and held by the Port Authority so that as of such effective date the Port Authority shall have a letter of credit or letters of credit in the New Security Amount, which letter of credit and/or amendment shall be satisfactory to the Port Authority, shall meet all the requirements set forth in paragraph (a) above and shall be held by the Port Authority in accordance with all of the terms and conditions of paragraph (a) of this Special Endorsement.

3. With respect to the fees to be paid by the Permittee pursuant to Item 6 on the first page of this Permit, reference to "non-public areas" and "non-airline terminal building areas" shall mean those areas at the Airport at which employee identification is required by the building lessee, Permittee, or the Port Authority to obtain access.

4. The fees payable under this Permit shall be subject to increase from time to time upon thirty (30) days' notice from the Port Authority to the Permittee, given by the General Manager of the Airport or such other representative as the Port Authority may substitute from time to time by notice to the Permittee, and upon the effective date of the increase set forth in such notice the fees payable by the Permittee under this Permit shall be as set forth in said notice. In the event within ten (10) days after the Permittee receives such notice from the Port Authority, the Permittee notifies the Port Authority that the Permittee does not wish to pay the increased fees, this Permit and the permission granted hereunder shall be, and shall be deemed to be, cancelled effective at the close of business on the day preceding the effective date of the increase, as set forth in the Port Authority's

notice to the Permittee. If the Permittee does not so notify the Port Authority, the increased fees shall become effective on the date set forth in the Port Authority's notice as aforesaid. No cancellation of this Permit and the permission granted thereunder pursuant to this paragraph shall be construed to relieve the Permittee of any obligations or liabilities hereunder which shall have accrued on or before the effective date of such cancellation.



For the Port Authority

Initialed:



For the Permittee

SCHEDULE G

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PARTICIPATION

In accordance with regulations of the US Department of Transportation 49 CFR Part 23, the Port Authority has implemented an Airport Concession Disadvantaged Business Enterprise (ACDBE) program under which qualified firms may have the opportunity to operate an airport business. The Port Authority has established an ACDBE participation goal, as measured by the total estimated annual gross receipts for the overall concession program. The goal is modified from time to time and posted on the Port Authority's website: www.panynj.gov.

The overall ACDBE goal is a key element of the Port Authority's concession program and Concessionaire shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25 (f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through joint ventures in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

To qualify as an ACDBE, the firm must meet the definition set forth below and be certified by the New York State or New Jersey Uniform Certification Program (UCP). The New York State UCP directory is available on-line at www.nysucp.net and the New Jersey UCP at www.njucp.net.

An ACDBE must be a small business concern whose average annual receipts for the preceding three (3) fiscal years does not exceed \$47.78 million and it must be (a) at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially or economically disadvantaged individuals who own it. The personal net worth standard used in determining eligibility for purposes of

part 23 is \$750,000.

The ACDBE may, if other qualifications are met, be a franchisee of a franchisor. An airport concession is a for-profit business enterprise, located on an airport, which is subject to the Code of Federal Regulations 49 Part 23, subpart F, that is engaged in the sale of consumer goods or services to the public under an agreement with the sponsor, another concessionaire, or the owner or operator of a terminal, if other than the sponsor. The Port Authority makes a rebuttable presumption that individuals in the following groups who are citizens of the United States or lawful permanent residents are “socially and economically disadvantaged”:

- a. Women;
- b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;
- c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
- d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;
- e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;
- f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and
- g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

Other individuals may be found to be socially and economically disadvantaged on a case-by-case basis. For example, a disabled Vietnam veteran, an Appalachian white male, or another person may claim to be disadvantaged. If such individual requests that his or her firm be certified as ACDBE, the Port Authority, as a certifying partner in the New York State and New Jersey UCPs will determine whether the individual is socially or economically disadvantaged under the criteria established by the Federal Government. These owners must demonstrate that their disadvantaged status arose from individual circumstances, rather than by virtue of membership in a group.

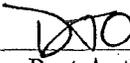
Certification of ACDBEs hereunder shall be made by the New York State or New Jersey UCP. If Concessionaire wishes to utilize a firm not listed in the UCP directories but

which the Concessionaire believes should be certified as an ACDBE, that firm shall submit to the Port Authority a written request for a determination that the firm is eligible for certification. This shall be done by completing and forwarding such forms as may be required under 49 CFR Part 23. All such requests shall be in writing, addressed to Lash Green, Director, Office of Business and Job Opportunity, The Port Authority of New York and New Jersey, 233 Park Avenue South, 4th Floor, New York, New York 10003 or such other address as the Port Authority may designate from time to time. Contact OBJOcert@panynj.gov for inquiries or assistance.

General

In the event the signatory to this agreement is a Port Authority permittee, the term Concessionaire shall mean the Permittee herein. In the event the signatory to this agreement is a Port Authority lessee, the term Concessionaire shall mean the Lessee herein.

Initialed:



For the Port Authority



For the Permittee

: For Port Authority Use Only :
:
: Permit Number AYE-254 :

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
225 Park Avenue South
New York, New York 10003

PERMIT
COIN OPERATED MACHINES

The Port Authority of New York and New Jersey (herein called the "Port Authority") hereby grants to the Permittee hereinafter named the privilege to install, maintain and service the hereinafter described Machines at the Port Authority Facility hereinafter named, in accordance with the Terms and Conditions hereof and the endorsements annexed thereto; and the Permittee agrees to pay the fees hereinafter specified, and to perform all other obligations imposed upon it in the Terms and Conditions and endorsements as hereinafter set forth:

1. FACILITY: JOHN F. KENNEDY INTERNATIONAL AIRPORT
2. PERMITTEE: COMPASS GROUP USA INC., a corporation organized and existing under the laws of the State of Delaware
3. PERMITTEE'S ADDRESS: 7458 Candlewood Road, Suite C
Hanover, Maryland 21076
4. PERMITTEE'S REPRESENTATIVE: John Fowler
5. MACHINES: As set forth in Special Endorsement No. 1 hereof
6. FEES: A basic fee of Thirty Dollars and No Cents (\$30.00) per machine per month for non-public areas (including, without limitation, non-airline terminal building areas), Two Hundred Twenty-five Dollars and No Cents (\$225.00) per machine per month for public areas and Eighty Dollars and No Cents (\$80.00) per machine per month for game machines, all of the aforesaid fees to be payable in advance on the first day of each month during the effective period of the permission granted under this Permit.
7. EFFECTIVE DATE: January 1, 2013
8. EXPIRATION DATE: December 31, 2022, unless sooner revoked or terminated in accordance with Section 1 of the Terms and Conditions hereof
9. SECURITY DEPOSIT: \$8,000.00
10. INSURANCE REQUIREMENT: \$2,000,000.00 minimum limit Commercial General Liability and \$2,000,000.00 minimum limit Commercial Automobile Liability
11. ENDORSEMENTS: Specials and Schedule G

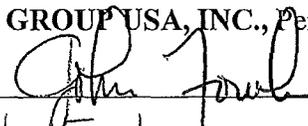
Dated: As of January 1, 2013

**THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY**

By 
Name David Kagan
(Title) Assistant Director (Please Print Clearly)
Business, Properties & Airport Development

Port Authority Use Only	
Approval as to Terms:	Approval as to Form:
<u></u>	<u>RR</u>

RR

COMPASS GROUP USA, INC., Permittee
By 
Name John Fowler
(Please Print Clearly)
(Title) DIVISION President

600

TERMS AND CONDITIONS

1. The permission hereby granted shall take effect upon the effective date hereinbefore set forth. Notwithstanding any other term or condition thereof, it may be revoked without cause, upon thirty (30) days' written notice, by the Port Authority or terminated without cause, upon thirty (30) days' written notice by the Permittee; provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Further, in the event the Port Authority exercises its right to revoke or terminate this Permit for any reason other than "without cause", the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the cleaning, repair and restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it cleaned, repaired or restored), preparing such space for use by a succeeding permittee, the care and maintenance of such space during any period of non-use of the space, the foregoing to include, without limitation, personnel costs and legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), and repairing the space and putting the space in order (such as but not limited to cleaning, repairing and restoring the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth. Revocation or termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.

2. As used in this Permit:

(a) The term "Airport" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(b) The term "City" shall mean the City of New York.

(c) The term "City Lease" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) The term "Executive Director" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee, it shall mean the Executive Director of the Port Authority for the time being, or his duly designated representative or representatives.

(e) The term "General Manager of the Facility" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said General Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the General Manager (or temporary or Acting General Manager) of the Facility for the time being, or his duly designated representative or representative.

3. The rights granted hereby shall be exercised

(a) if the Permittee is a corporation, by the Permittee acting only through the medium of its officers and employees;

(b) if the Permittee is an unincorporated association, or a business trust, by the Permittee acting only through the medium of its members, trustees, officers and employees;

(c) if the Permittee is a partnership, by the Permittee acting only through the medium of its partners and employees;

(d) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(e) if the Permittee is a limited liability company, by the Permittee acting only through the medium of its members, managers and employees,

and the Permittee shall not, without the written approval of the Port Authority, exercise such rights through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or any of the rights granted hereby, directly or indirectly, in whole or in part, by operation of law or otherwise, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor, without the written approval of the Port Authority.

In the event of the issuance of this Permit to more than one individual or other legal entity (or to any combination thereof), then and in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.

4. This Permit does not constitute the Permittee the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint venture is hereby created, notwithstanding the fact that all or a portion of the fees to be paid hereunder may be determined by gross receipts from the operations of the Permittee hereunder.

5. The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Facility. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification and, upon the request of the Port Authority, the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the prior written approval of the Manager of the Facility. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

6. (a) In the use of the roads, hallways, stairs and other areas constituting a means of ingress to and egress from the space at or on which the Machines are located, the Permittee shall conform (and shall require its employees, invitees and others doing business with it to conform) to the rules and regulations of the Port Authority which are now in effect or which may hereafter be adopted for the safe and efficient operation of the Facility.

(b) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations of the Port Authority now in effect, and such further reasonable rules and regulations which may from time to time during the effective period of this Permit be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Facility, including any space covered by this Permit, or for the safe and efficient operation of the Facility. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(c) Unless otherwise expressly provided, the Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Facility.

7. (a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees, agents or persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers, employees or agents at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

(b) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. The Permittee shall promptly repair or replace all property of the Port Authority damaged by the operations of the Permittee hereunder. The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with its prior written approval.

9. (a) All Machines covered by this Permit and other property of the Permittee placed on or kept at the Facility shall remain the property of the Permittee and must be removed on or before the expiration of the permission hereby granted or on or before the revocation or termination of the permission hereby granted, whichever shall be earlier.

(b) If the Permittee shall fail to remove its property upon the expiration, termination or revocation hereof, the Port Authority may, at its option, as agent for the Permittee and at the Permittee's risk and expense, remove such property to a public warehouse for deposit or retain the same in its own possession and after the expiration of thirty (30) days sell the same at public auction, the proceeds of which shall be applied first to the expenses of sale, second to any sums owed by the Permittee to the Port Authority, and any balance remaining shall be paid to the Permittee, or may take such other action as may be necessary or desirable.

10. The Permittee represents that it is the owner of or fully authorized to use and/or sell any and all services, processes, machines, articles, marks, names or slogans used and/or sold by it in its operations under or in any wise connected with this Permit. Without in any way limiting its obligations under Section 7 hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any way connected with this Permit.

11. The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Machines and equipment of the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any Machines or equipment owned by or in the possession of the Permittee on the Facility or to be placed or brought on the Facility, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any Machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the Machine from service, and provide a satisfactory substitute.

12. The Permittee's representative hereinbefore specified (or such substitute as the Permittee may hereafter designate in writing) shall have full authority to act for the Permittee in connection with this Permit and any things done or to be done hereunder, and to execute on the Permittee's behalf any amendments or supplements to this Permit or any extension thereof, and to give and receive notices hereunder.

13. (a) The basic fee, if any, or the part thereof which may be prorated as hereinafter provided, shall be due and payable in advance on the effective date hereof and on the first day of each and every month thereafter. The percentage fee, if any, or if that percentage fee is additional to a basic fee, the portion thereof prorated as hereinafter provided, and any fees or part thereof mentioned on the first page of this Permit to be measured by the number of items and/or units of service dispensed by a Machine, shall be due and payable monthly on the tenth day of the month following the calendar month in which the effective date hereof falls, and on the tenth day of each month thereafter and shall be based on the Permittee's gross receipts, sales made and services rendered in the preceding calendar month; provided, however, that if the permission granted hereby shall expire or be revoked effective on a date other than the last day of a month, the percentage fee or prorated part thereof, or the fee or part thereof measured by the number of items or units of service, shall be due and payable within ten days after such date. If the permission granted by this Permit commences on a date other than the first day of a month, or if the said permission expires or is revoked effective on a date other than the last day of a month, the fees due for the period of time during which the said permission shall have been in effect shall be the fees specified on the first page of this Permit,

prorated however in the case of a basic fee or in the case of a basic fee and percentage fee, in the same proportion that the number of days the permission is in effect bears to thirty days, as follows: the portion of the basic fee due shall be computed by prorating the monthly basic fee on the above basis; the amount of the percentage fee shall be equivalent to the excess over the prorated basic fee of the percentage applied to the gross receipts arising in such portion of the month. There shall be no proration of other fees. The computation of fees for each month, or for a portion of a month as provided above, shall be individual to such month or such portion of a month, and without relation to any other month or any other portion of a month.

(b) Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
P.O. BOX 95000-1556
PHILADELPHIA, PENNSYLVANIA 19195-0001

or made via the following wire transfer instructions (for basic fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: _____ or made via the following wire transfer instructions (for percentage fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: _____ or to such other address as may hereafter be substituted therefor by the Port Authority from time to time, by notice to the Permittee.

(c) The term "gross receipts" shall include all monies paid or payable to the Permittee for sales made and for services rendered at or from the Facility pursuant to the permission granted hereby; provided, however, that if the fees or any part thereof mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts and by the number of items and/or units of service dispensed by a Machine the monies paid or payable to the Permittee by customers for said items and/or units of service shall be excluded from "gross receipts" and provided, further, however, that any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee shall be excluded therefrom.

(d) The Permittee acknowledges and agrees that it shall maintain separate and distinct gross receipts records of all sales made from each Machine installed and operated by the Permittee at each location designated by the Port Authority. The Port Authority may request at any time and from time to time a sworn statement of gross receipts, which shall separately state the various types and amounts of gross receipts derived from sales made at or from each Machine and location and shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice. The Permittee further acknowledges and agrees that the Port Authority reserves the right to implement an inventory tracking system of vending machines at the Facility and should the Port Authority so implement such an inventory tracking system, the Permittee agrees to cooperate fully with the Port Authority by promptly providing the Port Authority with all information it shall request.

14. If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority including, without limitation, any payment of any fixed or percentage fee or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount

equal to eight-tenths of one percent (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Permit. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Permit including, without limitation, the Port Authority's rights set forth in Section 1 of the Terms and Conditions of this Permit or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. A bill or statement may be rendered or any notice or communication which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given if the same be in writing and sent by registered or certified mail addressed to the Permittee at the address specified on the first page hereof or at the latest address that the Permittee may substitute therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's representative, and the time of rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is mailed, left or delivered as herein provided. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

16. (a) The Permittee, in its own name as insured, and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits as set forth in Item 10 of the Cover page to this Permit.

(b) In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of the Permit.

(c) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority

were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under this Permit.

(d) All insurance coverages and policies required hereunder may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the period of permission under the Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the above-listed insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

(e) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(f) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(g) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under this Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by this Permit or any other agreement or by law.

17. (a) If the fee or fees mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts or by the number of items or units of service dispensed by a Machine, the Permittee shall:

(i) use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;

(ii) not divert or cause or allow to be diverted, any business from the Facility;

(iii) maintain in accordance with accepted accounting practice during the effective period of this Permit and for one year after the expiration or earlier revocation thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all sales of merchandise and charges for services made through the Machines and all transactions at, through or in any way connected with the Facility, which records and books of account shall be kept at all times within the Port of New York District;

(iv) permit in ordinary business hours during the effective period of this Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision, the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account;

(v) permit the inspection by the officers, employees and representatives of the Port Authority of any equipment or devices used by the Permittee, including but not limited to coin receptacles and counting or metering devices attached to the Machines;

(vi) furnish on or before the twentieth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder, and if the fees or any part thereof mentioned on the first page of this Permit are based in whole or in part on the number of items or units or service dispensed by a Machine, a sworn statement showing the number of such items and/or units of service dispensed during the preceding month. When gross receipts exceed \$8,000 monthly the statements shall be certified at the Permittee's expense, by a certified public accountant; and

(vii) install and use such equipment or devices for recording sales made and services rendered as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts and sales made and services rendered.

(b) In the event that upon conducting an examination and audit as described in this Section the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee, the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Permit or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority to payment of any late charge(s) or other service charge(s) payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid hereunder. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under

this Permit, including, without limitation, the Port Authority's rights to revoke this Permit or (ii) any obligations of the Permittee under this Permit.

18. Collections shall be made from the Machines in the manner and at the times specified by the Port Authority. The Port Authority shall have the right at any time and from time to time to prohibit the Permittee from making any collection from any Machines except in the presence of a representative of the Comptroller's Department of the Port Authority.

19. (a) Machines shall dispense only such merchandise and render only such services as are approved in writing by the Port Authority. Specification of merchandise and/or services in Item 5 on the first page hereof shall be an approval hereunder and all approvals hereunder shall be subject to the terms of Section 29 hereof.

(b) The Permittee agrees that prior to the installation of any Machines it shall obtain the written approval of the Port Authority as to the design and type thereof as well as the method and manner of installation and the Permittee shall comply with any requirements, procedures or standards established by the Port Authority for the installation of the Machine and for the removal and relocation thereof. The Port Authority shall designate in writing the number of Machines to be installed, maintained and serviced under this Permit and it may in its discretion, from time to time, consent to the inclusion under this Permit of an additional Machine or Machines, such additional Machine or Machines to dispense such items only and render such services only as may be approved in writing by the Port Authority. The location of each Machine covered by this Permit is to be only that designated in writing by the Port Authority. The Port Authority shall have the right, from time to time, to redesignate in writing the location or locations of any or all Machines covered by this Permit, and the Permittee shall thereupon, at its own expense, comply therewith by promptly removing and reinstalling each such Machine. The Port Authority shall also have the right, from time to time, to direct that the number of Machines covered by this Permit be decreased and the Permittee shall promptly remove the Machines as directed.

(c) In the event of the removal of any or all of the Machines covered by this Permit for any reason including, but not limited to, revocation, expiration, redesignation or decrease, the Permittee shall, at its own expense, immediately restore the Facility at and about the location to the same condition as before the installation, including the removal of any wires, conduits, outlets, ducts and pipes installed by or for the Permittee.

(d) The Port Authority may request from time to time and at any time a sworn statement from the Permittee as to the total number, description of types of items dispensed and locations of all Machines to which the fee under this Permit is applied on a monthly basis. The Permittee shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice.

(e) The Permittee shall also be required to send written notice to the Port Authority (Attn: JFK Properties & Commercial Development, JFK Airport, Building 14, 2nd Floor, Jamaica, NY 11430) at least thirty (30) days' prior to its addition or removal of a Machine from its operations at the Facility, and in such notice shall indicate the number of Machines being added or removed and the proposed location (if an addition) or then-current location (if a removal) of each such Machine. In the event the Permittee removes a Machine from operation but fails to provide the Port Authority with the required advance written notice as aforesaid, the Permittee shall nevertheless

continue to be obligated to pay fees hereunder with respect to such removed Machine until the Port Authority receives such written notice and, then, the obligation to pay fees with respect to such removed Machine shall cease as of the first calendar month after the 30-day notice period has expired.

20. (a) The purposes of the Port Authority in extending the permission granted hereby is to have available at the Facility the merchandise and services which the Permittee is permitted to sell and render hereunder, and the Permittee agrees that it will conduct a first class operation and will furnish all necessary or proper Machines, fixtures, equipment, personnel, supplies, materials and other facilities and replacements therefor.

(b) The Permittee shall provide new Machines of the latest design and shall maintain all the Machines in first class appearance, condition and working order, and if the Machines dispense items, the Permittee shall keep the Machines always well stocked with merchandise of first class quality and fit for human use, and if the merchandise is intended for consumption, it shall be fresh and safely consumable. The Permittee covenants that all its merchandise and services shall comply with all applicable federal, state, municipal and other governmental laws, ordinances and regulations.

21. (a) The Permittee shall furnish all merchandise and all services at reasonable prices and at the times and in a manner which will be fully satisfactory to the public and to the Port Authority. All prices charged by the Permittee shall be subject to the prior written approval of the Port Authority; provided, however, that such approval will not be withheld if the proposed prices do not exceed reasonable prices for similar merchandise and services in the municipality in which the Machines are located as more specifically described herein in Section 22. The Permittee shall cause the merchandise sold and the services rendered by the Machines to be available to the public during such hours of the day and on such days of the week as may properly serve the needs of the public. The Port Authority's determination of reasonable prices and proper business hours and days shall control.

(b) The Permittee shall

(i) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(ii) furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

As used in the above subsections "service" shall include furnishing of parts, materials and supplies (including sale thereof).

22. (a) Without limiting the generality of Section 21, above, the Permittee shall comply with the Port Authority Aviation Department Street Pricing Policy. In connection therewith, the Permittee shall not charge prices to its customers in excess of "Street Prices", which for purposes of this Permit is defined as follows:

(i) if the Permittee conducts a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Greater New York City - Northern New Jersey Metropolitan Area (herein referred to as "the Metro Area"), "Street Prices" shall mean the average price regularly charged by the Permittee for the same or similar item in such Metro Area location;

(ii) if the Permittee does not conduct a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Metro Area, "Street Prices" shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item;

(iii) if neither the Permittee nor other similar retailers sell a particular item in the Metro Area, "Street Prices" shall mean the average price regularly charged by the Permittee or similar retailers for the same or similar item in any other geographic area, with a reasonable adjustment for any cost of living variance between such area and the Metro Area.

(iv) If the Permittee is engaged in the business of selling duty-free goods, "Street Prices" shall mean the price regularly charged by the Permittee or similar retailer for the same or similar duty-free item at other urban airports in the Northeast region of the United States, including but not limited to John F. Kennedy International Airport, New York, New York.

(b) The Permittee's breach of the aforesaid Street Pricing Policy (as defined herein) shall be deemed a material breach of the Permittee's obligations under this Permit.

(b) The Permittee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Permittee subscribes to a "Street Pricing Policy", such notice to be clearly visible and unobstructed. If the Permittee charges any price to a customer in excess of the price, which would satisfy the "Street Pricing Policy" in violation of its obligations under this Permit, the amount of such excess shall constitute an overcharge, which shall upon demand by the Port Authority or the Permittee's customer, be promptly refunded to the customer.

(c) The Permittee shall submit to the Port Authority, from time to time, an annual pricing report demonstrating compliance by the Permittee with the aforementioned pricing requirements. For purposes of establishing the Street Price of an item, any difference in the size or quality of a product or service shall constitute a price differential.

23. City Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(i) This Permit is subject and subordinate to the City Lease and to any interest

superior to that of the Port Authority;

(ii) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security or other deposits required under this Permit);

(iii) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(iv) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(v) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(vi) The Permittee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(vii) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

24. The Permittee shall not place or cause or permit to be placed any sign, poster or advertising matter whatsoever of the Permittee or of third parties on the Facility or on the Machines or the items dispensed therefrom without the prior written approval of the Port Authority. The restriction hereunder shall not apply to manufacturers' own advertising appearing on items dispensed by the Machines. The Port Authority may at any time and from time to time withdraw its approval under this Section. Any sign, poster or advertising matter not so approved may be removed by the Port Authority at the expense of the Permittee.

25. (a) The Permittee shall place in a conspicuous place on each Machine installed and operated pursuant to the permission granted hereunder a Port Authority standard vending machine decal containing such information as the Port Authority may from time to time determine to be necessary including, without limitation the name and address of the Permittee, the location of the Machine, type of product or service to be dispensed and Permit Number.

(b) The Permittee shall promptly handle in a manner satisfactory to the Port Authority all customer complaints including, but not limited to, those based on failure or malfunction of the Machines or defective merchandise dispensed or services rendered therefrom or thereby and the Permittee shall make all suitable refunds, exchanges, credits and allowances in connection therewith.

26. (a) The Permittee shall daily remove from the Facility all garbage, debris, litter, liquids and other waste materials arising out of the operation of the Machines, or customer disposal of the Permittee's merchandise.

(b) For the purpose of temporary storage, the Permittee shall provide and maintain in a clean and sanitary condition, suitable garbage and waste receptacles, the same to be made of metal and equipped with tight fitting covers. The covers may have self-closing openings for disposal purposes. The receptacles shall be kept completely covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris, litter and other waste materials from the Facility. The manner of such storage and removal shall be subject in all respects to the approval of the Port Authority. No facilities of the Port Authority shall be used for such removal and storage without the approval of the Manager of the Facility.

27. (a) The Port Authority shall furnish electricity of the voltage, phase and type already available at the location and cold water sufficient for the operation of such of the Machines as may require the same; provided, however, that the Port Authority may at any time after installation of appropriate meters, sell electricity and/or cold water to the Permittee and the Permittee agrees to pay therefor at the same rates charged by the Port Authority to other permittees at the Facility at the time the electricity and/or cold water is supplied for the same quantity, under the same conditions and in the same service classification. Charges for electricity and/or cold water shall be payable when billed. The quantity of service consumed shall be measured by meters installed for the purpose; provided, however, that if for any cause any meter fails to record the consumption of electricity or cold water, the consumption during the period the meter is out of service will be considered to be the same as the consumption for a like period either immediately before or immediately after the interruption, as selected by the Port Authority.

(b) The Port Authority shall also make available, without additional charge, non-exclusive toilet and washroom facilities for the employees of the Permittee.

(c) No failure, delay or interruption in supplying agreed services (whether separately charged for or not) shall release the Permittee from any of its obligations hereunder or be, (unless resulting from the negligence of the Port Authority and continuing for a period of five (5) days after notice to the Port Authority) grounds for any claim by the Permittee for damages, consequential or otherwise.

(d) The Permittee shall provide and install all wires, conduits, outlets, ducts and pipes necessary to supply the electricity and/or cold water to the Machines which may require the same. Such installation shall be subject to the provisions of Section 8 hereof.

28. (a) Except as specifically provided herein to the contrary, the Permittee shall not, by virtue of the issue and acceptance of this Permit, be released or discharged from any liabilities or obligations whatsoever under any other Port Authority permits or agreements including, but not limited to, any permits to make alterations.

(b) In the event that any space or location covered by this Permit is the same as is or has been covered by another Port Authority permit or other agreement with the Permittee, then any liabilities or obligations which by the terms of such permit or agreement, or permits thereunder to make alterations, mature at the expiration, revocation or termination of said permit or agreement, shall be deemed to survive and to mature at the expiration or sooner revocation of this Permit,

insofar as such liabilities or obligations require the removal of property from and/or the restoration of the space or location.

29. The Port Authority may at any time and from time to time by notice to the Permittee withdraw or modify any approval, designation or direction given hereunder by the Port Authority.

30. The privilege granted by this Permit is non-exclusive.

31. Wherever in this Permit, including all endorsements and exhibits thereto, the pronoun "it" or the adjective "its" may occur, referring to the Permittee, the said pronoun or adjective shall be deemed and taken to mean "it", "he", "him", "she", "her", "they", "them" or "its", "his", "her", "hers", "their" or "theirs", as the circumstances of the reference and the gender and number of the Permittee may require.

32. No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant or condition of this Permit or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Permit during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term, covenant or condition. No agreement, term, covenant or condition of this Permit to be performed or complied with by the Permittee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Permittee in performance of any agreement, term, covenant or condition of this Permit shall affect or alter this Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

33. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Facility.

(b) The Permittee shall procure all licenses, certificates, permits or other authorization necessary for the Permittee's operations at the Facility from all governmental authorities, if any, having jurisdiction.

(c) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Facility and are not to be construed as a submission by the Port Authority to the application to itself of any such requirements.

34. The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal

statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

35. (a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (i) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (ii) in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, and (iii) the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any person or persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

(c) The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. Without limiting any other term or provision hereof or any other rights or remedies of the Port Authority hereunder or at law or equity, in the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) Without limiting any other term or provision hereof, the Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third persons, including the United States of America, resulting from the Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any space at the Airport, or any right to use or occupy any space at the Airport.

36. In the event 49 CFR Part 23 is applicable to the permission granted under this Permit, then:

(a) This Permit is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The Permittee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

(b) The Permittee agrees to include the statement set forth in paragraph (a), above, in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreements.

(c) The Permittee agrees to comply with the terms and provisions of Schedule G, annexed hereto and hereby made a part hereof.

37. The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

38. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Board of Fire Underwriters and The Fire Insurance Rating Organization of New Jersey, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Facility or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

(b) The Permittee shall not do or permit to be done any act which:

(i) will invalidate or be in conflict with any fire insurance policies covering the Facility or any part thereof or upon the contents of any building thereon, or

(ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Facility or any part thereof or upon the contents of any building thereon, or

(iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(iv) may cause or produce upon the Facility any unusual, noxious or objectionable smokes, gases, vapors or odors, or

(v) may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Facility, or

(vi) shall constitute a nuisance in or on the Facility or which may result in the creation, commission or maintenance of a nuisance in or on the Facility.

(c) For the purpose of this Section, "Facility" includes all structures located thereon.

39. If any type of strike or other labor activity is directed against the Permittee at the Facility or against any operations pursuant to this Permit resulting in picketing or boycott for a period of at least forty-eight (48) hours, which, in the opinion of the Port Authority, adversely affects or is likely adversely to affect the operation of the Facility or the operations of other permittees, lessees or licensees thereat, whether or not the same is due to the fault of the Permittee, and whether caused by the employees of the Permittee or by others, the Port Authority may at any time during the continuance thereof, by twenty-four (24) hours' notice, revoke this Permit, effective at the time specified in the notice. Revocation shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

40. The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the Manager of the Facility covering the operations of the Permittee under this Permit at any time and from time to time.

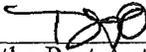
41. The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed. The foregoing reference to summary proceedings shall not be construed to mean that a landlord-tenant relationship exists between the Port Authority and the Permittee.

42. Without in any way limiting the provisions hereof, unless otherwise notified by the Port Authority in writing, in the event the Permittee shall continue to operate the Machines after the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Permit or other remedies the Port Authority may have by law or otherwise, the Permittee shall pay to the Port Authority a fee for the period commencing on the day immediately following the date of such expiration or the effective date of such revocation or termination and ending on the date that the Permittee shall cease to operate the Machines at the Airport equal to twice the sum of the fee payable hereunder. Nothing

43. This Permit and any claim, dispute or controversy arising out of, under or related to this Permit shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

44. No Commissioner, director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

45. This Permit, including the attached exhibits, endorsements and schedules, constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended, except by written endorsement duly executed on behalf of the parties and attached hereto. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.



For the Port Authority

Initialed:



For the Permittee

SPECIAL ENDORSEMENTS

1. (a) In accordance with and subject to the provisions of Section 20 of the foregoing Terms and Conditions the Port Authority hereby grants to the Permittee the privilege of installing, maintaining, and operating coin-operated vending machines dispensing food products and non-alcoholic beverages as may from time to time be consented to in advance in writing by the Port Authority (herein the "Machines") in such numbers and at such locations at the Airport as may be hereinafter designated from time to time in writing by the Port Authority.

(b) The Permittee recognizes that portions of the Facility where the Permittee's Machines may be installed are or may be under lease or under permit to third parties for their exclusive occupancy and that the Permittee must be independent arrangement with such parties acquire the right or rights of access and user necessary for its operations in such areas and shall make its own arrangements with such parties for the supply to its Machines of such facilities, utilities and services as it may require. The Port Authority makes no representations or warranties as to location, size, adequacy, suitability or availability of any such areas or facilities to be used by the Permittee in the exercise of its privileges hereunder. The Permittee further understands that its operations in such areas shall also be subject to the respective lease or permit between the Port Authority and the third party covering such exclusive occupancy and in the event of expiration or earlier termination of any such lease or permit then the privileges granted under this Permit shall terminate with respect to the areas covered by such lease or permit. In the event of any inconsistency between the terms of any such lease or permit and the terms of this Permit, the terms of this Permit shall control.

2. (a) Upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the sum of Eight Thousand Dollars and No Cents (\$8,000.00), either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee, all of the terms, provisions, covenants and conditions of this Permit on its part to be fulfilled, kept, performed or observed. Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Permittee may deposit such bonds or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond in registered form unless such bond has been re-registered in the name of the Port Authority (the expense of such re-registration to be borne by the Permittee) in a manner satisfactory to the Port Authority. The Permittee may request the Port Authority to accept a registered bond in the Permittee's name and if acceptable to the Port Authority the Permittee shall deposit such bond together with an irrevocable bond power (and such other instruments or other documents as the Port Authority may require) in form and substance satisfactory to the Port Authority. In the event the deposit is returned to the Permittee any expenses incurred by the Port Authority in re-registering a bond to the name of the Permittee shall be borne by the Permittee. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option, at any time and from time to time, with or without notice, to use the deposit or any part

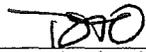
thereof in whole or partial satisfaction of any of its claims or demands against the Permittee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of the deposit itself shall cure any default or breach of this Agreement on the part of the Permittee. With respect to any bonds deposited by the Permittee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Permittee, to sell the same in whole or in part, at any time, and from time to time, with or without prior notice at public or private sale, all as determined by the Port Authority, together with the right to purchase the same at such sale free of all claims, equities or rights of redemption of the Permittee. The Permittee hereby waives all right to participate therein and all right to prior notice or demand of the amount or amounts of the claims or demands of the Port Authority against the Permittee. The proceeds of every such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to advertising or commission expenses) and then to the amounts due the Port Authority from the Permittee. Any balance remaining shall be retained in cash toward bringing the deposit to the sum specified above. In the event that the Port Authority shall at any time or times so use the deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the above-mentioned amount, the Permittee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional cash or bonds so as to maintain the deposit at all times to the full amount above stated, and such additional deposits shall be subject to all the conditions of this Special Endorsement. After the expiration or earlier revocation or termination of the effective period of the permission under this Permit, and upon condition that the Permittee shall then be in no wise in default under any part of this Permit, and upon written request therefor by the Permittee, the Port Authority will return the deposit to the Permittee less the amount of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Permittee of this Permit or any part thereof. The Permittee agrees that it will not assign or encumber the deposit. The Permittee may collect or receive any interest or income earned on bonds and interest paid on cash deposited in interest-bearing bank accounts, less any part thereof or amount which the Port Authority is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of an administrative expense, or custodial charge, or otherwise; provided, however, that the Port Authority shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts.

(b) In connection with the Permittee's obligation to deliver a security deposit to the Port Authority as required by the provisions of paragraph (a) above of this Special Endorsement, the Permittee hereby certifies that its federal taxpayer identification number is

(c) The Permittee acknowledges and agrees that the Port Authority reserves the right, in its sole discretion at any time and from time to time upon fifteen (15) days' notice to the Permittee, to adjust the amount of the security deposit required in paragraph (a) of this Special Endorsement. Not later than the effective date set forth in said notice by the Port Authority, the Permittee shall furnish additional cash or bonds, as provided for in paragraph (a) above, and such additional cash and/or bonds shall thereafter constitute the security deposit required under this Special Endorsement.

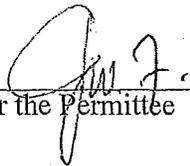
first page of this Permit, reference to "non-public areas" and "non-airline terminal building areas" shall mean those areas at the Airport at which employee identification is required by the building lessee, Permittee, or the Port Authority to obtain access.

4. The fees payable under this Permit shall be subject to increase from time to time upon thirty (30) days' notice from the Port Authority to the Permittee, given by the General Manager of the Airport or such other representative as the Port Authority may substitute from time to time by notice to the Permittee, and upon the effective date of the increase set forth in such notice the fees payable by the Permittee under this Permit shall be as set forth in said notice. In the event within ten (10) days after the Permittee receives such notice from the Port Authority, the Permittee notifies the Port Authority that the Permittee does not wish to pay the increased fees, this Permit and the permission granted hereunder shall be, and shall be deemed to be, cancelled effective at the close of business on the day preceding the effective date of the increase, as set forth in the Port Authority's notice to the Permittee. If the Permittee does not so notify the Port Authority, the increased fees shall become effective on the date set forth in the Port Authority's notice as aforesaid. No cancellation of this Permit and the permission granted thereunder pursuant to this paragraph shall be construed to relieve the Permittee of any obligations or liabilities hereunder which shall have accrued on or before the effective date of such cancellation.



For the Port Authority

Initialed:



For the Permittee

3. With respect to the fees to be paid by the Permittee pursuant to Item 6 on the first page of this Permit, reference to "non-public areas" and "non-airline terminal building areas" shall mean those areas at the Airport at which employee identification is required by the building lessee, Permittee, or the Port Authority to obtain access.

4. The fees payable under this Permit shall be subject to increase from time to time upon thirty (30) days' notice from the Port Authority to the Permittee, given by the General Manager of the Airport or such other representative as the Port Authority may substitute from time to time by notice to the Permittee, and upon the effective date of the increase set forth in such notice the fees payable by the Permittee under this Permit shall be as set forth in said notice. In the event within ten (10) days after the Permittee receives such notice from the Port Authority, the Permittee notifies the Port Authority that the Permittee does not wish to pay the increased fees, this Permit and the permission granted hereunder shall be, and shall be deemed to be, cancelled effective at the close of business on the day preceding the effective date of the increase, as set forth in the Port Authority's notice to the Permittee. If the Permittee does not so notify the Port Authority, the increased fees shall become effective on the date set forth in the Port Authority's notice as aforesaid. No cancellation of this Permit and the permission granted thereunder pursuant to this paragraph shall be construed to relieve the Permittee of any obligations or liabilities hereunder which shall have accrued on or before the effective date of such cancellation.



For the Port Authority

Initialed:



For the Permittee

SCHEDULE G

Airport Concession Disadvantaged Business Enterprise (ACDBE) Participation

In accordance with regulations of the US Department of Transportation 49 CFR Part 23, the Port Authority has implemented an Airport Concession Disadvantaged Business Enterprise (ACDBE) program under which qualified firms may have the opportunity to operate an airport business. The Port Authority has established an ACDBE participation goal, as measured by the total estimated annual gross receipts for the overall concession program. The goal is modified from time to time and posted on the Port Authority's website: www.panynj.gov.

The overall ACDBE goal is a key element of the Port Authority's concession program and Concessionaire shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25 (f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through joint ventures in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

To qualify as an ACDBE, the firm must meet the definition set forth below and be certified by the New York State or New Jersey Uniform Certification Program (UCP). The New York State UCP directory is available on-line at www.nysucp.net and the New Jersey UCP at www.njucp.net.

An ACDBE must be a small business concern whose average annual receipts for the preceding three (3) fiscal years does not exceed \$47.78 million and it must be (a) at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially or economically disadvantaged individuals who own it. The personal net worth standard used in determining eligibility for purposes of part 23 is \$750,000.

The ACDBE may, if other qualifications are met, be a franchisee of a franchisor. An airport concession is a for-profit business enterprise, located on an airport, which is subject to the Code of Federal Regulations 49 Part 23, subpart F, that is engaged in the sale of consumer goods or services to the public under an agreement with the sponsor, another concessionaire, or the owner or operator of a terminal, if other than the sponsor. The Port Authority makes a rebuttable presumption that individuals in the following groups who are citizens of the United States or lawful permanent residents are "socially and economically disadvantaged":

- a. Women;
- b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;
- c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
- d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;
- e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;
- f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and
- g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

Other individuals may be found to be socially and economically disadvantaged on a case-by-case basis. For example, a disabled Vietnam veteran, an Appalachian white male, or another person may claim to be disadvantaged. If such individual requests that his or her firm be certified as ACDBE, the Port Authority, as a certifying partner in the New York State and New Jersey UCPs will determine whether the individual is socially or economically disadvantaged under the criteria established by the Federal Government. These owners must demonstrate that their disadvantaged status arose from individual circumstances, rather than by virtue of membership in a group.

Certification of ACDBEs hereunder shall be made by the New York State or New Jersey UCP. If Concessionaire wishes to utilize a firm not listed in the UCP directories but which the Concessionaire believes should be certified as an ACDBE, that firm shall submit to the Port Authority a written request for a determination that the firm is eligible for certification. This shall be done by completing and forwarding such forms as may be required under 49 CFR Part 23. All such requests shall be in writing, addressed to Lash Green, Director, Office of Business and Job Opportunity, The Port Authority of New York and New Jersey, 233 Park Avenue South, 4th Floor, New York, New York 10003 or such other address as the Port

Port Authority may designate from time to time. Contact OBJOcert@panynj.gov for inquiries or assistance.

General

In the event the signatory to this agreement is a Port Authority permittee, the term Concessionaire shall mean the Permittee herein. In the event the signatory to this agreement is a Port Authority lessee, the term Concessionaire shall mean the Lessee herein.

Initialed:



For the Port Authority



For the Permittee

: For Port Authority Use Only :
 :
 : Permit Number AYE-256 :

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
 225 Park Avenue South
 New York, New York 10003

**PERMIT
 COIN OPERATED MACHINES**

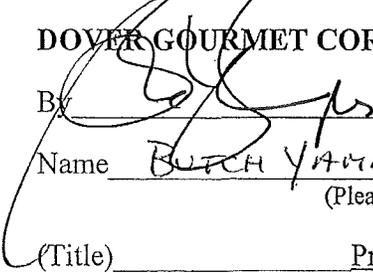
The Port Authority of New York and New Jersey (herein called the "Port Authority") hereby grants to the Permittee hereinafter named the privilege to install, maintain and service the hereinafter described Machines at the Port Authority Facility hereinafter named, in accordance with the Terms and Conditions hereof and the endorsements annexed thereto. The Permittee agrees to pay the fees hereinafter specified, and to perform all other obligations imposed upon it in the Terms and Conditions and endorsements as hereinafter set forth:

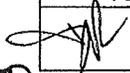
1. FACILITY: JOHN F. KENNEDY INTERNATIONAL AIRPORT
2. PERMITTEE: DOVER GOURMET CORP. d/b/a QUICK SNACK FOODS, INC., a corporation organized and existing under the laws of the State of New York
3. PERMITTEE'S ADDRESS: 11 Skyline Drive
Plainview, New York 11803
4. PERMITTEE'S REPRESENTATIVE: Butch Yamali
5. MACHINES: As set forth in Special Endorsement No. 1 hereof
6. FEES: A basic fee of Thirty Dollars and No Cents (\$30.00) per machine per month for non-public areas (including, without limitation, non-airline terminal building areas), Two Hundred Twenty-five Dollars and No Cents (\$225.00) per machine per month for public areas, and Eighty Dollars and No Cents (\$80.00) per machine per month for game machines, all of the aforesaid fees to be payable in advance on the first day of each month during the effective period of the permission granted under this Permit.
7. EFFECTIVE DATE: January 1, 2013
8. EXPIRATION DATE: December 31, 2022, unless sooner revoked or terminated in accordance with Section 1 of the Terms and Conditions hereof
9. SECURITY DEPOSIT: \$360.00
10. INSURANCE REQUIREMENT: \$2,000,000.00 minimum limit Commercial General Liability and \$2,000,000.00 minimum limit Commercial Automobile Liability
11. ENDORSEMENTS: Specials and Schedule G

Dated: As of January 1, 2013

**THE PORT AUTHORITY OF NEW YORK
 AND NEW JERSEY**

By 
 Name David Kagan
 Assistant Director
 Business, Properties & Airport Development
 (Title) Assistant Director
 (Please Print Clearly)

DOVER GOURMET CORP., Permittee
 By 
 Name BUTCH YAMALI
 (Please Print Clearly)
 (Title) President

Port Authority Use Only	
Approval as to Terms:	Approval as to Form:
<u></u>	<u>MLP</u>

OTO

MLP

TERMS AND CONDITIONS

1. The permission hereby granted shall take effect upon the effective date hereinbefore set forth. Notwithstanding any other term or condition thereof, it may be revoked without cause, upon thirty (30) days' written notice, by the Port Authority or terminated without cause, upon thirty (30) days' written notice by the Permittee; provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Further, in the event the Port Authority exercises its right to revoke or terminate this Permit for any reason other than "without cause", the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the cleaning, repair and restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it cleaned, repaired or restored), preparing such space for use by a succeeding permittee, the care and maintenance of such space during any period of non-use of the space, the foregoing to include, without limitation, personnel costs and legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), and repairing the space and putting the space in order (such as but not limited to cleaning, repairing and restoring the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth. Revocation or termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.

2. As used in this Permit:

(a) The term "Airport" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(b) The term "City" shall mean the City of New York.

(c) The term "City Lease" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) The term "Executive Director" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee, it shall mean the Executive Director of the Port Authority for the time being, or his duly designated representative or representatives.

(e) The term "General Manager of the Facility" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said General Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the General Manager (or temporary or Acting General Manager) of the Facility for the time being, or his duly designated representative or representative.

3. The rights granted hereby shall be exercised

(a) if the Permittee is a corporation, by the Permittee acting only through the medium of its officers and employees;

(b) if the Permittee is an unincorporated association, or a business trust, by the Permittee acting only through the medium of its members, trustees, officers and employees;

(c) if the Permittee is a partnership, by the Permittee acting only through the medium of its partners and employees;

(d) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(e) if the Permittee is a limited liability company, by the Permittee acting only through the medium of its members, managers and employees,

and the Permittee shall not, without the written approval of the Port Authority, exercise such rights through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or any of the rights granted hereby, directly or indirectly, in whole or in part, by operation of law or otherwise, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor, without the written approval of the Port Authority.

In the event of the issuance of this Permit to more than one individual or other legal entity (or to any combination thereof), then and in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.

4. This Permit does not constitute the Permittee the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint venture is hereby created, notwithstanding the fact that all or a portion of the fees to be paid hereunder may be determined by gross receipts from the operations of the Permittee hereunder.

5. The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Facility. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification and, upon the request of the Port Authority, the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the prior written approval of the Manager of the Facility. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

6. (a) In the use of the roads, hallways, stairs and other areas constituting a means of ingress to and egress from the space at or on which the Machines are located, the Permittee shall conform (and shall require its employees, invitees and others doing business with it to conform) to the rules and regulations of the Port Authority which are now in effect or which may hereafter be adopted for the safe and efficient operation of the Facility.

(b) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations of the Port Authority now in effect, and such further reasonable rules and regulations which may from time to time during the effective period of this Permit be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Facility, including any space covered by this Permit, or for the safe and efficient operation of the Facility. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(c) Unless otherwise expressly provided, the Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Facility.

7. (a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees, agents or persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers, employees or agents at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

(b) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. The Permittee shall promptly repair or replace all property of the Port Authority damaged by the operations of the Permittee hereunder. The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with its prior written approval.

9. (a) All Machines covered by this Permit and other property of the Permittee placed on or kept at the Facility shall remain the property of the Permittee and must be removed on or before the expiration of the permission hereby granted or on or before the revocation or termination of the permission hereby granted, whichever shall be earlier.

(b) If the Permittee shall fail to remove its property upon the expiration, termination or revocation hereof, the Port Authority may, at its option, as agent for the Permittee and at the Permittee's risk and expense, remove such property to a public warehouse for deposit or retain the same in its own possession and after the expiration of thirty (30) days sell the same at public auction, the proceeds of which shall be applied first to the expenses of sale, second to any sums owed by the Permittee to the Port Authority, and any balance remaining shall be paid to the Permittee, or may take such other action as may be necessary or desirable.

10. The Permittee represents that it is the owner of or fully authorized to use and/or sell any and all services, processes, machines, articles, marks, names or slogans used and/or sold by it in its operations under or in any wise connected with this Permit. Without in any way limiting its obligations under Section 7 hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any way connected with this Permit.

11. The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Machines and equipment of the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any Machines or equipment owned by or in the possession of the Permittee on the Facility or to be placed or brought on the Facility, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any Machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the Machine from service, and provide a satisfactory substitute.

12. The Permittee's representative hereinbefore specified (or such substitute as the Permittee may hereafter designate in writing) shall have full authority to act for the Permittee in connection with this Permit and any things done or to be done hereunder, and to execute on the Permittee's behalf any amendments or supplements to this Permit or any extension thereof, and to give and receive notices hereunder.

13. (a) The basic fee, if any, or the part thereof which may be prorated as hereinafter provided, shall be due and payable in advance on the effective date hereof and on the first day of each and every month thereafter. The percentage fee, if any, or if that percentage fee is additional to a basic fee, the portion thereof prorated as hereinafter provided, and any fees or part thereof mentioned on the first page of this Permit to be measured by the number of items and/or units of service dispensed by a Machine, shall be due and payable monthly on the tenth day of the month following the calendar month in which the effective date hereof falls, and on the tenth day of each month thereafter and shall be based on the Permittee's gross receipts, sales made and services rendered in the preceding calendar month; provided, however, that if the permission granted hereby shall expire or be revoked effective on a date other than the last day of a month, the percentage fee or prorated part thereof, or the fee or part thereof measured by the number of items or units of service, shall be due and payable within ten days after such date. If the permission granted by this Permit commences on a date other than the first day of a month, or if the said permission expires or is revoked effective on a date other than the last day of a month, the fees due for the period of time during which the said permission shall have been in effect shall be the fees specified on the first page of this Permit,

prorated however in the case of a basic fee or in the case of a basic fee and percentage fee, in the same proportion that the number of days the permission is in effect bears to thirty days, as follows: the portion of the basic fee due shall be computed by prorating the monthly basic fee on the above basis; the amount of the percentage fee shall be equivalent to the excess over the prorated basic fee of the percentage applied to the gross receipts arising in such portion of the month. There shall be no proration of other fees. The computation of fees for each month, or for a portion of a month as provided above, shall be individual to such month or such portion of a month, and without relation to any other month or any other portion of a month.

(b) Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
P.O. BOX 95000-1556
PHILADELPHIA, PENNSYLVANIA 19195-0001

or made via the following wire transfer instructions (for basic fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: _____ or made via the following wire transfer instructions (for percentage fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: _____ or to such other address as may hereafter be substituted therefor by the Port Authority from time to time, by notice to the Permittee.

(c) The term "gross receipts" shall include all monies paid or payable to the Permittee for sales made and for services rendered at or from the Facility pursuant to the permission granted hereby; provided, however, that if the fees or any part thereof mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts and by the number of items and/or units of service dispensed by a Machine the monies paid or payable to the Permittee by customers for said items and/or units of service shall be excluded from "gross receipts" and provided, further, however, that any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee shall be excluded therefrom.

(d) The Permittee acknowledges and agrees that it shall maintain separate and distinct gross receipts records of all sales made from each Machine installed and operated by the Permittee at each location designated by the Port Authority. The Port Authority may request at any time and from time to time a sworn statement of gross receipts, which shall separately state the various types and amounts of gross receipts derived from sales made at or from each Machine and location and shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice. The Permittee further acknowledges and agrees that the Port Authority reserves the right to implement an inventory tracking system of vending machines at the Facility and should the Port Authority so implement such an inventory tracking system, the Permittee agrees to cooperate fully with the Port Authority by promptly providing the Port Authority with all information it shall request.

14. If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority including, without limitation, any payment of any fixed or percentage fee or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount

equal to eight-tenths of one percent (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Permit. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Permit including, without limitation, the Port Authority's rights set forth in Section 1 of the Terms and Conditions of this Permit or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. A bill or statement may be rendered or any notice or communication which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given if the same be in writing and sent by registered or certified mail addressed to the Permittee at the address specified on the first page hereof or at the latest address that the Permittee may substitute therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's representative, and the time of rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is mailed, left or delivered as herein provided. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

16. (a) The Permittee, in its own name as insured, and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits as set forth in Item 10 of the Cover page to this Permit.

(b) In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of the Permit.

(c) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority

were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under this Permit.

(d) All insurance coverages and policies required hereunder may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the period of permission under the Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the above-listed insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

(e) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(f) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(g) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under this Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by this Permit or any other agreement or by law.

17. (a) If the fee or fees mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts or by the number of items or units of service dispensed by a Machine, the Permittee shall:

(i) use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;

(ii) not divert or cause or allow to be diverted, any business from the Facility;

(iii) maintain in accordance with accepted accounting practice during the effective period of this Permit and for one year after the expiration or earlier revocation thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all sales of merchandise and charges for services made through the Machines and all transactions at, through or in any way connected with the Facility, which records and books of account shall be kept at all times within the Port of New York District;

(iv) permit in ordinary business hours during the effective period of this Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision, the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account;

(v) permit the inspection by the officers, employees and representatives of the Port Authority of any equipment or devices used by the Permittee, including but not limited to coin receptacles and counting or metering devices attached to the Machines;

(vi) furnish on or before the twentieth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder, and if the fees or any part thereof mentioned on the first page of this Permit are based in whole or in part on the number of items or units or service dispensed by a Machine, a sworn statement showing the number of such items and/or units of service dispensed during the preceding month. When gross receipts exceed \$8,000 monthly the statements shall be certified at the Permittee's expense, by a certified public accountant; and

(vii) install and use such equipment or devices for recording sales made and services rendered as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts and sales made and services rendered.

(b) In the event that upon conducting an examination and audit as described in this Section the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee, the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Permit or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority to payment of any late charge(s) or other service charge(s) payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid hereunder. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under

this Permit, including, without limitation, the Port Authority's rights to revoke this Permit or (ii) any obligations of the Permittee under this Permit.

18. Collections shall be made from the Machines in the manner and at the times specified by the Port Authority. The Port Authority shall have the right at any time and from time to time to prohibit the Permittee from making any collection from any Machines except in the presence of a representative of the Comptroller's Department of the Port Authority.

19. (a) Machines shall dispense only such merchandise and render only such services as are approved in writing by the Port Authority. Specification of merchandise and/or services in Item 5 on the first page hereof shall be an approval hereunder and all approvals hereunder shall be subject to the terms of Section 29 hereof.

(b) The Permittee agrees that prior to the installation of any Machines it shall obtain the written approval of the Port Authority as to the design and type thereof as well as the method and manner of installation and the Permittee shall comply with any requirements, procedures or standards established by the Port Authority for the installation of the Machine and for the removal and relocation thereof. The Port Authority shall designate in writing the number of Machines to be installed, maintained and serviced under this Permit and it may in its discretion, from time to time, consent to the inclusion under this Permit of an additional Machine or Machines, such additional Machine or Machines to dispense such items only and render such services only as may be approved in writing by the Port Authority. The location of each Machine covered by this Permit is to be only that designated in writing by the Port Authority. The Port Authority shall have the right, from time to time, to redesignate in writing the location or locations of any or all Machines covered by this Permit, and the Permittee shall thereupon, at its own expense, comply therewith by promptly removing and reinstalling each such Machine. The Port Authority shall also have the right, from time to time, to direct that the number of Machines covered by this Permit be decreased and the Permittee shall promptly remove the Machines as directed.

(c) In the event of the removal of any or all of the Machines covered by this Permit for any reason including, but not limited to, revocation, expiration, redesignation or decrease, the Permittee shall, at its own expense, immediately restore the Facility at and about the location to the same condition as before the installation, including the removal of any wires, conduits, outlets, ducts and pipes installed by or for the Permittee.

(d) The Port Authority may request from time to time and at any time a sworn statement from the Permittee as to the total number, description of types of items dispensed and locations of all Machines to which the fee under this Permit is applied on a monthly basis. The Permittee shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice.

(e) The Permittee shall also be required to send written notice to the Port Authority (Attn: JFK Properties & Commercial Development, JFK Airport, Building 14, 2nd Floor, Jamaica, NY 11430) at least thirty (30) days' prior to its addition or removal of a Machine from its operations at the Facility, and in such notice shall indicate the number of Machines being added or removed and the proposed location (if an addition) or then-current location (if a removal) of each such Machine. In the event the Permittee removes a Machine from operation but fails to provide the Port Authority with the required advance written notice as aforesaid, the Permittee shall nevertheless

continue to be obligated to pay fees hereunder with respect to such removed Machine until the Port Authority receives such written notice and, then, the obligation to pay fees with respect to such removed Machine shall cease as of the first calendar month after the 30-day notice period has expired.

20. (a) The purposes of the Port Authority in extending the permission granted hereby is to have available at the Facility the merchandise and services which the Permittee is permitted to sell and render hereunder, and the Permittee agrees that it will conduct a first class operation and will furnish all necessary or proper Machines, fixtures, equipment, personnel, supplies, materials and other facilities and replacements therefor.

(b) The Permittee shall provide new Machines of the latest design and shall maintain all the Machines in first class appearance, condition and working order, and if the Machines dispense items, the Permittee shall keep the Machines always well stocked with merchandise of first class quality and fit for human use, and if the merchandise is intended for consumption, it shall be fresh and safely consumable. The Permittee covenants that all its merchandise and services shall comply with all applicable federal, state, municipal and other governmental laws, ordinances and regulations.

21. (a) The Permittee shall furnish all merchandise and all services at reasonable prices and at the times and in a manner which will be fully satisfactory to the public and to the Port Authority. All prices charged by the Permittee shall be subject to the prior written approval of the Port Authority; provided, however, that such approval will not be withheld if the proposed prices do not exceed reasonable prices for similar merchandise and services in the municipality in which the Machines are located as more specifically described herein in Section 22. The Permittee shall cause the merchandise sold and the services rendered by the Machines to be available to the public during such hours of the day and on such days of the week as may properly serve the needs of the public. The Port Authority's determination of reasonable prices and proper business hours and days shall control.

(b) The Permittee shall

(i) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(ii) furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

As used in the above subsections "service" shall include furnishing of parts, materials and supplies (including sale thereof).

22. (a) Without limiting the generality of Section 21, above, the Permittee shall comply with the Port Authority Aviation Department Street Pricing Policy. In connection therewith, the Permittee shall not charge prices to its customers in excess of "Street Prices", which for purposes of this Permit is defined as follows:

(i) if the Permittee conducts a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Greater New York City - Northern New Jersey Metropolitan Area (herein referred to as "the Metro Area"), "Street Prices" shall mean the average price regularly charged by the Permittee for the same or similar item in such Metro Area location;

(ii) if the Permittee does not conduct a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Metro Area, "Street Prices" shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item;

(iii) if neither the Permittee nor other similar retailers sell a particular item in the Metro Area, "Street Prices" shall mean the average price regularly charged by the Permittee or similar retailers for the same or similar item in any other geographic area, with a reasonable adjustment for any cost of living variance between such area and the Metro Area.

(iv) If the Permittee is engaged in the business of selling duty-free goods, "Street Prices" shall mean the price regularly charged by the Permittee or similar retailer for the same or similar duty-free item at other urban airports in the Northeast region of the United States, including but not limited to John F. Kennedy International Airport, New York, New York.

(b) The Permittee's breach of the aforesaid Street Pricing Policy (as defined herein) shall be deemed a material breach of the Permittee's obligations under this Permit.

(b) The Permittee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Permittee subscribes to a "Street Pricing Policy", such notice to be clearly visible and unobstructed. If the Permittee charges any price to a customer in excess of the price, which would satisfy the "Street Pricing Policy" in violation of its obligations under this Permit, the amount of such excess shall constitute an overcharge, which shall upon demand by the Port Authority or the Permittee's customer, be promptly refunded to the customer.

(c) The Permittee shall submit to the Port Authority, from time to time, an annual pricing report demonstrating compliance by the Permittee with the aforementioned pricing requirements. For purposes of establishing the Street Price of an item, any difference in the size or quality of a product or service shall constitute a price differential.

23. City Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(i) This Permit is subject and subordinate to the City Lease and to any interest

superior to that of the Port Authority;

(ii) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security or other deposits required under this Permit);

(iii) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(iv) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(v) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(vi) The Permittee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(vii) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

24. The Permittee shall not place or cause or permit to be placed any sign, poster or advertising matter whatsoever of the Permittee or of third parties on the Facility or on the Machines or the items dispensed therefrom without the prior written approval of the Port Authority. The restriction hereunder shall not apply to manufacturers' own advertising appearing on items dispensed by the Machines. The Port Authority may at any time and from time to time withdraw its approval under this Section. Any sign, poster or advertising matter not so approved may be removed by the Port Authority at the expense of the Permittee.

25. (a) The Permittee shall place in a conspicuous place on each Machine installed and operated pursuant to the permission granted hereunder a Port Authority standard vending machine decal containing such information as the Port Authority may from time to time determine to be necessary including, without limitation the name and address of the Permittee, the location of the Machine, type of product or service to be dispensed and Permit Number.

(b) The Permittee shall promptly handle in a manner satisfactory to the Port Authority all customer complaints including, but not limited to, those based on failure or malfunction of the Machines or defective merchandise dispensed or services rendered therefrom or thereby and the Permittee shall make all suitable refunds, exchanges, credits and allowances in connection therewith.

26. (a) The Permittee shall daily remove from the Facility all garbage, debris, litter, liquids and other waste materials arising out of the operation of the Machines, or customer disposal of the Permittee's merchandise.

(b) For the purpose of temporary storage, the Permittee shall provide and maintain in a clean and sanitary condition, suitable garbage and waste receptacles, the same to be made of metal and equipped with tight fitting covers. The covers may have self-closing openings for disposal purposes. The receptacles shall be kept completely covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris, litter and other waste materials from the Facility. The manner of such storage and removal shall be subject in all respects to the approval of the Port Authority. No facilities of the Port Authority shall be used for such removal and storage without the approval of the Manager of the Facility.

27. (a) The Port Authority shall furnish electricity of the voltage, phase and type already available at the location and cold water sufficient for the operation of such of the Machines as may require the same; provided, however, that the Port Authority may at any time after installation of appropriate meters, sell electricity and/or cold water to the Permittee and the Permittee agrees to pay therefor at the same rates charged by the Port Authority to other permittees at the Facility at the time the electricity and/or cold water is supplied for the same quantity, under the same conditions and in the same service classification. Charges for electricity and/or cold water shall be payable when billed. The quantity of service consumed shall be measured by meters installed for the purpose; provided, however, that if for any cause any meter fails to record the consumption of electricity or cold water, the consumption during the period the meter is out of service will be considered to be the same as the consumption for a like period either immediately before or immediately after the interruption, as selected by the Port Authority.

(b) The Port Authority shall also make available, without additional charge, non-exclusive toilet and washroom facilities for the employees of the Permittee.

(c) No failure, delay or interruption in supplying agreed services (whether separately charged for or not) shall release the Permittee from any of its obligations hereunder or be, (unless resulting from the negligence of the Port Authority and continuing for a period of five (5) days after notice to the Port Authority) grounds for any claim by the Permittee for damages, consequential or otherwise.

(d) The Permittee shall provide and install all wires, conduits, outlets, ducts and pipes necessary to supply the electricity and/or cold water to the Machines which may require the same. Such installation shall be subject to the provisions of Section 8 hereof.

28. (a) Except as specifically provided herein to the contrary, the Permittee shall not, by virtue of the issue and acceptance of this Permit, be released or discharged from any liabilities or obligations whatsoever under any other Port Authority permits or agreements including, but not limited to, any permits to make alterations.

(b) In the event that any space or location covered by this Permit is the same as is or has been covered by another Port Authority permit or other agreement with the Permittee, then any liabilities or obligations which by the terms of such permit or agreement, or permits thereunder to make alterations, mature at the expiration, revocation or termination of said permit or agreement, shall be deemed to survive and to mature at the expiration or sooner revocation of this Permit,

insofar as such liabilities or obligations require the removal of property from and/or the restoration of the space or location.

29. The Port Authority may at any time and from time to time by notice to the Permittee withdraw or modify any approval, designation or direction given hereunder by the Port Authority.

30. The privilege granted by this Permit is non-exclusive.

31. Wherever in this Permit, including all endorsements and exhibits thereto, the pronoun "it" or the adjective "its" may occur, referring to the Permittee, the said pronoun or adjective shall be deemed and taken to mean "it", "he", "him", "she", "her", "they", "them" or "its", "his", "her", "hers", "their" or "theirs", as the circumstances of the reference and the gender and number of the Permittee may require.

32. No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant or condition of this Permit or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Permit during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term, covenant or condition. No agreement, term, covenant or condition of this Permit to be performed or complied with by the Permittee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Permittee in performance of any agreement, term, covenant or condition of this Permit shall affect or alter this Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

33. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Facility.

(b) The Permittee shall procure all licenses, certificates, permits or other authorization necessary for the Permittee's operations at the Facility from all governmental authorities, if any, having jurisdiction.

(c) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Facility and are not to be construed as a submission by the Port Authority to the application to itself of any such requirements.

34. The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal

statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

35. (a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (i) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (ii) in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, and (iii) the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any person or persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

(c) The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. Without limiting any other term or provision hereof or any other rights or remedies of the Port Authority hereunder or at law or equity, in the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) Without limiting any other term or provision hereof, the Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third persons, including the United States of America, resulting from the Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any space at the Airport, or any right to use or occupy any space at the Airport.

36. In the event 49 CFR Part 23 is applicable to the permission granted under this Permit, then:

(a) This Permit is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The Permittee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

(b) The Permittee agrees to include the statement set forth in paragraph (a), above, in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreements.

(c) The Permittee agrees to comply with the terms and provisions of Schedule G, annexed hereto and hereby made a part hereof.

37. The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

38. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Board of Fire Underwriters and The Fire Insurance Rating Organization of New Jersey, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Facility or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

(b) The Permittee shall not do or permit to be done any act which:

(i) will invalidate or be in conflict with any fire insurance policies covering the Facility or any part thereof or upon the contents of any building thereon, or

(ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Facility or any part thereof or upon the contents of any building thereon, or

(iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(iv) may cause or produce upon the Facility any unusual, noxious or objectionable smokes, gases, vapors or odors, or

(v) may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Facility, or

(vi) shall constitute a nuisance in or on the Facility or which may result in the creation, commission or maintenance of a nuisance in or on the Facility.

(c) For the purpose of this Section, "Facility" includes all structures located thereon.

39. If any type of strike or other labor activity is directed against the Permittee at the Facility or against any operations pursuant to this Permit resulting in picketing or boycott for a period of at least forty-eight (48) hours, which, in the opinion of the Port Authority, adversely affects or is likely adversely to affect the operation of the Facility or the operations of other permittees, lessees or licensees thereat, whether or not the same is due to the fault of the Permittee, and whether caused by the employees of the Permittee or by others, the Port Authority may at any time during the continuance thereof, by twenty-four (24) hours' notice, revoke this Permit, effective at the time specified in the notice. Revocation shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

40. The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the Manager of the Facility covering the operations of the Permittee under this Permit at any time and from time to time.

41. The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed. The foregoing reference to summary proceedings shall not be construed to mean that a landlord-tenant relationship exists between the Port Authority and the Permittee.

42. Without in any way limiting the provisions hereof, unless otherwise notified by the Port Authority in writing, in the event the Permittee shall continue to operate the Machines after the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Permit or other remedies the Port Authority may have by law or otherwise, the Permittee shall pay to the Port Authority a fee for the period commencing on the day immediately following the date of such expiration or the effective date of such revocation or termination and ending on the date that the Permittee shall cease to operate the Machines at the Airport equal to twice the sum of the fee payable hereunder. Nothing

herein contained shall give, or be deemed to give, the Permittee any right to continue to operate the Machines at the Airport after the expiration, revocation or termination of the effective period of the permission granted under this Permit. The Permittee acknowledges that the failure of the Permittee to cease to operate the Machines at the Airport from and after the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. The Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

43. This Permit and any claim, dispute or controversy arising out of, under or related to this Permit shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

44. No Commissioner, director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

45. This Permit, including the attached exhibits, endorsements and schedules, constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended, except by written endorsement duly executed on behalf of the parties and attached hereto. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.



For the Port Authority

Initialed:



For the Permittee

SPECIAL ENDORSEMENTS

1. (a) In accordance with and subject to the provisions of Section 20 of the foregoing Terms and Conditions the Port Authority hereby grants to the Permittee the privilege of installing, maintaining, and operating coin-operated vending machines dispensing food products and non-alcoholic beverages as may from time to time be consented to in advance in writing by the Port Authority (herein the "Machines") in such numbers and at such locations at the Airport as may be hereinafter designated from time to time in writing by the Port Authority.

(b) The Permittee recognizes that portions of the Facility where the Permittee's Machines may be installed are or may be under lease or under permit to third parties for their exclusive occupancy and that the Permittee must be independent arrangement with such parties acquire the right or rights of access and user necessary for its operations in such areas and shall make its own arrangements with such parties for the supply to its Machines of such facilities, utilities and services as it may require. The Port Authority makes no representations or warranties as to location, size, adequacy, suitability or availability of any such areas or facilities to be used by the Permittee in the exercise of its privileges hereunder. The Permittee further understands that its operations in such areas shall also be subject to the respective lease or permit between the Port Authority and the third party covering such exclusive occupancy and in the event of expiration or earlier termination of any such lease or permit then the privileges granted under this Permit shall terminate with respect to the areas covered by such lease or permit. In the event of any inconsistency between the terms of any such lease or permit and the terms of this Permit, the terms of this Permit shall control.

2. (a) Upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the sum of Three Hundred Sixty Dollars and No Cents (\$360.00), either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee, all of the terms, provisions, covenants and conditions of this Permit on its part to be fulfilled, kept, performed or observed. Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Permittee may deposit such bonds or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond in registered form unless such bond has been re-registered in the name of the Port Authority (the expense of such re-registration to be borne by the Permittee) in a manner satisfactory to the Port Authority. The Permittee may request the Port Authority to accept a registered bond in the Permittee's name and if acceptable to the Port Authority the Permittee shall deposit such bond together with an irrevocable bond power (and such other instruments or other documents as the Port Authority may require) in form and substance satisfactory to the Port Authority. In the event the deposit is returned to the Permittee any expenses incurred by the Port Authority in re-registering a bond to the name of the Permittee shall be borne by the Permittee. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option, at any time and from time to time, with or without notice, to use the deposit or any part

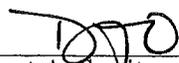
thereof in whole or partial satisfaction of any of its claims or demands against the Permittee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of the deposit itself shall cure any default or breach of this Agreement on the part of the Permittee. With respect to any bonds deposited by the Permittee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Permittee, to sell the same in whole or in part, at any time, and from time to time, with or without prior notice at public or private sale, all as determined by the Port Authority, together with the right to purchase the same at such sale free of all claims, equities or rights of redemption of the Permittee. The Permittee hereby waives all right to participate therein and all right to prior notice or demand of the amount or amounts of the claims or demands of the Port Authority against the Permittee. The proceeds of every such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to advertising or commission expenses) and then to the amounts due the Port Authority from the Permittee. Any balance remaining shall be retained in cash toward bringing the deposit to the sum specified above. In the event that the Port Authority shall at any time or times so use the deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the above-mentioned amount, the Permittee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional cash or bonds so as to maintain the deposit at all times to the full amount above stated, and such additional deposits shall be subject to all the conditions of this Special Endorsement. After the expiration or earlier revocation or termination of the effective period of the permission under this Permit, and upon condition that the Permittee shall then be in no wise in default under any part of this Permit, and upon written request therefor by the Permittee, the Port Authority will return the deposit to the Permittee less the amount of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Permittee of this Permit or any part thereof. The Permittee agrees that it will not assign or encumber the deposit. The Permittee may collect or receive any interest or income earned on bonds and interest paid on cash deposited in interest-bearing bank accounts, less any part thereof or amount which the Port Authority is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of an administrative expense, or custodial charge, or otherwise; provided, however, that the Port Authority shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts.

(b) In connection with the Permittee's obligation to deliver a security deposit to the Port Authority as required by the provisions of paragraph (a) above of this Special Endorsement, the Permittee hereby certifies that its federal taxpayer identification number is

(c) The Permittee acknowledges and agrees that the Port Authority reserves the right, in its sole discretion at any time and from time to time upon fifteen (15) days' notice to the Permittee, to adjust the amount of the security deposit required in paragraph (a) of this Special Endorsement. Not later than the effective date set forth in said notice by the Port Authority, the Permittee shall furnish additional cash or bonds, as provided for in paragraph (a) above, and such additional cash and/or bonds shall thereafter constitute the security deposit required under this Special Endorsement.

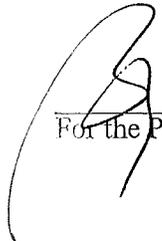
3. With respect to the fees to be paid by the Permittee pursuant to Item 6 on the first page of this Permit, reference to "non-public areas" and "non-airline terminal building areas" shall mean those areas at the Airport at which employee identification is required by the building lessee, Permittee, or the Port Authority to obtain access.

4. The fees payable under this Permit shall be subject to increase from time to time upon thirty (30) days' notice from the Port Authority to the Permittee, given by the General Manager of the Airport or such other representative as the Port Authority may substitute from time to time by notice to the Permittee, and upon the effective date of the increase set forth in such notice the fees payable by the Permittee under this Permit shall be as set forth in said notice. In the event within ten (10) days after the Permittee receives such notice from the Port Authority, the Permittee notifies the Port Authority that the Permittee does not wish to pay the increased fees, this Permit and the permission granted hereunder shall be, and shall be deemed to be, cancelled effective at the close of business on the day preceding the effective date of the increase, as set forth in the Port Authority's notice to the Permittee. If the Permittee does not so notify the Port Authority, the increased fees shall become effective on the date set forth in the Port Authority's notice as aforesaid. No cancellation of this Permit and the permission granted thereunder pursuant to this paragraph shall be construed to relieve the Permittee of any obligations or liabilities hereunder which shall have accrued on or before the effective date of such cancellation.



For the Port Authority

Initialed:



For the Permittee

SCHEDULE G

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PARTICIPATION

In accordance with regulations of the US Department of Transportation 49 CFR Part 23, the Port Authority has implemented an Airport Concession Disadvantaged Business Enterprise (ACDBE) program under which qualified firms may have the opportunity to operate an airport business. The Port Authority has established an ACDBE participation goal, as measured by the total estimated annual gross receipts for the overall concession program. The goal is modified from time to time and posted on the Port Authority's website: www.panynj.gov.

The overall ACDBE goal is a key element of the Port Authority's concession program and Concessionaire shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25 (f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through joint ventures in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

To qualify as an ACDBE, the firm must meet the definition set forth below and be certified by the New York State or New Jersey Uniform Certification Program (UCP). The New York State UCP directory is available on-line at www.nysucp.net and the New Jersey UCP at www.njucp.net.

An ACDBE must be a small business concern whose average annual receipts for the preceding three (3) fiscal years does not exceed \$47.78 million and it must be (a) at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially or economically disadvantaged individuals who own it. The personal net worth standard used in determining eligibility for purposes of

part 23 is \$750,000.

The ACDBE may, if other qualifications are met, be a franchisee of a franchisor. An airport concession is a for-profit business enterprise, located on an airport, which is subject to the Code of Federal Regulations 49 Part 23, subpart F, that is engaged in the sale of consumer goods or services to the public under an agreement with the sponsor, another concessionaire, or the owner or operator of a terminal, if other than the sponsor. The Port Authority makes a rebuttable presumption that individuals in the following groups who are citizens of the United States or lawful permanent residents are "socially and economically disadvantaged":

- a. Women;
- b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;
- c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
- d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;
- e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;
- f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and
- g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

Other individuals may be found to be socially and economically disadvantaged on a case-by-case basis. For example, a disabled Vietnam veteran, an Appalachian white male, or another person may claim to be disadvantaged. If such individual requests that his or her firm be certified as ACDBE, the Port Authority, as a certifying partner in the New York State and New Jersey UCPs will determine whether the individual is socially or economically disadvantaged under the criteria established by the Federal Government. These owners must demonstrate that their disadvantaged status arose from individual circumstances, rather than by virtue of membership in a group.

Certification of ACDBEs hereunder shall be made by the New York State or New Jersey UCP. If Concessionaire wishes to utilize a firm not listed in the UCP directories but

which the Concessionaire believes should be certified as an ACDBE, that firm shall submit to the Port Authority a written request for a determination that the firm is eligible for certification. This shall be done by completing and forwarding such forms as may be required under 49 CFR Part 23. All such requests shall be in writing, addressed to Lash Green, Director, Office of Business and Job Opportunity, The Port Authority of New York and New Jersey, 233 Park Avenue South, 4th Floor, New York, New York 10003 or such other address as the Port Authority may designate from time to time. Contact OBJOcert@panynj.gov for inquiries or assistance.

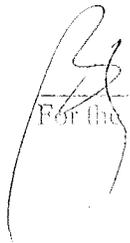
General

In the event the signatory to this agreement is a Port Authority permittee, the term Concessionaire shall mean the Permittee herein. In the event the signatory to this agreement is a Port Authority lessee, the term Concessionaire shall mean the Lessee herein.

Initialed:



For the Port Authority



For the Permittee

: For Port Authority Use Only :
:
: Permit Number AYE-257 :

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
225 Park Avenue South
New York, New York 10003

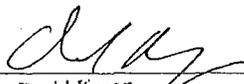
**PERMIT
COIN OPERATED MACHINES**

The Port Authority of New York and New Jersey (herein called the "Port Authority") hereby grants to the Permittee hereinafter named the privilege to install, maintain and service the hereinafter described Machines at the Port Authority Facility hereinafter named, in accordance with the Terms and Conditions hereof and the endorsements annexed thereto; and the Permittee agrees to pay the fees hereinafter specified, and to perform all other obligations imposed upon it in the Terms and Conditions and endorsements as hereinafter set forth:

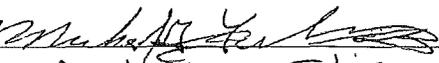
1. FACILITY: JOHN F. KENNEDY INTERNATIONAL AIRPORT
2. PERMITTEE: MISTER ENTERPRISES, INC., a corporation organized and existing under the laws of the State of New York
3. PERMITTEE'S ADDRESS: 716 East Park Court
North Woodmere, NY 11581
4. PERMITTEE'S REPRESENTATIVE: Michael Felix, President
5. MACHINES: As set forth in Special Endorsement No. 1 hereof
6. FEES: A basic fee of Thirty Dollars and No Cents (\$30.00) per machine per month for non-public areas (including, without limitation, non-airline terminal building areas), Two Hundred Twenty-five Dollars and No Cents (\$225.00) per machine per month for public areas and Eighty Dollars and No Cents (\$80.00) per machine per month for game machines, all of the aforesaid fees to be payable in advance on the first day of each month during the effective period of the permission granted under this Permit.
7. EFFECTIVE DATE: January 1, 2013
8. EXPIRATION DATE: December 31, 2022, unless sooner revoked or terminated in accordance with Section 1 of the Terms and Conditions hereof
9. SECURITY DEPOSIT: \$360.00
10. INSURANCE REQUIREMENT: \$2,000,000.00 minimum limit Commercial General Liability and \$2,000,000.00 minimum limit Commercial Automobile Liability
11. ENDORSEMENTS: Specials and Schedule G

Dated: As of January 1, 2013

**THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY**

By 
Name David Kagan
Assistant Director
Business, Properties & Airport Development
(Please Print Clearly)
(Title) _____

MISTER ENTERPRISES, INC., Permittee

By 
Name Michael G. Felix
(Please Print Clearly)
(Title) President

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:
	RR

RR

TODD

TERMS AND CONDITIONS

1. The permission hereby granted shall take effect upon the effective date hereinbefore set forth. Notwithstanding any other term or condition thereof, it may be revoked without cause, upon thirty (30) days' written notice, by the Port Authority or terminated without cause, upon thirty (30) days' written notice by the Permittee; provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Further, in the event the Port Authority exercises its right to revoke or terminate this Permit for any reason other than "without cause", the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the cleaning, repair and restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it cleaned, repaired or restored), preparing such space for use by a succeeding permittee, the care and maintenance of such space during any period of non-use of the space, the foregoing to include, without limitation, personnel costs and legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), and repairing the space and putting the space in order (such as but not limited to cleaning, repairing and restoring the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth. Revocation or termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.

2. As used in this Permit:

(a) The term "Airport" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(b) The term "City" shall mean the City of New York.

(c) The term "City Lease" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) The term "Executive Director" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee, it shall mean the Executive Director of the Port Authority for the time being, or his duly designated representative or representatives.

(e) The term "General Manager of the Facility" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said General Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the General Manager (or temporary or Acting General Manager) of the Facility for the time being, or his duly designated representative or representative.

3. The rights granted hereby shall be exercised

(a) if the Permittee is a corporation, by the Permittee acting only through the medium of its officers and employees;

(b) if the Permittee is an unincorporated association, or a business trust, by the Permittee acting only through the medium of its members, trustees, officers and employees;

(c) if the Permittee is a partnership, by the Permittee acting only through the medium of its partners and employees;

(d) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(e) if the Permittee is a limited liability company, by the Permittee acting only through the medium of its members, managers and employees,

and the Permittee shall not, without the written approval of the Port Authority, exercise such rights through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or any of the rights granted hereby, directly or indirectly, in whole or in part, by operation of law or otherwise, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor, without the written approval of the Port Authority.

In the event of the issuance of this Permit to more than one individual or other legal entity (or to any combination thereof), then and in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.

4. This Permit does not constitute the Permittee the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint venture is hereby created, notwithstanding the fact that all or a portion of the fees to be paid hereunder may be determined by gross receipts from the operations of the Permittee hereunder.

5. The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Facility. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification and, upon the request of the Port Authority, the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the prior written approval of the Manager of the Facility. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

6. (a) In the use of the roads, hallways, stairs and other areas constituting a means of ingress to and egress from the space at or on which the Machines are located, the Permittee shall conform (and shall require its employees, invitees and others doing business with it to conform) to the rules and regulations of the Port Authority which are now in effect or which may hereafter be adopted for the safe and efficient operation of the Facility.

(b) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations of the Port Authority now in effect, and such further reasonable rules and regulations which may from time to time during the effective period of this Permit be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Facility, including any space covered by this Permit, or for the safe and efficient operation of the Facility. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(c) Unless otherwise expressly provided, the Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Facility.

7. (a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees, agents or persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers, employees or agents at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

(b) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. The Permittee shall promptly repair or replace all property of the Port Authority damaged by the operations of the Permittee hereunder. The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with its prior written approval.

9. (a) All Machines covered by this Permit and other property of the Permittee placed on or kept at the Facility shall remain the property of the Permittee and must be removed on or before the expiration of the permission hereby granted or on or before the revocation or termination of the permission hereby granted, whichever shall be earlier.

(b) If the Permittee shall fail to remove its property upon the expiration, termination or revocation hereof, the Port Authority may, at its option, as agent for the Permittee and at the Permittee's risk and expense, remove such property to a public warehouse for deposit or retain the same in its own possession and after the expiration of thirty (30) days sell the same at public auction, the proceeds of which shall be applied first to the expenses of sale, second to any sums owed by the Permittee to the Port Authority, and any balance remaining shall be paid to the Permittee, or may take such other action as may be necessary or desirable.

10. The Permittee represents that it is the owner of or fully authorized to use and/or sell any and all services, processes, machines, articles, marks, names or slogans used and/or sold by it in its operations under or in any wise connected with this Permit. Without in any way limiting its obligations under Section 7 hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any way connected with this Permit.

11. The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Machines and equipment of the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any Machines or equipment owned by or in the possession of the Permittee on the Facility or to be placed or brought on the Facility, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any Machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the Machine from service, and provide a satisfactory substitute.

12. The Permittee's representative hereinbefore specified (or such substitute as the Permittee may hereafter designate in writing) shall have full authority to act for the Permittee in connection with this Permit and any things done or to be done hereunder, and to execute on the Permittee's behalf any amendments or supplements to this Permit or any extension thereof, and to give and receive notices hereunder.

13. (a) The basic fee, if any, or the part thereof which may be prorated as hereinafter provided, shall be due and payable in advance on the effective date hereof and on the first day of each and every month thereafter. The percentage fee, if any, or if that percentage fee is additional to a basic fee, the portion thereof prorated as hereinafter provided, and any fees or part thereof mentioned on the first page of this Permit to be measured by the number of items and/or units of service dispensed by a Machine, shall be due and payable monthly on the tenth day of the month following the calendar month in which the effective date hereof falls, and on the tenth day of each month thereafter and shall be based on the Permittee's gross receipts, sales made and services rendered in the preceding calendar month; provided, however, that if the permission granted hereby shall expire or be revoked effective on a date other than the last day of a month, the percentage fee or prorated part thereof, or the fee or part thereof measured by the number of items or units of service, shall be due and payable within ten days after such date. If the permission granted by this Permit commences on a date other than the first day of a month, or if the said permission expires or is revoked effective on a date other than the last day of a month, the fees due for the period of time during which the said permission shall have been in effect shall be the fees specified on the first page of this Permit,

prorated however in the case of a basic fee or in the case of a basic fee and percentage fee, in the same proportion that the number of days the permission is in effect bears to thirty days, as follows: the portion of the basic fee due shall be computed by prorating the monthly basic fee on the above basis; the amount of the percentage fee shall be equivalent to the excess over the prorated basic fee of the percentage applied to the gross receipts arising in such portion of the month. There shall be no proration of other fees. The computation of fees for each month, or for a portion of a month as provided above, shall be individual to such month or such portion of a month, and without relation to any other month or any other portion of a month.

(b) Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
P.O. BOX 95000-1556
PHILADELPHIA, PENNSYLVANIA 19195-0001

or made via the following wire transfer instructions (for basic fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: _____ or made via the following wire transfer instructions (for percentage fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: _____, or to such other address as may hereafter be substituted therefor by the Port Authority from time to time, by notice to the Permittee.

(c) The term "gross receipts" shall include all monies paid or payable to the Permittee for sales made and for services rendered at or from the Facility pursuant to the permission granted hereby; provided, however, that if the fees or any part thereof mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts and by the number of items and/or units of service dispensed by a Machine the monies paid or payable to the Permittee by customers for said items and/or units of service shall be excluded from "gross receipts" and provided, further, however, that any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee shall be excluded therefrom.

(d) The Permittee acknowledges and agrees that it shall maintain separate and distinct gross receipts records of all sales made from each Machine installed and operated by the Permittee at each location designated by the Port Authority. The Port Authority may request at any time and from time to time a sworn statement of gross receipts, which shall separately state the various types and amounts of gross receipts derived from sales made at or from each Machine and location and shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice. The Permittee further acknowledges and agrees that the Port Authority reserves the right to implement an inventory tracking system of vending machines at the Facility and should the Port Authority so implement such an inventory tracking system, the Permittee agrees to cooperate fully with the Port Authority by promptly providing the Port Authority with all information it shall request.

14. If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority including, without limitation, any payment of any fixed or percentage fee or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount

equal to eight-tenths of one percent (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Permit. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Permit including, without limitation, the Port Authority's rights set forth in Section 1 of the Terms and Conditions of this Permit or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. A bill or statement may be rendered or any notice or communication which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given if the same be in writing and sent by registered or certified mail addressed to the Permittee at the address specified on the first page hereof or at the latest address that the Permittee may substitute therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's representative, and the time of rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is mailed, left or delivered as herein provided. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

16. (a) The Permittee, in its own name as insured, and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits as set forth in Item 10 of the Cover page to this Permit.

(b) In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of the Permit.

(c) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority

were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under this Permit.

(d) All insurance coverages and policies required hereunder may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the period of permission under the Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the above-listed insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

(e) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(f) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(g) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under this Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by this Permit or any other agreement or by law.

17. (a) If the fee or fees mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts or by the number of items or units of service dispensed by a Machine, the Permittee shall:

(i) use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;

(ii) not divert or cause or allow to be diverted, any business from the Facility;

(iii) maintain in accordance with accepted accounting practice during the effective period of this Permit and for one year after the expiration or earlier revocation thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all sales of merchandise and charges for services made through the Machines and all transactions at, through or in any way connected with the Facility, which records and books of account shall be kept at all times within the Port of New York District;

(iv) permit in ordinary business hours during the effective period of this Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision, the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account;

(v) permit the inspection by the officers, employees and representatives of the Port Authority of any equipment or devices used by the Permittee, including but not limited to coin receptacles and counting or metering devices attached to the Machines;

(vi) furnish on or before the twentieth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder, and if the fees or any part thereof mentioned on the first page of this Permit are based in whole or in part on the number of items or units or service dispensed by a Machine, a sworn statement showing the number of such items and/or units of service dispensed during the preceding month. When gross receipts exceed \$8,000 monthly the statements shall be certified at the Permittee's expense, by a certified public accountant; and

(vii) install and use such equipment or devices for recording sales made and services rendered as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts and sales made and services rendered.

(b) In the event that upon conducting an examination and audit as described in this Section the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee, the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Permit or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority to payment of any late charge(s) or other service charge(s) payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid hereunder. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under

this Permit, including, without limitation, the Port Authority's rights to revoke this Permit or (ii) any obligations of the Permittee under this Permit.

18. Collections shall be made from the Machines in the manner and at the times specified by the Port Authority. The Port Authority shall have the right at any time and from time to time to prohibit the Permittee from making any collection from any Machines except in the presence of a representative of the Comptroller's Department of the Port Authority.

19. (a) Machines shall dispense only such merchandise and render only such services as are approved in writing by the Port Authority. Specification of merchandise and/or services in Item 5 on the first page hereof shall be an approval hereunder and all approvals hereunder shall be subject to the terms of Section 29 hereof.

(b) The Permittee agrees that prior to the installation of any Machines it shall obtain the written approval of the Port Authority as to the design and type thereof as well as the method and manner of installation and the Permittee shall comply with any requirements, procedures or standards established by the Port Authority for the installation of the Machine and for the removal and relocation thereof. The Port Authority shall designate in writing the number of Machines to be installed, maintained and serviced under this Permit and it may in its discretion, from time to time, consent to the inclusion under this Permit of an additional Machine or Machines, such additional Machine or Machines to dispense such items only and render such services only as may be approved in writing by the Port Authority. The location of each Machine covered by this Permit is to be only that designated in writing by the Port Authority. The Port Authority shall have the right, from time to time, to redesignate in writing the location or locations of any or all Machines covered by this Permit, and the Permittee shall thereupon, at its own expense, comply therewith by promptly removing and reinstalling each such Machine. The Port Authority shall also have the right, from time to time, to direct that the number of Machines covered by this Permit be decreased and the Permittee shall promptly remove the Machines as directed.

(c) In the event of the removal of any or all of the Machines covered by this Permit for any reason including, but not limited to, revocation, expiration, redesignation or decrease, the Permittee shall, at its own expense, immediately restore the Facility at and about the location to the same condition as before the installation, including the removal of any wires, conduits, outlets, ducts and pipes installed by or for the Permittee.

(d) The Port Authority may request from time to time and at any time a sworn statement from the Permittee as to the total number, description of types of items dispensed and locations of all Machines to which the fee under this Permit is applied on a monthly basis. The Permittee shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice.

(e) The Permittee shall also be required to send written notice to the Port Authority (Attn: JFK Properties & Commercial Development, JFK Airport, Building 14, 2nd Floor, Jamaica, NY 11430) at least thirty (30) days' prior to its addition or removal of a Machine from its operations at the Facility, and in such notice shall indicate the number of Machines being added or removed and the proposed location (if an addition) or then-current location (if a removal) of each such Machine. In the event the Permittee removes a Machine from operation but fails to provide the Port Authority with the required advance written notice as aforesaid, the Permittee shall nevertheless

continue to be obligated to pay fees hereunder with respect to such removed Machine until the Port Authority receives such written notice and, then, the obligation to pay fees with respect to such removed Machine shall cease as of the first calendar month after the 30-day notice period has expired.

20. (a) The purposes of the Port Authority in extending the permission granted hereby is to have available at the Facility the merchandise and services which the Permittee is permitted to sell and render hereunder, and the Permittee agrees that it will conduct a first class operation and will furnish all necessary or proper Machines, fixtures, equipment, personnel, supplies, materials and other facilities and replacements therefor.

(b) The Permittee shall provide new Machines of the latest design and shall maintain all the Machines in first class appearance, condition and working order, and if the Machines dispense items, the Permittee shall keep the Machines always well stocked with merchandise of first class quality and fit for human use, and if the merchandise is intended for consumption, it shall be fresh and safely consumable. The Permittee covenants that all its merchandise and services shall comply with all applicable federal, state, municipal and other governmental laws, ordinances and regulations.

21. (a) The Permittee shall furnish all merchandise and all services at reasonable prices and at the times and in a manner which will be fully satisfactory to the public and to the Port Authority. All prices charged by the Permittee shall be subject to the prior written approval of the Port Authority; provided, however, that such approval will not be withheld if the proposed prices do not exceed reasonable prices for similar merchandise and services in the municipality in which the Machines are located as more specifically described herein in Section 22. The Permittee shall cause the merchandise sold and the services rendered by the Machines to be available to the public during such hours of the day and on such days of the week as may properly serve the needs of the public. The Port Authority's determination of reasonable prices and proper business hours and days shall control.

(b) The Permittee shall

(i) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(ii) furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

As used in the above subsections "service" shall include furnishing of parts, materials and supplies (including sale thereof).

22. (a) Without limiting the generality of Section 21, above, the Permittee shall comply with the Port Authority Aviation Department Street Pricing Policy. In connection therewith, the Permittee shall not charge prices to its customers in excess of "Street Prices", which for purposes of this Permit is defined as follows:

(i) if the Permittee conducts a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Greater New York City - Northern New Jersey Metropolitan Area (herein referred to as "the Metro Area"), "Street Prices" shall mean the average price regularly charged by the Permittee for the same or similar item in such Metro Area location;

(ii) if the Permittee does not conduct a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Metro Area, "Street Prices" shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item;

(iii) if neither the Permittee nor other similar retailers sell a particular item in the Metro Area, "Street Prices" shall mean the average price regularly charged by the Permittee or similar retailers for the same or similar item in any other geographic area, with a reasonable adjustment for any cost of living variance between such area and the Metro Area.

(iv) If the Permittee is engaged in the business of selling duty-free goods, "Street Prices" shall mean the price regularly charged by the Permittee or similar retailer for the same or similar duty-free item at other urban airports in the Northeast region of the United States, including but not limited to John F. Kennedy International Airport, New York, New York.

(b) The Permittee's breach of the aforesaid Street Pricing Policy (as defined herein) shall be deemed a material breach of the Permittee's obligations under this Permit.

(b) The Permittee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Permittee subscribes to a "Street Pricing Policy", such notice to be clearly visible and unobstructed. If the Permittee charges any price to a customer in excess of the price, which would satisfy the "Street Pricing Policy" in violation of its obligations under this Permit, the amount of such excess shall constitute an overcharge, which shall upon demand by the Port Authority or the Permittee's customer, be promptly refunded to the customer.

(c) The Permittee shall submit to the Port Authority, from time to time, an annual pricing report demonstrating compliance by the Permittee with the aforementioned pricing requirements. For purposes of establishing the Street Price of an item, any difference in the size or quality of a product or service shall constitute a price differential.

23. City Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(i) This Permit is subject and subordinate to the City Lease and to any interest

superior to that of the Port Authority;

(ii) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security or other deposits required under this Permit);

(iii) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(iv) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(v) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(vi) The Permittee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(vii) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

24. The Permittee shall not place or cause or permit to be placed any sign, poster or advertising matter whatsoever of the Permittee or of third parties on the Facility or on the Machines or the items dispensed therefrom without the prior written approval of the Port Authority. The restriction hereunder shall not apply to manufacturers' own advertising appearing on items dispensed by the Machines. The Port Authority may at any time and from time to time withdraw its approval under this Section. Any sign, poster or advertising matter not so approved may be removed by the Port Authority at the expense of the Permittee.

25. (a) The Permittee shall place in a conspicuous place on each Machine installed and operated pursuant to the permission granted hereunder a Port Authority standard vending machine decal containing such information as the Port Authority may from time to time determine to be necessary including, without limitation the name and address of the Permittee, the location of the Machine, type of product or service to be dispensed and Permit Number.

(b) The Permittee shall promptly handle in a manner satisfactory to the Port Authority all customer complaints including, but not limited to, those based on failure or malfunction of the Machines or defective merchandise dispensed or services rendered therefrom or thereby and the Permittee shall make all suitable refunds, exchanges, credits and allowances in connection therewith.

26. (a) The Permittee shall daily remove from the Facility all garbage, debris, litter, liquids and other waste materials arising out of the operation of the Machines, or customer disposal of the Permittee's merchandise.

(b) For the purpose of temporary storage, the Permittee shall provide and maintain in a clean and sanitary condition, suitable garbage and waste receptacles, the same to be made of metal and equipped with tight fitting covers. The covers may have self-closing openings for disposal purposes. The receptacles shall be kept completely covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris, litter and other waste materials from the Facility. The manner of such storage and removal shall be subject in all respects to the approval of the Port Authority. No facilities of the Port Authority shall be used for such removal and storage without the approval of the Manager of the Facility.

27. (a) The Port Authority shall furnish electricity of the voltage, phase and type already available at the location and cold water sufficient for the operation of such of the Machines as may require the same; provided, however, that the Port Authority may at any time after installation of appropriate meters, sell electricity and/or cold water to the Permittee and the Permittee agrees to pay therefor at the same rates charged by the Port Authority to other permittees at the Facility at the time the electricity and/or cold water is supplied for the same quantity, under the same conditions and in the same service classification. Charges for electricity and/or cold water shall be payable when billed. The quantity of service consumed shall be measured by meters installed for the purpose; provided, however, that if for any cause any meter fails to record the consumption of electricity or cold water, the consumption during the period the meter is out of service will be considered to be the same as the consumption for a like period either immediately before or immediately after the interruption, as selected by the Port Authority.

(b) The Port Authority shall also make available, without additional charge, non-exclusive toilet and washroom facilities for the employees of the Permittee.

(c) No failure, delay or interruption in supplying agreed services (whether separately charged for or not) shall release the Permittee from any of its obligations hereunder or be, (unless resulting from the negligence of the Port Authority and continuing for a period of five (5) days after notice to the Port Authority) grounds for any claim by the Permittee for damages, consequential or otherwise.

(d) The Permittee shall provide and install all wires, conduits, outlets, ducts and pipes necessary to supply the electricity and/or cold water to the Machines which may require the same. Such installation shall be subject to the provisions of Section 8 hereof.

28. (a) Except as specifically provided herein to the contrary, the Permittee shall not, by virtue of the issue and acceptance of this Permit, be released or discharged from any liabilities or obligations whatsoever under any other Port Authority permits or agreements including, but not limited to, any permits to make alterations.

(b) In the event that any space or location covered by this Permit is the same as is or has been covered by another Port Authority permit or other agreement with the Permittee, then any liabilities or obligations which by the terms of such permit or agreement, or permits thereunder to make alterations, mature at the expiration, revocation or termination of said permit or agreement, shall be deemed to survive and to mature at the expiration or sooner revocation of this Permit,

insofar as such liabilities or obligations require the removal of property from and/or the restoration of the space or location.

29. The Port Authority may at any time and from time to time by notice to the Permittee withdraw or modify any approval, designation or direction given hereunder by the Port Authority.

30. The privilege granted by this Permit is non-exclusive.

31. Wherever in this Permit, including all endorsements and exhibits thereto, the pronoun "it" or the adjective "its" may occur, referring to the Permittee, the said pronoun or adjective shall be deemed and taken to mean "it", "he", "him", "she", "her", "they", "them" or "its", "his", "her", "hers", "their" or "theirs", as the circumstances of the reference and the gender and number of the Permittee may require.

32. No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant or condition of this Permit or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Permit during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term, covenant or condition. No agreement, term, covenant or condition of this Permit to be performed or complied with by the Permittee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Permittee in performance of any agreement, term, covenant or condition of this Permit shall affect or alter this Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

33. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Facility.

(b) The Permittee shall procure all licenses, certificates, permits or other authorization necessary for the Permittee's operations at the Facility from all governmental authorities, if any, having jurisdiction.

(c) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Facility and are not to be construed as a submission by the Port Authority to the application to itself of any such requirements.

34. The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal

statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

35. (a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (i) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (ii) in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, and (iii) the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any person or persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

(c) The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. Without limiting any other term or provision hereof or any other rights or remedies of the Port Authority hereunder or at law or equity, in the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) Without limiting any other term or provision hereof, the Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third persons, including the United States of America, resulting from the Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any space at the Airport, or any right to use or occupy any space at the Airport.

36. In the event 49 CFR Part 23 is applicable to the permission granted under this Permit, then:

(a) This Permit is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The Permittee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

(b) The Permittee agrees to include the statement set forth in paragraph (a), above, in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreements.

(c) The Permittee agrees to comply with the terms and provisions of Schedule G, annexed hereto and hereby made a part hereof.

37. The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

38. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Board of Fire Underwriters and The Fire Insurance Rating Organization of New Jersey, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Facility or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

(b) The Permittee shall not do or permit to be done any act which:

(i) will invalidate or be in conflict with any fire insurance policies covering the Facility or any part thereof or upon the contents of any building thereon, or

(ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Facility or any part thereof or upon the contents of any building thereon, or

(iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(iv) may cause or produce upon the Facility any unusual, noxious or objectionable smokes, gases, vapors or odors, or

(v) may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Facility, or

(vi) shall constitute a nuisance in or on the Facility or which may result in the creation, commission or maintenance of a nuisance in or on the Facility.

(c) For the purpose of this Section, "Facility" includes all structures located thereon.

39. If any type of strike or other labor activity is directed against the Permittee at the Facility or against any operations pursuant to this Permit resulting in picketing or boycott for a period of at least forty-eight (48) hours, which, in the opinion of the Port Authority, adversely affects or is likely adversely to affect the operation of the Facility or the operations of other permittees, lessees or licensees thereat, whether or not the same is due to the fault of the Permittee, and whether caused by the employees of the Permittee or by others, the Port Authority may at any time during the continuance thereof, by twenty-four (24) hours' notice, revoke this Permit, effective at the time specified in the notice. Revocation shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

40. The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the Manager of the Facility covering the operations of the Permittee under this Permit at any time and from time to time.

41. The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed. The foregoing reference to summary proceedings shall not be construed to mean that a landlord-tenant relationship exists between the Port Authority and the Permittee.

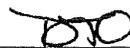
42. Without in any way limiting the provisions hereof, unless otherwise notified by the Port Authority in writing, in the event the Permittee shall continue to operate the Machines after the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Permit or other remedies the Port Authority may have by law or otherwise, the Permittee shall pay to the Port Authority a fee for the period commencing on the day immediately following the date of such expiration or the effective date of such revocation or termination and ending on the date that the Permittee shall cease to operate the Machines at the Airport equal to twice the sum of the fee payable hereunder. Nothing

herein contained shall give, or be deemed to give, the Permittee any right to continue to operate the Machines at the Airport after the expiration, revocation or termination of the effective period of the permission granted under this Permit. The Permittee acknowledges that the failure of the Permittee to cease to operate the Machines at the Airport from and after the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. The Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

43. This Permit and any claim, dispute or controversy arising out of, under or related to this Permit shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

44. No Commissioner, director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

45. This Permit, including the attached exhibits, endorsements and schedules, constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended, except by written endorsement duly executed on behalf of the parties and attached hereto. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.



For the Port Authority

Initialed:



For the Permittee

SPECIAL ENDORSEMENTS

1. (a) In accordance with and subject to the provisions of Section 20 of the foregoing Terms and Conditions the Port Authority hereby grants to the Permittee the privilege of installing, maintaining, and operating coin-operated vending machines dispensing food products and non-alcoholic beverages as may from time to time be consented to in advance in writing by the Port Authority (herein the "Machines") in such numbers and at such locations at the Airport as may be hereinafter designated from time to time in writing by the Port Authority.

(b) The Permittee recognizes that portions of the Facility where the Permittee's Machines may be installed are or may be under lease or under permit to third parties for their exclusive occupancy and that the Permittee must be independent arrangement with such parties acquire the right or rights of access and user necessary for its operations in such areas and shall make its own arrangements with such parties for the supply to its Machines of such facilities, utilities and services as it may require. The Port Authority makes no representations or warranties as to location, size, adequacy, suitability or availability of any such areas or facilities to be used by the Permittee in the exercise of its privileges hereunder. The Permittee further understands that its operations in such areas shall also be subject to the respective lease or permit between the Port Authority and the third party covering such exclusive occupancy and in the event of expiration or earlier termination of any such lease or permit then the privileges granted under this Permit shall terminate with respect to the areas covered by such lease or permit. In the event of any inconsistency between the terms of any such lease or permit and the terms of this Permit, the terms of this Permit shall control.

2. (a) Upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the sum of Three Hundred Sixty Dollars and No Cents (\$360.00), either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee, all of the terms, provisions, covenants and conditions of this Permit on its part to be fulfilled, kept, performed or observed. Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Permittee may deposit such bonds or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond in registered form unless such bond has been re-registered in the name of the Port Authority (the expense of such re-registration to be borne by the Permittee) in a manner satisfactory to the Port Authority. The Permittee may request the Port Authority to accept a registered bond in the Permittee's name and if acceptable to the Port Authority the Permittee shall deposit such bond together with an irrevocable bond power (and such other instruments or other documents as the Port Authority may require) in form and substance satisfactory to the Port Authority. In the event the deposit is returned to the Permittee any expenses incurred by the Port Authority in re-registering a bond to the name of the Permittee shall be borne by the Permittee. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option, at any time and from time to time, with or without notice, to use the deposit or any part

thereof in whole or partial satisfaction of any of its claims or demands against the Permittee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of the deposit itself shall cure any default or breach of this Agreement on the part of the Permittee. With respect to any bonds deposited by the Permittee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Permittee, to sell the same in whole or in part, at any time, and from time to time, with or without prior notice at public or private sale, all as determined by the Port Authority, together with the right to purchase the same at such sale free of all claims, equities or rights of redemption of the Permittee. The Permittee hereby waives all right to participate therein and all right to prior notice or demand of the amount or amounts of the claims or demands of the Port Authority against the Permittee. The proceeds of every such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to advertising or commission expenses) and then to the amounts due the Port Authority from the Permittee. Any balance remaining shall be retained in cash toward bringing the deposit to the sum specified above. In the event that the Port Authority shall at any time or times so use the deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the above-mentioned amount, the Permittee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional cash or bonds so as to maintain the deposit at all times to the full amount above stated, and such additional deposits shall be subject to all the conditions of this Special Endorsement. After the expiration or earlier revocation or termination of the effective period of the permission under this Permit, and upon condition that the Permittee shall then be in no wise in default under any part of this Permit, and upon written request therefor by the Permittee, the Port Authority will return the deposit to the Permittee less the amount of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Permittee of this Permit or any part thereof. The Permittee agrees that it will not assign or encumber the deposit. The Permittee may collect or receive any interest or income earned on bonds and interest paid on cash deposited in interest-bearing bank accounts, less any part thereof or amount which the Port Authority is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of an administrative expense, or custodial charge, or otherwise; provided, however, that the Port Authority shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts.

(b) In connection with the Permittee's obligation to deliver a security deposit to the Port Authority as required by the provisions of paragraph (a) above of this Special Endorsement, the Permittee hereby certifies that its federal taxpayer identification number is

(c) The Permittee acknowledges and agrees that the Port Authority reserves the right, in its sole discretion at any time and from time to time upon fifteen (15) days' notice to the Permittee, to adjust the amount of the security deposit required in paragraph (a) of this Special Endorsement. Not later than the effective date set forth in said notice by the Port Authority, the Permittee shall furnish additional cash or bonds, as provided for in paragraph (a) above, and such additional cash and/or bonds shall thereafter constitute the security deposit required under this Special Endorsement.

SCHEDULE G

Airport Concession Disadvantaged Business Enterprise (ACDBE) Participation

In accordance with regulations of the US Department of Transportation 49 CFR Part 23, the Port Authority has implemented an Airport Concession Disadvantaged Business Enterprise (ACDBE) program under which qualified firms may have the opportunity to operate an airport business. The Port Authority has established an ACDBE participation goal, as measured by the total estimated annual gross receipts for the overall concession program. The goal is modified from time to time and posted on the Port Authority's website: www.panynj.gov.

The overall ACDBE goal is a key element of the Port Authority's concession program and Concessionaire shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25 (f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through joint ventures in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

To qualify as an ACDBE, the firm must meet the definition set forth below and be certified by the New York State or New Jersey Uniform Certification Program (UCP). The New York State UCP directory is available on-line at www.nysucp.net and the New Jersey UCP at www.njucp.net.

An ACDBE must be a small business concern whose average annual receipts for the preceding three (3) fiscal years does not exceed \$47.78 million and it must be (a) at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially or economically disadvantaged individuals who own it. The personal net worth standard used in determining eligibility for purposes of part 23 is \$750,000.

The ACDBE may, if other qualifications are met, be a franchisee of a franchisor. An airport concession is a for-profit business enterprise, located on an airport, which is subject to the Code of Federal Regulations 49 Part 23, subpart F, that is engaged in the sale of consumer goods or services to the public under an agreement with the sponsor, another concessionaire, or the owner or operator of a terminal, if other than the sponsor. The Port Authority makes a rebuttable presumption that individuals in the following groups who are citizens of the United States or lawful permanent residents are “socially and economically disadvantaged”:

- a. Women;
- b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;
- c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
- d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;
- e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;
- f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and
- g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

Other individuals may be found to be socially and economically disadvantaged on a case-by-case basis. For example, a disabled Vietnam veteran, an Appalachian white male, or another person may claim to be disadvantaged. If such individual requests that his or her firm be certified as ACDBE, the Port Authority, as a certifying partner in the New York State and New Jersey UCPs will determine whether the individual is socially or economically disadvantaged under the criteria established by the Federal Government. These owners must demonstrate that their disadvantaged status arose from individual circumstances, rather than by virtue of membership in a group.

Certification of ACDBEs hereunder shall be made by the New York State or New Jersey UCP. If Concessionaire wishes to utilize a firm not listed in the UCP directories but which the Concessionaire believes should be certified as an ACDBE, that firm shall submit to the Port Authority a written request for a determination that the firm is eligible for certification. This shall be done by completing and forwarding such forms as may be required under 49 CFR Part 23. All such requests shall be in writing, addressed to Lash Green, Director, Office of Business and Job Opportunity, The Port Authority of New York and New Jersey, 233 Park Avenue South, 4th Floor, New York, New York 10003 or such other address as the Port

Authority may designate from time to time. Contact OBJOcert@panynj.gov for inquiries or assistance.

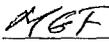
General

In the event the signatory to this agreement is a Port Authority permittee, the term Concessionaire shall mean the Permittee herein. In the event the signatory to this agreement is a Port Authority lessee, the term Concessionaire shall mean the Lessee herein.

Initialed:



For the Port Authority



For the Permittee

: For Port Authority Use Only :
:
: Permit Number AYE-258 :

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
225 Park Avenue South
New York, New York 10003

**PERMIT
COIN OPERATED MACHINES**

The Port Authority of New York and New Jersey (herein called the "Port Authority") hereby grants to the Permittee hereinafter named the privilege to install, maintain and service the hereinafter described Machines at the Port Authority Facility hereinafter named, in accordance with the Terms and Conditions hereof and the endorsements annexed thereto. The Permittee agrees to pay the fees hereinafter specified, and to perform all other obligations imposed upon it in the Terms and Conditions and endorsements as hereinafter set forth:

1. FACILITY: JOHN F. KENNEDY INTERNATIONAL AIRPORT
2. PERMITTEE: A & R FOOD SERVICES, INC., a corporation organized and existing under the laws of the State of New York
3. PERMITTEE'S ADDRESS: Bldg 81
LaGuardia Airport
Flushing, New York 11371
4. PERMITTEE'S REPRESENTATIVE: Rocco Manniello
5. MACHINES: As set forth in Special Endorsement No. 1 hereof
6. FEES: A basic fee of Thirty Dollars and No Cents (\$30.00) per machine per month for non-public areas (including, without limitation, non-airline terminal building areas), Two Hundred Twenty-five Dollars and No Cents (\$225.00) per machine per month for public areas, and Eighty Dollars and No Cents (\$80.00) per machine per month for game machines, all of the aforesaid fees to be payable in advance on the first day of each month during the effective period of the permission granted under this Permit.
7. EFFECTIVE DATE: January 1, 2013
8. EXPIRATION DATE: December 31, 2022, unless sooner revoked or terminated in accordance with Section 1 of the Terms and Conditions hereof
9. SECURITY DEPOSIT: \$3,105.00
10. INSURANCE REQUIREMENT: \$2,000,000.00 minimum limit Commercial General Liability and \$2,000,000.00 minimum limit Commercial Automobile Liability
11. ENDORSEMENTS: Specials and Schedule G

Dated: As of January 1, 2013

**THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY**

By *David Kagan*
Name David Kagan
(Title) Assistant Director (Please Print Clearly)
Business Properties & Airport Development

A & R FOOD SERVICES, INC., Permittee
By *Rocco Manniello*
Name Rocco Manniello
(Please Print Clearly)
(Title) President

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:
<u><i>[Signature]</i></u>	<u><i>MLP</i></u>

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TERMS AND CONDITIONS

1. The permission hereby granted shall take effect upon the effective date hereinbefore set forth. Notwithstanding any other term or condition thereof, it may be revoked without cause, upon thirty (30) days' written notice, by the Port Authority or terminated without cause, upon thirty (30) days' written notice by the Permittee; provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Further, in the event the Port Authority exercises its right to revoke or terminate this Permit for any reason other than "without cause", the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the cleaning, repair and restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it cleaned, repaired or restored), preparing such space for use by a succeeding permittee, the care and maintenance of such space during any period of non-use of the space, the foregoing to include, without limitation, personnel costs and legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), and repairing the space and putting the space in order (such as but not limited to cleaning, repairing and restoring the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth. Revocation or termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.

2. As used in this Permit:

(a) The term "Airport" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(b) The term "City" shall mean the City of New York.

(c) The term "City Lease" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) The term "Executive Director" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee, it shall mean the Executive Director of the Port Authority for the time being, or his duly designated representative or representatives.

(e) The term "General Manager of the Facility" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said General Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the General Manager (or temporary or Acting General Manager) of the Facility for the time being, or his duly designated representative or representative.

3. The rights granted hereby shall be exercised

(a) if the Permittee is a corporation, by the Permittee acting only through the medium of its officers and employees;

(b) if the Permittee is an unincorporated association, or a business trust, by the Permittee acting only through the medium of its members, trustees, officers and employees;

(c) if the Permittee is a partnership, by the Permittee acting only through the medium of its partners and employees;

(d) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(e) if the Permittee is a limited liability company, by the Permittee acting only through the medium of its members, managers and employees,

and the Permittee shall not, without the written approval of the Port Authority, exercise such rights through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or any of the rights granted hereby, directly or indirectly, in whole or in part, by operation of law or otherwise, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor, without the written approval of the Port Authority.

In the event of the issuance of this Permit to more than one individual or other legal entity (or to any combination thereof), then and in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.

4. This Permit does not constitute the Permittee the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint venture is hereby created, notwithstanding the fact that all or a portion of the fees to be paid hereunder may be determined by gross receipts from the operations of the Permittee hereunder.

5. The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Facility. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification and, upon the request of the Port Authority, the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the prior written approval of the Manager of the Facility. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

6. (a) In the use of the roads, hallways, stairs and other areas constituting a means of ingress to and egress from the space at or on which the Machines are located, the Permittee shall conform (and shall require its employees, invitees and others doing business with it to conform) to the rules and regulations of the Port Authority which are now in effect or which may hereafter be adopted for the safe and efficient operation of the Facility.

(b) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations of the Port Authority now in effect, and such further reasonable rules and regulations which may from time to time during the effective period of this Permit be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Facility, including any space covered by this Permit, or for the safe and efficient operation of the Facility. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(c) Unless otherwise expressly provided, the Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Facility.

7. (a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees, agents or persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers, employees or agents at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

(b) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. The Permittee shall promptly repair or replace all property of the Port Authority damaged by the operations of the Permittee hereunder. The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with its prior written approval.

9. (a) All Machines covered by this Permit and other property of the Permittee placed on or kept at the Facility shall remain the property of the Permittee and must be removed on or before the expiration of the permission hereby granted or on or before the revocation or termination of the permission hereby granted, whichever shall be earlier.

(b) If the Permittee shall fail to remove its property upon the expiration, termination or revocation hereof, the Port Authority may, at its option, as agent for the Permittee and at the Permittee's risk and expense, remove such property to a public warehouse for deposit or retain the same in its own possession and after the expiration of thirty (30) days sell the same at public auction, the proceeds of which shall be applied first to the expenses of sale, second to any sums owed by the Permittee to the Port Authority, and any balance remaining shall be paid to the Permittee, or may take such other action as may be necessary or desirable.

10. The Permittee represents that it is the owner of or fully authorized to use and/or sell any and all services, processes, machines, articles, marks, names or slogans used and/or sold by it in its operations under or in any wise connected with this Permit. Without in any way limiting its obligations under Section 7 hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any way connected with this Permit.

11. The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Machines and equipment of the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any Machines or equipment owned by or in the possession of the Permittee on the Facility or to be placed or brought on the Facility, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any Machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the Machine from service, and provide a satisfactory substitute.

12. The Permittee's representative hereinbefore specified (or such substitute as the Permittee may hereafter designate in writing) shall have full authority to act for the Permittee in connection with this Permit and any things done or to be done hereunder, and to execute on the Permittee's behalf any amendments or supplements to this Permit or any extension thereof, and to give and receive notices hereunder.

13. (a) The basic fee, if any, or the part thereof which may be prorated as hereinafter provided, shall be due and payable in advance on the effective date hereof and on the first day of each and every month thereafter. The percentage fee, if any, or if that percentage fee is additional to a basic fee, the portion thereof prorated as hereinafter provided, and any fees or part thereof mentioned on the first page of this Permit to be measured by the number of items and/or units of service dispensed by a Machine, shall be due and payable monthly on the tenth day of the month following the calendar month in which the effective date hereof falls, and on the tenth day of each month thereafter and shall be based on the Permittee's gross receipts, sales made and services rendered in the preceding calendar month; provided, however, that if the permission granted hereby shall expire or be revoked effective on a date other than the last day of a month, the percentage fee or prorated part thereof, or the fee or part thereof measured by the number of items or units of service, shall be due and payable within ten days after such date. If the permission granted by this Permit commences on a date other than the first day of a month, or if the said permission expires or is revoked effective on a date other than the last day of a month, the fees due for the period of time during which the said permission shall have been in effect shall be the fees specified on the first page of this Permit,

prorated however in the case of a basic fee or in the case of a basic fee and percentage fee, in the same proportion that the number of days the permission is in effect bears to thirty days, as follows: the portion of the basic fee due shall be computed by prorating the monthly basic fee on the above basis; the amount of the percentage fee shall be equivalent to the excess over the prorated basic fee of the percentage applied to the gross receipts arising in such portion of the month. There shall be no proration of other fees. The computation of fees for each month, or for a portion of a month as provided above, shall be individual to such month or such portion of a month, and without relation to any other month or any other portion of a month.

(b) Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
P.O. BOX 95000-1556
PHILADELPHIA, PENNSYLVANIA 19195-0001

or made via the following wire transfer instructions (for basic fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: ; or made via the following wire transfer instructions (for percentage fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: or to such other address as may hereafter be substituted therefor by the Port Authority from time to time, by notice to the Permittee.

(c) The term "gross receipts" shall include all monies paid or payable to the Permittee for sales made and for services rendered at or from the Facility pursuant to the permission granted hereby; provided, however, that if the fees or any part thereof mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts and by the number of items and/or units of service dispensed by a Machine the monies paid or payable to the Permittee by customers for said items and/or units of service shall be excluded from "gross receipts" and provided, further, however, that any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee shall be excluded therefrom.

(d) The Permittee acknowledges and agrees that it shall maintain separate and distinct gross receipts records of all sales made from each Machine installed and operated by the Permittee at each location designated by the Port Authority. The Port Authority may request at any time and from time to time a sworn statement of gross receipts, which shall separately state the various types and amounts of gross receipts derived from sales made at or from each Machine and location and shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice. The Permittee further acknowledges and agrees that the Port Authority reserves the right to implement an inventory tracking system of vending machines at the Facility and should the Port Authority so implement such an inventory tracking system, the Permittee agrees to cooperate fully with the Port Authority by promptly providing the Port Authority with all information it shall request.

14. If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority including, without limitation, any payment of any fixed or percentage fee or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount

equal to eight-tenths of one percent (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Permit. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Permit including, without limitation, the Port Authority's rights set forth in Section 1 of the Terms and Conditions of this Permit or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. A bill or statement may be rendered or any notice or communication which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given if the same be in writing and sent by registered or certified mail addressed to the Permittee at the address specified on the first page hereof or at the latest address that the Permittee may substitute therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's representative, and the time of rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is mailed, left or delivered as herein provided. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

16. (a) The Permittee, in its own name as insured, and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits as set forth in Item 10 of the Cover page to this Permit.

(b) In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured; except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of the Permit.

(c) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority

were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under this Permit.

(d) All insurance coverages and policies required hereunder may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the period of permission under the Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the above-listed insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

(e) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(f) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(g) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under this Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by this Permit or any other agreement or by law.

17. (a) If the fee or fees mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts or by the number of items or units of service dispensed by a Machine, the Permittee shall:

(i) use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;

(ii) not divert or cause or allow to be diverted, any business from the Facility;

(iii) maintain in accordance with accepted accounting practice during the effective period of this Permit and for one year after the expiration or earlier revocation thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all sales of merchandise and charges for services made through the Machines and all transactions at, through or in any way connected with the Facility, which records and books of account shall be kept at all times within the Port of New York District;

(iv) permit in ordinary business hours during the effective period of this Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision, the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account;

(v) permit the inspection by the officers, employees and representatives of the Port Authority of any equipment or devices used by the Permittee, including but not limited to coin receptacles and counting or metering devices attached to the Machines;

(vi) furnish on or before the twentieth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder, and if the fees or any part thereof mentioned on the first page of this Permit are based in whole or in part on the number of items or units or service dispensed by a Machine, a sworn statement showing the number of such items and/or units of service dispensed during the preceding month. When gross receipts exceed \$8,000 monthly the statements shall be certified at the Permittee's expense, by a certified public accountant; and

(vii) install and use such equipment or devices for recording sales made and services rendered as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts and sales made and services rendered.

(b) In the event that upon conducting an examination and audit as described in this Section the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee, the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Permit or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority to payment of any late charge(s) or other service charge(s) payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid hereunder. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under

this Permit, including, without limitation, the Port Authority's rights to revoke this Permit or (ii) any obligations of the Permittee under this Permit.

18. Collections shall be made from the Machines in the manner and at the times specified by the Port Authority. The Port Authority shall have the right at any time and from time to time to prohibit the Permittee from making any collection from any Machines except in the presence of a representative of the Comptroller's Department of the Port Authority.

19. (a) Machines shall dispense only such merchandise and render only such services as are approved in writing by the Port Authority. Specification of merchandise and/or services in Item 5 on the first page hereof shall be an approval hereunder and all approvals hereunder shall be subject to the terms of Section 29 hereof.

(b) The Permittee agrees that prior to the installation of any Machines it shall obtain the written approval of the Port Authority as to the design and type thereof as well as the method and manner of installation and the Permittee shall comply with any requirements, procedures or standards established by the Port Authority for the installation of the Machine and for the removal and relocation thereof. The Port Authority shall designate in writing the number of Machines to be installed, maintained and serviced under this Permit and it may in its discretion, from time to time, consent to the inclusion under this Permit of an additional Machine or Machines, such additional Machine or Machines to dispense such items only and render such services only as may be approved in writing by the Port Authority. The location of each Machine covered by this Permit is to be only that designated in writing by the Port Authority. The Port Authority shall have the right, from time to time, to redesignate in writing the location or locations of any or all Machines covered by this Permit, and the Permittee shall thereupon, at its own expense, comply therewith by promptly removing and reinstalling each such Machine. The Port Authority shall also have the right, from time to time, to direct that the number of Machines covered by this Permit be decreased and the Permittee shall promptly remove the Machines as directed.

(c) In the event of the removal of any or all of the Machines covered by this Permit for any reason including, but not limited to, revocation, expiration, redesignation or decrease, the Permittee shall, at its own expense, immediately restore the Facility at and about the location to the same condition as before the installation, including the removal of any wires, conduits, outlets, ducts and pipes installed by or for the Permittee.

(d) The Port Authority may request from time to time and at any time a sworn statement from the Permittee as to the total number, description of types of items dispensed and locations of all Machines to which the fee under this Permit is applied on a monthly basis. The Permittee shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice.

(e) The Permittee shall also be required to send written notice to the Port Authority (Attn: JFK Properties & Commercial Development, JFK Airport, Building 14, 2nd Floor, Jamaica, NY 11430) at least thirty (30) days' prior to its addition or removal of a Machine from its operations at the Facility, and in such notice shall indicate the number of Machines being added or removed and the proposed location (if an addition) or then-current location (if a removal) of each such Machine. In the event the Permittee removes a Machine from operation but fails to provide the Port Authority with the required advance written notice as aforesaid, the Permittee shall nevertheless

continue to be obligated to pay fees hereunder with respect to such removed Machine until the Port Authority receives such written notice and, then, the obligation to pay fees with respect to such removed Machine shall cease as of the first calendar month after the 30-day notice period has expired.

20. (a) The purposes of the Port Authority in extending the permission granted hereby is to have available at the Facility the merchandise and services which the Permittee is permitted to sell and render hereunder, and the Permittee agrees that it will conduct a first class operation and will furnish all necessary or proper Machines, fixtures, equipment, personnel, supplies, materials and other facilities and replacements therefor.

(b) The Permittee shall provide new Machines of the latest design and shall maintain all the Machines in first class appearance, condition and working order, and if the Machines dispense items, the Permittee shall keep the Machines always well stocked with merchandise of first class quality and fit for human use, and if the merchandise is intended for consumption, it shall be fresh and safely consumable. The Permittee covenants that all its merchandise and services shall comply with all applicable federal, state, municipal and other governmental laws, ordinances and regulations.

21. (a) The Permittee shall furnish all merchandise and all services at reasonable prices and at the times and in a manner which will be fully satisfactory to the public and to the Port Authority. All prices charged by the Permittee shall be subject to the prior written approval of the Port Authority; provided, however, that such approval will not be withheld if the proposed prices do not exceed reasonable prices for similar merchandise and services in the municipality in which the Machines are located as more specifically described herein in Section 22. The Permittee shall cause the merchandise sold and the services rendered by the Machines to be available to the public during such hours of the day and on such days of the week as may properly serve the needs of the public. The Port Authority's determination of reasonable prices and proper business hours and days shall control.

(b) The Permittee shall

(i) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(ii) furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

As used in the above subsections "service" shall include furnishing of parts, materials and supplies (including sale thereof).

22. (a) Without limiting the generality of Section 21, above, the Permittee shall comply with the Port Authority Aviation Department Street Pricing Policy. In connection therewith, the Permittee shall not charge prices to its customers in excess of "Street Prices", which for purposes of this Permit is defined as follows:

(i) if the Permittee conducts a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Greater New York City - Northern New Jersey Metropolitan Area (herein referred to as "the Metro Area"), "Street Prices" shall mean the average price regularly charged by the Permittee for the same or similar item in such Metro Area location;

(ii) if the Permittee does not conduct a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Metro Area, "Street Prices" shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item;

(iii) if neither the Permittee nor other similar retailers sell a particular item in the Metro Area, "Street Prices" shall mean the average price regularly charged by the Permittee or similar retailers for the same or similar item in any other geographic area, with a reasonable adjustment for any cost of living variance between such area and the Metro Area.

(iv) If the Permittee is engaged in the business of selling duty-free goods, "Street Prices" shall mean the price regularly charged by the Permittee or similar retailer for the same or similar duty-free item at other urban airports in the Northeast region of the United States, including but not limited to John F. Kennedy International Airport, New York, New York.

(b) The Permittee's breach of the aforesaid Street Pricing Policy (as defined herein) shall be deemed a material breach of the Permittee's obligations under this Permit.

(b) The Permittee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Permittee subscribes to a "Street Pricing Policy", such notice to be clearly visible and unobstructed. If the Permittee charges any price to a customer in excess of the price, which would satisfy the "Street Pricing Policy" in violation of its obligations under this Permit, the amount of such excess shall constitute an overcharge, which shall upon demand by the Port Authority or the Permittee's customer, be promptly refunded to the customer.

(c) The Permittee shall submit to the Port Authority, from time to time, an annual pricing report demonstrating compliance by the Permittee with the aforementioned pricing requirements. For purposes of establishing the Street Price of an item, any difference in the size or quality of a product or service shall constitute a price differential.

23. City Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(i) This Permit is subject and subordinate to the City Lease and to any interest

superior to that of the Port Authority;

(ii) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security or other deposits required under this Permit);

(iii) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(iv) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(v) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(vi) The Permittee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(vii) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

24. The Permittee shall not place or cause or permit to be placed any sign, poster or advertising matter whatsoever of the Permittee or of third parties on the Facility or on the Machines or the items dispensed therefrom without the prior written approval of the Port Authority. The restriction hereunder shall not apply to manufacturers' own advertising appearing on items dispensed by the Machines. The Port Authority may at any time and from time to time withdraw its approval under this Section. Any sign, poster or advertising matter not so approved may be removed by the Port Authority at the expense of the Permittee.

25. (a) The Permittee shall place in a conspicuous place on each Machine installed and operated pursuant to the permission granted hereunder a Port Authority standard vending machine decal containing such information as the Port Authority may from time to time determine to be necessary including, without limitation the name and address of the Permittee, the location of the Machine, type of product or service to be dispensed and Permit Number.

(b) The Permittee shall promptly handle in a manner satisfactory to the Port Authority all customer complaints including, but not limited to, those based on failure or malfunction of the Machines or defective merchandise dispensed or services rendered therefrom or thereby and the Permittee shall make all suitable refunds, exchanges, credits and allowances in connection therewith.

26. (a) The Permittee shall daily remove from the Facility all garbage, debris, litter, liquids and other waste materials arising out of the operation of the Machines, or customer disposal of the Permittee's merchandise.

(b) For the purpose of temporary storage, the Permittee shall provide and maintain in a clean and sanitary condition, suitable garbage and waste receptacles, the same to be made of metal and equipped with tight fitting covers. The covers may have self-closing openings for disposal purposes. The receptacles shall be kept completely covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris, litter and other waste materials from the Facility. The manner of such storage and removal shall be subject in all respects to the approval of the Port Authority. No facilities of the Port Authority shall be used for such removal and storage without the approval of the Manager of the Facility.

27. (a) The Port Authority shall furnish electricity of the voltage, phase and type already available at the location and cold water sufficient for the operation of such of the Machines as may require the same; provided, however, that the Port Authority may at any time after installation of appropriate meters, sell electricity and/or cold water to the Permittee and the Permittee agrees to pay therefor at the same rates charged by the Port Authority to other permittees at the Facility at the time the electricity and/or cold water is supplied for the same quantity, under the same conditions and in the same service classification. Charges for electricity and/or cold water shall be payable when billed. The quantity of service consumed shall be measured by meters installed for the purpose; provided, however, that if for any cause any meter fails to record the consumption of electricity or cold water, the consumption during the period the meter is out of service will be considered to be the same as the consumption for a like period either immediately before or immediately after the interruption, as selected by the Port Authority.

(b) The Port Authority shall also make available, without additional charge, non-exclusive toilet and washroom facilities for the employees of the Permittee.

(c) No failure, delay or interruption in supplying agreed services (whether separately charged for or not) shall release the Permittee from any of its obligations hereunder or be, (unless resulting from the negligence of the Port Authority and continuing for a period of five (5) days after notice to the Port Authority) grounds for any claim by the Permittee for damages, consequential or otherwise.

(d) The Permittee shall provide and install all wires, conduits, outlets, ducts and pipes necessary to supply the electricity and/or cold water to the Machines which may require the same. Such installation shall be subject to the provisions of Section 8 hereof.

28. (a) Except as specifically provided herein to the contrary, the Permittee shall not, by virtue of the issue and acceptance of this Permit, be released or discharged from any liabilities or obligations whatsoever under any other Port Authority permits or agreements including, but not limited to, any permits to make alterations.

(b) In the event that any space or location covered by this Permit is the same as is or has been covered by another Port Authority permit or other agreement with the Permittee, then any liabilities or obligations which by the terms of such permit or agreement, or permits thereunder to make alterations, mature at the expiration, revocation or termination of said permit or agreement, shall be deemed to survive and to mature at the expiration or sooner revocation of this Permit,

insofar as such liabilities or obligations require the removal of property from and/or the restoration of the space or location.

29. The Port Authority may at any time and from time to time by notice to the Permittee withdraw or modify any approval, designation or direction given hereunder by the Port Authority.

30. The privilege granted by this Permit is non-exclusive.

31. Wherever in this Permit, including all endorsements and exhibits thereto, the pronoun "it" or the adjective "its" may occur, referring to the Permittee, the said pronoun or adjective shall be deemed and taken to mean "it", "he", "him", "she", "her", "they", "them" or "its", "his", "her", "hers", "their" or "theirs", as the circumstances of the reference and the gender and number of the Permittee may require.

32. No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant or condition of this Permit or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Permit during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term, covenant or condition. No agreement, term, covenant or condition of this Permit to be performed or complied with by the Permittee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Permittee in performance of any agreement, term, covenant or condition of this Permit shall affect or alter this Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

33. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Facility.

(b) The Permittee shall procure all licenses, certificates, permits or other authorization necessary for the Permittee's operations at the Facility from all governmental authorities, if any, having jurisdiction.

(c) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Facility and are not to be construed as a submission by the Port Authority to the application to itself of any such requirements.

34. The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal

statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

35. (a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (i) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (ii) in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, and (iii) the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any person or persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

(c) The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. Without limiting any other term or provision hereof or any other rights or remedies of the Port Authority hereunder or at law or equity, in the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) Without limiting any other term or provision hereof, the Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third persons, including the United States of America, resulting from the Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any space at the Airport, or any right to use or occupy any space at the Airport.

36. In the event 49 CFR Part 23 is applicable to the permission granted under this Permit, then:

(a) This Permit is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The Permittee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

(b) The Permittee agrees to include the statement set forth in paragraph (a), above, in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreements.

(c) The Permittee agrees to comply with the terms and provisions of Schedule G, annexed hereto and hereby made a part hereof.

37. The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

38. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Board of Fire Underwriters and The Fire Insurance Rating Organization of New Jersey, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Facility or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

(b) The Permittee shall not do or permit to be done any act which:

(i) will invalidate or be in conflict with any fire insurance policies covering the Facility or any part thereof or upon the contents of any building thereon, or

(ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Facility or any part thereof or upon the contents of any building thereon, or

(iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(iv) may cause or produce upon the Facility any unusual, noxious or objectionable smokes, gases, vapors or odors, or

(v) may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Facility, or

(vi) shall constitute a nuisance in or on the Facility or which may result in the creation, commission or maintenance of a nuisance in or on the Facility.

(c) For the purpose of this Section, "Facility" includes all structures located thereon.

39. If any type of strike or other labor activity is directed against the Permittee at the Facility or against any operations pursuant to this Permit resulting in picketing or boycott for a period of at least forty-eight (48) hours, which, in the opinion of the Port Authority, adversely affects or is likely adversely to affect the operation of the Facility or the operations of other permittees, lessees or licensees thereat, whether or not the same is due to the fault of the Permittee, and whether caused by the employees of the Permittee or by others, the Port Authority may at any time during the continuance thereof, by twenty-four (24) hours' notice, revoke this Permit, effective at the time specified in the notice. Revocation shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

40. The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the Manager of the Facility covering the operations of the Permittee under this Permit at any time and from time to time.

41. The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed. The foregoing reference to summary proceedings shall not be construed to mean that a landlord-tenant relationship exists between the Port Authority and the Permittee.

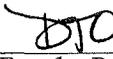
42. Without in any way limiting the provisions hereof, unless otherwise notified by the Port Authority in writing, in the event the Permittee shall continue to operate the Machines after the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Permit or other remedies the Port Authority may have by law or otherwise, the Permittee shall pay to the Port Authority a fee for the period commencing on the day immediately following the date of such expiration or the effective date of such revocation or termination and ending on the date that the Permittee shall cease to operate the Machines at the Airport equal to twice the sum of the fee payable hereunder. Nothing

herein contained shall give, or be deemed to give, the Permittee any right to continue to operate the Machines at the Airport after the expiration, revocation or termination of the effective period of the permission granted under this Permit. The Permittee acknowledges that the failure of the Permittee to cease to operate the Machines at the Airport from and after the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. The Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

43. This Permit and any claim, dispute or controversy arising out of, under or related to this Permit shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

44. No Commissioner, director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

45. This Permit, including the attached exhibits, endorsements and schedules, constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended, except by written endorsement duly executed on behalf of the parties and attached hereto. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.



For the Port Authority

Initialed:



For the Permittee

SPECIAL ENDORSEMENTS

1. (a) In accordance with and subject to the provisions of Section 20 of the foregoing Terms and Conditions the Port Authority hereby grants to the Permittee the privilege of installing, maintaining, and operating coin-operated vending machines dispensing food products and non-alcoholic beverages as may from time to time be consented to in advance in writing by the Port Authority (herein the "Machines") in such numbers and at such locations at the Airport as may be hereinafter designated from time to time in writing by the Port Authority.

(b) The Permittee recognizes that portions of the Facility where the Permittee's Machines may be installed are or may be under lease or under permit to third parties for their exclusive occupancy and that the Permittee must be independent arrangement with such parties acquire the right or rights of access and user necessary for its operations in such areas and shall make its own arrangements with such parties for the supply to its Machines of such facilities, utilities and services as it may require. The Port Authority makes no representations or warranties as to location, size, adequacy, suitability or availability of any such areas or facilities to be used by the Permittee in the exercise of its privileges hereunder. The Permittee further understands that its operations in such areas shall also be subject to the respective lease or permit between the Port Authority and the third party covering such exclusive occupancy and in the event of expiration or earlier termination of any such lease or permit then the privileges granted under this Permit shall terminate with respect to the areas covered by such lease or permit. In the event of any inconsistency between the terms of any such lease or permit and the terms of this Permit, the terms of this Permit shall control.

2. (a) Upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the sum of Three Thousand One Hundred Five Dollars and No Cents (\$3,105.00), either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee, all of the terms, provisions, covenants and conditions of this Permit on its part to be fulfilled, kept, performed or observed. Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Permittee may deposit such bonds or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond in registered form unless such bond has been re-registered in the name of the Port Authority (the expense of such re-registration to be borne by the Permittee) in a manner satisfactory to the Port Authority. The Permittee may request the Port Authority to accept a registered bond in the Permittee's name and if acceptable to the Port Authority the Permittee shall deposit such bond together with an irrevocable bond power (and such other instruments or other documents as the Port Authority may require) in form and substance satisfactory to the Port Authority. In the event the deposit is returned to the Permittee any expenses incurred by the Port Authority in re-registering a bond to the name of the Permittee shall be borne by the Permittee. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option, at any time and from time to time, with or without notice, to use the deposit or any part

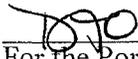
thereof in whole or partial satisfaction of any of its claims or demands against the Permittee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of the deposit itself shall cure any default or breach of this Agreement on the part of the Permittee. With respect to any bonds deposited by the Permittee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Permittee, to sell the same in whole or in part, at any time, and from time to time, with or without prior notice at public or private sale, all as determined by the Port Authority, together with the right to purchase the same at such sale free of all claims, equities or rights of redemption of the Permittee. The Permittee hereby waives all right to participate therein and all right to prior notice or demand of the amount or amounts of the claims or demands of the Port Authority against the Permittee. The proceeds of every such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to advertising or commission expenses) and then to the amounts due the Port Authority from the Permittee. Any balance remaining shall be retained in cash toward bringing the deposit to the sum specified above. In the event that the Port Authority shall at any time or times so use the deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the above-mentioned amount, the Permittee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional cash or bonds so as to maintain the deposit at all times to the full amount above stated, and such additional deposits shall be subject to all the conditions of this Special Endorsement. After the expiration or earlier revocation or termination of the effective period of the permission under this Permit, and upon condition that the Permittee shall then be in no wise in default under any part of this Permit, and upon written request therefor by the Permittee, the Port Authority will return the deposit to the Permittee less the amount of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Permittee of this Permit or any part thereof. The Permittee agrees that it will not assign or encumber the deposit. The Permittee may collect or receive any interest or income earned on bonds and interest paid on cash deposited in interest-bearing bank accounts, less any part thereof or amount which the Port Authority is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of an administrative expense, or custodial charge, or otherwise; provided, however, that the Port Authority shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts.

(b) In connection with the Permittee's obligation to deliver a security deposit to the Port Authority as required by the provisions of paragraph (a) above of this Special Endorsement, the Permittee hereby certifies that its federal taxpayer identification number is

(c) The Permittee acknowledges and agrees that the Port Authority reserves the right, in its sole discretion at any time and from time to time upon fifteen (15) days' notice to the Permittee, to adjust the amount of the security deposit required in paragraph (a) of this Special Endorsement. Not later than the effective date set forth in said notice by the Port Authority, the Permittee shall furnish additional cash or bonds, as provided for in paragraph (a) above, and such additional cash and/or bonds shall thereafter constitute the security deposit required under this Special Endorsement.

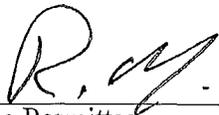
3. With respect to the fees to be paid by the Permittee pursuant to Item 6 on the first page of this Permit, reference to "non-public areas" and "non-airline terminal building areas" shall mean those areas at the Airport at which employee identification is required by the building lessee, Permittee, or the Port Authority to obtain access.

4. The fees payable under this Permit shall be subject to increase from time to time upon thirty (30) days' notice from the Port Authority to the Permittee, given by the General Manager of the Airport or such other representative as the Port Authority may substitute from time to time by notice to the Permittee, and upon the effective date of the increase set forth in such notice the fees payable by the Permittee under this Permit shall be as set forth in said notice. In the event within ten (10) days after the Permittee receives such notice from the Port Authority, the Permittee notifies the Port Authority that the Permittee does not wish to pay the increased fees, this Permit and the permission granted hereunder shall be, and shall be deemed to be, cancelled effective at the close of business on the day preceding the effective date of the increase, as set forth in the Port Authority's notice to the Permittee. If the Permittee does not so notify the Port Authority, the increased fees shall become effective on the date set forth in the Port Authority's notice as aforesaid. No cancellation of this Permit and the permission granted thereunder pursuant to this paragraph shall be construed to relieve the Permittee of any obligations or liabilities hereunder which shall have accrued on or before the effective date of such cancellation.



For the Port Authority

Initialed:



For the Permittee

SCHEDULE G

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PARTICIPATION

In accordance with regulations of the US Department of Transportation 49 CFR Part 23, the Port Authority has implemented an Airport Concession Disadvantaged Business Enterprise (ACDBE) program under which qualified firms may have the opportunity to operate an airport business. The Port Authority has established an ACDBE participation goal, as measured by the total estimated annual gross receipts for the overall concession program. The goal is modified from time to time and posted on the Port Authority's website: www.panynj.gov.

The overall ACDBE goal is a key element of the Port Authority's concession program and Concessionaire shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25 (f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through joint ventures in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

To qualify as an ACDBE, the firm must meet the definition set forth below and be certified by the New York State or New Jersey Uniform Certification Program (UCP). The New York State UCP directory is available on-line at www.nysucp.net and the New Jersey UCP at www.njucep.net.

An ACDBE must be a small business concern whose average annual receipts for the preceding three (3) fiscal years does not exceed \$47.78 million and it must be (a) at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially or economically disadvantaged individuals who own it. The personal net worth standard used in determining eligibility for purposes of

part 23 is \$750,000.

The ACDBE may, if other qualifications are met, be a franchisee of a franchisor. An airport concession is a for-profit business enterprise, located on an airport, which is subject to the Code of Federal Regulations 49 Part 23, subpart F, that is engaged in the sale of consumer goods or services to the public under an agreement with the sponsor, another concessionaire, or the owner or operator of a terminal, if other than the sponsor. The Port Authority makes a rebuttable presumption that individuals in the following groups who are citizens of the United States or lawful permanent residents are "socially and economically disadvantaged":

- a. Women;
- b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;
- c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
- d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;
- e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;
- f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and
- g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

Other individuals may be found to be socially and economically disadvantaged on a case-by-case basis. For example, a disabled Vietnam veteran, an Appalachian white male, or another person may claim to be disadvantaged. If such individual requests that his or her firm be certified as ACDBE, the Port Authority, as a certifying partner in the New York State and New Jersey UCPs will determine whether the individual is socially or economically disadvantaged under the criteria established by the Federal Government. These owners must demonstrate that their disadvantaged status arose from individual circumstances, rather than by virtue of membership in a group.

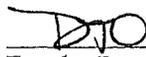
Certification of ACDBEs hereunder shall be made by the New York State or New Jersey UCP. If Concessionaire wishes to utilize a firm not listed in the UCP directories but

which the Concessionaire believes should be certified as an ACDBE, that firm shall submit to the Port Authority a written request for a determination that the firm is eligible for certification. This shall be done by completing and forwarding such forms as may be required under 49 CFR Part 23. All such requests shall be in writing, addressed to Lash Green, Director, Office of Business and Job Opportunity, The Port Authority of New York and New Jersey, 233 Park Avenue South, 4th Floor, New York, New York 10003 or such other address as the Port Authority may designate from time to time. Contact OBJOcert@panynj.gov for inquiries or assistance.

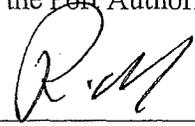
General

In the event the signatory to this agreement is a Port Authority permittee, the term Concessionaire shall mean the Permittee herein. In the event the signatory to this agreement is a Port Authority lessee, the term Concessionaire shall mean the Lessee herein.

Initialed:



For the Port Authority



For the Permittee

: For Port Authority Use Only :
:
: Permit Number AYE-259 :

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
225 Park Avenue South
New York, New York 10003

PERMIT
COIN OPERATED MACHINES

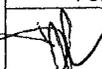
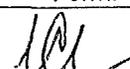
The Port Authority of New York and New Jersey (herein called the "Port Authority") hereby grants to the Permittee hereinafter named the privilege to install, maintain and service the hereinafter described Machines at the Port Authority Facility hereinafter named, in accordance with the Terms and Conditions hereof and the endorsements annexed thereto; and the Permittee agrees to pay the fees hereinafter specified, and to perform all other obligations imposed upon it in the Terms and Conditions and endorsements as hereinafter set forth:

1. FACILITY: JOHN F. KENNEDY INTERNATIONAL AIRPORT
2. PERMITTEE: TRISTATE ENTERTAINMENT, INC., a corporation of the State of New York
3. PERMITTEE'S ADDRESS: 15 Clinton Avenue
Rockville Center, New York 11570
4. PERMITTEE'S REPRESENTATIVE: Alfred M. DePhillips
5. MACHINES: As set forth in Special Endorsement No. 1 hereof
6. FEES: A basic fee of Thirty Dollars and No Cents (\$30.00) per machine per month for non-public areas (including, without limitation, non-airline terminal building areas), Two Hundred Twenty-five Dollars and No Cents (\$225.00) per machine per month for public areas and Eighty Dollars and No Cents (\$80.00) per machine per month for game machines, all of the aforesaid fees to be payable in advance on the first day of each month during the effective period of the permission granted under this Permit.
7. EFFECTIVE DATE: January 1, 2013
8. EXPIRATION DATE: December 31, 2022, unless sooner revoked or terminated in accordance with Section 1 of the Terms and Conditions hereof
9. SECURITY DEPOSIT: \$180.00
10. INSURANCE REQUIREMENT: \$2,000,000.00 minimum limit Commercial General Liability and \$2,000,000.00 minimum limit Commercial Automobile Liability
11. ENDORSEMENTS: Specials and Schedule G

Dated: As of January 1, 2013

**THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY**

By 
Name David Kagan
Assistant Director
Business. Prop. Development
(Title) (Please Print Clearly)

Port Authority Use Only	
Approval as to Terms:	Approval as to Form:
<u></u>	<u></u>


LLF/NEI

TRISTATE ENTERTAINMENT, INC., Permittee
By 
Name DePhillips
(Please Print Clearly)
(Title) President

TERMS AND CONDITIONS

1. The permission hereby granted shall take effect upon the effective date hereinbefore set forth. Notwithstanding any other term or condition thereof, it may be revoked without cause, upon thirty (30) days' written notice, by the Port Authority or terminated without cause, upon thirty (30) days' written notice by the Permittee; provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Further, in the event the Port Authority exercises its right to revoke or terminate this Permit for any reason other than "without cause", the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the cleaning, repair and restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it cleaned, repaired or restored), preparing such space for use by a succeeding permittee, the care and maintenance of such space during any period of non-use of the space, the foregoing to include, without limitation, personnel costs and legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), and repairing the space and putting the space in order (such as but not limited to cleaning, repairing and restoring the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth. Revocation or termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.

2. As used in this Permit:

(a) The term "Airport" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(b) The term "City" shall mean the City of New York.

(c) The term "City Lease" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) The term "Executive Director" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee, it shall mean the Executive Director of the Port Authority for the time being, or his duly designated representative or representatives.

(e) The term "General Manager of the Facility" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said General Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the General Manager (or temporary or Acting General Manager) of the Facility for the time being, or his duly designated representative or representative.

3. The rights granted hereby shall be exercised

(a) if the Permittee is a corporation, by the Permittee acting only through the medium of its officers and employees;

(b) if the Permittee is an unincorporated association, or a business trust, by the Permittee acting only through the medium of its members, trustees, officers and employees;

(c) if the Permittee is a partnership, by the Permittee acting only through the medium of its partners and employees;

(d) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(e) if the Permittee is a limited liability company, by the Permittee acting only through the medium of its members, managers and employees,

and the Permittee shall not, without the written approval of the Port Authority, exercise such rights through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or any of the rights granted hereby, directly or indirectly, in whole or in part, by operation of law or otherwise, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor, without the written approval of the Port Authority.

In the event of the issuance of this Permit to more than one individual or other legal entity (or to any combination thereof), then and in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.

4. This Permit does not constitute the Permittee the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint venture is hereby created, notwithstanding the fact that all or a portion of the fees to be paid hereunder may be determined by gross receipts from the operations of the Permittee hereunder.

5. The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Facility. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification and, upon the request of the Port Authority, the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the prior written approval of the Manager of the Facility. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

6. (a) In the use of the roads, hallways, stairs and other areas constituting a means of ingress to and egress from the space at or on which the Machines are located, the Permittee shall conform (and shall require its employees, invitees and others doing business with it to conform) to the rules and regulations of the Port Authority which are now in effect or which may hereafter be adopted for the safe and efficient operation of the Facility.

(b) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations of the Port Authority now in effect, and such further reasonable rules and regulations which may from time to time during the effective period of this Permit be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Facility, including any space covered by this Permit, or for the safe and efficient operation of the Facility. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(c) Unless otherwise expressly provided, the Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Facility.

7. (a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees, agents or persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers, employees or agents at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

(b) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. The Permittee shall promptly repair or replace all property of the Port Authority damaged by the operations of the Permittee hereunder. The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with its prior written approval.

9. (a) All Machines covered by this Permit and other property of the Permittee placed on or kept at the Facility shall remain the property of the Permittee and must be removed on or before the expiration of the permission hereby granted or on or before the revocation or termination of the permission hereby granted, whichever shall be earlier.

(b) If the Permittee shall fail to remove its property upon the expiration, termination or revocation hereof, the Port Authority may, at its option, as agent for the Permittee and at the Permittee's risk and expense, remove such property to a public warehouse for deposit or retain the same in its own possession and after the expiration of thirty (30) days sell the same at public auction, the proceeds of which shall be applied first to the expenses of sale, second to any sums owed by the Permittee to the Port Authority, and any balance remaining shall be paid to the Permittee, or may take such other action as may be necessary or desirable.

10. The Permittee represents that it is the owner of or fully authorized to use and/or sell any and all services, processes, machines, articles, marks, names or slogans used and/or sold by it in its operations under or in any wise connected with this Permit. Without in any way limiting its obligations under Section 7 hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any way connected with this Permit.

11. The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Machines and equipment of the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any Machines or equipment owned by or in the possession of the Permittee on the Facility or to be placed or brought on the Facility, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any Machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the Machine from service, and provide a satisfactory substitute.

12. The Permittee's representative hereinbefore specified (or such substitute as the Permittee may hereafter designate in writing) shall have full authority to act for the Permittee in connection with this Permit and any things done or to be done hereunder, and to execute on the Permittee's behalf any amendments or supplements to this Permit or any extension thereof, and to give and receive notices hereunder.

13. (a) The basic fee, if any, or the part thereof which may be prorated as hereinafter provided, shall be due and payable in advance on the effective date hereof and on the first day of each and every month thereafter. The percentage fee, if any, or if that percentage fee is additional to a basic fee, the portion thereof prorated as hereinafter provided, and any fees or part thereof mentioned on the first page of this Permit to be measured by the number of items and/or units of service dispensed by a Machine, shall be due and payable monthly on the tenth day of the month following the calendar month in which the effective date hereof falls, and on the tenth day of each month thereafter and shall be based on the Permittee's gross receipts, sales made and services rendered in the preceding calendar month; provided, however, that if the permission granted hereby shall expire or be revoked effective on a date other than the last day of a month, the percentage fee or prorated part thereof, or the fee or part thereof measured by the number of items or units of service, shall be due and payable within ten days after such date. If the permission granted by this Permit commences on a date other than the first day of a month, or if the said permission expires or is revoked effective on a date other than the last day of a month, the fees due for the period of time during which the said permission shall have been in effect shall be the fees specified on the first page of this Permit,

prorated however in the case of a basic fee or in the case of a basic fee and percentage fee, in the same proportion that the number of days the permission is in effect bears to thirty days, as follows: the portion of the basic fee due shall be computed by prorating the monthly basic fee on the above basis; the amount of the percentage fee shall be equivalent to the excess over the prorated basic fee of the percentage applied to the gross receipts arising in such portion of the month. There shall be no proration of other fees. The computation of fees for each month, or for a portion of a month as provided above, shall be individual to such month or such portion of a month, and without relation to any other month or any other portion of a month.

(b) Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
P.O. BOX 95000-1556
PHILADELPHIA, PENNSYLVANIA 19195-0001

or made via the following wire transfer instructions (for basic fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: _____ or made via the following wire transfer instructions (for percentage fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: _____ or to such other address as may hereafter be substituted therefor by the Port Authority from time to time, by notice to the Permittee.

(c) The term "gross receipts" shall include all monies paid or payable to the Permittee for sales made and for services rendered at or from the Facility pursuant to the permission granted hereby; provided, however, that if the fees or any part thereof mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts and by the number of items and/or units of service dispensed by a Machine the monies paid or payable to the Permittee by customers for said items and/or units of service shall be excluded from "gross receipts" and provided, further, however, that any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee shall be excluded therefrom.

(d) The Permittee acknowledges and agrees that it shall maintain separate and distinct gross receipts records of all sales made from each Machine installed and operated by the Permittee at each location designated by the Port Authority. The Port Authority may request at any time and from time to time a sworn statement of gross receipts, which shall separately state the various types and amounts of gross receipts derived from sales made at or from each Machine and location and shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice. The Permittee further acknowledges and agrees that the Port Authority reserves the right to implement an inventory tracking system of vending machines at the Facility and should the Port Authority so implement such an inventory tracking system, the Permittee agrees to cooperate fully with the Port Authority by promptly providing the Port Authority with all information it shall request.

14. If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority including, without limitation, any payment of any fixed or percentage fee or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount

equal to eight-tenths of one percent (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Permit. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Permit including, without limitation, the Port Authority's rights set forth in Section 1 of the Terms and Conditions of this Permit or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. A bill or statement may be rendered or any notice or communication which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given if the same be in writing and sent by registered or certified mail addressed to the Permittee at the address specified on the first page hereof or at the latest address that the Permittee may substitute therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's representative, and the time of rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is mailed, left or delivered as herein provided. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

16. (a) The Permittee, in its own name as insured, and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits as set forth in Item 10 of the Cover page to this Permit.

(b) In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of the Permit.

(c) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority

were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under this Permit.

(d) All insurance coverages and policies required hereunder may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the period of permission under the Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the above-listed insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

(e) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(f) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(g) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under this Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by this Permit or any other agreement or by law.

17. (a) If the fee or fees mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts or by the number of items or units of service dispensed by a Machine, the Permittee shall:

(i) use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;

(ii) not divert or cause or allow to be diverted, any business from the Facility;

(iii) maintain in accordance with accepted accounting practice during the effective period of this Permit and for one year after the expiration or earlier revocation thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all sales of merchandise and charges for services made through the Machines and all transactions at, through or in any way connected with the Facility, which records and books of account shall be kept at all times within the Port of New York District;

(iv) permit in ordinary business hours during the effective period of this Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision, the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account;

(v) permit the inspection by the officers, employees and representatives of the Port Authority of any equipment or devices used by the Permittee, including but not limited to coin receptacles and counting or metering devices attached to the Machines;

(vi) furnish on or before the twentieth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder, and if the fees or any part thereof mentioned on the first page of this Permit are based in whole or in part on the number of items or units or service dispensed by a Machine, a sworn statement showing the number of such items and/or units of service dispensed during the preceding month. When gross receipts exceed \$8,000 monthly the statements shall be certified at the Permittee's expense, by a certified public accountant; and

(vii) install and use such equipment or devices for recording sales made and services rendered as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts and sales made and services rendered.

(b) In the event that upon conducting an examination and audit as described in this Section the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee, the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Permit or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority to payment of any late charge(s) or other service charge(s) payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid hereunder. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under

this Permit, including, without limitation, the Port Authority's rights to revoke this Permit or (ii) any obligations of the Permittee under this Permit.

18. Collections shall be made from the Machines in the manner and at the times specified by the Port Authority. The Port Authority shall have the right at any time and from time to time to prohibit the Permittee from making any collection from any Machines except in the presence of a representative of the Comptroller's Department of the Port Authority.

19. (a) Machines shall dispense only such merchandise and render only such services as are approved in writing by the Port Authority. Specification of merchandise and/or services in Item 5 on the first page hereof shall be an approval hereunder and all approvals hereunder shall be subject to the terms of Section 29 hereof.

(b) The Permittee agrees that prior to the installation of any Machines it shall obtain the written approval of the Port Authority as to the design and type thereof as well as the method and manner of installation and the Permittee shall comply with any requirements, procedures or standards established by the Port Authority for the installation of the Machine and for the removal and relocation thereof. The Port Authority shall designate in writing the number of Machines to be installed, maintained and serviced under this Permit and it may in its discretion, from time to time, consent to the inclusion under this Permit of an additional Machine or Machines, such additional Machine or Machines to dispense such items only and render such services only as may be approved in writing by the Port Authority. The location of each Machine covered by this Permit is to be only that designated in writing by the Port Authority. The Port Authority shall have the right, from time to time, to redesignate in writing the location or locations of any or all Machines covered by this Permit, and the Permittee shall thereupon, at its own expense, comply therewith by promptly removing and reinstalling each such Machine. The Port Authority shall also have the right, from time to time, to direct that the number of Machines covered by this Permit be decreased and the Permittee shall promptly remove the Machines as directed.

(c) In the event of the removal of any or all of the Machines covered by this Permit for any reason including, but not limited to, revocation, expiration, redesignation or decrease, the Permittee shall, at its own expense, immediately restore the Facility at and about the location to the same condition as before the installation, including the removal of any wires, conduits, outlets, ducts and pipes installed by or for the Permittee.

(d) The Port Authority may request from time to time and at any time a sworn statement from the Permittee as to the total number, description of types of items dispensed and locations of all Machines to which the fee under this Permit is applied on a monthly basis. The Permittee shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice.

(e) The Permittee shall also be required to send written notice to the Port Authority (Attn: JFK Properties & Commercial Development, JFK Airport, Building 14, 2nd Floor, Jamaica, NY 11430) at least thirty (30) days' prior to its addition or removal of a Machine from its operations at the Facility, and in such notice shall indicate the number of Machines being added or removed and the proposed location (if an addition) or then-current location (if a removal) of each such Machine. In the event the Permittee removes a Machine from operation but fails to provide the Port Authority with the required advance written notice as aforesaid, the Permittee shall nevertheless

continue to be obligated to pay fees hereunder with respect to such removed Machine until the Port Authority receives such written notice and, then, the obligation to pay fees with respect to such removed Machine shall cease as of the first calendar month after the 30-day notice period has expired.

20. (a) The purposes of the Port Authority in extending the permission granted hereby is to have available at the Facility the merchandise and services which the Permittee is permitted to sell and render hereunder, and the Permittee agrees that it will conduct a first class operation and will furnish all necessary or proper Machines, fixtures, equipment, personnel, supplies, materials and other facilities and replacements therefor.

(b) The Permittee shall provide new Machines of the latest design and shall maintain all the Machines in first class appearance, condition and working order, and if the Machines dispense items, the Permittee shall keep the Machines always well stocked with merchandise of first class quality and fit for human use, and if the merchandise is intended for consumption, it shall be fresh and safely consumable. The Permittee covenants that all its merchandise and services shall comply with all applicable federal, state, municipal and other governmental laws, ordinances and regulations.

21. (a) The Permittee shall furnish all merchandise and all services at reasonable prices and at the times and in a manner which will be fully satisfactory to the public and to the Port Authority. All prices charged by the Permittee shall be subject to the prior written approval of the Port Authority; provided, however, that such approval will not be withheld if the proposed prices do not exceed reasonable prices for similar merchandise and services in the municipality in which the Machines are located as more specifically described herein in Section 22. The Permittee shall cause the merchandise sold and the services rendered by the Machines to be available to the public during such hours of the day and on such days of the week as may properly serve the needs of the public. The Port Authority's determination of reasonable prices and proper business hours and days shall control.

(b) The Permittee shall

(i) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(ii) furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

As used in the above subsections "service" shall include furnishing of parts, materials and supplies (including sale thereof).

22. (a) Without limiting the generality of Section 21, above, the Permittee shall comply with the Port Authority Aviation Department Street Pricing Policy. In connection therewith, the Permittee shall not charge prices to its customers in excess of "Street Prices", which for purposes of this Permit is defined as follows:

(i) if the Permittee conducts a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Greater New York City - Northern New Jersey Metropolitan Area (herein referred to as "the Metro Area"), "Street Prices" shall mean the average price regularly charged by the Permittee for the same or similar item in such Metro Area location;

(ii) if the Permittee does not conduct a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Metro Area, "Street Prices" shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item;

(iii) if neither the Permittee nor other similar retailers sell a particular item in the Metro Area, "Street Prices" shall mean the average price regularly charged by the Permittee or similar retailers for the same or similar item in any other geographic area, with a reasonable adjustment for any cost of living variance between such area and the Metro Area.

(iv) If the Permittee is engaged in the business of selling duty-free goods, "Street Prices" shall mean the price regularly charged by the Permittee or similar retailer for the same or similar duty-free item at other urban airports in the Northeast region of the United States, including but not limited to John F. Kennedy International Airport, New York, New York.

(b) The Permittee's breach of the aforesaid Street Pricing Policy (as defined herein) shall be deemed a material breach of the Permittee's obligations under this Permit.

(b) The Permittee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Permittee subscribes to a "Street Pricing Policy", such notice to be clearly visible and unobstructed. If the Permittee charges any price to a customer in excess of the price, which would satisfy the "Street Pricing Policy" in violation of its obligations under this Permit, the amount of such excess shall constitute an overcharge, which shall upon demand by the Port Authority or the Permittee's customer, be promptly refunded to the customer.

(c) The Permittee shall submit to the Port Authority, from time to time, an annual pricing report demonstrating compliance by the Permittee with the aforementioned pricing requirements. For purposes of establishing the Street Price of an item, any difference in the size or quality of a product or service shall constitute a price differential.

23. City Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(i) This Permit is subject and subordinate to the City Lease and to any interest

superior to that of the Port Authority;

(ii) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security or other deposits required under this Permit);

(iii) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(iv) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(v) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(vi) The Permittee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(vii) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

24. The Permittee shall not place or cause or permit to be placed any sign, poster or advertising matter whatsoever of the Permittee or of third parties on the Facility or on the Machines or the items dispensed therefrom without the prior written approval of the Port Authority. The restriction hereunder shall not apply to manufacturers' own advertising appearing on items dispensed by the Machines. The Port Authority may at any time and from time to time withdraw its approval under this Section. Any sign, poster or advertising matter not so approved may be removed by the Port Authority at the expense of the Permittee.

25. (a) The Permittee shall place in a conspicuous place on each Machine installed and operated pursuant to the permission granted hereunder a Port Authority standard vending machine decal containing such information as the Port Authority may from time to time determine to be necessary including, without limitation the name and address of the Permittee, the location of the Machine, type of product or service to be dispensed and Permit Number.

(b) The Permittee shall promptly handle in a manner satisfactory to the Port Authority all customer complaints including, but not limited to, those based on failure or malfunction of the Machines or defective merchandise dispensed or services rendered therefrom or thereby and the Permittee shall make all suitable refunds, exchanges, credits and allowances in connection therewith.

26. (a) The Permittee shall daily remove from the Facility all garbage, debris, litter, liquids and other waste materials arising out of the operation of the Machines, or customer disposal of the Permittee's merchandise.

(b) For the purpose of temporary storage, the Permittee shall provide and maintain in a clean and sanitary condition, suitable garbage and waste receptacles, the same to be made of metal and equipped with tight fitting covers. The covers may have self-closing openings for disposal purposes. The receptacles shall be kept completely covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris, litter and other waste materials from the Facility. The manner of such storage and removal shall be subject in all respects to the approval of the Port Authority. No facilities of the Port Authority shall be used for such removal and storage without the approval of the Manager of the Facility.

27. (a) The Port Authority shall furnish electricity of the voltage, phase and type already available at the location and cold water sufficient for the operation of such of the Machines as may require the same; provided, however, that the Port Authority may at any time after installation of appropriate meters, sell electricity and/or cold water to the Permittee and the Permittee agrees to pay therefor at the same rates charged by the Port Authority to other permittees at the Facility at the time the electricity and/or cold water is supplied for the same quantity, under the same conditions and in the same service classification. Charges for electricity and/or cold water shall be payable when billed. The quantity of service consumed shall be measured by meters installed for the purpose; provided, however, that if for any cause any meter fails to record the consumption of electricity or cold water, the consumption during the period the meter is out of service will be considered to be the same as the consumption for a like period either immediately before or immediately after the interruption, as selected by the Port Authority.

(b) The Port Authority shall also make available, without additional charge, non-exclusive toilet and washroom facilities for the employees of the Permittee.

(c) No failure, delay or interruption in supplying agreed services (whether separately charged for or not) shall release the Permittee from any of its obligations hereunder or be, (unless resulting from the negligence of the Port Authority and continuing for a period of five (5) days after notice to the Port Authority) grounds for any claim by the Permittee for damages, consequential or otherwise.

(d) The Permittee shall provide and install all wires, conduits, outlets, ducts and pipes necessary to supply the electricity and/or cold water to the Machines which may require the same. Such installation shall be subject to the provisions of Section 8 hereof.

28. (a) Except as specifically provided herein to the contrary, the Permittee shall not, by virtue of the issue and acceptance of this Permit, be released or discharged from any liabilities or obligations whatsoever under any other Port Authority permits or agreements including, but not limited to, any permits to make alterations.

(b) In the event that any space or location covered by this Permit is the same as is or has been covered by another Port Authority permit or other agreement with the Permittee, then any liabilities or obligations which by the terms of such permit or agreement, or permits thereunder to make alterations, mature at the expiration, revocation or termination of said permit or agreement, shall be deemed to survive and to mature at the expiration or sooner revocation of this Permit,

insofar as such liabilities or obligations require the removal of property from and/or the restoration of the space or location.

29. The Port Authority may at any time and from time to time by notice to the Permittee withdraw or modify any approval, designation or direction given hereunder by the Port Authority.

30. The privilege granted by this Permit is non-exclusive.

31. Wherever in this Permit, including all endorsements and exhibits thereto, the pronoun "it" or the adjective "its" may occur, referring to the Permittee, the said pronoun or adjective shall be deemed and taken to mean "it", "he", "him", "she", "her", "they", "them" or "its", "his", "her", "hers", "their" or "theirs", as the circumstances of the reference and the gender and number of the Permittee may require.

32. No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant or condition of this Permit or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Permit during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term, covenant or condition. No agreement, term, covenant or condition of this Permit to be performed or complied with by the Permittee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Permittee in performance of any agreement, term, covenant or condition of this Permit shall affect or alter this Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

33. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Facility.

(b) The Permittee shall procure all licenses, certificates, permits or other authorization necessary for the Permittee's operations at the Facility from all governmental authorities, if any, having jurisdiction.

(c) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Facility and are not to be construed as a submission by the Port Authority to the application to itself of any such requirements.

34. The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal

statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

35. (a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (i) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (ii) in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, and (iii) the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any person or persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

(c) The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. Without limiting any other term or provision hereof or any other rights or remedies of the Port Authority hereunder or at law or equity, in the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) Without limiting any other term or provision hereof, the Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third persons, including the United States of America, resulting from the Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any space at the Airport, or any right to use or occupy any space at the Airport.

36. In the event 49 CFR Part 23 is applicable to the permission granted under this Permit, then:

(a) This Permit is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The Permittee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

(b) The Permittee agrees to include the statement set forth in paragraph (a), above, in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreements.

(c) The Permittee agrees to comply with the terms and provisions of Schedule G, annexed hereto and hereby made a part hereof.

37. The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

38. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Board of Fire Underwriters and The Fire Insurance Rating Organization of New Jersey, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Facility or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

(b) The Permittee shall not do or permit to be done any act which:

(i) will invalidate or be in conflict with any fire insurance policies covering the Facility or any part thereof or upon the contents of any building thereon, or

(ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Facility or any part thereof or upon the contents of any building thereon, or

(iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(iv) may cause or produce upon the Facility any unusual, noxious or objectionable smokes, gases, vapors or odors, or

(v) may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Facility, or

(vi) shall constitute a nuisance in or on the Facility or which may result in the creation, commission or maintenance of a nuisance in or on the Facility.

(c) For the purpose of this Section, "Facility" includes all structures located thereon.

39. If any type of strike or other labor activity is directed against the Permittee at the Facility or against any operations pursuant to this Permit resulting in picketing or boycott for a period of at least forty-eight (48) hours, which, in the opinion of the Port Authority, adversely affects or is likely adversely to affect the operation of the Facility or the operations of other permittees, lessees or licensees thereat, whether or not the same is due to the fault of the Permittee, and whether caused by the employees of the Permittee or by others, the Port Authority may at any time during the continuance thereof, by twenty-four (24) hours' notice, revoke this Permit, effective at the time specified in the notice. Revocation shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

40. The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the Manager of the Facility covering the operations of the Permittee under this Permit at any time and from time to time.

41. The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed. The foregoing reference to summary proceedings shall not be construed to mean that a landlord-tenant relationship exists between the Port Authority and the Permittee.

42. Without in any way limiting the provisions hereof, unless otherwise notified by the Port Authority in writing, in the event the Permittee shall continue to operate the Machines after the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Permit or other remedies the Port Authority may have by law or otherwise, the Permittee shall pay to the Port Authority a fee for the period commencing on the day immediately following the date of such expiration or the effective date of such revocation or termination and ending on the date that the Permittee shall cease to operate the Machines at the Airport equal to twice the sum of the fee payable hereunder. Nothing

herein contained shall give, or be deemed to give, the Permittee any right to continue to operate the Machines at the Airport after the expiration, revocation or termination of the effective period of the permission granted under this Permit. The Permittee acknowledges that the failure of the Permittee to cease to operate the Machines at the Airport from and after the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. The Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

43. This Permit and any claim, dispute or controversy arising out of, under or related to this Permit shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

44. No Commissioner, director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

45. This Permit, including the attached exhibits, endorsements and schedules, constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended, except by written endorsement duly executed on behalf of the parties and attached hereto. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.



For the Port Authority

Initialed:



For the Permittee

SPECIAL ENDORSEMENTS

1. (a) In accordance with and subject to the provisions of Section 20 of the foregoing Terms and Conditions the Port Authority hereby grants to the Permittee the privilege of installing, maintaining, and operating coin-operated vending machines dispensing food products and non-alcoholic beverages and coin-operated video arcade entertainment machines ("game machines") as may from time to time be consented to in advance in writing by the Port Authority (herein the "Machines") in such numbers and at such locations at the Airport as may be hereinafter designated from time to time in writing by the Port Authority.

(b) The Permittee recognizes that portions of the Facility where the Permittee's Machines may be installed are or may be under lease or under permit to third parties for their exclusive occupancy and that the Permittee must be independent arrangement with such parties acquire the right or rights of access and user necessary for its operations in such areas and shall make its own arrangements with such parties for the supply to its Machines of such facilities, utilities and services as it may require. The Port Authority makes no representations or warranties as to location, size, adequacy, suitability or availability of any such areas or facilities to be used by the Permittee in the exercise of its privileges hereunder. The Permittee further understands that its operations in such areas shall also be subject to the respective lease or permit between the Port Authority and the third party covering such exclusive occupancy and in the event of expiration or earlier termination of any such lease or permit then the privileges granted under this Permit shall terminate with respect to the areas covered by such lease or permit. In the event of any inconsistency between the terms of any such lease or permit and the terms of this Permit, the terms of this Permit shall control.

2. (a) Upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the sum of One Hundred Eighty Dollars and No Cents (\$180.00), either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee, all of the terms, provisions, covenants and conditions of this Permit on its part to be fulfilled, kept, performed or observed. Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Permittee may deposit such bonds or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond in registered form unless such bond has been re-registered in the name of the Port Authority (the expense of such re-registration to be borne by the Permittee) in a manner satisfactory to the Port Authority. The Permittee may request the Port Authority to accept a registered bond in the Permittee's name and if acceptable to the Port Authority the Permittee shall deposit such bond together with an irrevocable bond power (and such other instruments or other documents as the Port Authority may require) in form and substance satisfactory to the Port Authority. In the event the deposit is returned to the Permittee any expenses incurred by the Port Authority in re-registering a bond to the name of the Permittee shall be borne by the Permittee. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its

option, at any time and from time to time, with or without notice, to use the deposit or any part thereof in whole or partial satisfaction of any of its claims or demands against the Permittee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of the deposit itself shall cure any default or breach of this Agreement on the part of the Permittee. With respect to any bonds deposited by the Permittee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Permittee, to sell the same in whole or in part, at any time, and from time to time, with or without prior notice at public or private sale, all as determined by the Port Authority, together with the right to purchase the same at such sale free of all claims, equities or rights of redemption of the Permittee. The Permittee hereby waives all right to participate therein and all right to prior notice or demand of the amount or amounts of the claims or demands of the Port Authority against the Permittee. The proceeds of every such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to advertising or commission expenses) and then to the amounts due the Port Authority from the Permittee. Any balance remaining shall be retained in cash toward bringing the deposit to the sum specified above. In the event that the Port Authority shall at any time or times so use the deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the above-mentioned amount, the Permittee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional cash or bonds so as to maintain the deposit at all times to the full amount above stated, and such additional deposits shall be subject to all the conditions of this Special Endorsement. After the expiration or earlier revocation or termination of the effective period of the permission under this Permit, and upon condition that the Permittee shall then be in no wise in default under any part of this Permit, and upon written request therefor by the Permittee, the Port Authority will return the deposit to the Permittee less the amount of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Permittee of this Permit or any part thereof. The Permittee agrees that it will not assign or encumber the deposit. The Permittee may collect or receive any interest or income earned on bonds and interest paid on cash deposited in interest-bearing bank accounts, less any part thereof or amount which the Port Authority is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of an administrative expense, or custodial charge, or otherwise; provided, however, that the Port Authority shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts.

(b) In connection with the Permittee's obligation to deliver a security deposit to the Port Authority as required by the provisions of paragraph (a) above of this Special Endorsement, the Permittee hereby certifies that its federal taxpayer identification number is

(c) The Permittee acknowledges and agrees that the Port Authority reserves the right, in its sole discretion at any time and from time to time upon fifteen (15) days' notice to the Permittee, to adjust the amount of the security deposit required in paragraph (a) of this Special Endorsement. Not later than the effective date set forth in said notice by the Port Authority, the Permittee shall furnish additional cash or bonds, as provided for in paragraph (a) above, and such additional cash and/or bonds shall thereafter constitute the security deposit required under this

Special Endorsement.

3. With respect to the fees to be paid by the Permittee pursuant to Item 6 on the first page of this Permit, reference to "non-public areas" and "non-airline terminal building areas" shall mean those areas at the Airport at which employee identification is required by the building lessee, Permittee, or the Port Authority to obtain access.

4. The fees payable under this Permit shall be subject to increase from time to time upon thirty (30) days' notice from the Port Authority to the Permittee, given by the General Manager of the Airport or such other representative as the Port Authority may substitute from time to time by notice to the Permittee, and upon the effective date of the increase set forth in such notice the fees payable by the Permittee under this Permit shall be as set forth in said notice. In the event within ten (10) days after the Permittee receives such notice from the Port Authority, the Permittee notifies the Port Authority that the Permittee does not wish to pay the increased fees, this Permit and the permission granted hereunder shall be, and shall be deemed to be, cancelled effective at the close of business on the day preceding the effective date of the increase, as set forth in the Port Authority's notice to the Permittee. If the Permittee does not so notify the Port Authority, the increased fees shall become effective on the date set forth in the Port Authority's notice as aforesaid. No cancellation of this Permit and the permission granted thereunder pursuant to this paragraph shall be construed to relieve the Permittee of any obligations or liabilities hereunder which shall have accrued on or before the effective date of such cancellation.



For the Port Authority

Initialed:



For the Permittee

SCHEDULE G

AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PARTICIPATION

In accordance with regulations of the US Department of Transportation 49 CFR Part 23, the Port Authority has implemented an Airport Concession Disadvantaged Business Enterprise (ACDBE) program under which qualified firms may have the opportunity to operate an airport business. The Port Authority has established an ACDBE participation goal, as measured by the total estimated annual gross receipts for the overall concession program. The goal is modified from time to time and posted on the Port Authority's website: www.panynj.gov.

The overall ACDBE goal is a key element of the Port Authority's concession program and Concessionaire shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25 (f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through joint ventures in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

To qualify as an ACDBE, the firm must meet the definition set forth below and be certified by the New York State or New Jersey Uniform Certification Program (UCP). The New York State UCP directory is available on-line at www.nysucp.net and the New Jersey UCP at www.njucp.net.

An ACDBE must be a small business concern whose average annual receipts for the preceding three (3) fiscal years does not exceed \$47.78 million and it must be (a) at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially or economically disadvantaged individuals who own it. The personal net worth standard used in determining eligibility for purposes of

part 23 is \$750,000.

The ACDBE may, if other qualifications are met, be a franchisee of a franchisor. An airport concession is a for-profit business enterprise, located on an airport, which is subject to the Code of Federal Regulations 49 Part 23, subpart F, that is engaged in the sale of consumer goods or services to the public under an agreement with the sponsor, another concessionaire, or the owner or operator of a terminal, if other than the sponsor. The Port Authority makes a rebuttable presumption that individuals in the following groups who are citizens of the United States or lawful permanent residents are "socially and economically disadvantaged":

- a. Women;
- b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;
- c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
- d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;
- e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;
- f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and
- g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

Other individuals may be found to be socially and economically disadvantaged on a case-by-case basis. For example, a disabled Vietnam veteran, an Appalachian white male, or another person may claim to be disadvantaged. If such individual requests that his or her firm be certified as ACDBE, the Port Authority, as a certifying partner in the New York State and New Jersey UCPs will determine whether the individual is socially or economically disadvantaged under the criteria established by the Federal Government. These owners must demonstrate that their disadvantaged status arose from individual circumstances, rather than by virtue of membership in a group.

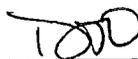
Certification of ACDBEs hereunder shall be made by the New York State or New Jersey UCP. If Concessionaire wishes to utilize a firm not listed in the UCP directories but

which the Concessionaire believes should be certified as an ACDBE, that firm shall submit to the Port Authority a written request for a determination that the firm is eligible for certification. This shall be done by completing and forwarding such forms as may be required under 49 CFR Part 23. All such requests shall be in writing, addressed to Lash Green, Director, Office of Business and Job Opportunity, The Port Authority of New York and New Jersey, 233 Park Avenue South, 4th Floor, New York, New York 10003 or such other address as the Port Authority may designate from time to time. Contact OBJOcert@panynj.gov for inquiries or assistance.

General

In the event the signatory to this agreement is a Port Authority permittee, the term Concessionaire shall mean the Permittee herein. In the event the signatory to this agreement is a Port Authority lessee, the term Concessionaire shall mean the Lessee herein.

Initialed:



For the Port Authority



For the Permittee

: For Port Authority Use Only :
:
: Permit Number AYE-383 :

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
225 Park Avenue South
New York, New York 10003

PERMIT
COIN OPERATED MACHINES

The Port Authority of New York and New Jersey (herein called the "Port Authority") hereby grants to the Permittee hereinafter named the privilege to install, maintain and service the hereinafter described Machines at the Port Authority Facility hereinafter named, in accordance with the Terms and Conditions hereof and the endorsements annexed thereto; and the Permittee agrees to pay the fees hereinafter specified, and to perform all other obligations imposed upon it in the Terms and Conditions and endorsements as hereinafter set forth:

1. FACILITY: JOHN F. KENNEDY INTERNATIONAL AIRPORT
2. PERMITTEE: RAM Vending Services Corp., a corporation organized and existing under the laws of the State of New York
3. PERMITTEE'S ADDRESS: 2 Allenby Drive
Northport, NY 11768
4. PERMITTEE'S REPRESENTATIVE: Jayne Dietl
5. MACHINES: As set forth in Special Endorsement No. 1 hereof
6. FEES: A basic fee of Thirty Dollars and No Cents (\$30.00) per machine per month for non-public areas (including, without limitation, non-airline terminal building areas), Two Hundred Twenty-five Dollars and No Cents (\$225.00) per machine per month for public areas and Eighty Dollars and No Cents (\$80.00) per machine per month for game machines, all of the aforesaid fees to be payable in advance on the first day of each month during the effective period of the permission granted under this Permit.
7. EFFECTIVE DATE: January 1, 2013
8. EXPIRATION DATE: December 31, 202¹²₁₂, unless sooner revoked or terminated in accordance with Section 1 of the Terms and Conditions hereof
9. SECURITY DEPOSIT: \$3,000.00
10. INSURANCE REQUIREMENT: \$2,000,000.00 minimum limit Commercial General Liability and \$2,000,000.00 minimum limit Commercial Automobile Liability
11. ENDORSEMENTS: Specials and Schedule G

Dated: As of January 1, 2013.

**THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY**

By 
Name David Kagan
Assistant Director
Business, Properties & Airports (Please Print Clearly)
(Title) _____

RAM VENDING SERVICES CORP., Permittee

By 
Name Jayne Dietl
(Please Print Clearly)
(Title) President

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:
<u>JN</u>	<u>RR</u>

RR

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TERMS AND CONDITIONS

1. The permission hereby granted shall take effect upon the effective date hereinbefore set forth. Notwithstanding any other term or condition thereof, it may be revoked without cause, upon thirty (30) days' written notice, by the Port Authority or terminated without cause, upon thirty (30) days' written notice by the Permittee; provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Further, in the event the Port Authority exercises its right to revoke or terminate this Permit for any reason other than "without cause", the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the cleaning, repair and restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it cleaned, repaired or restored), preparing such space for use by a succeeding permittee, the care and maintenance of such space during any period of non-use of the space, the foregoing to include, without limitation, personnel costs and legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), and repairing the space and putting the space in order (such as but not limited to cleaning, repairing and restoring the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date hereinbefore set forth. Revocation or termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.

2. As used in this Permit:

(a) The term "Airport" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(b) The term "City" shall mean the City of New York.

(c) The term "City Lease" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) The term "Executive Director" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee, it shall mean the Executive Director of the Port Authority for the time being, or his duly designated representative or representatives.

(e) The term "General Manager of the Facility" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said General Manager by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the General Manager (or temporary or Acting General Manager) of the Facility for the time being, or his duly designated representative or representative.

3. The rights granted hereby shall be exercised

(a) if the Permittee is a corporation, by the Permittee acting only through the medium of its officers and employees;

(b) if the Permittee is an unincorporated association, or a business trust, by the Permittee acting only through the medium of its members, trustees, officers and employees;

(c) if the Permittee is a partnership, by the Permittee acting only through the medium of its partners and employees;

(d) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(e) if the Permittee is a limited liability company, by the Permittee acting only through the medium of its members, managers and employees,

and the Permittee shall not, without the written approval of the Port Authority, exercise such rights through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or any of the rights granted hereby, directly or indirectly, in whole or in part, by operation of law or otherwise, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor, without the written approval of the Port Authority.

In the event of the issuance of this Permit to more than one individual or other legal entity (or to any combination thereof), then and in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.

4. This Permit does not constitute the Permittee the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint venture is hereby created, notwithstanding the fact that all or a portion of the fees to be paid hereunder may be determined by gross receipts from the operations of the Permittee hereunder.

5. The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Facility. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification and, upon the request of the Port Authority, the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the prior written approval of the Manager of the Facility. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

6. (a) In the use of the roads, hallways, stairs and other areas constituting a means of ingress to and egress from the space at or on which the Machines are located, the Permittee shall conform (and shall require its employees, invitees and others doing business with it to conform) to the rules and regulations of the Port Authority which are now in effect or which may hereafter be adopted for the safe and efficient operation of the Facility.

(b) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations of the Port Authority now in effect, and such further reasonable rules and regulations which may from time to time during the effective period of this Permit be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Facility, including any space covered by this Permit, or for the safe and efficient operation of the Facility. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(c) Unless otherwise expressly provided, the Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Facility.

7. (a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees, agents or persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers, employees or agents at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

(b) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. The Permittee shall promptly repair or replace all property of the Port Authority damaged by the operations of the Permittee hereunder. The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with its prior written approval.

9. (a) All Machines covered by this Permit and other property of the Permittee placed on or kept at the Facility shall remain the property of the Permittee and must be removed on or before the expiration of the permission hereby granted or on or before the revocation or termination of the permission hereby granted, whichever shall be earlier.

(b) If the Permittee shall fail to remove its property upon the expiration, termination or revocation hereof, the Port Authority may, at its option, as agent for the Permittee and at the Permittee's risk and expense, remove such property to a public warehouse for deposit or retain the same in its own possession and after the expiration of thirty (30) days sell the same at public auction, the proceeds of which shall be applied first to the expenses of sale, second to any sums owed by the Permittee to the Port Authority, and any balance remaining shall be paid to the Permittee, or may take such other action as may be necessary or desirable.

10. The Permittee represents that it is the owner of or fully authorized to use and/or sell any and all services, processes, machines, articles, marks, names or slogans used and/or sold by it in its operations under or in any wise connected with this Permit. Without in any way limiting its obligations under Section 7 hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any way connected with this Permit.

11. The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Machines and equipment of the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any Machines or equipment owned by or in the possession of the Permittee on the Facility or to be placed or brought on the Facility, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any Machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the Machine from service, and provide a satisfactory substitute.

12. The Permittee's representative hereinbefore specified (or such substitute as the Permittee may hereafter designate in writing) shall have full authority to act for the Permittee in connection with this Permit and any things done or to be done hereunder, and to execute on the Permittee's behalf any amendments or supplements to this Permit or any extension thereof, and to give and receive notices hereunder.

13. (a) The basic fee, if any, or the part thereof which may be prorated as hereinafter provided, shall be due and payable in advance on the effective date hereof and on the first day of each and every month thereafter. The percentage fee, if any, or if that percentage fee is additional to a basic fee, the portion thereof prorated as hereinafter provided, and any fees or part thereof mentioned on the first page of this Permit to be measured by the number of items and/or units of service dispensed by a Machine, shall be due and payable monthly on the tenth day of the month following the calendar month in which the effective date hereof falls, and on the tenth day of each month thereafter and shall be based on the Permittee's gross receipts, sales made and services rendered in the preceding calendar month; provided, however, that if the permission granted hereby shall expire or be revoked effective on a date other than the last day of a month, the percentage fee or prorated part thereof, or the fee or part thereof measured by the number of items or units of service, shall be due and payable within ten days after such date. If the permission granted by this Permit commences on a date other than the first day of a month, or if the said permission expires or is revoked effective on a date other than the last day of a month, the fees due for the period of time during which the said permission shall have been in effect shall be the fees specified on the first page of this Permit,

prorated however in the case of a basic fee or in the case of a basic fee and percentage fee, in the same proportion that the number of days the permission is in effect bears to thirty days, as follows: the portion of the basic fee due shall be computed by prorating the monthly basic fee on the above basis; the amount of the percentage fee shall be equivalent to the excess over the prorated basic fee of the percentage applied to the gross receipts arising in such portion of the month. There shall be no proration of other fees. The computation of fees for each month, or for a portion of a month as provided above, shall be individual to such month or such portion of a month, and without relation to any other month or any other portion of a month.

(b) Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
P.O. BOX 95000-1556
PHILADELPHIA, PENNSYLVANIA 19195-0001

or made via the following wire transfer instructions (for basic fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: _____ or made via the following wire transfer instructions (for percentage fees): Bank: TD Bank; Bank ABA Number: 031201360; Account Number: _____ or to such other address as may hereafter be substituted therefor by the Port Authority from time to time, by notice to the Permittee.

(c) The term "gross receipts" shall include all monies paid or payable to the Permittee for sales made and for services rendered at or from the Facility pursuant to the permission granted hereby; provided, however, that if the fees or any part thereof mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts and by the number of items and/or units of service dispensed by a Machine the monies paid or payable to the Permittee by customers for said items and/or units of service shall be excluded from "gross receipts" and provided, further, however, that any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee shall be excluded therefrom.

(d) The Permittee acknowledges and agrees that it shall maintain separate and distinct gross receipts records of all sales made from each Machine installed and operated by the Permittee at each location designated by the Port Authority. The Port Authority may request at any time and from time to time a sworn statement of gross receipts, which shall separately state the various types and amounts of gross receipts derived from sales made at or from each Machine and location and shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice. The Permittee further acknowledges and agrees that the Port Authority reserves the right to implement an inventory tracking system of vending machines at the Facility and should the Port Authority so implement such an inventory tracking system, the Permittee agrees to cooperate fully with the Port Authority by promptly providing the Port Authority with all information it shall request.

14. If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority including, without limitation, any payment of any fixed or percentage fee or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount

equal to eight-tenths of one percent (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Permit. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Permit including, without limitation, the Port Authority's rights set forth in Section 1 of the Terms and Conditions of this Permit or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. A bill or statement may be rendered or any notice or communication which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given if the same be in writing and sent by registered or certified mail addressed to the Permittee at the address specified on the first page hereof or at the latest address that the Permittee may substitute therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's representative, and the time of rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is mailed, left or delivered as herein provided. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

16. (a) The Permittee, in its own name as insured, and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits as set forth in Item 10 of the Cover page to this Permit.

(b) In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of the Permit.

(c) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority

were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under this Permit.

(d) All insurance coverages and policies required hereunder may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the period of permission under the Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the above-listed insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

(e) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(f) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(g) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under this Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by this Permit or any other agreement or by law.

17. (a) If the fee or fees mentioned on the first page of this Permit are measured in whole or in part by the Permittee's gross receipts or by the number of items or units of service dispensed by a Machine, the Permittee shall:

(i) use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;

(ii) not divert or cause or allow to be diverted, any business from the Facility;

(iii) maintain in accordance with accepted accounting practice during the effective period of this Permit and for one year after the expiration or earlier revocation thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all sales of merchandise and charges for services made through the Machines and all transactions at, through or in any way connected with the Facility, which records and books of account shall be kept at all times within the Port of New York District;

(iv) permit in ordinary business hours during the effective period of this Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision, the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account;

(v) permit the inspection by the officers, employees and representatives of the Port Authority of any equipment or devices used by the Permittee, including but not limited to coin receptacles and counting or metering devices attached to the Machines;

(vi) furnish on or before the twentieth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder, and if the fees or any part thereof mentioned on the first page of this Permit are based in whole or in part on the number of items or units or service dispensed by a Machine, a sworn statement showing the number of such items and/or units of service dispensed during the preceding month. When gross receipts exceed \$8,000 monthly the statements shall be certified at the Permittee's expense, by a certified public accountant; and

(vii) install and use such equipment or devices for recording sales made and services rendered as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of gross receipts and sales made and services rendered.

(b) In the event that upon conducting an examination and audit as described in this Section the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee, the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Permit or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority to payment of any late charge(s) or other service charge(s) payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid hereunder. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under

this Permit, including, without limitation, the Port Authority's rights to revoke this Permit or (ii) any obligations of the Permittee under this Permit.

18. Collections shall be made from the Machines in the manner and at the times specified by the Port Authority. The Port Authority shall have the right at any time and from time to time to prohibit the Permittee from making any collection from any Machines except in the presence of a representative of the Comptroller's Department of the Port Authority.

19. (a) Machines shall dispense only such merchandise and render only such services as are approved in writing by the Port Authority. Specification of merchandise and/or services in Item 5 on the first page hereof shall be an approval hereunder and all approvals hereunder shall be subject to the terms of Section 29 hereof.

(b) The Permittee agrees that prior to the installation of any Machines it shall obtain the written approval of the Port Authority as to the design and type thereof as well as the method and manner of installation and the Permittee shall comply with any requirements, procedures or standards established by the Port Authority for the installation of the Machine and for the removal and relocation thereof. The Port Authority shall designate in writing the number of Machines to be installed, maintained and serviced under this Permit and it may in its discretion, from time to time, consent to the inclusion under this Permit of an additional Machine or Machines, such additional Machine or Machines to dispense such items only and render such services only as may be approved in writing by the Port Authority. The location of each Machine covered by this Permit is to be only that designated in writing by the Port Authority. The Port Authority shall have the right, from time to time, to redesignate in writing the location or locations of any or all Machines covered by this Permit, and the Permittee shall thereupon, at its own expense, comply therewith by promptly removing and reinstalling each such Machine. The Port Authority shall also have the right, from time to time, to direct that the number of Machines covered by this Permit be decreased and the Permittee shall promptly remove the Machines as directed.

(c) In the event of the removal of any or all of the Machines covered by this Permit for any reason including, but not limited to, revocation, expiration, redesignation or decrease, the Permittee shall, at its own expense, immediately restore the Facility at and about the location to the same condition as before the installation, including the removal of any wires, conduits, outlets, ducts and pipes installed by or for the Permittee.

(d) The Port Authority may request from time to time and at any time a sworn statement from the Permittee as to the total number, description of types of items dispensed and locations of all Machines to which the fee under this Permit is applied on a monthly basis. The Permittee shall deliver such statement to the Port Authority within thirty (30) days upon receipt of such notice.

(e) The Permittee shall also be required to send written notice to the Port Authority (Attn: JFK Properties & Commercial Development, JFK Airport, Building 14, 2nd Floor, Jamaica, NY 11430) at least thirty (30) days' prior to its addition or removal of a Machine from its operations at the Facility, and in such notice shall indicate the number of Machines being added or removed and the proposed location (if an addition) or then-current location (if a removal) of each such Machine. In the event the Permittee removes a Machine from operation but fails to provide the Port Authority with the required advance written notice as aforesaid, the Permittee shall nevertheless

continue to be obligated to pay fees hereunder with respect to such removed Machine until the Port Authority receives such written notice and, then, the obligation to pay fees with respect to such removed Machine shall cease as of the first calendar month after the 30-day notice period has expired.

20. (a) The purposes of the Port Authority in extending the permission granted hereby is to have available at the Facility the merchandise and services which the Permittee is permitted to sell and render hereunder, and the Permittee agrees that it will conduct a first class operation and will furnish all necessary or proper Machines, fixtures, equipment, personnel, supplies, materials and other facilities and replacements therefor.

(b) The Permittee shall provide new Machines of the latest design and shall maintain all the Machines in first class appearance, condition and working order, and if the Machines dispense items, the Permittee shall keep the Machines always well stocked with merchandise of first class quality and fit for human use, and if the merchandise is intended for consumption, it shall be fresh and safely consumable. The Permittee covenants that all its merchandise and services shall comply with all applicable federal, state, municipal and other governmental laws, ordinances and regulations.

21. (a) The Permittee shall furnish all merchandise and all services at reasonable prices and at the times and in a manner which will be fully satisfactory to the public and to the Port Authority. All prices charged by the Permittee shall be subject to the prior written approval of the Port Authority; provided, however, that such approval will not be withheld if the proposed prices do not exceed reasonable prices for similar merchandise and services in the municipality in which the Machines are located as more specifically described herein in Section 22. The Permittee shall cause the merchandise sold and the services rendered by the Machines to be available to the public during such hours of the day and on such days of the week as may properly serve the needs of the public. The Port Authority's determination of reasonable prices and proper business hours and days shall control.

(b) The Permittee shall

(i) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(ii) furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

As used in the above subsections "service" shall include furnishing of parts, materials and supplies (including sale thereof).

22. (a) Without limiting the generality of Section 21, above, the Permittee shall comply with the Port Authority Aviation Department Street Pricing Policy. In connection therewith, the Permittee shall not charge prices to its customers in excess of "Street Prices", which for purposes of this Permit is defined as follows:

(i) if the Permittee conducts a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Greater New York City - Northern New Jersey Metropolitan Area (herein referred to as "the Metro Area"), "Street Prices" shall mean the average price regularly charged by the Permittee for the same or similar item in such Metro Area location;

(ii) if the Permittee does not conduct a similar business to the business operation permitted under this Permit in off-Airport location(s) in the Metro Area, "Street Prices" shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item;

(iii) if neither the Permittee nor other similar retailers sell a particular item in the Metro Area, "Street Prices" shall mean the average price regularly charged by the Permittee or similar retailers for the same or similar item in any other geographic area, with a reasonable adjustment for any cost of living variance between such area and the Metro Area.

(iv) If the Permittee is engaged in the business of selling duty-free goods, "Street Prices" shall mean the price regularly charged by the Permittee or similar retailer for the same or similar duty-free item at other urban airports in the Northeast region of the United States, including but not limited to John F. Kennedy International Airport, New York, New York.

(b) The Permittee's breach of the aforesaid Street Pricing Policy (as defined herein) shall be deemed a material breach of the Permittee's obligations under this Permit.

(b) The Permittee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Permittee subscribes to a "Street Pricing Policy", such notice to be clearly visible and unobstructed. If the Permittee charges any price to a customer in excess of the price, which would satisfy the "Street Pricing Policy" in violation of its obligations under this Permit, the amount of such excess shall constitute an overcharge, which shall upon demand by the Port Authority or the Permittee's customer, be promptly refunded to the customer.

(c) The Permittee shall submit to the Port Authority, from time to time, an annual pricing report demonstrating compliance by the Permittee with the aforementioned pricing requirements. For purposes of establishing the Street Price of an item, any difference in the size or quality of a product or service shall constitute a price differential.

23. City Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(i) This Permit is subject and subordinate to the City Lease and to any interest

superior to that of the Port Authority;

(ii) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security or other deposits required under this Permit);

(iii) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(iv) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(v) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(vi) The Permittee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(vii) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

24. The Permittee shall not place or cause or permit to be placed any sign, poster or advertising matter whatsoever of the Permittee or of third parties on the Facility or on the Machines or the items dispensed therefrom without the prior written approval of the Port Authority. The restriction hereunder shall not apply to manufacturers' own advertising appearing on items dispensed by the Machines. The Port Authority may at any time and from time to time withdraw its approval under this Section. Any sign, poster or advertising matter not so approved may be removed by the Port Authority at the expense of the Permittee.

25. (a) The Permittee shall place in a conspicuous place on each Machine installed and operated pursuant to the permission granted hereunder a Port Authority standard vending machine decal containing such information as the Port Authority may from time to time determine to be necessary including, without limitation the name and address of the Permittee, the location of the Machine, type of product or service to be dispensed and Permit Number.

(b) The Permittee shall promptly handle in a manner satisfactory to the Port Authority all customer complaints including, but not limited to, those based on failure or malfunction of the Machines or defective merchandise dispensed or services rendered therefrom or thereby and the Permittee shall make all suitable refunds, exchanges, credits and allowances in connection therewith.

26. (a) The Permittee shall daily remove from the Facility all garbage, debris, litter, liquids and other waste materials arising out of the operation of the Machines, or customer disposal of the Permittee's merchandise.

(b) For the purpose of temporary storage, the Permittee shall provide and maintain in a clean and sanitary condition, suitable garbage and waste receptacles, the same to be made of metal and equipped with tight fitting covers. The covers may have self-closing openings for disposal purposes. The receptacles shall be kept completely covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris, litter and other waste materials from the Facility. The manner of such storage and removal shall be subject in all respects to the approval of the Port Authority. No facilities of the Port Authority shall be used for such removal and storage without the approval of the Manager of the Facility.

27. (a) The Port Authority shall furnish electricity of the voltage, phase and type already available at the location and cold water sufficient for the operation of such of the Machines as may require the same; provided, however, that the Port Authority may at any time after installation of appropriate meters, sell electricity and/or cold water to the Permittee and the Permittee agrees to pay therefor at the same rates charged by the Port Authority to other permittees at the Facility at the time the electricity and/or cold water is supplied for the same quantity, under the same conditions and in the same service classification. Charges for electricity and/or cold water shall be payable when billed. The quantity of service consumed shall be measured by meters installed for the purpose; provided, however, that if for any cause any meter fails to record the consumption of electricity or cold water, the consumption during the period the meter is out of service will be considered to be the same as the consumption for a like period either immediately before or immediately after the interruption, as selected by the Port Authority.

(b) The Port Authority shall also make available, without additional charge, non-exclusive toilet and washroom facilities for the employees of the Permittee.

(c) No failure, delay or interruption in supplying agreed services (whether separately charged for or not) shall release the Permittee from any of its obligations hereunder or be, (unless resulting from the negligence of the Port Authority and continuing for a period of five (5) days after notice to the Port Authority) grounds for any claim by the Permittee for damages, consequential or otherwise.

(d) The Permittee shall provide and install all wires, conduits, outlets, ducts and pipes necessary to supply the electricity and/or cold water to the Machines which may require the same. Such installation shall be subject to the provisions of Section 8 hereof.

28. (a) Except as specifically provided herein to the contrary, the Permittee shall not, by virtue of the issue and acceptance of this Permit, be released or discharged from any liabilities or obligations whatsoever under any other Port Authority permits or agreements including, but not limited to, any permits to make alterations.

(b) In the event that any space or location covered by this Permit is the same as is or has been covered by another Port Authority permit or other agreement with the Permittee, then any liabilities or obligations which by the terms of such permit or agreement, or permits thereunder to make alterations, mature at the expiration, revocation or termination of said permit or agreement, shall be deemed to survive and to mature at the expiration or sooner revocation of this Permit,

insofar as such liabilities or obligations require the removal of property from and/or the restoration of the space or location.

29. The Port Authority may at any time and from time to time by notice to the Permittee withdraw or modify any approval, designation or direction given hereunder by the Port Authority.

30. The privilege granted by this Permit is non-exclusive.

31. Wherever in this Permit, including all endorsements and exhibits thereto, the pronoun "it" or the adjective "its" may occur, referring to the Permittee, the said pronoun or adjective shall be deemed and taken to mean "it", "he", "him", "she", "her", "they", "them" or "its", "his", "her", "hers", "their" or "theirs", as the circumstances of the reference and the gender and number of the Permittee may require.

32. No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant or condition of this Permit or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Permit during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term, covenant or condition. No agreement, term, covenant or condition of this Permit to be performed or complied with by the Permittee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Permittee in performance of any agreement, term, covenant or condition of this Permit shall affect or alter this Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

33. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Facility.

(b) The Permittee shall procure all licenses, certificates, permits or other authorization necessary for the Permittee's operations at the Facility from all governmental authorities, if any, having jurisdiction.

(c) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Facility and are not to be construed as a submission by the Port Authority to the application to itself of any such requirements.

34. The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal

statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

35. (a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (i) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (ii) in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, and (iii) the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any person or persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

(c) The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. Without limiting any other term or provision hereof or any other rights or remedies of the Port Authority hereunder or at law or equity, in the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) Without limiting any other term or provision hereof, the Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third persons, including the United States of America, resulting from the Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any space at the Airport, or any right to use or occupy any space at the Airport.

36. In the event 49 CFR Part 23 is applicable to the permission granted under this Permit, then:

(a) This Permit is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The Permittee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

(b) The Permittee agrees to include the statement set forth in paragraph (a), above, in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreements.

(c) The Permittee agrees to comply with the terms and provisions of Schedule G, annexed hereto and hereby made a part hereof.

37. The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

38. (a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Board of Fire Underwriters and The Fire Insurance Rating Organization of New Jersey, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Facility or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

(b) The Permittee shall not do or permit to be done any act which:

(i) will invalidate or be in conflict with any fire insurance policies covering the Facility or any part thereof or upon the contents of any building thereon, or

(ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Facility or any part thereof or upon the contents of any building thereon, or

(iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(iv) may cause or produce upon the Facility any unusual, noxious or objectionable smokes, gases, vapors or odors, or

(v) may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Facility, or

(vi) shall constitute a nuisance in or on the Facility or which may result in the creation, commission or maintenance of a nuisance in or on the Facility.

(c) For the purpose of this Section, "Facility" includes all structures located thereon.

39. If any type of strike or other labor activity is directed against the Permittee at the Facility or against any operations pursuant to this Permit resulting in picketing or boycott for a period of at least forty-eight (48) hours, which, in the opinion of the Port Authority, adversely affects or is likely adversely to affect the operation of the Facility or the operations of other permittees, lessees or licensees thereat, whether or not the same is due to the fault of the Permittee, and whether caused by the employees of the Permittee or by others, the Port Authority may at any time during the continuance thereof, by twenty-four (24) hours' notice, revoke this Permit, effective at the time specified in the notice. Revocation shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

40. The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the Manager of the Facility covering the operations of the Permittee under this Permit at any time and from time to time.

41. The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed. The foregoing reference to summary proceedings shall not be construed to mean that a landlord-tenant relationship exists between the Port Authority and the Permittee.

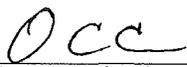
42. Without in any way limiting the provisions hereof, unless otherwise notified by the Port Authority in writing, in the event the Permittee shall continue to operate the Machines after the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Permit or other remedies the Port Authority may have by law or otherwise, the Permittee shall pay to the Port Authority a fee for the period commencing on the day immediately following the date of such expiration or the effective date of such revocation or termination and ending on the date that the Permittee shall cease to operate the Machines at the Airport equal to twice the sum of the fee payable hereunder. Nothing

herein contained shall give, or be deemed to give, the Permittee any right to continue to operate the Machines at the Airport after the expiration, revocation or termination of the effective period of the permission granted under this Permit. The Permittee acknowledges that the failure of the Permittee to cease to operate the Machines at the Airport from and after the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. The Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

43. This Permit and any claim, dispute or controversy arising out of, under or related to this Permit shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

44. No Commissioner, director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

45. This Permit, including the attached exhibits, endorsements and schedules, constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended, except by written endorsement duly executed on behalf of the parties and attached hereto. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.


For the Port Authority

Initialed:


For the Permittee

SPECIAL ENDORSEMENTS

1. (a) In accordance with and subject to the provisions of Section 20 of the foregoing Terms and Conditions the Port Authority hereby grants to the Permittee the privilege of installing, maintaining, and operating coin-operated vending machines dispensing food products and non-alcoholic beverages as may from time to time be consented to in advance in writing by the Port Authority (herein the "Machines") in such numbers and at such locations at the Airport as may be hereinafter designated from time to time in writing by the Port Authority.

(b) The Permittee recognizes that portions of the Facility where the Permittee's Machines may be installed are or may be under lease or under permit to third parties for their exclusive occupancy and that the Permittee must be independent arrangement with such parties acquire the right or rights of access and user necessary for its operations in such areas and shall make its own arrangements with such parties for the supply to its Machines of such facilities, utilities and services as it may require. The Port Authority makes no representations or warranties as to location, size, adequacy, suitability or availability of any such areas or facilities to be used by the Permittee in the exercise of its privileges hereunder. The Permittee further understands that its operations in such areas shall also be subject to the respective lease or permit between the Port Authority and the third party covering such exclusive occupancy and in the event of expiration or earlier termination of any such lease or permit then the privileges granted under this Permit shall terminate with respect to the areas covered by such lease or permit. In the event of any inconsistency between the terms of any such lease or permit and the terms of this Permit, the terms of this Permit shall control.

2. This Permit replaces an agreement with Heidi Vending Inc., dated as January 1, 2010 and numbered AYE-011 (the "Prior Permit"). Heidi Vending Inc. has since dissolved and been replaced by the Permittee hereunder. The Permittee shall remain liable for all obligations and liabilities which accrued under the Prior Permit through the expiration or termination date of the Prior Permit and all such obligations and liabilities which were expressly or impliedly stated or intended to survive the expiration or termination of said agreement shall so survive.

3. (a) The Permittee and the Port Authority hereby agree that all sums deposited by the Permittee, as security under the Prior Permit shall be held and used by the Port Authority as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee, all of the terms, provisions, covenants and conditions of this Permit. All security deposited under the Prior Permit shall be considered as if deposited under this Permit and no part of the security deposited under the Prior Permit shall be repaid until the Prior Permit and this Permit shall have expired and except in accordance with the provisions of the last of the said agreements to expire.

(b) The Permittee hereby certifies that its Federal Tax Identification Number is for the purposes of this Special Endorsement.

(c) The Permittee acknowledges and agrees that the Port Authority reserves the right, in its sole discretion at any time and from time to time upon fifteen (15) days' notice to the

Permittee, to adjust the amount of the security deposit required in paragraph (a) of this Special Endorsement. Not later than the effective date set forth in said notice by the Port Authority, the Permittee shall furnish additional cash or bonds, as provided for in paragraph (a) above, and such additional cash and/or bonds shall thereafter constitute the security deposit required under this Special Endorsement.

4. With respect to the fees to be paid by the Permittee pursuant to Item 6 on the first page of this Permit, reference to “non-public areas” and “non-airline terminal building areas” shall mean those areas at the Airport at which employee identification is required by the building lessee, Permittee, or the Port Authority to obtain access.

5. The fees payable under this Permit shall be subject to increase from time to time upon thirty (30) days' notice from the Port Authority to the Permittee, given by the General Manager of the Airport or such other representative as the Port Authority may substitute from time to time by notice to the Permittee, and upon the effective date of the increase set forth in such notice the fees payable by the Permittee under this Permit shall be as set forth in said notice. In the event within ten (10) days after the Permittee receives such notice from the Port Authority, the Permittee notifies the Port Authority that the Permittee does not wish to pay the increased fees, this Permit and the permission granted hereunder shall be, and shall be deemed to be, cancelled effective at the close of business on the day preceding the effective date of the increase, as set forth in the Port Authority's notice to the Permittee. If the Permittee does not so notify the Port Authority, the increased fees shall become effective on the date set forth in the Port Authority's notice as aforesaid. No cancellation of this Permit and the permission granted thereunder pursuant to this paragraph shall be construed to relieve the Permittee of any obligations or liabilities hereunder which shall have accrued on or before the effective date of such cancellation.

6. (a) The Permittee shall advise the Port Authority in writing, upon thirty (30) days' notice when it adds or deletes a machine pursuant to this Permit. If the Permittee does not advise when it removes a machine, the Permittee shall have to pay for the months it did not so advise the Port Authority.

(b) Upon request of the Port Authority, the Permittee shall submit a detailed listing of the location of each machine within the Airport and the type of product dispensed.

7. OFAC Compliance. (a) *Permittee's Representation and Warranty.* The Permittee hereby represents and warrants to the Port Authority that the Permittee (x) is not a person or entity with whom the Port Authority is restricted from doing business under the regulations of the Office of Foreign Assets Control (“OFAC”) of the United States Department of the Treasury (including, without limitation, those named on OFAC’s Specially Designated and Blocked Persons list) or under any statute, executive order or other regulation relating to national security or foreign policy (including, without limitation, Executive Order 13224 of September 23, 2001, *Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism*), or other governmental action related to national security, the violation of which would also constitute a violation of law, such persons being referred to herein as “**Blocked Persons**”

and such regulations, statutes, executive orders and governmental actions being referred to herein as “**Blocked Persons Laws**”) and (y) is not engaging in any dealings or transactions with Blocked Persons in violation of any Blocked Persons Laws. The Permittee acknowledges that the Port Authority is entering into this Permit in reliance on the foregoing representations and warranties and that such representations and warranties are a material element of the consideration inducing the Port Authority to enter into and execute this Permit.

(b) *Permittee's Covenant.* Permittee covenants that (i) during the term of the Permit it shall not become a Blocked Person, and shall not engage in any dealings or transactions with Blocked Persons in violation of any Blocked Persons Laws. In the event of any breach of the aforesaid covenant, the same shall constitute an event of default and, accordingly, a basis for termination of this Permit by the Port Authority, in addition to any and all other remedies provided under this Permit or at law or in equity, which does not constitute an acknowledgement by the Port Authority that such breach is capable of being cured.

(c) *Permittee's Indemnification Obligation.* The Permittee shall indemnify and hold harmless the Port Authority and its Commissioners, officers, employees, agents and representatives from and against any and all claims, damages, losses, risks, liabilities and expenses (including, without limitation, attorney's fees and disbursements) arising out of, relating to, or in connection with the Permittee's breach of any of its representations and warranties made under this Special Endorsement. Upon the request of the Port Authority, the Permittee shall at its own expense defend any suit based upon any such claim or demand (even if such suit, claim or demand is groundless, false or fraudulent) and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provision of any statutes respecting suits against the Port Authority.

(d) *Survival.* The provisions of this Special Endorsement shall survive the expiration or earlier termination of the period of permission of this Permit.

For the Port Authority

Initialed:

For the Permittee

SCHEDULE G

Airport Concession Disadvantaged Business Enterprise (ACDBE) Participation

In accordance with regulations of the US Department of Transportation 49 CFR Part 23, the Port Authority has implemented an Airport Concession Disadvantaged Business Enterprise (ACDBE) program under which qualified firms may have the opportunity to operate an airport business. The Port Authority has established an ACDBE participation goal, as measured by the total estimated annual gross receipts for the overall concession program. The goal is modified from time to time and posted on the Port Authority's website: www.panynj.gov.

The overall ACDBE goal is a key element of the Port Authority's concession program and Concessionaire shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25 (f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through joint ventures in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

To qualify as an ACDBE, the firm must meet the definition set forth below and be certified by the New York State or New Jersey Uniform Certification Program (UCP). The New York State UCP directory is available on-line at www.nysucp.net and the New Jersey UCP at www.njucp.net.

An ACDBE must be a small business concern whose average annual receipts for the preceding three (3) fiscal years does not exceed \$47.78 million and it must be (a) at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially or economically disadvantaged individuals who own it. The personal net worth standard used in determining eligibility for purposes of part 23 is \$750,000.

The ACDBE may, if other qualifications are met, be a franchisee of a franchisor. An airport concession is a for-profit business enterprise, located on an airport, which is subject to the Code of Federal Regulations 49 Part 23, subpart F, that is engaged in the sale of consumer goods or services to the public under an agreement with the sponsor, another concessionaire, or the owner or operator of a terminal, if other than the sponsor. The Port Authority makes a rebuttable presumption that individuals in the following groups who are citizens of the United States or lawful permanent residents are "socially and economically disadvantaged":

- a. Women;
- b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;
- c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
- d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;
- e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;
- f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and
- g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

Other individuals may be found to be socially and economically disadvantaged on a case-by-case basis. For example, a disabled Vietnam veteran, an Appalachian white male, or another person may claim to be disadvantaged. If such individual requests that his or her firm be certified as ACDBE, the Port Authority, as a certifying partner in the New York State and New Jersey UCPs will determine whether the individual is socially or economically disadvantaged under the criteria established by the Federal Government. These owners must demonstrate that their disadvantaged status arose from individual circumstances, rather than by virtue of membership in a group.

Certification of ACDBEs hereunder shall be made by the New York State or New Jersey UCP. If Concessionaire wishes to utilize a firm not listed in the UCP directories but which the Concessionaire believes should be certified as an ACDBE, that firm shall submit to the Port Authority a written request for a determination that the firm is eligible for certification. This shall be done by completing and forwarding such forms as may be required under 49 CFR Part 23. All such requests shall be in writing, addressed to Lash Green, Director, Office of Business and Job Opportunity, The Port Authority of New York and New Jersey, 233 Park Avenue South, 4th Floor, New York, New York 10003 or such other address as the Port

Authority may designate from time to time. Contact OBJOcert@panynj.gov for inquiries or assistance.

General

In the event the signatory to this agreement is a Port Authority permittee, the term Concessionaire shall mean the Permittee herein. In the event the signatory to this agreement is a Port Authority lessee, the term Concessionaire shall mean the Lessee herein.

Initialed:

OCC

For the Port Authority

[Handwritten Signature]

For the Permittee