

**Torres Rojas, Genara**

FOI # 12973

**From:** Felicia.a@bagport.us  
**Sent:** Tuesday, January 31, 2012 1:47 PM  
**To:** Duffy, Daniel  
**Cc:** Torres Rojas, Genara; Van Duyne, Sheree  
**Subject:** Freedom of Information Online Request Form

Information:

First Name: Felicia  
Last Name: Accetta  
Company: bagport America LLC  
Mailing Address 1: 2810 Grand avenue  
Mailing Address 2:  
City: Baldwin  
State: NY  
Zip Code: 11510  
Email Address: [Felicia.a@bagport.us](mailto:Felicia.a@bagport.us)  
Phone: 718-673-7769  
Required copies of the records: Yes

List of specific record(s):

Good afternoon, My name is Felicia Accetta. I am the Directors Assistant for bagport America LLC and I hereby request under FOIA the following information from your airport please: 1. Current luggage cart concession agreement with Amendments, Addendums and costs. MAG, Mgmt. fees, FIS fees etc. 2. The past 3 years of monthly concession reports. 3. The current length of your contracts. We thank you for your prompt assistance. please remit information via email: [Felicia.a@bagport.us](mailto:Felicia.a@bagport.us) or through fax: 516-377-3384. Thank you again for your help.

Daniel D. Duffy  
*FOI Administrator*

May 30, 2012

Ms. Felicia Accetta  
Bagport America LLC  
2810 Grand Avenue  
Baldwin, NY 11510

Re: Freedom of Information Reference No. 12973

Dear Ms. Accetta:

This is a response to your January 31, 2012 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code") for a copy of the current luggage cart concession agreement with and the monthly concession reports for the past three years.

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/12973-I.PA.pdf>. Paper copies of the available records are available upon request.

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

Very truly yours,



Daniel D. Duffy  
FOI Administrator

: For Port Authority Use Only :  
 :  
 : Permit Number: AYE-177 :

**JOHN F. KENNEDY INTERNATIONAL AIRPORT  
PRIVILEGE PERMIT**

The Port Authority of New York and New Jersey (the "Port Authority") hereby grants to the Permittee named below the described non-exclusive privilege at John F. Kennedy International Airport (the "Facility"), in the Borough of Queens, County of Queens, City and State of New York, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** Smarte Carte, Inc., a(n) corporation of the state of Minnesota
2. **PERMITTEE'S ADDRESS:** 4455 White Bear Parkway  
St. Paul, MN 55110
3. **PERMITTEE'S REPRESENTATIVE:** Edward Rudis
4. **PRIVILEGE:** As set forth in Special Endorsement Number 1.
5. **FEES:** As set forth in Special Endorsement Number 3.
6. **EFFECTIVE DATE:** October 1, 2011,
7. **EXPIRATION DATE:** September 30, 2016, unless sooner revoked or terminated as herein provided, and subject to the Extension Option in Special Endorsement 2.
8. **REQUIRED SECURITY DEPOSIT:** As set forth in the Security Agreement (numbered AX-762), as amended, between the Port Authority and Permittee.
9. **INSURANCE REQUIREMENTS:** \$2,000,000.00 minimum limit Commercial General Liability  
\$2,000,000.00 minimum limit Automobile Liability
10. **ENDORSEMENTS:** Special Endorsements, Schedule G, and Schedule A.

Dated: As of October 1, 2011

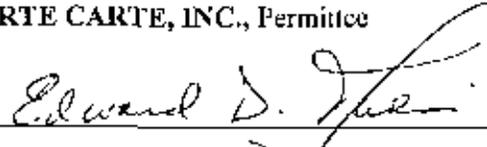
**THE PORT AUTHORITY OF NEW YORK  
 AND NEW JERSEY**

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

| Port Authority Use Only |                      |
|-------------------------|----------------------|
| Approval as to Terms.   | Approval as to Form. |
| <u>RR</u>               | <u>RR</u>            |

RR

**SMARTE CARTE, INC., Permittee**

By   
 Name EDWARD D. RUDIS  
(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 9 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;

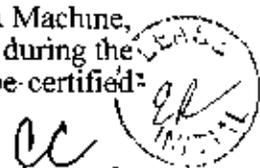
(ii) not divert or cause or allow to be diverted, any business from the Facility;

(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 4 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, 2<sup>nd</sup> 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 <sup>or like - new</sup> 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) Subject to all of the terms and conditions of this Permit, the Port Authority hereby grants to the Permittee the privilege and the Permittee hereby assumes the obligation, of installing, maintaining and operating self-service airline passenger luggage cart control units (herein sometimes called the "*Machines*"), providing airline passenger luggage carts and in conjunction therewith, operating an airline passenger luggage cart retrieval service (hereinafter the airline passenger luggage cart control units, the airline passenger luggage carts and the retrieval service are sometimes collectively called the "*Service*") to all passengers at the Airport and the Permittee agrees to provide such Service at such locations in and outside the various airline terminals, parking lots and courtyards at the Airport as shall be designated in writing by the Port Authority from time to time and for no other purpose or purposes whatsoever. The price that the Permittee shall charge for each luggage cart provided as a part of the Service shall be Five Dollars (\$5.00) per cart with no refund for returned carts. As part of the Service the Permittee shall provide the "*Customs Cart Service*" as defined in paragraph (b) below.

(b) (1) Without limiting the generality of the provisions of paragraph (a) of this Special Endorsement No. 1, the Permittee agrees to provide the Service to all international and domestic passengers at the Airport and the Permittee agrees to provide such Service at such locations in and outside the various airline terminals (hereinafter the "*Terminals*") as shall be designated in writing by the respective Terminal Operator (as defined herein) or the Port Authority from time to time, and parking lots and parking structures (hereinafter the parking lots and the parking structures collectively shall be referred to as "*Parking Lot(s)*") at the Airport and the AirTrain stations ("*AirTrain Station(s)*") as shall be designated in writing by the Port Authority. As part of the Service the Permittee shall provide the "*Customs Cart Service*," as defined herein, at the Airport. The Permittee agrees to furnish and provide all the necessary personnel, equipment, material and all other things necessary to provide such Customs Cart Service. The Permittee is hereby granted the privilege to provide to those airlines located in the FIF (as defined herein) at the Airport (the "*FIF Airlines*") electronic debit cards (hereinafter such electronic debit cards shall be referred to as "*Smarte Cards*"). The Smarte Cards are permitted to be used by the FIF Airlines crew members in order for the crew members to obtain the Service (such portion of the Service being herein called the "*Smarte Cards Service*").

(2) The "*Customs Cart Service*" shall be defined herein as Service to arriving international passengers at the Airport in the Secured federal inspection facility (hereinafter each such area called an "*FIF*") of such Terminals as shall be approved by the Port Authority at the Airport.

(3) It is understood and acknowledged by the Permittee that the Permittee hereby agrees to provide luggage carts through the Customs Cart Service sufficient to meet the requirements of passengers using each Terminal. The Port Authority makes no representations or warranties as to the location, size, adequacy or suitability of space and facility as may be designated by the Port Authority to be used by the Permittee for the Customs Cart Service nor the operational and other procedures which the respective terminals may require the Permittee to observe in carrying out its privileges and obligations hereunder.

(4) Without limiting the generality of Term and Condition No. 33 hereof, the Permittee is obligated to apply for and to obtain for itself and its employees all security clearances, consents, passes and approvals which are necessary for its employees to gain access to and serve the terminals and any other restricted areas of the Airport required for

the Customs Cart Service and to cooperate in every way with all Federal Inspection Services, including but not limited to securing, at its sole cost and expense, if required by the U.S. Customs Service, a "*Customs Area Security Bond*" or other assurance as required by the U.S. Customs Service in connection with providing the Customs Cart Service to such area of the Airport used by the U.S. Customs Service.

(c) Without limiting the generality of any of the other provisions of this Permit, the Service shall be provided by the Permittee in accordance with the following:

(1) The Permittee shall upgrade and replenish cart inventory, including providing a new castor wheel, and shall upgrade or replace the cart conveyor system in Terminal 4. All Machines, luggage carts and other equipment installed or provided by the Permittee hereunder shall be of the type and specifications set forth in the "Equipment Schedule" attached hereto, hereby made a part hereof and marked "*Schedule A*" with all luggage carts having the "*optional braking system*", or as may otherwise be approved in writing by the Port Authority from time to time, and shall at all times meet the highest standards of appearance and safety.

(2) The Permittee shall provide to its employees on the Airport Port Authority approved uniforms identifying the Permittee's organization, badges identifying its employees, and employee operations and customer service training, at no additional or separate cost to the Port Authority. The employee training program must be submitted to, reviewed and approved by the Port Authority, in writing prior to the training taking place.

(3) The Permittee shall maintain a sufficient and even dispersal of luggage carts throughout the Airport at all times in numbers sufficient to meet customer demand therefor. The total number of luggage carts and the locations of the Machines on the Effective Date shall be as specified in the Schedule A, but at no time shall there be less than Seven Thousand (7,000) luggage carts available for use by the public on the Airport.

(4) The purpose of the Port Authority in extending the permission granted hereby is to have available at the Airport the Service, 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. The Permittee shall maintain the Machines, luggage carts and all other equipment installed or provided by it at the Airport in first-class working order, appearance and condition, making all repairs and replacements necessary therefor and shall keep the Machines well stocked with luggage carts.

(5) The Permittee's employees shall at all times conduct themselves in a professional, helpful and courteous manner to Airport patrons to provide the highest possible levels of customer service at the Airport.

(6) The Permittee recognizes that portions of the Airport where the Permittee's Machines and other equipment may be installed are under lease to third parties (which parties are herein referred to as a "*Terminal Operator*") for their exclusive occupancy

and that the Permittee must by independent arrangement with each Terminal Operator acquire the right or rights of access and use necessary for the operation of the Service by the Permittee in such areas and shall make its own arrangements with each Terminal Operator for the supply to its Machines and other equipment of such utilities and services as it may require. Each such arrangement between the Permittee and a Terminal Operator shall be subject to the approval of the Port Authority. The Port Authority makes no representations or warranties as to the 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 between the Port Authority and the Terminal Operator covering such exclusive occupancy and in the event of expiration or earlier termination of any such lease then the privileges granted under this Permit shall terminate with respect to the areas covered by such lease. In the event of any inconsistency between the terms of any such lease and the terms of this Permit the terms of this Permit shall control as between the Permittee and the Port Authority.

(7) The Machines shall dispense only such luggage carts and render such services as are approved in writing by the Port Authority.

(8) The Port Authority and the respective Terminal Operator shall approve the number and location of Machines and other equipment to be installed, maintained and serviced under this Permit and each may in its discretion, from time to time, consent to the inclusion under this Permit of an additional Machine or Machines and other equipment required to provide the Service. The location of each Machine and other equipment covered by this Permit is to be only that approved by the Port Authority and the respective Terminal Operator. The Port Authority or the respective Terminal Operator shall have the right, from time to time, to redesignate the location or locations of any or all Machines and other equipment covered by this Permit, and the Permittee shall thereupon at its own expense, comply therewith by promptly removing and reinstalling each such Machine and other equipment. The Port Authority shall also have the right, from time to time, to direct that the number of Machines and other equipment covered by this Permit be decreased and the Permittee shall promptly remove the Machines and other equipment as directed.

(9) In the event of relocation or removal the Permittee shall leave the vacated area in the condition required under this Permit in the case of expiration, and all obligations with respect to the vacated area which would have matured on the effective date of expiration of the Permit shall mature as to the vacated area on the required date of relocation or removal. In the event the Permittee fails to immediately transport any of its Machines and other equipment to a newly designated location, or to remove any of its Machines and other equipment, the Port Authority shall have the right to do so at the risk of the Permittee, and the Permittee shall pay the Port Authority the expense thereof on demand. Without limiting the foregoing, the Permittee agrees to take good care of each designated area and to restore the same upon the expiration or revocation of the effective period of the permission granted under this Permit to the condition existing prior to the installation of the Permittee's Machines and other equipment.

(10) (i) Without limiting the provisions of Section 6 of the foregoing Terms and Conditions and in addition thereto, the Permittee agrees that prior to the installation of any Machines and other equipment it shall obtain the written approval of the Port Authority and the respective Terminal Operator as to the design and type thereof as well as the method, time 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 Machines and other equipment and for the removal and relocation thereof. In the event of any such installment or performance without the approval of the Port Authority and the respective Terminal Operator, then upon such notice from the Port Authority or the Terminal Operator, the Permittee shall remove the same or cause the same to be changed to the satisfaction of the Port Authority and the respective Terminal Operator.

(ii) Nothing contained in this Permit shall be or deemed to be consent to, or approval of, the erection of any structures, or the making of any improvements, alterations, modifications, additions, repairs or replacements to the Airport, including without limitation the installation of any Machines at the Airport. The Permittee agrees that no construction or installation, as aforesaid, shall be performed without the prior written approval of the Port Authority and the applicable Terminal Operator, if any, and subject to the terms and conditions of the this Permit and an approved Port Authority Alteration Application.

(11) The Permittee shall post informational and rate signs on the Machines and any other appropriate signage that the Port Authority or the Terminal Operator believes is necessary to provide the Service in accordance herewith. The Permittee shall place in a conspicuous place on each Machine installed and operated pursuant to the permission granted hereunder the name and address of the Permittee, the location of the Machine, or piece of other equipment, the Permit Number and such other information as the Port Authority may from time to time determine to be necessary.

(12) The Permittee understands and agrees that no reimbursement will be made by the Port Authority to the Permittee for any lost or stolen carts. The collection of lost or stolen carts is the responsibility of the Permittee.

(13) Collections shall be made from the Machines in the manner and at the time 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 Department of the Port Authority.

(14) The Permittee shall promptly handle in a manner satisfactory to the Port Authority all customer complaints including but not limited to those based on a shortage of luggage carts, failure or malfunction of the Machines or other equipment of the Permittee or defective luggage carts rendered therefrom or thereby and the Permittee shall make all suitable refunds, exchanges, credits and allowances in connection therewith. Without limiting the generality of the foregoing, the Permittee shall pay to the Port Authority liquidated damages of in the amount of Fifty Dollars and No Cents (\$50.00) for each instance where (1) the Permittee has failed to replenish a cart dispensing location within fifteen (15) minutes of notification by the Port Authority or a Terminal Operator that there are no carts available in

such dispensing location and (2) the Permittee has failed to commence retrieving carts from any location within fifteen (15) minutes of notification by the Port Authority or a Terminal Operator that uncollected carts discarded by airport patrons are congregated in such numbers or in such manner that they are causing an unsightly or unsafe condition.

2. Renewal Option: The Port Authority shall have the right, at its sole discretion, to extend this Agreement for a period of five (5) additional years subsequent to the Expiration Date, such extension period to commence on October 1, 2016 and to expire on September 30, 2021 ("*the Extension Term*"). The Extension Term shall contain the same Terms and Conditions of this Agreement, with the exception that the Percentage Fee (as defined herein) shall be an amount equal to the excess over the Minimum Annual Fee Amount of Twenty-Eight Percent (28%) of all of the Gross Receipts for each Annual Period. In addition, if necessary, as determined by the sole and exclusive opinion of the Port Authority, the Permittee shall be required to upgrade and replace Seven Thousand (7,000) luggage carts and, if necessary, as determined by the sole and exclusive opinion of the Port Authority, upgrade and replace the vending systems at the Airport upon the start of the Extension Term. The Port Authority will advise the Permittee in writing, at least six (6) months prior to the Expiration Date if it elects to exercise its right to extend the term of this Agreement. Upon the exercise of the Port Authority of its option to extend as aforesaid, no execution by either party of any other document or instrument shall be required to effect such extension of the term of this Agreement.

3. Fees:

(a) The following terms shall have the meaning as used herein:

(1) "*Annual Period*" shall mean, as the context requires, the twelve-month period commencing on the Effective Date and each twelve-month period thereafter occurring during the effective period of the permission granted under this Permit, commencing with each anniversary of the Effective Date, provided, however, that the last Annual Period shall expire in any event on the earliest to occur of the date of expiration, termination or revocation of this Permit.

(2) "*Gross Receipts*" shall mean and include all monies paid or payable to the Permittee for services rendered at or from the Airport and any other revenues of any type arising out of or in connection with the Permittee's operations at the Airport, provided, however, that there shall be excluded from such Gross Receipts the following: (i) any sales taxes imposed by law which are directly payable to the taxing authority by the Permittee and (ii) amounts upon which Gross Receipts fees are payable or exempt from payment to the Port Authority pursuant to other agreements with the Permittee.

(3) "*Minimum Annual Fee Amount*" shall mean Two Hundred Ten Thousand Dollars and No Cents (\$210,000.00), payable in monthly installments of Seventeen Thousand Five Hundred Dollars and No Cents (\$17,500.00).

(b) Basic Fee

(1) The Permittee shall pay to the Port Authority a basic fee at the

rate Seventeen Thousand Five Hundred Dollars and No Cents (\$17,500.00) (the "*Basic Fee*"). The Permittee shall pay the Basic Fee monthly in advance on the Effective Date and on the first day of each calendar month thereafter occurring during the period of permission hereunder.

(2) In the event that this Permit shall commence or shall expire or be revoked or terminated on other than the last day of a calendar month, the Basic Fee payable for such calendar month shall be an amount equal to the applicable monthly installment set forth in paragraph (b)(1) above multiplied by a fraction, the numerator of which shall be the number of days in such calendar month in which this Permit was in effect and the denominator of which shall be the full number of days in such calendar month.

(c) Percentage Fee

(1) In addition to the Basic Fee payable hereunder, the Permittee shall pay to the Port Authority a Percentage Fee for each Annual Period in an amount equal to the excess over the Minimum Annual Fee Amount of Twenty-Five Percent (25%) of all of the Gross Receipts for such Annual Period (the "*Percentage Fee*").

(2) The computation of the Percentage Fee for each Annual Period, or a portion of an Annual Period as hereinafter provided, shall be individual to such Annual Period, or such portion of an Annual Period, and without relation to any other Annual Period, or any other portion of any Annual Period.

(3) For the purpose of calculating the Percentage Fee due for any Annual Period which contains less than 365 days, the applicable Minimum Annual Fee Amount shall be multiplied by a fraction, the numerator of which shall be the number of days from the commencement of such Annual Period through the last day thereof, both dates inclusive, and the denominator of which shall be 365.

(4) Notwithstanding Term and Condition 13(a), the Permittee shall report Gross Receipts and shall pay the Percentage Fee as follows: on the 20th day of the first month following the commencement of each Annual Period and on the 20th day of each and every month thereafter including the month following the end of each Annual Period and the month following the expiration of the permission granted hereunder, the Permittee shall render to the Port Authority a sworn statement showing all Gross Receipts arising from the Permittee's operations at the Airport in the preceding month, and also showing its cumulative Gross Receipts from the date of the commencement of the Annual Period for which the report is made through the last day of the preceding month and the percentage stated in paragraph (c)(1) of this Special Endorsement. Whenever any monthly statement shall show that the percentage set forth in paragraph (c)(1) of this Special Endorsement applied to all of the Gross Receipts for the Annual Period for which the report is made is in excess of the Minimum Annual Fee Amount, the Permittee shall pay to the Port Authority at the time of rendering the statement an amount equal to the excess of such sum over the Minimum Annual Fee Amount, and shall thereafter on the 20th day of each month during that Annual Period, and the month following the end of that Annual Period, including the month

following the expiration of the permission granted hereunder, pay an amount equal to such percentage of its Gross Receipts for each subsequent month during that Annual Period.

(5) Upon the termination or revocation of the period of the permission granted hereunder (even if any revocation or termination is stated to have the same effect as expiration), Gross Receipts shall be reported and the Percentage Fee shall be paid within twenty (20) days after the effective date of such termination or revocation, as follows. The Permittee shall render to the Port Authority a sworn statement separately showing of all its cumulative Gross Receipts for the Annual Period in which the effective date of termination or revocation falls and also the percentage set forth in paragraph (c)(1) of this Special Endorsement. The payment then due on account of all Gross Receipts for the Annual Period in which the effective date of termination or revocation falls shall be the excess over the prorated Minimum Annual Guaranteed Amount of the percentage stated in paragraph (c)(1) of this Special Endorsement applied to all the Gross Receipts arising during such Annual Period; said Minimum Annual Guaranteed Amount being prorated as set forth in paragraph (c)(3) above, less any Percentage Fee payments previously made for such Annual Period.

(6) Notwithstanding that the Percentage Fee and the Minimum Annual Guaranteed Amount may have been determined on an annual basis, such determination shall not in any way restrict or impair the Port Authority's right to revoke this Permit upon thirty (30) days' written notice to the Permittee.

(7) Notwithstanding that the Percentage Fee hereunder is measured by a percentage of Gross Receipts, no partnership relationship or joint venture between the Port Authority and the Permittee is created or intended to be created by this Permit.

(8) Without limiting the requirement for Port Authority approval, if the Permittee conducts any privilege or any portion thereof through the use of a contractor or other third party which is not a Port Authority permittee and where the payments for any of the foregoing are made to such contractor rather than to the Permittee, said payments shall be deemed amounts, monies, revenues, receipts and income paid or payable to the Permittee for purposes of determining the Permittee's Gross Receipts, provided, however, that the foregoing shall not grant or be deemed to grant any right or permission to the Permittee to use an independent contractor or other third party to perform any privilege or portion thereof or the doing of anything hereunder by an independent contractor or other third party.

(9) To the extent that the Permittee has not already done so at the time of execution of this Permit and without limiting the generality of any other term or provision hereof, the Permittee agrees to submit monthly statements of Gross Receipts and to pay, at the time of execution and delivery of this Permit to the Port Authority, all fees and other amounts due under this Permit to the Port Authority for the period from the Effective Date to the time of execution and delivery of this Permit by the Permittee.

(10) The Permittee shall furnish to the Port Authority on or before the twentieth day of July of each calendar year following the Effective Date a statement of all

Gross Receipts for the preceding calendar year certified, at the Permittee's expense, by a certified public accountant.

4. Advertising/Public Notices:

(a) *Advertising/Public Notices Placed by the Port Authority*

(i) The Permittee shall have the obligation to accept the installation, placement, maintenance and operation of (x) such airport and other public service announcements and news as the Port Authority may supply or designate and (y) advertising displays, posters, and such other advertising media and public notices as may be directed by the Port Authority (all such airport and other public service announcements and news, and all such advertising displays, posters, advertising media and public notices, being collectively hereafter called "*PA Advertising Items*") on such of the Permittee's machines and luggage carts as are being operated at the Airport pursuant to this Permit. The Permittee shall be responsible for mounting PA Advertising Items on luggage carts at the direction of the Port Authority, at its own cost and expense, and shall not place PA Advertising Items on any Machine or luggage cart without the express direction of the Port Authority; provided, however, that the Permittee shall not be required to place such material in any machine or luggage cart if the Permittee has arranged with a third party for the display of advertising matter in such Machine or luggage cart pursuant to the provisions of subparagraph (a)(ii), below, during the period covered by the Port Authority's notice.

(ii) Without limiting any other item or provision hereof, the Permittee shall impose no charge to the Port Authority, or any contractor or advertising permittee which has been selected by the Port Authority, to install, place, maintain and operate PA Advertising Items on its behalf, in connection with the display of PA Advertising Items on any Machine or any of the Permittee's luggage carts. Accordingly, the Permittee shall not be entitled to any compensation with PA Advertising Items.

(b) *Advertising Place by Third Parties*

(i) Subject to the terms and provisions of this Permit, the Permittee shall have the right to solicit and/or enter into agreements with third party advertising companies which desire to install, place, maintain and operate advertising displays, posters, and other advertising media on any luggage cart at the Airport that is covered by this Permit (all such third party advertising displays, posters and other advertising media being individually called a "*Third Party Advertising Item*" and collectively called "*Third Party Advertising Items*").

(ii) No Third Party Advertising Item shall be placed, installed or operated by the Permittee in any luggage cart unless the Port Authority has given its prior approval as to the type, size, quality, kind, form, substance and character of the display, poster, exhibit or media, including the content thereof and the operation and maintenance thereof. Once installed, a Third Party Advertising Item must meet the Port Authority's continued approval as to the content thereof and the operation and maintenance thereof. Any

Third Party Advertising Item which does not continue to meet with the approval of the Port Authority shall be immediately removed by the Permittee on notice from the Port Authority.

(iii) All arrangements of the Permittee with third parties for the display of advertising matter at the Airport shall be represented by written agreements with such third parties. True and accurate copies of all executed agreements shall be delivered by the Permittee to the Port Authority upon request. Without limiting the foregoing, the Permittee agrees that each such agreement entered into by it shall contain provisions making such agreement subject to all the provisions of this Permit and specifically stating that no party thereto shall obtain thereunder privileges greater than those granted under this permit. All monies paid or payable to or received or receivable by the Permittee for or in connection with any Third Party Advertising Item displayed, shown, exhibited or disseminated by the Permittee, including charges for normal placement, installation, operation, and maintenance thereof, shall be fully set forth in the Permittee's third party agreements.

(iv) In addition to such information and documentation as the Permittee is required to make available pursuant to this Permit, the Permittee agrees from time to time, at the request of the Port Authority, to provide to the Port Authority the following information in a form acceptable to the Port Authority: an updated inventory list and description of all Third Party Advertising Items installed by the Permittee pursuant to the provisions of this Permit, including, without limitation, the number, type and location of the advertising display item, the billings generated by each of the Permittee's advertising accounts at the Airport, and the Permittee's advertising rates with respect to such Third Party Advertising Items. The Permittee shall permit the Port Authority, by its agents, employees, and representatives, to examine and audit the records and books of account of the Permittee in connections with all of the foregoing, it being understood that nothing contained in this paragraph shall relieve the Permittee of its obligations to provide the documents and information described elsewhere in this permit, or shall be deemed to be a waiver by the Port Authority of any rights to examine any other documents and information relating to the Permittee's operations in connection with this Permit.

(v) All revenues and other compensation derived by the Permittee from Third Party Advertising Items shall be paid and allocated as follows: (x) Permittee may charge third parties at a rate in the range of Twenty-Two Dollars and No Cents (\$22.00) to Thirty Dollars and No Cents (\$30.00) per luggage cart per month and (y) revenues and other compensation derived therefrom shall be paid forty percent (40%) to the Port Authority, thirty percent (30%) to the third party advertising agency which is responsible for the media placement, and the remaining thirty percent (30%) may be retained by the Permittee. Moneys paid or payable to the Port Authority pursuant to this subparagraph shall be made on a monthly basis together with payments of the percentage fee due hereunder, together with monthly statements setting forth the details substantiating such payments, which monthly statements shall include, without limitation, the identity of the third party advertising company which placed the Third Party Advertising Item; the number, type and location of the Third Party Advertising Item; the billings generated by each of the Permittee's advertising accounts at the Airport for the preceding month and cumulatively for the annual

period to which such monthly report occurs; and the Permittee's advertising rates with respect to such Third Party Advertising Items.

5. Gifts and Gratuities:

(a) During the term of this Permit, the Permittee shall not offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e, a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Permittee on behalf of the Port Authority, whether or not such duties are related to this Permit or any other Port Authority contract or matter. Any such conduct shall be deemed a material breach of this Permit.

(b) As used herein "*anything of value*" shall include but not be limited to any (i) favors, such as meals, entertainment, transportation (other than that contemplated by the Permit or any other Port Authority contract), etc., which might tend to obligate the Port Authority employee to the Permittee, and (ii) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Permit or any other Port Authority contract.

(c) In addition, during the term of this Permit, the Permittee shall not make an offer of employment or use confidential information in a manner proscribed by the Port Authority's Code of Ethics and Financial Disclosure dated as of April 11, 1996 (a copy of which is available upon request to the Office of the Secretary of the Port Authority).

6. Security Agreement:

The Port Authority and the Permittee have previously entered into a security agreement dated October 1, 2003 and identified by Port Authority No. AX-762, Supplement 1 (the "*Security Agreement*"), covering the deposit of security with the Port Authority. Without limiting the terms and conditions of the Security Agreement, the Permittee understands and agrees that a breach of the Security Agreement by the Permittee shall be and be deemed be a breach of this Permit by the Permittee permitting the Port Authority to revoke this Permit for cause.

7. Non-Exclusivity:

It is understood that any and all privileges granted hereunder to the Permittee are non-exclusive and shall not be construed to prevent or limit the granting of similar privileges at the Airport to another or others, whether by this form of permit or otherwise, or the securing or otherwise providing for luggage handling services through the contracting of skycaps, porters or other means. Neither the granting to others of rights and privileges similar or greater than the

rights and privileges granted hereunder nor the existence of agreements by which similar rights and privileges have been previously granted to others shall constitute or be construed to constitute a violation or breach of the permission herein granted by the Port Authority or relieve the Permittee of any of its obligations hereunder.

8. Miscellaneous:

(a) For the purposes of this Permit, a default by the Permittee in keeping, performing or observing any promise, obligation, term or agreement set forth herein on the part of the Permittee to be kept, performed or observed shall include the following whether or not the time has yet arrived for the keeping, performance or observance of any such promise, obligation, term or agreement:

(1) a statement by the Permittee to any representative of the Port Authority indicating that it cannot or will not keep, perform or observe any one or more of its promises, obligations, terms or agreements under this Permit;

(2) any act or omission of the Permittee or any other occurrence which makes it impossible at the time that it will be able to keep, perform or observe any one or more of its promises, obligations, terms or agreements under this Permit; or

(3) any suspension of or failure to proceed with any part of the privileges to be performed by the Permittee which makes it improbable at the time that it will be able to keep, perform or observe any one or more of its promises, obligations, terms or agreements under this Permit.

(b) Nothing contained in this Permit shall constitute or be deemed to constitute permission to the Permittee to park or store equipment or personal property at any location or area at the Airport.

(c) The Permittee shall have no right hereunder to carry on any business or operation at the Airport other than that specifically provided herein.

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

(e) The Permittee, its employees, invitees and others doing business with it shall have no right hereunder to park vehicles within the Airport, except that the Permittee shall have the right to park luggage cart trailers, pick-up trucks and service van trailers for such time as is reasonably necessary for loading and unloading luggage carts and other equipment used by Permittee in providing the Service.

(f) The words "permission" and "privilege" are used interchangeably in this Permit, and except where expressly provided to the contrary, shall mean the privileges granted by this Permit.

(g) The section, paragraph and other headings, if any, in this Permit are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision hereof.

9. No Waiver:

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 then existing or subsequent breach or default thereof.

10. Removal of Property:

(a) All Machines and other personal property placed or installed by the Permittee at the Airport shall remain the property of the Permittee and must be removed within 72 hours after the expiration, revocation, cancellation or termination of the permission hereby granted, whichever shall be earlier.

(b) Any such property remaining at the Airport after the effective date of such expiration, revocation, cancellation or termination shall be deemed abandoned by the Permittee and may be removed and disposed of by the Port Authority or the Terminal Operator in any manner they so determine in their sole discretion and all the proceeds of any removal or disposition by the Port Authority shall be retained by the Port Authority for its account and all costs and expenses of such removal and disposition shall be paid to the Port Authority by the Permittee when billed and all the proceeds of any removal or disposition by the Terminal Operator shall be retained by the Terminal Operator for its account and all costs and expenses of such removal and disposition shall be paid to the Terminal Operator by the Permittee when billed.

11. Restoration:

The areas of the Airport affected by any removal of a Machine or other personal property of the Permittee shall be restored by the Permittee to the condition existing prior to any installation, including without limitation the removal of any wires, conduits, outlets, ducts and pipes installed by or for the Permittee.

12. Electricity:

In areas under the control of the Port Authority, electricity for the operation of the Machines will be provided by the Port Authority to the Permittee, without charge, through existing conduits, wires and outlets.

13. Prohibited Acts:

(a) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport. In addition to and without limiting Term and Condition No. 38 hereof, any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee and subject to the provisions of Section 8 of the Terms and Conditions hereof, be completely removed and/or remediated by the Permittee at its sole cost and expense. The obligations of the Permittee pursuant to this Special Endorsement No. 13(a) shall survive the expiration, revocation, cancellation or termination of the Permit.

(b) "*Hazardous Substance*" shall herein be defined as any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer, endocrine disruption or reproductive toxicity, petroleum and petroleum products and substances declared to be hazardous or toxic or the removal, containment or restriction of which is required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which is restricted, prohibited, regulated or penalized by any federal, state, county, or municipal or other local statute or law now or at any time hereafter in effect as amended or supplemented and by the regulations adopted and publications promulgated pursuant thereto.

(c) The Permittee shall not dispose of nor permit anyone to dispose of any waste materials (whether liquid or solid) by means of any toilets, sanitary sewers or storm sewers.

(d) The Permittee shall not solicit business on the public areas of the Airport and the use, at any time, of hand or standard megaphones, loudspeakers or any electric, electronic or other amplifying device is hereby expressly prohibited.

(e) The Permittee shall not use any cleaning materials having a harmful or corrosive effect on any part of the Airport.

14. Work and Labor Harmony:

(a) The Permittee shall so plan and conduct its operations as to work in harmony with the operations of others at the Airport and not to delay, endanger or interfere with

the operations of others (whether or not specifically mentioned herein), all to the best interest of the Port Authority and the users of the Airport and as may be directed by the General Manager of the Airport.

(b) The Permittee is advised to ascertain whether any on now represented or not represented at the Airport will claim jurisdiction over any aspect of the operations to be performed hereunder, and its attention is directed to Term and Condition No. 39 hereof. Further, the Permittee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(c) The Permittee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(d) The Permittee acknowledges that it is familiar with the general and local conditions prevailing at the Airport and with the all pertinent matters and circumstances which may in any way affect performance of the privileges granted under the Permit.

15. Business Development and Records:

(a) In connection with the exercise of the privileges granted hereunder, the Permittee shall:

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

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

(3) maintain, in English and in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation, cancellation or termination thereof, and for a further period extending until the Permittee shall, upon request to the Port Authority, receive written permission from the Port Authority to do otherwise, full and complete records and books of account (including without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, records of daily forms and work schedules) recording all transactions of the Permittee at, through, or in anywise connected with the Airport, including without limitation the Investment Amount, all charges for services made through the Machines, Gross Receipts from each Machine installed and operated by the Permittee at each location and such additional monthly statistics and information that the Port authority may from time to time and at any time require, which records and books of account shall be kept at all times within the

Port of New York District;

(4) cause any company which is owned or controlled by the Permittee, or any company which owns or controls the Permittee, if any such company performs services similar to those performed by the Permittee (any such company being hereinafter called an "Affiliate" and all such companies being hereinafter called the "Affiliates") to maintain, in English and in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation, cancellation or termination thereof, and for a further period extending until the Permittee shall, upon request to the Port Authority, receive written permission from the Port Authority to do otherwise, full and complete records and books of account (including without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, and work schedules) recording all transactions of each Affiliate at, through, or in anywise connected with the Airport, which records and books of account shall be kept at all times within the Port of New York District;

(5) permit and/or cause to be permitted in ordinary business hours during the effective period of this Permit, for one (1) year thereafter, and during such further period as is mentioned in the preceding paragraphs (a)(iii) and (a)(iv), the examination and audit by the officers, employees and representatives of the Port Authority of all the records and books of account of the Permittee (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification, determination or calculation of Gross Receipts and the Investment Amount, all agreements, and all source documents) and all the records and books of account of all Affiliates (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification, determination or calculation of Gross Receipts and the Investment Amount and all agreements, and all source documents) (all of the foregoing records and books described in this paragraph (a)(v) being hereinafter collectively referred to as the "**Books and Records**") within ten (10) days following any request by the Port Authority from time to time and at any time to examine and audit any Books and Records;

(6) install and use such cash registers, sales slips, invoicing machines and any other equipment or devices, including without limitation computerized record keeping systems, for recording orders taken, or services rendered, as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of Gross Receipts, and without limiting the generality of the foregoing, for any privilege involving cash sales, install and use cash registers or other electronic cash control equipment that provides for non-resettable totals; and

(7) 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.

(b) (1) Without implying any limitation on the right of the Port Authority to revoke this Permit for cause for breach of any term, condition or provision thereof, including but not limited to, breach of any term, condition or provision of paragraph (a) above, the Permittee understands that the full reporting and disclosure to the Port Authority of all Gross Receipts and the Permittee's compliance with all the provisions of paragraph (a) above are of the utmost importance to the Port Authority in having entered into the percentage fee arrangement under this Permit.

(2) In the event any Books and Records are maintained outside the Port of New York District then, in addition to all, and without limiting any other, rights and remedies of the Port Authority under this Permit or otherwise and in addition to all of the Permittee's other obligations under this Permit, the Port Authority in its sole discretion may (x) require on ten (10) days' notice to the Permittee that any such Books and Records be made available to the Port Authority within the Port of New York District for examination and audit pursuant to paragraph (a)(v) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(v) at the location(s) they are maintained and if such Books and Records are maintained within the contiguous United States the Permittee shall pay to the Port Authority when billed all travel costs and related expenses, as determined by the Port Authority, for Port Authority auditors and other representatives, employees and officers in connection with such examination and audit and if such Books and Records are maintained outside the contiguous United States the Permittee shall pay to the Port Authority when billed all costs and expenses of the Port Authority, as determined by the Port Authority, of such examination and audit, including but not limited to, salaries, benefits, travel costs and related expenses, overhead costs, and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination. Further, in the event that the Permittee has not made any Books and Records which are maintained outside of the Port of New York District available to the Port Authority within the Port of New York District for examination and audit pursuant to paragraph (a)(v) hereof within ten (10) days after the Permittee's receipt of notice from the Port Authority to do so, the Port Authority may estimate the Gross Receipts on any basis that the Port Authority, in its sole discretion, shall deem appropriate, such estimation to be final and binding on the Permittee and the fees based thereon shall be payable to the Port Authority when billed.

(3) In the event of the failure of the Permittee to comply with any of the provisions of paragraph (a) above then, except for the failure of the Permittee to maintain the Books and Records in the Port of New York District which failure is covered by subparagraph (b)(ii) above, in addition to all, and without limiting any other, rights and remedies of the Port Authority under this Permit or otherwise and in addition to all of the Permittee's other obligations under this Permit the Port Authority may estimate the Gross Receipts on any basis that the Port Authority, in its sole discretion, shall deem appropriate, such estimation to be final and binding on the Permittee and the fees based thereon shall be payable to the Port Authority when billed.

(c) Without implying any limitation on the rights or remedies of the Port Authority under this Permit or otherwise including without limitation the right of the Port Authority to revoke this Permit for cause for breach of any term or provision of paragraphs (a)(iii) or (a)(iv) above and in addition thereto, in the event any of the Books and Records are not maintained in English, then the Permittee shall pay to the Port Authority when billed, all costs

and expenses of the Port Authority, as determined by the Port Authority, to translate such Books and Records into English.

(d) The foregoing auditing costs, expenses and amounts of the Port Authority set forth in paragraphs (b) and (c) above shall be deemed fees under this Permit payable to the Port Authority with the same force and effect as the Basic Fee and Percentage Fee and all other fees payable to the Port Authority under this Permit.

16. 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.

17. No Broker. The Permittee represents and warrants that no broker has been concerned in the negotiation or execution of this Permit and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Permittee shall indemnify the Port Authority and save it harmless from any and all claims which have been or which may be made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Permit or in connection with any permission contained herein.

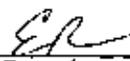
18. Waiver of Trial by Jury. The Permittee hereby waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by the Port Authority against the Permittee in respect of the space in which the Permittee exercises the privilege granted hereunder and/or in any action that may be brought by the Port Authority to recover fees, damages, or other sums due and owing under this Permit.

19. The Port Authority and the Permittee were heretofore parties to Port Authority Permit No. AYC-912, dated as of March 31, 1999, as amended and supplemented. This Permit hereby replaces Permit No. AYC-912. The Permittee shall remain liable for all obligations and liabilities which accrued under Permit No. AYC-912 through the expiration or termination date of Permit No. AYC-912 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.

20. The following Sections of the Terms and Conditions have been deleted: Section 13(c).

  
\_\_\_\_\_  
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](http://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](http://www.nysucp.net) and the New Jersey UCP at [www.njucp.net](http://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](mailto: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:

  
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For the Port Authority

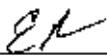
  
\_\_\_\_\_  
For the Permittee

**Schedule A**

The attached constitutes "Schedule A," which is hereby made a part hereof.

  
\_\_\_\_\_  
For the Port Authority

Initialed:

  
\_\_\_\_\_  
For the Permittee



Proposal to Install, Maintain and Operate Self-Service Airline Passenger Luggage Cart Control Units at Various Port Authority of New York and New Jersey Airports Via Privilege Permit

## Operations Plan

When your products are pushed, pulled and slammed shut by millions of people, they'd better be reliable and durable. When you consider that we are responsible for keeping our own products operational, it makes sense that they are built to last!

Smarte Carte has a strong reputation as an industry leader and technology pioneer. Our development and introduction of advanced features, such as unattended credit card acceptance, RFID locker rental and automated tracking and reporting of transactions, solidifies our standing in this regard.

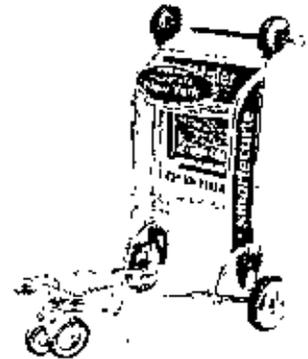


## Proposed Equipment

|            | Model 1110 Worldcarte* | Model 1118 Worldcarte* | Enterprise CMU | Cushman/Taylor Dunn | Hand Tugger/QuickKarts | Truck & Trailer |
|------------|------------------------|------------------------|----------------|---------------------|------------------------|-----------------|
| JFK        | 7000                   | -                      | 106            | 16                  | 13                     | 3               |
| Newark     | 2500                   | -                      | 44             | 3                   | 8                      | 2               |
| La Guardia | -                      | 700                    | 31             | 2                   | -                      | -               |
| Stewart    | -                      | 60                     | 2              | -                   | -                      | -               |

Airport luggage carts streamline the flow of traffic through your airport. Smarte Carte® airport luggage carts provide travelers with mobility and the assurance that they are in control of their own belongings. This assurance gives travelers the freedom to spend more time and money at retail shops and restaurants.

Designed by the world's most experienced cart operator for today's world-class airports, Worldcarte® is the latest addition to Smarte Carte's family of airport luggage carts. Its sleek, attractive design creates a lasting impression of your airport, while delivering exceptional performance and unparalleled standards for durability. Smarte Carte's airport luggage carts are rented from cart management units strategically placed in high demand areas of the airport, requiring minimal floor space and ensuring that there is a cart available for every traveler who needs one.



Please reference Attachment 1 for detailed product specifications.

# Smarte Carte<sup>®</sup>

MAXIMIZE THE EXPERIENCE.

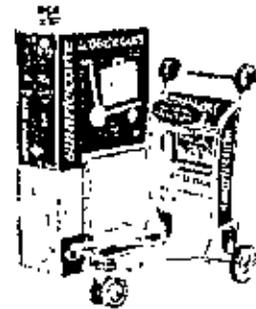
Proposal to Install, Maintain and Operate  
Self-Service Airline Passenger Luggage Cart Control  
Units at Various Port Authority of New York and  
New Jersey Airports Via Privilege Permit

Our advanced cart management units (CMUs) are easy to find and easy to use! Smarte Carte<sup>®</sup> CMUs keep luggage carts stacked neatly and accessible for travelers.



Our CMUs:

- Accept credit cards (PCI-DSS Compliant acceptance of Master Card, VISA, American Express and Discover)
- Accept cash (\$1, \$5, \$10, \$20 bills)
- Give change
- Offer a reward to customers when they return carts (Stewart International Airport only)



Other features include the automated collection of transaction data, and our computerized management operating system that ensures carts are always available

Please reference Attachment 1 for detailed product specifications.

- **Manual Labor** – Luggage carts are handled directly by Smarte Carte employees pushing and pulling the luggage carts with ropes. While moving carts with the ropes, a CSA will be limited to 20 carts at any given time.
- **Electric Cushman/Taylor Dunn vehicle** – a single rider vehicle capable of transporting a maximum of 40 luggage carts. The luggage carts are nested together inline and secured using a rope. The line of luggage carts is then hitched to the back of the vehicle using a Smarte Carte designed hitch. Equipped with a complete list of standard features including heavy-duty electronic brakes, forward and reverse safety horn, taillights and an adjustable bucket seat, the Cushman plays an important role in keeping CMUs throughout the airport filled with carts.
- **Hand Tugger/QuickKart** – a powerful, battery-operated cart handling tool that allows staff to quickly and efficiently move luggage carts throughout the airport. Its compact design allows the Tuggers/QuickKart to operate smoothly in tighter spaces compared to larger cart-handling vehicles.
- **Truck & Trailer** – Trucks are state and PANYNJ licensed and approved. Custom designed trailers provide efficient and safe loading and unloading of carts.



Please reference Attachment 1 for detailed product specifications.



Proposal to Install, Maintain and Operate  
Self-Service Airline Passenger Luggage Cart Control  
Units at Various Port Authority of New York and  
New Jersey Airports Via Privilege Permit

**Proposed Equipment Locations**

| JFK International Airport - Total Units 106 |                      |
|---|----------------------|
| CMU #                                       | Terminal / Area      |
| 1-01C                                       | T-1 Customs          |
| 1-02C                                       | T-1 Customs          |
| 1-03C                                       | T-1 Customs          |
| 1-04C                                       | T-1 Customs          |
| 1--30                                       | T-1 Departures       |
| 1--31                                       | T-1 Departures       |
| 1--32                                       | T-1 Departures       |
| 1--33                                       | T-1 Departures       |
| 1-E-01                                      | T-1 Bag Claim Curb   |
| 2-30  | T-2 Departures       |
| 2--31                                       | T-2 Departures       |
| 2E-01                                       | T-2 Bag Claim        |
| 2E-03                                       | T-2 Bag Claim        |
| 2F--04                                      | T-2 Bag Claim        |
| 2F-05                                       | T-2 Bag Claim        |
| 3-01C                                       | T-3 Customs          |
| 3-02C                                       | T-3 Customs          |
| 3-03C                                       | T-3 Customs          |
| 3-04C                                       | T-3 Customs          |
| 3-05C                                       | T-3 Customs          |
| 3-06C                                       | T-3 Customs          |
| 3-07C                                       | T-3 Customs          |
| 3-08C                                       | T-3 Customs          |
| 3-09C                                       | T-3 Customs          |
| 3-10C                                       | T-3 Customs          |
| 3-11  | T-3 Bag Claim        |
| 3-30  | T-3 Departures       |
| 3--31                                       | T-3 Departures       |
| 3--32                                       | T-3 Departures       |
| 3--33                                       | T-3 Departures       |
| 3--34                                       | T-3 Departures       |
| 3D-01                                       | Area D Baggage Claim |
| 3D-02                                       | Area D Baggage Claim |
| 3D-30                                       | Area D Departures    |
| G-60  | T-1 GARAGE PARKING   |
| G-61  | T-1 GARAGE PARKING   |
| G-65  | T-2/3 GARAGE PKG     |
| T1-61                                       | T-1 Parking          |
| T3-62                                       | T-3 Parking Garage   |



Proposal to Install, Maintain and Operate  
 Self-Service Airline Passenger Luggage Cart Control  
 Units at Various Port Authority of New York and  
 New Jersey Airports Via Privilege Permit

| JFK International Airport - Total Units 106 |                        |
|---|------------------------|
| CMU #                                       | Terminal / Area        |
| 4-01C                                       | T-4 Customs            |
| 4-02C                                       | T-4 Customs            |
| 4-03C                                       | T-4 Customs            |
| 4-04C                                       | T-4 Customs            |
| 4-05C                                       | T-4 Customs            |
| 4-06c                                       | T-4 Customs            |
| 4-07C                                       | T-4 Customs            |
| 4-08C                                       | T-4 Customs            |
| 4-09C                                       | T-4 Customs            |
| 4-10C                                       | T-4 Customs            |
| 4-11D                                       | T-4 Domestic Bag Claim |
| 4-30  | T-4 Departures         |
| 4-31  | T-4 Departures         |
| 4-32  | T-4 Departures         |
| 4-33  | T-4 Departures         |
| 4-34  | T-4 Departures         |
| 4-60  | T-4 Parking            |
| 4-61  | T-4 Parking            |
| 4-63  | T-4 Parking            |
| 4-64  | T-4 Parking            |
| 4E-02                                       | T-4 Bag Claim Outside  |
| 5-01  | T-5 Bag Claim          |
| 5-02  | T-5 Bag Claim          |
| 5-03  | T-5 Bag Claim          |
| 5-04  | T-5 Bag Claim          |
| 5-30  | T-5 Departures         |
| 5-31  | T-5 Departures         |
| 5-32  | T-5 Departures         |
| 5-61  | T-5 Garage             |
| 5-65  | T-5 Garage             |
| 7-01C                                       | T-7 CUSTOMS            |
| 7-02C                                       | T-7 CUSTOMS            |
| 7-03C                                       | T-7 CUSTOMS            |
| 7-30  | T-7 DEPARTURES         |
| 7-31  | T-7 DEPARTURES         |
| T7-65                                       | T-7 Departures         |
| 7D-01                                       | T-7 Domestic Bag Claim |
| 7D-02                                       | T-7 Domestic Bag Claim |
| T7-64                                       | T-7 Parking Garage     |
| 8-01C                                       | T-8 Customs            |
| 8-02C                                       | T-8 Customs            |
| 8-03C                                       | T-8 Customs            |



Proposal to Install, Maintain and Operate Self-Service Airline Passenger Luggage Cart Control Units at Various Port Authority of New York and New Jersey Airports Via Privilege Permit

| JFK International Airport - Total Units 106 |                        |
|---|------------------------|
| CMU #                                       | Terminal / Area        |
| 8-04C                                       | T-8 Customs            |
| 8-05C                                       | T-8 Customs            |
| 8-01D                                       | T-8 Bag Claim Domestic |
| 8-02D                                       | T-8 Bag Claim Domestic |
| 8-30  | T-8 Departures         |
| 8-31  | T-8 Departures         |
| 8-32  | T-8 Departures         |
| T8-10                                       | T-8 Parking Garage     |
| T8-63G                                      | T-8 Parking Garage     |
| HB-01                                       | Howard Beach Station   |
| HB-20                                       | Howard Beach Station   |
| LT-20                                       | Long Term Parking      |
| LF-02                                       | Lefferts Station       |
| LT-02                                       | Long Term Parking      |
| LT-60                                       | Long Term Parking      |
| LT-61                                       | Long Term Parking      |
| LT-62                                       | Long Term Parking      |
| LT-63                                       | Long Term Parking      |
| B3-05                                       | Budget Rent-a-Car      |
| D-31  | Dollar Rent-a-Car      |
| FC-01                                       | Federal Circle         |
| FC-02                                       | Federal Circle         |
| FC-03                                       | Avis Federal Circle    |
| H-62  | Hertz Federal Circle   |
| JM-21                                       | Jamaica Station        |

| Newark Liberty International Airport - Total Units 44 |                   |
|---|-------------------|
| CMU #   | Terminal / Area   |
| A-01  | Bag Claim         |
| A-04  | Bag Claim         |
| A-05  | Departures        |
| A-06  | Bag Claim         |
| A-07  | Bag Claim         |
| A-08  | Bag Claim         |
| A-30  | Enterprise Rental |
| A-31  | Departures        |
| B-01  | Bag Claim         |
| B-02  | Departures        |
| B-03  | Bag Claim         |
| B-06  | Pass Lane Pick Up |
| B-07  | Bag Claim         |
| B-30  | Departures        |



Proposal to Install, Maintain and Operate  
 Self-Service Airline Passenger Luggage Cart Control  
 Units at Various Port Authority of New York and  
 New Jersey Airports Via Privilege Permit

| Newark Liberty International Airport-Total Units 44 |                    |
|---|--------------------|
| CMU #   | Terminal / Area    |
| B-31  | Departures         |
| B-32  | Departures         |
| C-01  | Bag Claim          |
| C-02  | Bag Claim          |
| C-03  | Bag Claim          |
| C-04  | Bag Claim          |
| C-05  | Bag Claim          |
| C-06  | Departures         |
| C-07  | Departures         |
| C-09  | Departures         |
| C-10  | Departures         |
| C-11  | Departures         |
| C-12  | Departures         |
| A-111   | T-A Parking        |
| B-105   | T-B Parking        |
| B-111   | T-B Parking        |
| C-109   | T-C Garage         |
| C-309   | T-C Garage         |
| P-02  | Airtrain STA Lower |
| P-03  | Airtrain STA Lower |
| P-04  | Airtrain STA Lower |
| R-01  | Rail Link -Upper   |
| BC-01   | Customs            |
| BC-02   | Customs            |
| BC-03   | Customs            |
| BC-04   | Customs            |
| BC-05   | Customs            |
| BC-08   | Customs            |
| CC-01   | Customs            |
| CC-03   | Customs            |

| La Guardia Airport - Total Units 31 |                                |
|-------------------------------------|--------------------------------|
| CMU #                               | Terminal / Area                |
| 1-01                                | T-D DELTA Bag Claim            |
| 1-02                                | T-D DELTA Bag Claim            |
| 1-03                                | T-D DELTA Bag Claim            |
| 1-04                                | T-D DELTA Bag Claim            |
| 1-05                                | T-D DELTA Bag Claim            |
| 2-01                                | T-C Bag Claim US AIR SHUTTLE   |
| 2-03                                | T-C Bag Claim US AIR Bag Claim |
| 2-04                                | T-C Bag Claim US AIR           |
| 2-30                                | T-C Departures US AIR          |



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| La Guardia Airport - Total Units 31 |  |
|-------------------------------------|--|
| CMU #                               | Terminal / Area                        |
| 2-31                                | T-C Departures US AIR                  |
| 3-01                                | CTB Bag Claim CONTINENTAL              |
| 3-02                                | CTB Bag Claim JETBLUE                  |
| 3-03                                | CTB Bag Claim AIR CANADA               |
| 3-04                                | CTB Bag Claim SPIRIT                   |
| 3-05                                | CTB Bag Claim AIR TRAN                 |
| 3-06                                | CTB Bag Claim UNITED AIRLINES          |
| 3-07                                | CTB Bag Claim UNITED AIRLINES          |
| 3-08                                | CTB Bag Claim AMERICAN EAGLE           |
| 3-09                                | CTB Bag Claim AMERICAN EAGLE           |
| 3-010                               | CTB Bag Claim AMERICAN AIRLINES        |
| 3-011                               | CTB Bag Claim AMERICAN AIRLINES        |
| 3-10                                | CTB Arrivals UNITED AIRLINES CURB SIDE |
| 3-30                                | CTB Departures SPIRIT                  |
| 3-31                                | CTB Departures AIR CANADA              |
| 3-32                                | CTB Departures CONTINENTAL             |
| 3-33                                | CTB Departures UNITED                  |
| 3-34                                | CTB Departures AMERICAN                |
| 3-35                                | CTB Departures AMERICAN AIRLINES       |
| 2-02                                | CTB Parking WEST WING GROUND FLR       |
| 3-60                                | CTB Parking EAST WING CONCOURSE A-B    |
| 3-61                                | CTB Parking WEST WING CONCOURSE C-D    |

| Stewart International Airport - Total Units 2 |                 |
|---|-----------------|
| CMU #   | Terminal / Area |
| 1   | Baggage Claim   |
| 2   | Departures Curb |

### Cart Cleaning & Maintenance Plan

Daily cleaning is performed by all Smarte Carte staff including management. It consists of removing debris from the top of CMUs, removing stickers and tags on CMUs, track and carts and general wipe down of products as needed. Specific cleaning by airport is defined below:

- JFK International and Newark Liberty International Airports- A full time cleaning associate is assigned the specific cleaning tasks which include a complete wipe down of CMUs, track and carts at each location throughout the airport. Each day a specific terminal(s) is targeted based on a rotation. Each week every CMU will receive a complete cleaning. On a quarterly basis, we examine any rust issues and those CMUs or track identified will have rust removed and will be repainted. Certain areas have more weather exposure and thus the process is required more frequently than CMUs located inside. Carts are power washed on an annual basis.
- La Guardia Airport - Cleaning is assigned to cart associates on a daily basis. Each day specific CMUs are targeted based on a rotation. Each week every CMU will receive a complete cleaning. On a quarterly basis,



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we examine any rust issues and those CMUs or track identified will have rust removed and will be repainted. Certain areas have more weather exposure and thus the process is required more frequently than CMUs located inside. Carts are power washed on an annual basis.

- Stewart International Airport – Cleaning is performed by our part time manager upon each visit.

Daily repair and maintenance checks are conducted on each CMU at JFK, Newark and La Guardia airports which consists of testing the CMU for all methods of payment including bills, coin and credit card. Carts are examined everyday by all staff and those with equipment issues are set aside and later collected and returned to a general maintenance area for repairs and detail cleaning. Cart moving equipment is inspected daily and any issues are logged and addressed by maintenance staff.

Weekly repair and maintenance checks are conducted by the part time manager at SWF airport. The New York City Manager conducts semi-annual visits to assist with any cart repairs and overall inspection.

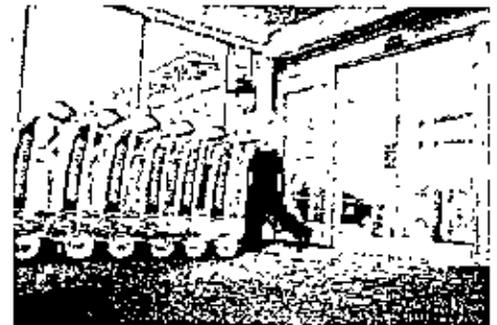
CMUs receive regular preventative maintenance. Based on usage volume, CMUs are scheduled monthly or quarterly. The preventative maintenance includes cleaning and lubricating the mechanical vending plate, cleaning of all internal rollers and mechanical assembly of the bill validator, credit card reader, coin acceptor, and the return end of the track. All aspects of the CMU are tested and signed-off by the technician or manager.

The JFK Terminal 4 conveyor receives monthly preventative maintenance performed by Oxford Airport Technical Services. It includes inspection of motors, bearings, guards, gear box, belts and general lubrication and cleaning.

#### Cart Collection Frequency and Restocking Plan

The challenge for a luggage cart service provider is to retrieve the abandoned carts left by thousands of arriving passengers at a peak hour! This is a critical sign of quality in luggage cart service. Only Smarte Carte is in a position to continue to assure the Port Authority the quickest, safest and most efficient cart retrieval program. We accomplish this through:

- Staffing schedules derived from 40+ years of luggage cart management experience.
- Specialized cart handling tools and equipment.
- Proper planning and coordinating with airline terminal managers.
- Trained and motivated employees.
- Monitoring both domestic and international airline schedules.



Finding loose carts is no problem. Anyone who works at the airport can tell you where to find the carts. The objective is to keep up with the thousands of cart users as they abandon their carts once they have reached their destination. This requires the proper planning and scheduling of motivated and trained staff.



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The process for collecting loose carts begins with a well-established staffing and labor plan. The labor plans detail specific work areas within the airport. The labor plans identify and target the heaviest usage areas; baggage claim, ticketing, arrivals hall and concourses. We visually monitor the flow of carts from these areas to the destination locations – baggage recheck, ground transportation and parking lots. The individual terminal supervisors continually analyze the traffic patterns and dispatch customer service associates to their work areas.

From there, customer service associates follow a pattern of consistently sweeping the work area from one end to the other to gather the loose carts promptly. Carts are either directly put into the return end of a CMU, or collected by nesting the carts together in a line. Lines of carts are secured by a rope and then brought to an appropriate CMU or staging area.

Supervisors also sweep the area to pinpoint the locations of loose carts and, using two-way radios or cell phones, direct employees to collect them.

Holding a line of carts secured by ropes is called "staging carts." Carts are staged when CMUs are not present or have no need for additional carts. Carts are also staged near areas of high rental volume, such as customs and baggage claim areas, in order to more quickly replenish carts.

Capture units and lines of carts are normally only staged for very brief periods of time, usually only long enough for the appropriate personnel (Cushman drivers, badged customs employees) to reach the assigned work zone and move the staged carts to the appropriate CMU or customs area. The locations selected for staging loose carts are many and varied, determined by current airport traffic flow.

#### **JFK International Airport - General Balancing Route**

Due to connections and the air train, carts are rented in one terminal and then released by the passenger in another terminal or area of the airport. Generally speaking, the carts will build up in the outer areas or outside of the airport at the various air train stops. A Ford 450 truck is used to transfer the carts back into the terminals, primarily to Terminal 4. Due to connections, carts tend to build in Terminals 1-3, 6 and 7, and then must be returned to Terminal 4. In some instances, a truck must be used as use of public roads is required to get from terminal to terminal. Also, within each terminal, carts tend to build on the ticketing levels and are then required to be returned down to bag claim. Below are the detailed routes for each terminal.

##### **• Terminal 1 (International only – No Domestic) Multiple Carrier**

- **Ticketing** – A walking route where cart associates will collect loose carts starting at the general checkpoint to all gates. They then collect loose carts starting from Korean ticketing to Lufthansa, then again from Korean to Air France side. The Airtrain Station is accessed via skywalk and swept for any loose carts left at the top of escalators and elevators. The Food Court level also is swept for loose carts left by passengers and is accessed via elevators. The carts collected will be returned to units 1-30, 1-31, 1-32, and 1-33. All excess carts will be taken to the far side of the departures curb and staged securely with ropes for pickup by a driver.
- **Arrivals/Customs** – The cart associate collects carts on the curb outside arrivals and in the shuttle/bus/taxi stand area on the outer island. Carts are ultimately staged outside of the AOA by receiving. A maximum of 500 carts can be staged in this area and must be secured with ropes to eliminate shrinkage. A 20 minute lead time must be given to security when access to the SIDA secure tunnel door is required. Three

staff members are required to bring lines of carts from staging to the AOA, two staff members to move lines of carts via electric tugger to and through the tunnel and another on the secure side to attach to an electric Cushman. Once the carts are attached, a maximum of 45 carts can then be moved approximately 200 yards to the designated door from the ramp side and through a hallway into the customs area. This procedure is necessary up to 9 times over three shifts. A tugger or a QuickKart is used to push the carts to replenish the units inside customs by an Ambassador. Once inside the customs hall, carts are staged and secured on the west side to a maximum of 350 carts. These carts are replenished into customs units as necessary by the ambassadors.

- Parking Garage Terminals 1, 2, & 3 - This is a four level garage with four CMUs located inside. A driver brings a gas Cushman on the outer roadway and enters the parking area via the toll plaza. Starting on the top level, the driver moves up and down each row of vehicles. When loose carts are identified, they are attached to the line, not to exceed 45 carts. The route then goes down levels consecutively. As the driver passes CMUs, he replaces carts if necessary. Once the driver has a full line of carts, he exits via the toll plaza and drives on the outer roadway entering on arrivals level and drops his load outside at customs staging.
- Concourse - An associate will check the concourse weekly and remove any carts brought in by airport tenants. The carts are then returned to the units on the departures curb.
- Airside Ramp - This area is checked at least once a week by an associate driving an electric Cushman around the airside ramp of Terminal 1. The carts are picked up, towed by the Cushman and returned to the customs area.
- **Terminal 2 - Delta Domestic**
  - Ticketing - A walking route where the cart associate will collect loose carts starting at the TSA checkpoint and moving forward through the ticketing area. Carts are replenished into the ticketing units 2-30 and 2-31 and staged by the outer island to be balanced downstairs to bag claim units by a driver via electric Cushman.
  - Bag Claim - A walking route where the cart associate will scan the entire curbside area including the outer roadway. The loose carts are then brought inside arrivals to fill up the units by bag claim E and F.
  - Concourse - There are no units on the Terminal 2 concourse, however, an associate regularly checks the concourse to remove any carts and return them to the ticketing units. The secure side of this gate accumulates an unusually large amount of carts due to the connecting walkway from Terminal 3.
- **Terminal 3 - Delta International & Domestic**
  - Ticketing - This terminal has three separate ticketing areas (International, domestic, and VIP preferred). All are walking routes where a cart associate is assigned to collect carts from the inside of the terminal by the ticketing counters and outside on the curbs at departures. Attention must be paid to the area inside the roadway loop as this area is prone to carts accumulating for unauthorized use. The carts collected will be returned to ticketing units on the east side (3-30 and 3-31) and ticketing units on the west side (3-33, 3-34 and 3-32). The excess carts will be taken downstairs to the bag claim units via a gas Cushman. A capture unit is on the curb of the east side departures curb that is used to stage until carts are moved.
  - International Arrivals - This is the sub-level in the back of the terminal complex with multiple curbs. Carts from all areas of the terminal are staged in front of international arrivals between A and B aisles. There are two capture units by the staging area to secure the carts. Cart associates walk all sides of the area clearing loose carts, paying particular attention to the taxi stand. Carts are then returned to the customs hall.



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- **Customs** - Carts are pushed with a Tugger into the designated exit doors leading out of the customs hall. Staff accesses these doors with a PANYNJ swipe card and access code or security guard clearance depending on time of day. The B door is also used to bring in carts into customs but this is permitted only in the mornings. Once inside customs, the Ambassador moves carts manually with a rope and into CMUs.
- **Concourse** - A walking route where the associate will collect the carts from all gates within the loop. All carts on the north side are brought back to the north side units and the carts from the south side are brought to the south side units. Excess carts are brought down to the staging area on arrivals area via a gas Cushman.
- **Area D Departures** - A walking route where the associate will collect the carts from the ticketing counters inside the terminal and return the carts to the units on the departures curb outside. The excess carts are staged with a maximum of 40 carts by the curb for pickup by a Cushman.
- **Arrivals** - An associate collects all the loose carts from the taxi and curbside and refills the two units inside area D. The excess carts are staged by the capture unit located in the middle island by the taxi stand. A regular Cushman route from parking and from Terminal three departures picks up the line of carts and brings them to the staging area of Terminal 3.
- **Terminal 4 - International & Domestic (Multiple Carriers)**
  - **Staging Area** - This is located on the east side of the building and is used to store carts prior to placement into the conveyor system.
  - **Customs** - All carts that go inside the Terminal 4 customs hall must pass through the conveyor system. This process takes a minimum of four staff members to complete. The carts are lined up in front of the conveyor with either a QuickKart or Tugger requiring two staff. One additional staff member must be inside the customs tunnel to insure that only one tunnel door is open at a time, as this is a sterile area. The line of no more than 65 - 80 carts is pushed through the door and seated in the gripper belts of the conveyor. The carts travel on the conveyor approximately 250 ft. where they end at the inside of the second secure door. Once the exterior door is closed after the last cart passes through, an ambassador opens the interior door leading into the customs hall and secures the line of carts to a Tugger and brings them into the back end of the baggage area to be loaded into the CMUs with a Quickkart. There are no additional cart staging areas inside of Terminal 4 customs. Employees can only access the SIDA door at the entrance to the conveyor room with their PANYNJ identification badge swipe and an access code. No personnel are permitted to pass through the conveyor doorways on either side.
  - **Concourse A & B / Airtrain Platform** - These are checked regularly by a walking cart associate. The carts in concourses A and B are brought to a service elevator near concourse A and brought down manually via elevator. A maximum of 15 carts can be transported in this elevator at one time. The carts are staged by a lobby near the service elevator and pushed outside by a Tugger to the Terminal 4 staging area. The train platform and elevator alcoves are checked for carts that are left by passengers.
  - **Ticketing** - A walking route where the cart associate will collect loose carts starting at the Air France ticketing counters and proceeding to all 8 aisles. The carts are staged and lined up at the back of the building behind the TSA stations in lines of up to 25 carts. They are pushed via QuickKart to the perimeter walls of the ticketing area and moved forward to the front of the terminal and brought outside on the curb to replenish the units. All excess carts are taken to the end of the east side curb and put in a capture unit, waiting to be picked up by the gas Cushman. The driver of the Cushman must bring the vehicle around the Terminal 4 garage on the outer roadway and enter the departures ramp with traffic. The carts are attached and the driver must again go around the terminal garage and enter the arrivals ramp with traffic and stages the carts by the Executive Access parking.

- **Domestic Bag Claim & Arrivals general lobby** - This is a walking route where the entire arrivals level is swept for loose carts and CMUs in the domestic bag claim hall are replenished. The associate will also walk the curb on the inner roadway collecting carts left by passengers who utilize the bus stand. The walking cart associate will also check the interline for loose carts and the parking lot on the west side of the building.
- **Parking Garage / Terminal 4 Lot / Taxi Stand** - This garage has five levels and five CMUs. An electric Cushman is kept in the garage and starts the route at the top level. The driver goes in and out of every lane attaching loose carts to the Cushman to a maximum of 40. CMUs in the garage are replenished as necessary. The route continues down consecutive levels until the ground floor. The driver will then work his way through the parking lot ending at the toll plaza exits. Carts are moved across the inner roadways to the terminal staging areas. The taxi stand located on the outer roadway is serviced by the same Cushman driver route.
- **Terminal 5 - Jet Blue Airways**
  - **Departures** - The cart associate will sweep the inside of the terminal retrieving carts from ticketing areas and security check points and replenishing them into CMUs back outside on the curb. Due to transfers from other terminals, this terminal tends to build in cart number, and excess carts are staged on the lower level. The excess carts are typically sent to Terminal 4. The Airtrain platform and connector are also checked for carts and when collected, are transferred down to the ground level.
  - **Arrivals & Taxi Stand** - This is a walking route where the associate will travel the entire length of the curb including the far end taxi stand collecting carts. In addition, the associate will sweep the baggage carousels and all areas inside the terminal for loose carts. CMUs are replenished and excess carts are put in the staging area. Additionally, this route includes the PANYNJ parking lot where loose carts accumulate.
  - **Concourse** - An associate will check the concourse weekly and remove any carts brought in by airport tenants. The carts are then returned to the units by the curbside.
- **Terminal 7 - British Airways, Cathay & United Airlines (International & Domestic)**
  - **Staging Area** - This is located on the west side of the arrivals curb and is used to store carts prior to transfer into the domestic and international bag claim. Up to 150 carts can be staged outside the SIDA door leading onto the AOA by Gate 4Z.
  - **Ticketing** - A walking cart associate picks up loose carts starting from Cathay to BA ticketing counters. The carts are staged in the middle of the building and manually brought outside to replenish the units on the curbsides. Both the inner and outer curbs must be walked and carts collected returned to the units. Excess carts are brought down to the staging area by Cushman. The driver takes the outer roadway around the garage and onto the arrivals ramp to the staging area.
  - **Domestic Bag Claim** - A walking route where the cart associate collects carts on the arrivals curb and islands and returns the carts back inside. Carts are brought into both domestic bag claim and customs through a SIDA secure door outside the terminal. This process takes a minimum of three staff. Two associates outside move a line of carts (not to exceed 40) up to the gate with a QuickKart or Tugger. A third employee on the secure side of the gate backs a Tugger up to the enclosed gate and attaches the line of carts. The line then travels approximately 100 ft. through the enclosed tunnel leading into the terminal via a secure door. The associate accesses this door with a swipe card and pin and travels another 50 ft. through a hallway leading into domestic bag claim.
  - **Customs** - The process is consistent with the domestic bag claim route, however, the associate would continue past the domestic bag claim to another secure access door that leads into customs.



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- **Terminal 7 Garage and Airtrain Platform** - The garage is two levels with one CMU. An electric Cushman is driven between all lanes of parked cars starting on the top level and working down. The line of carts is permitted to pass between both the inner and outer roadways on the lower level between the terminal and garage. A cart associate must walk the train platform and manually move carts down via elevator five at a time. Carts are then returned to the custom units.
- **Terminal 8 – American Airlines (International & Domestic)**
  - **Departures** - A walking route where the associates are assigned to collect carts from all ticketing counters and security check points. Special attention needs to be paid to this area as skycaps are known to recycle carts for their own financial gain. These carts are secured with ropes and moved manually to the curb to replenish CMUs. Excess carts are brought manually to the farthest end (east side) of the building to be picked up and brought to the staging area on the ground level. This is done via a Ford F450 truck. Only 45 carts can be loaded on the truck at one time. The driver has to follow the outer roadway around the parking garage and up the departures ramp to pick up the load. The route then takes him around the parking garage again and onto the roadway leading to arrivals. The load is dropped and carts are moved to staging via a QuickKart.
  - **Domestic Arrivals** - A walking route where the cart associate sweeps the entire general lobby and domestic baggage carousels. Additionally, the arrivals curb and the taxi/bus/shuttle stand are cleared of all carts left by passengers being picked up by car or ground transportation. These carts are moved via electric Cushman to the staging area or back inside to the bag claim units.
  - **Staging Area** - A designated staging area for all carts is located outside at the Westside of the building under two separate 60ft x 20ft tents. A maximum of 600 carts can be staged here prior to entry into the customs hall. This is also a designated charging station for Tuggers, Cushmans and QuickKarts. Carts to be brought into customs are staged here.
  - **Customs** - Carts going to AA customs all come from the staging area. Two staff members are required to perform this task and access to customs is initiated with swipe cards and pass codes. Carts are pushed with a Tugger or a QuickKart into a 50 ft. hallway a maximum of 45 carts at a time. An associate opens a roll up door leading to the staging area and the carts are brought in. The roll up door on the staging area side is rolled down automatically and another roll up door is opened leading to the customs hall. Only one door at a time can be opened as this is a sterile area. The carts are then pushed by a Tugger or QuickKart and manually placed into the units. CMUs are loaded manually by an ambassador.
- **Federal Circle – Car Rental / Airtrain / Hotel Shuttle** - This area is scanned a minimum of 10 times a day by an associate using a designated Ford F450 truck. Loose carts in front of the hotel shuttle pickup are used to replenish the units at Hertz, Avis, Dollar, and Budget, a unit by the Airtrain and a unit by the hotel shuttle pickup. All excess carts are loaded on the Ford F450 and brought back to the terminals. The driver/associate is in radio contact with all Terminal managers for cart balancing. Additionally, three days a week, a walking cart associate is assigned to the area to continually sweep and stage carts for the driver.
- **Lefferts Station / Long Term Parking / Airtrain** - Access to this parking lot is gained from the Lefferts Blvd. toll plaza. The driver will pass every row of vehicles stopping in an area when there are loose carts. The driver exits the vehicle and gathers the carts manually. A line of carts will be added to the truck not exceeding 45. Additionally, the driver will exit the truck when the train station is checked for loose carts. All loose carts are brought back to the CMU and all excess carts are loaded on the truck for balancing. This is a four mile commute to and from the terminals.
- **Long Term Parking** - A Ford F450 truck is assigned for the long term parking units and the lots are checked approximately 8 times a day. Long term parking is a six mile commute to and from the terminals. The Ford



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F450 truck travels to every aisle of the long term parking lot accumulating loose carts. The driver has to exit the vehicle to check the upper and lower platforms of the Airtrain station. Additionally, once a week for one shift a cart associate is sent out on the train to collect and stage carts for the driver to load.

- **Howard Beach – Airtrain to Transit / Long Term Parking** - The two units in this station are included in the regular checks of the Airtrain Ford F450 route. The train station is thoroughly checked for loose carts. All carts are brought back to the units and excess carts are loaded in the truck for balancing.
- **Jamaica Station / Airtrain to Transit** - This station is checked daily. It is a 14 mile commute from the terminals. A Ford F450 driver and cart associate drive to the station and park in the service lot. Both go upstairs and gather loose carts on the platform. The carts are brought down via the service elevators 6 at a time and loaded on the Ford F450 no more than 45 at a time. The carts are brought back to the terminals via the Van Wyck expressway. All carts from this station are brought back to Terminal 4 staging area for distribution.
- **Ramp Side Pickup Procedures** A Ford F450 truck conducts a cart roundup in the ramp once a week. Access to the RVSR (Restricted Vehicle Service Road) is gained at Terminal 8 and the driver works his way to every terminal via the roadway on the AOA. Each terminal has an area where the truck is parked and the driver and a cart associate collect carts brought into the secure area by airport personnel and baggage handlers. All vehicles and personnel on the ramp must be authorized.
- **Cart Roundup** - A quarterly cart roundup is requested by the GM in coordination with the Port Authority. A terminal manager of Smarte Carte is escorted by a Port Authority employee to check and retrieve carts being used illegally by airport vendors. The roundup usually covers the airside ramp beyond the RVSR, cargo areas, baggage storage rooms and other locations where carts are being used by vendors.

#### **Newark Liberty International Airport - General Balancing Route**

Due to connections and the air train, excess carts tend to build in Departures at Terminals A, B and C, as well as parking areas. These carts will be balanced via the Ford 450 truck and trailer to either customs area in Terminal B or C. These vehicle routes require the trucks to exit the airport and use outer roadways in order to access the different levels of the different terminals. Cushman's cannot be used as there are no roadways connecting the parking lots to the terminals. Also, within each terminal, carts tend to build on the ticketing levels and are then required to be returned down to bag claim.

- **Terminal A**
  - **Ticketing** - A walking route where the cart associate will collect loose carts inside by the ticketing counters and works from one end of the terminal to the next, balancing loose carts into the CMUs on the curb. Attention is paid to alcoves and corners by elevators and ticketing offices for loose carts that have accumulated.
  - **Gate's Level and Airtrain Platform** - Associates walks to the security checkpoints/Gates. The carts collected will be returned to units A 05 & A 31 on the ticketing curb. The excess carts will be taken downstairs to the bag claim units on the freight elevator. No more than 8 carts can be moved on the elevator at one time.
  - **Bag Claim** - A walking route where the cart associate will scan the island near Active Pickup and then proceed to the curbside and check the Taxi Stand. Loose carts are collected and returned inside to the bag claim. Any excess carts are taken to a staging area to be picked up by the Ford 450 and taken to where the carts are needed, Terminal B or C Customs.
  - **Concourse** - There are no units on the A concourse, however, once a week, an associate will check the concourse and remove any carts (brought in by airport personnel) and return them to the ticketing units.



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- Terminal A Short term Parking Lot – The Ford 450 is driven up and down each row to collect carts from the parking area. The driver exits the vehicle and accumulates carts and loads the truck with multiple carts. The truck cart capacity is 45 carts. The carts are then taken to the Terminal that is in need of carts, which again requires exiting the airport in order to gain access to the proper terminal road.
- Terminal A Bus Stop – A cart associate walks to the Bus Stop at Terminal A to collect loose carts and return them to the CMUs at Terminal A.
- **Terminal B**
  - Ticketing – A walking route where the cart associate will collect loose carts starting at the front of the Curb outside Door #1 departures and follows through the end of the curb Door #7, then proceeds to each ticketing counter to collect any loose carts. The carts collected will be returned to ticketing units B 30, B 31 & B 32. The excess carts will be taken downstairs onto an elevator, no more than 8 at a time to the Arrivals Level where Interline tunnel leads into the customs area. Attention is paid to alcoves and corners by elevators and ticketing offices for loose carts that have accumulated.
  - Gate's Level and Airtrain Platform – cart associates walk to the security checkpoints to collect any loose carts. The carts collected will be returned to units B 30, B 31 & B 32 on the ticketing curb. The excess carts will be taken downstairs on an elevator to the Arrivals Level where interline tunnel leads into the customs area, also checking CMUs by baggage claim to balance these units.
  - Bag Claim – A walking route where the cart associate will scan the entire curbside area starting at door#1 near the Taxi Stand through door # 12 and bus area. Loose carts are collected and returned inside the four bag claim units B01 through B03 and B07 (outside door#7). The associate will also walk the level down to British Airways where their ticketing counter and check in is located. From there, the cart associates walks to the Transit Bus/ Shuttle Stand to collect loose carts and fill CMU B06 at the Bus stop.
  - Concourse – There are no units on the B concourse, however, once a week, an associate will check the concourse and remove any carts (brought in by airport personnel) and return them to the ticketing units.
  - Customs – Carts are delivered (from the various other routes described above) via the Ford F450 truck to Door #12 on the arrivals level. The vehicle has to be parked horizontally and the load is dropped on the curb. Unloading the truck is a two staff operation in order to maintain safety on the curb.

Carts are pushed up the tunnel with a QuickKart through the interline area and through a roll down gate that is accessed with a key. This is a secure door leading into a sterile area so two staff are needed as only equipment is allowed to pass through this door. The Ambassador receives the line of carts on the other side of the door and fills the staging areas. The Customs area at Terminal B consists of two parts, the North Area and the South Area. The North side has two CMUs (BC04 & BC05) plus a staging area that holds 150 carts. The South side has four CMUs (BC01, BC02, and BC03 & BC08) plus a staging area that holds 220 carts.
  - Terminal B Short Term Parking Lot – The Ford F450 truck is driven up and down each row to collect carts from the parking area and taken to the Terminal that is in need of carts. The driver exits the vehicle and accumulates carts and loads the truck with multiple carts. No more than 45 carts can be loaded at a time. Also, the Cushman is used here to collect the carts and stage them between Terminal B & C parking lot. The driver is called when there are 45 carts staged to be collected and taken to Terminal C Airside for customs (see route 2 below under Terminal C).
  - Terminal B Bus Stop – This is located between Terminal A & B. A cart associate walks to the Bus Stand to collect loose carts which are then returned to the CMUs at Terminal B.



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• **Terminal C**

- **Ticketing** - There are two levels of ticketing at Terminal C. International (top level) and Domestic (middle level). Both are walking routes where the cart associate will collect loose carts starting at the front of the curb outside Door #1 Departures and follow through the end of the curb Door #4, then proceeds to the each ticketing counter to collect any loose carts. The carts collected will be returned to ticketing units C 06, C 07 & C 10. The excess carts will be taken downstairs onto an elevator to the Arrivals Level where the interline tunnel (see Route 1 below) leads onto the RVSR. The cart associate proceeds to the Mid - Level curbside to collect loose carts and refill the three CMUs (C 09, C 11 & C 12). Attention is paid to alcoves and corners by elevators and ticketing offices for loose carts that have accumulated.
- **Domestic and International Bag Claim/Arrivals** - A walking route where the cart associate will scan for loose carts starting at the taxi stand, proceeding to the courtesy bus and airport shuttle island, then to the active pickup area. Loose carts are collected and returned inside to the five bag claim units C1 through C5 via a QuickKart. Another associate will scan the door 6 custom hall exit area and baggage recheck where a lot of carts accumulate. Any excess carts collected in the arrivals area, are taken via Quickkart to the tunnel at the RVSR for return to the customs hall (see Route 1 below).
- **Concourse** - There are no units on the C concourse, however, once a week, an associate will check the concourse and remove any carts (brought in by airport personnel) and return them to the ticketing units.
- **Customs** - There are two routes used to bring carts into the customs hall. Both routes lead to the customs hall tunnel, the first via an inside terminal route to the RVSR, the second via exterior airport roads to the RVSR.
  - o Route 1 uses an Arrivals tunnel and a door located near the bag claim area inside the terminal. Excess carts collected from the arrivals and departures levels of Terminal C will use this route. The Arrivals tunnel connects to the RVSR and only equipment can pass through the tunnel. The door next to the tunnel is secure and our staff use this door to access the RVSR. A Cushman is then used on the RVSR to move lines of 45 carts from the Arrivals tunnel to the customs hall tunnel, which is distance of approximately 200 yards.
  - o Route 2 is the most challenging route. All carts collected in Terminal C parking or other areas of the airport that need to be returned to Terminal C customs must use this route. A Ford F450 truck and trailer transport the carts via use of the exterior airport roads. The truck has to circle the airport in order to gain entry to the RVSR at a secure checkpoint. Access is gained by P-4 and the truck drives on the secure roadway to the pick-up and drop off points indicated above. The Ford F450 drops off a load of 45 carts to an area outside the tunnel. The driver guides carts up through the customs hall tunnel with a Quickkart, while an ambassador on the other side takes control of the row of carts coming through the door. This is a two staff operation as this is a sterile area and only equipment can pass through the roll down gate.
  - o Terminal C Custom Hall has two CMUs (CC01 & CC03) each holds 120 carts and a staging area that holds 300 carts.
- **Terminal C Short Term Parking Garage** - The Ford F450 is driven up and down each level to collect carts from the parking garage and taken to the Terminal that is in need of carts. Also, the Cushman is used here with the same procedure of driving up and down the rows adding carts to the line. After the carts are collected, the drivers stage them between Terminal B & C parking lot. The Ford F450 driver is called when there are 45 carts ready to be collected and taken to Terminal C Airside for customs.



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- Terminal C Bus Stop / Taxi Stand / Arrivals Curb - The QuickKart is used on the curbside by Door #8 to collect carts and at the Taxi and Bus Island. This area accumulates a lot of carts and a cart associate is assigned a walking route here as well. Carts collected here are returned to the customs hall via route 1.
- Concourse - There are no units on the C concourse, however, once a week, an associate will check the gates and remove any carts and return them to the ticketing units.
- P-1 Parking - The parking routes are performed with a Ford F450. The driver will proceed on the ground level to collect carts going up and down each row of vehicles. There is no CMU at this location. All carts are returned to the Terminal B or C customs staging areas.
- P-2 Car Rental / Long Term Parking - The parking routes are performed with a Ford 450. The driver will proceed on the ground level and cover the entire parking lot. The driver will check unit P 02 for any excess carts. The driver has to exit the vehicle to check the inside of the Car Renter facilities. Carts accumulate inside where passengers pick up their rental cars. All carts are returned to the Terminal B or C customs staging area.
- P-3 Car Rental / Long Term Parking - The parking routes are performed with a Ford 450. The driver will proceed on the ground level and cover the entire parking lot. The driver will check unit P 03 for any excess carts. The driver has to exit the vehicle to check the inside of the Car Renter facilities. Carts accumulate inside where passengers pick up their rental cars. The driver accesses the Rental car garage and proceeds to the top level, driving up and down each row. The route proceeds to each of the lower levels and the driver has to exit the vehicle to load the truck when necessary. All carts are returned to the Terminal B or C customs staging area.
- P-4 Garage Hotel Shuttle / Long Term Parking - The parking garage has six levels. The Ford F450 driver will go to the top and work their way back down to the ground level driving up and down each row to insure all loose carts are accumulated. The driver will check unit P 04 for any excess carts. All carts are returned to the Terminal C customs staging area.
- Airtrain Station - The station pick up is performed with a Ford 450. The truck is parked in the service lot and the driver proceeds to the second floor platform. The driver will check unit R 01 for any excess carts. All carts are brought down five at a time in an elevator, loaded on the truck, and returned to the Terminal B or C customs staging area.
- Air Side Procedures - Coordinate access to ramp areas with Port Authority in order to perform the drive through and recover carts. In addition, we will request a Port Authority escort to office areas and storage rooms to recover carts within all three terminals. This occurs twice a year.

#### **La Guardia Airport (LGA) - General Balancing Route**

The Delta and US Air Terminals will increase in cart number throughout the day due to passengers renting carts in bag claim at the Central Terminal and transferring to a departing flight on Delta or US Air. We balance carts via Cushman from the other two terminals back to the Central Terminal. Our cart associates take any excess carts from ticketing levels down to bag claim within the respective terminals.

#### • **Delta Terminal**

- Ticketing - A walking route where the cart associate will collect loose carts starting at the south side door on the curb and proceed to north side door at the end of the curb. The associate then proceeds inside to the Northwest and Delta ticketing counters, to the security checkpoint, and then to the area beside the gate. The carts collected will be returned to units on the ticketing curb. The excess carts will be taken



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- downstairs to the bag claim units five at a time via an elevator.
- **Bag Claim** – A walking route where the cart associate will scan the island near Active Pickup and then proceed to the entire length of the curb outside arrivals including the Taxi Stand. Loose carts are collected and returned inside to the bag claim units (CMUs 1-01, 1-02, 1-03, 1-04, 1-05). The inside of the terminal at bag claim is checked for loose carts and any excess carts are placed into a capture unit on the curb for transport via Cushman to Central Terminal.
  - **Parking Lot #5 & #6** – The cart associate drives the Cushman across the outer roadway into the parking lot. Each row is driven and loose carts are attached to the line. Once the lot in front of the terminal is cleared he proceeds to the lot on the side of the terminal and follows the same procedure going up and down each row of cars. The line of carts is pulled onto the arrivals curb and carts are moved into the terminal by hand and balanced into CMUs.
- **US Air Terminal**
    - **Ticketing** – A walking route where the cart associate will collect loose carts on the Departures curb, proceed inside to all the US Air ticketing counters, clear the area by the TSA checkpoint and check the entrance to the gate. The carts collected will be returned to ticketing units 2-30 & 2-31. The excess carts will be taken downstairs to the bag claim units.
    - **Bag Claim** – A walking route where the cart associate will clear the entire curbside area on Arrivals including the taxi pick up. Loose carts are collected and returned inside to bag claim units 2-02, 2-03, 2-04.
    - **Bag Claim US Air Shuttle** – A walking route on the far side of the Arrivals level of the terminal. Carts are cleared by passenger pick-up, on the length of the arrivals curb and at the Taxi Stand. All carts are returned to CMU 2-01 inside in the lobby area.
    - **Parking Lot #3** – The cart associate brings the Cushman from the Delta Terminal over to the lot at US Air and proceeds to go up and down every row of cars starting at the far end and moving forward. The line of carts is pulled onto the arrivals curb and carts are moved into the terminal by hand and balanced into CMUs.
  - **Central Terminal**
    - **Ticketing** – A walking route where the cart associate will collect loose carts starting at Gates A & B and proceed to the ticketing counters for Air Canada, Air Tran, Continental, Frontier, Midwest, Jet Blue and Spirit Air. Any loose carts found along the way will be placed in CMUs 3-30, 3-31, and 3-32. The associate proceeds to the TSA checkpoint and gathers loose carts and replenishes the same CMUs on the ticketing curb. Any excess carts are staged outside on the far end of the curb to be taken downstairs via Cushman. The associate then makes his way to Gates C & D, checking the ticketing counters for United, and American Airlines and then on to the TSA checkpoint. Any loose carts are returned to CMUs 3-33, 3-34, 3-35. Any excess carts are taken to the staging area on the curb where they will be balanced down via Cushman.
    - **Bag Claim A & B** – A walking route where the cart associate will collect carts on the curb, outer roadway island and taxi stand and returns them to bag claim units 3-01, 3-02, 3-03, 3-04, 3-05.
    - **Bag Claim C & D** – A walking route where the cart associate collects carts on the curb and taxi stand and returns them back inside bag claim to units 3-06, 3-07, 3-08 & 3-09.
    - **Central Terminal Garage / Lots #1 & #2** – This garage has four levels and two CMUs. The cart associate will drive the Cushman to the top level and work his way up and down each aisle, gathering loose carts. He will drive the Cushman down each level following the same procedure and balance the appropriate



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amount of carts into the garage units 3-60, 3-61. The associate will drive the remaining carts across both the outer and inner roadway to the arrivals curb. The carts are then moved by hand into the arrivals bag claim units.

- **Long Term Parking** - The cart associate will take the Cushman and proceed to drive down each aisle looking for loose carts to clear. Carts collected will be balanced into the units at the terminals.
- **Ramp Side Procedures** - Coordinate access to ramp areas with Port Authority of NY/NJ and Operations at LGA in order to have a Ford 450 drive the AOA and recover carts. In addition, we will request a PANYNJ escort to office areas and storage rooms to recover carts. This occurs on a quarterly basis.



#### **Stewart International Airport (SWF)-General Balancing Route**

- This location has two CMUs with quarter reward. The CMUs self-balance therefore, hourly labor is not required.

#### **Security Plan**

All Smarte Carte airport locations receive a minimum of one operational and financial audit each year, with larger locations receiving at least two audits per year. The operational component of the audit ensures that performance, appearance and safety standards are being met for both our products and our employees. Because managing a luggage cart concession involves the handling of cash, Smarte Carte's internal audit program includes a financial component with meticulous safeguards to secure revenue.

Audits are conducted by area managers and are typically unannounced. Within 30 days of completion of an audit, area managers are required to submit their findings to Smarte Carte's full-time internal auditor at our corporate headquarters. The internal auditor reviews each audit and the issues identified.

In addition, the internal auditor conducts unannounced operational and financial audits throughout the year.

#### **Payment Card Industry (PCI) Compliance**

Smarte Carte is committed to maintaining financial data security and the prevention of credit card fraud. All of Smarte Carte's equipment is compliant with Payment Card<sup>®</sup> Industry Data Security Standards (PCI-DSS). Smarte Carte uses Trustwave's TrustKeeper for annual certification and performs an external monthly scan for vulnerabilities ensuring compliance with configuration requirements of applicable PCI-DSS standards. To aid in further fraud protection, credit card use history is continually analyzed at each CMU for patterns of abuse, suspect cards are placed on a hot list and re-authorized before allowing vend.

CMUs are equipped with insertion type card readers that accept Visa, Master Card, American Express and Discover. Additionally, each CMU is able to accept a Smarte Carte Gold Card that allows for a complementary use. Credit card transactions are pre-authorized using private and secure WIFI, DSL or Cellular Ethernet connectivity to the processing bank. Equipment is tested and monitored daily to ensure correct operation and because connectivity can be lost, CMUs can be placed into a mode of operation that will continue to allow rental and not inconvenience traveling passengers.

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## Customer Service Plan

When you think about what Smarte Carte provides in an airport setting, it really isn't carts. We are the first point of contact for most customers arriving at the airport. It's an opportunity to move - worry free and stress free - from one place to another in the airport. That takes a lot more than just installing carts! The product is SERVICE. Our systems and people are what make Smart Carte the best choice for your airports.

We put ultimate focus on the traveler experience. It's the PEOPLE of Smart Carte that help make the experience for Port Authority visitors! Smarte Carte employs over 200 people serving the four airports, and provides competitive wages and comprehensive benefits including health and dental coverage for our team members.

We are PROUD to be providing jobs in the New York and New Jersey economy!

We place a high value on customer service and customer concerns. Our equipment is the conduit through which we provide that service. To that end, our customer service strategies focus on eliminating potential problems before they happen and quickly resolving any questions, comments, concerns or problems that our customers may have.

Customer service begins with extensive training and solid employee management programs. Smarte Carte's mission is to exceed customer expectations based upon a synergistic combination of people, equipment, and procedures.

- **Customer Service Trained Staff** - All on-site managers, supervisors, customer service associates and home office operations personnel receive extensive customer service training. On-site staff wears our corporate uniform to readily identify them to passengers who would like assistance.
- **Equipment Emergency Contacts**  
Smarte Carte designates an emergency contact manager for each shift, and that contact is assigned a specific phone to handle emergency issues. The number is communicated to local Port Authority operations personnel and both airline and terminal managers. Emergency cell phone numbers are provided below:
  - JFK International Airport - Designated manager on duty 347-723-7933
  - Newark Liberty International Airport - Designated manager on duty 973-332-2271
  - La Guardia Airport - GM Henry Ty 347-992-3405
  - Stewart International Airport - Carlos Montoya 973-665-4765
- In addition, Smarte Carte has a 24 hour toll-free telephone line to handle incoming customer service requests. This toll-free number is clearly displayed on all of our products. Smarte Carte offers a customer service area on our Web site ([www.smartecarte.com](http://www.smartecarte.com)) where customers can provide feedback or suggestions regarding our products and services as well as report issues or request refunds.
  - All refund requests are processed promptly. We have a "no-questions-asked, satisfaction guaranteed" policy
  - Our customer service representatives immediately notify the on-duty manager of reported problems so we can respond promptly.
  - Customer Service Data - The data from every customer service call is recorded and tracked at the home office. This information is used to monitor our performance at every airport and to identify potential opportunities for design modifications to eliminate the most common problems.





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### Staffing Plan

Smarte Carte is pleased to offer the PANYNJ a project leadership team with a wealth of professional credentials and proven success in designing, installing and managing a luggage cart concession.

- **President & CEO, Ed Rudis**
- **Senior Director of Operations, Kurt Larsen**  
The business development and operations staff assigned to the PANYNJ airports serve as the "chairmen" of the management team to assure compliance with contract terms and complete customer satisfaction. Ongoing communications and face-to-face meetings with the PANYNJ and the individual airports' management staff will ensure clear understanding and agreement on our mutual goals of providing the best service to passengers and airport visitors. They will oversee the planning, implementation, and fine-tuning of Smarte Carte's contractual commitments and service and also oversee the corporate resources needed to design, install and operate our luggage cart service at peak efficiency, effectiveness and professionalism. Please reference Attachment 2 for key operations management resumes.
- **Area Manager, Christopher Baile**
- **City Manager, Manny Aureus**  
Our area and city managers have extensive Smarte Carte knowledge and are strategically located throughout the country so that they are able to respond to issues at any of their locations in a timely manner. The area manager responsible for the PANYNJ airports is based in Newark Liberty International Airport. The City manager is based out of La Guardia Airport. The following is a list of some of the duties of our area managers:
  - Constantly monitor the operational and financial performance of their respective locations.
  - Audit each location for adherence to Smarte Carte equipment and service standards.
  - Counsel, train and develop the skills of our location managers.
  - Act as a secondary contact with airport operations staff to address any issues not resolved by the location manager.
  - Work with airport operations staff to facilitate movement of Smarte Carte equipment to provide the best possible service.

Please reference Attachment 2 for key operations management resumes.

- **Management**  
The location is managed by a General Manager and two Assistant General Managers. The airport is then divided into three zones, and each zone is supervised by Terminal and Assistant Terminal Managers. Please reference Attachment 3 for an organization chart for details by zone.
- **Security & Service Associates (SSAs)**
  - **Function**  
Smarte Carte's SSAs, or more commonly known as "Blue-Chip Ambassadors", work on the departure levels near the curbside units. They assist in the rental process, loading luggage onto carts, general airport directions and deter hustler activity. They are intimate with flight schedules and airline locations



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throughout the airport.

– **Staffing**

SSA staff ranges from approximately 15-20 SSAs which equates to 80 hours a day in the slow periods and 120 during busy periods. We employ both full-time and part-time SSAs.

Shifts by terminal are listed below:

Terminal 1 – Monday – Sunday 1pm – 6pm

Terminal 3 – Monday – Sunday 11am – 6pm

Terminal 4 – Monday – Sunday 6am – 2pm, 2 pm – 10 pm, 4pm - midnight

Terminal 5 – Monday – Sunday 11am – 6pm

Terminal 8 – Monday – Sunday 11am – 6pm

– **Uniform**

SSAs are provided blue dress shirts, jackets, etc.

• **Ambassadors**

– **Function**

Smarte Carte's ambassadors work in the customs baggage claim. They assist in the rental process, loading luggage onto carts and general airport directions. They are intimate with flight schedules and airline locations throughout the airport. Ambassadors provide change for large bills and exchange foreign currency.

– **Staffing**

Ambassador staff ranges from approximately 15-20 which equates to 80 hours a day in the slow periods and 120 during busy periods. We employ both full-time and part-time ambassadors.

Shifts by terminal are listed below:

Terminal 1 – Monday – Sunday 10am – 11pm

Terminal 3 – Monday – Sunday 6am – 9pm

Terminal 4 – Monday – Sunday 24 hour coverage

Terminal 7 – Monday – Sunday 6am – 12pm

Terminal 8 – Monday – Sunday 9am – 11pm

– **Uniform**

Ambassadors are provided pouches, blue dress shirts, jackets, etc.

• **Airtrain Drivers (ATD)**

– **Function**

Smarte Carte's ATDs work throughout the entire airport. They are responsible for balancing carts from the various air train stops and throughout the terminals. Balancing is required as many passengers rent carts in airport terminals and take them to Federal Circle, Jamaica & Howard Beach station, and long term parking. The carts are then collected via trucks and trailers and then driven back to the terminals. Balancing carts by using the air train is not allowed.



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- **Staffing**  
ATD staff ranges from 170 hours a week in the slow periods and 210 during busy periods.
- **Uniform**  
They are provided polo shirts, hats and jackets.
- Customer Service Associates (CSA's)
  - **Function**  
Smarte Carte customer service associates transport carts from high return areas to high rental areas to ensure carts are always available to customers. They also perform daily cleaning of carts and cart management units. They provide customer service by assisting passengers and maintain good communication with other employees and facility management. They also learn and practice safe work habits assuring safety to self, coworkers, airport property, passengers and visitors.
  - **Staffing**  
We currently have approximately 70 cart associates on staff. We employ both full time and part time associates. They cover shifts 24 hours a day. They are assigned to the various terminals based on flight schedules.
  - **Uniform**  
CSA's are provided polo shirts, hats and jackets.
- Maintenance
  - **Function**  
Ensure CMUs, carts and all cart-moving equipment is working at optimum levels. Perform preventative maintenance, all repairs, detail cleaning and manage part inventory.
  - **Staffing**  
The maintenance staff consists of a maintenance manager, three technicians and three staff members. The maintenance shop is located in Building 14.
- Finance
  - **Function**  
Remove, count and record all cash from CMUs, record meter readings and enter all data into the collection data base. Arrange bank deposits and coin orders. Perform daily payment tests on CMUs. Prepare and audit ambassador pouches. Review international currency exchange rates.
  - **Staffing**  
The finance staff consists of a manager and three staff members.



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- **Management**

The location is managed by a General Manager, three Terminal Managers and three Assistant Terminal Managers. Please reference Attachment 2 for an organization chart for more detail

- **Ambassadors**

- **Function**

Smarte Carte ambassadors work in the customs baggage claim areas in Terminals B and C. They assist in the rental process of carts, provide change for passengers and aid in the movement and collection of carts, inside and outside of the customs hall. They are intimate with flight schedules and airline locations throughout the airport and provide passengers with general airport directions.

- **Staffing**

We currently have 7 Ambassadors on staff, working 35 hours a week during slow periods, 40 hours during peak periods. We employ both full-time and part-time ambassadors

Staffing by terminal is listed below:

Terminal C- Monday- Sunday 4:30 am- 7:30 pm

Terminal B- Monday- Sunday 5:00 am- 12:30 am

- **Uniform**

Ambassadors are provided pouches, gold color polo shirts, jackets, etc.

- **Airtrain Drivers**

- **Function**

Excess carts tend to build in departures at Terminals A, B and C, as well as all parking areas due to connections and the Airtrain. These carts are balanced via the F 450 truck to either customs area in term B, or C. These vehicle routes require the trucks to exit the airport and use outer roadways in order to access the different levels of the different terminals. Cushman's cannot be used as there are no roadways connecting the parking lots to the terminals. Also, within each terminal, carts tend to build on the ticketing levels and are then required to be returned down to baggage claim. Driver's also need to check all rail link stations as well as long term parking garages, which requires the Ford F450 to drive all levels of the garage to pick up loose carts.

- **Staffing**

Airtrain staff ranges 160 hours a week in slow periods and 200 during busy periods. We currently start the drivers at 4:00 am to 1:00 am; every hour of our operation is staffed with a driver

- **Uniform**

They are provided polo shirts, hats and jackets



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- Customer Service Associates (CSA's)

- **Function**

- Smarte Carte customer service associates transport carts from high return area to high rental areas to ensure carts are always available to customers. They perform daily cleaning of carts and cart management units. They provide customer service by assisting customers and maintain good communication with other employees and facility management. They also learn and practice safe work habits assuring safety to self, coworkers, airport property, passengers and visitors.

- **Staffing**

- We currently have 19 CSA's on staff. We employ both full time and part time associates. They cover shifts from 4:00 am to 1:00 am for a total of 21 hours a day. They are assigned to terminals A, B and C based on flight schedules. They are moved throughout the day as business dictates.

- **Uniform**

- CSA's are provided polo shirts, hats and jackets

- Maintenance

- **Function**

- Ensure CMUs, carts and all cart-moving equipment is working at optimum levels. Perform preventative maintenance, all repairs, detail cleaning and manage part inventory.

- **Staffing**

- The maintenance staff consists of a maintenance manager and three technicians. The maintenance shop is located in the customs hall of Terminal B.

- Finance

- **Function**

- Remove, count and record all cash from CMUs, record meter readings and enter all data into the collection data base. Arrange bank deposits and coin orders. Perform daily payment tests on CMUs. Prepare and audit ambassador pouches. Review international currency exchange rates.

- **Staffing**

- The finance staff consists of one finance manager.

- Management

- The location is managed by a General Manager, a City Manager and two supervisors. The managers are responsible for all finance and general maintenance work. Any substantial maintenance work is performed by JFK staff. Please reference Attachment 3 for an organization chart for more detail.

- Customer Service Associates

- **Function**

- Smarte Carte customer service associates transport carts from high return area to high rental areas to ensure carts are always available to customers. They also perform daily cleaning of carts and

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cart management units. They provide customer service by assisting customers and maintain good communication with other employees and facility management. They also learn and practice safe work habits assuring safety to self, coworkers, airport property, passengers and visitors.

– **Staffing**

We currently have five cart associates on staff. We employ both full time and part time associates. They cover shifts from 4:00 am to 1:00 am for a total of 21 hours a day. They are assigned to Terminals B, C and D based on flight schedules. They are moved throughout the day as business dictates.

– **Uniform**

CSA's are provided polo shirts, hats and jackets

• **Management**

Stewart International Airport is managed by a part time manager who visits the location twice a week to ensure the carts are balanced between the two units and the equipment is working.

### Home Office Support Center

One of the integral pieces to the success of any Smarte Carte operation is the home office support center. At the support center, Smarte Carte has a team of 70 individuals whose sole function is to support the staff at each of our locations. From Technical Services staff that provides equipment information and training to Human Resource staff that provide employee support and training, the support center is a critical piece in the effective management of our operations.

Smarte Carte's location managers have the full support of all departments at our home office support center in Saint Paul, Minnesota.



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They are listed below with a description of the roles and responsibilities of each.

- **Accounting / Location Analysis** - Our accounting and location analysis department monitors information on transactions, revenue, usage and service codes. This information is captured through each product's microprocessor. The data is electronically transmitted to our world headquarters on a scheduled basis. Usage and revenue data is also recorded manually to provide reporting system redundancy.

At the end of each month our world headquarters accounting/location analysis department analyzes the monthly performance through the use of our location analysis database. This database processes the monthly reporting data (rents, returns, cash, etc.) and compares actual meter readings with actual bank deposits. We will then provide the PANYNJ a report that lists the total monthly revenue. This commission settlement statement will accompany the monthly payment to the PANYNJ.

In addition, our location analysis database identifies "red flags." This is information that may indicate a problem at the location, including cart loss, theft or possible cart hustling situations. We use this information to track location performance and identify trends.

- **Engineering / Technical Support / Planning** - Smarte Carte is recognized by travelers, airports and competitors as the world leader in designing and managing passenger service solutions for the global marketplace. Our team of engineers, technicians and operation professionals continuously strive to improve our equipment through innovative, customer-focused products and product enhancements.

The advantage of a Smarte Carte management system is that we design and manufacture our own equipment for use at our airport concessions worldwide. Our engineering staff receives input from our field personnel, airports and travelers in order to design the products our customers want that will work efficiently in the airport environment.

Our technical support department provides technical assistance via telephone as well as extensive technical equipment manuals to aid field personnel in troubleshooting equipment problems.

Our staff of planners is responsible for coordinating and executing each installation, ensuring that both product and necessary resources are available to quickly and efficiently install each passenger service operation.

- **Human Resources** - Our corporate human resources department supports the recruitment, screening and hiring process, working directly with local and regional management. The HR department coordinates the advertising placements, screens resumes, conducts telephone interviews, background checks and creates a short list of the most qualified candidates. They also participate in on-site interviews when required.

The HR Department is also responsible for the coordination of benefits and leads the efforts of continuous training for our personnel. In coordination with regional management, HR provides various training manuals and skills assessment testing.





Proposal to Install, Maintain and Operate  
Self-Service Airline Passenger Luggage Cart Control  
Units at Various Port Authority of New York and  
New Jersey Airports Via Privilege Permit

In addition, Smarte Carte has a designated Human Resources manager located in the Smarte Carte JFK office to handle all employee relations.

- **Marketing/Communications** - Smarte Carte's marketing department is devoted to effectively communicating information about our products and services to your customers, including:
  - **Information Directories:** We suggest that Smarte Carte passenger service locations be included on all information kiosks and/or service directories at the airport and on your web site to assist travelers. We will provide any information or artwork that is needed.
  - **Point-of-Sale:** Smarte Carte's marketing department has developed product point-of-sale signs that are visible from a distance and communicate passenger service availability to travelers. Our products also include step-by-step instructions that make cart rental easy.
  - **Directional Signs/Brochures:** At the airport's request, Smarte Carte's marketing and graphics staff can provide additional signs directing travelers to passenger services and/or brochures that include a diagram of the airport showing Smarte Carte locations and other information about the Smarte Carte service.
  - **Press Releases:** At the airport's request, we can prepare a press release to be sent to all local newspapers, television and radio stations and business publications. The release will focus on the added convenience the Smarte Carte service provides travelers through your airport.
  - **At the local level, we will continue to work with the Port Authority, airlines and terminal managers to position our CMUs in ideal locations to generate the highest level of passenger rents. Our CMUs are equipped with lighted tri-signs that increase visibility to passengers. We provide ambassador service in all customs halls, greeting arriving passengers, directing them to our CMUs and assist in the rental process by providing change and converting foreign currency. At JFK, we implemented the curbside Blue-Chip service where our SSA's greets passengers departing the airport curbside and offer directional assistance as well as promoting the use of our carts. Smarte Carte staff is the first point of contact for most arriving and departing passengers in your airports.**
- **Manufacturing** - Our manufacturing department works hand-in-hand with our field location staff, engineering and our technical support department to ensure that product, replacement parts and product upgrades or enhancements are readily available to meet current and future needs.
- **Information Technology** - Our IT department provides telecommunications and Information technology solutions to our Baltimore staff. Their support ensures that field staff is able to communicate with the network server at world headquarters to access their files, get their e-mails, upload payroll information and daily usage numbers. IT also processes and transmits the monthly activity and financial reports electronically



Lockers  
Smelters  
Cans

**smarte carte**

Smarte Carte, Inc.  
4455 Walnut Branch Parkway  
St. Paul, MN 55110 7641  
800.838.1176 • 651.429.3614  
Fax 651-426-0927  
www.smartecarte.com

FEBRUARY 10, 2009

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

*AMC 912*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of January, 2009

|                                 |            |
|---------------------------------|------------|
| CASH RECEIPTS                   | 603,779.75 |
| CREDIT CARD RECEIPTS            | 212,871.00 |
| GOLD CARD REVENUE               | 6,434.00   |
| REFUNDS                         | 102.00     |
| SALES TAX                       | 16,947.44  |
| TOTAL NET INCOME                | 822,982.75 |
| COMMISSION BASE                 | 806,035.31 |
| COMMISSION PAYABLE              | 145,086.36 |
| LESS MINIMUM COMMISSION PAID    | 17,500.00  |
| COMMISSION DUE (CHECK ENCLOSED) | 127,586.36 |

Regards,

SMARTE CARTE, INC.

*Cheryl R. Meyer*

Cheryl R. Meyer  
Senior Accountant

**smartecarte**

Smarte Carte, Inc.  
4455 White Bear Parkway  
St. Paul, MN 55110-7841

Phone: 800-838-1175 - 651-429-3614

of 1 of 1

VENDOR NAME: THE PORT AUTHORITY OF NY & NJ

VENDOR No: ZZ9000

| TRANSACTION DATE | REFERENCE    | GROSS AMOUNT | DEDUCTION       | NET AMOUNT   |
|------------------|--------------|--------------|-----------------|--------------|
| 02/26/09         | 090228-JFK   | 98888.26     | 0.00            | 98888.26     |
| A/C 9/12         |              |              |                 |              |
| CHECK DATE       | CHECK NUMBER | TOTAL GROSS  | TOTAL DEDUCTION | CHECK AMOUNT |
| 03/13/09         | 00349573     | 98888.26     | 0.00            | 98888.26     |

APRIL 10, 2009

Smarte Carte, Inc.  
1651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
ZZ9000

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of March, 2009

|                                 |                   |
|---------------------------------|-------------------|
| CASH RECEIPTS                   | 437,047.45        |
| CREDIT CARD RECEIPTS            | 162,333.00        |
| GOLD CARD REVENUE               | 8,085.00          |
| REFUNDS                         | 24.00             |
| SALES TAX                       | 13,169.56         |
| TOTAL NET INCOME                | <u>607,441.45</u> |
| COMMISSION BASE                 | <u>594,271.89</u> |
| COMMISSION PAYABLE              | 106,968.94        |
| LESS MINIMUM COMMISSION PAID    | 17,500.00         |
| COMMISSION DUE (CHECK ENCLOSED) | <u>89,468.94</u>  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

AY0912

MAY 14, 2009

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

ANC 912

REGARDING MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of April, 2009

|                                 |                   |
|---------------------------------|-------------------|
| CASH RECEIPTS                   | 675,090.00        |
| CREDIT CARD RECEIPTS            | 167,046.00        |
| GOLD CARD REVENUE               | 8,469.00          |
| REFUNDS                         | 46.00             |
| SALES TAX                       | 13,563.44         |
| TOTAL NET INCOME                | <u>850,559.00</u> |
| COMMISSION BASE                 | <u>836,995.56</u> |
| COMMISSION PAYABLE              | 150,659.20        |
| LESS MINIMUM COMMISSION PAID    | 17,500.00         |
| COMMISSION DUE (CHECK ENCLOSED) | <u>133,159.20</u> |

5/27/09

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

JUNE 10, 2009

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
ZZ9000

*ANC 6/12*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of May, 2009

|                                 |            |
|---------------------------------|------------|
| CASH RECEIPTS                   | 750,187.00 |
| CREDIT CARD RECEIPTS            | 261,773.00 |
| GOLD CARD REVENUE               | 8,052.00   |
| REFUNDS                         | 98.00      |
| SALES TAX                       | 20,851.99  |
|                                 | <hr/>      |
| TOTAL NET INCOME                | 969,920.00 |
|                                 | <hr/>      |
| COMMISSION BASE                 | 949,068.01 |
|                                 | <hr/>      |
| COMMISSION PAYABLE              | 170,832.24 |
| LESS MINIMUM COMMISSION PAID    | 17,500.00  |
|                                 | <hr/>      |
| COMMISSION DUE (CHECK ENCLOSED) | 153,332.24 |
|                                 | <hr/>      |

Regards,  
SMARTE CARTE, INC.

*CA 6/29/09*

Mike Ehlers  
Senior Accountant

JULY 14, 2009

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

*ARC 9/2*

REGARDING MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK JFK for the month of June, 2009

|                                 |                     |
|---------------------------------|---------------------|
| CASH RECEIPTS                   | 826,529.25          |
| CREDIT CARD RECEIPTS            | 303,855.00          |
| GOLD CARD REVENUE               | 11,343.00           |
| REFUNDS                         | 58.50               |
| SALES TAX                       | 24,357.86           |
| TOTAL NET INCOME                | <u>1,141,668.75</u> |
| COMMISSION BASE                 | <u>1,117,310.89</u> |
| COMMISSION PAYABLE              | 201,115.96          |
| LESS MINIMUM COMMISSION PAID    | 17,500.00           |
| COMMISSION DUE (CHECK ENCLOSED) | <u>183,615.96</u> ✓ |

*1,117,310.89*

*7/29/09*

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

AUGUST 10, 2009

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

*AYC 9/12*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of July, 2009

|                                 |                     |
|---------------------------------|---------------------|
| CASH RECEIPTS                   | 1,046,693.05        |
| CREDIT CARD RECEIPTS            | 344,035.00          |
| GOLD CARD REVENUE               | 13,425.00           |
| REFUNDS                         | 55.00               |
| SALES TAX                       | 27,623.78           |
| TOTAL NET INCOME                | <u>1,404,098.05</u> |
| COMMISSION BASE                 | <u>1,376,474.27</u> |
| COMMISSION PAYABLE              | 247,765.37          |
| LESS MINIMUM COMMISSION PAID    | 17,500.00           |
| COMMISSION DUE (CHECK ENCLOSED) | <u>230,265.37</u>   |

*1,376,474.27*

*@ 9/9/09*

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

SEPTEMBER 14, 2009

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

*Handwritten signature/initials*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of August, 2009

|                                 |                     |
|---------------------------------|---------------------|
| CASH RECEIPTS                   | 1,227,000.05        |
| CREDIT CARD RECEIPTS            | 400,470.00          |
| GOLD CARD REVENUE               | 16,910.00           |
| REFONDS                         | 378.50              |
| SALES TAX                       | 34,022.94           |
| TOTAL NET INCOME                | <u>1,644,001.55</u> |
| COMMISSION BASE                 | <u>1,609,978.61</u> |
| COMMISSION PAYABLE              | 289,796.15          |
| LESS MINIMUM COMMISSION PAID    | 17,500.00           |
| COMMISSION DUE (CHECK ENCLOSED) | <u>272,296.15</u>   |

*Handwritten date: 9/29/09*

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

OCTOBER 14, 2009

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

*AYC912*

REGARDING MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JEK for the month of September, 2009

|                                 |                     |
|---------------------------------|---------------------|
| CASH RECEIPTS                   | 1,009,458.55        |
| CREDIT CARD RECEIPTS            | 278,365.00          |
| GOLD CARD REVENUE               | 16,595.00           |
| REFUNDS                         | 85.00               |
| SALES TAX                       | 24,043.81           |
| TOTAL NET INCOME                | <u>1,304,333.55</u> |
| COMMISSION BASE                 | <u>1,280,289.74</u> |
| COMMISSION PAYABLE              | 230,452.15          |
| LESS MINIMUM COMMISSION PAID    | 17,500.00           |
| COMMISSION DUE (CHECK ENCLOSED) | <u>212,952.15</u>   |

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

*@ 10/29/09*

NOVEMBER 12, 2009

Smarte Carte, Inc.  
16317 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
119000

A/C 912

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of October, 2009

|                                 |                     |
|---------------------------------|---------------------|
| CASH RECEIPTS                   | 772,082.21          |
| CREDIT CARD RECEIPTS            | 261,610.50          |
| GOLD CARD REVENUE               | 12,075.00           |
| REFUNDS                         | 189.00              |
| SALES TAX                       | 22,374.78           |
| TOTAL NET INCOME                | <u>1,048,370.81</u> |
| COMMISSION BASE                 | <u>5,024,004.13</u> |
| COMMISSION PAYABLE              | <u>184,320.74</u>   |
| LESS MINIMUM COMMISSION PAID    | 17,500.00           |
| COMMISSION DUE (CHECK ENCLOSED) | <u>166,820.74</u>   |

Regards,  
SMARTE CARTE, INC.

11/27/09

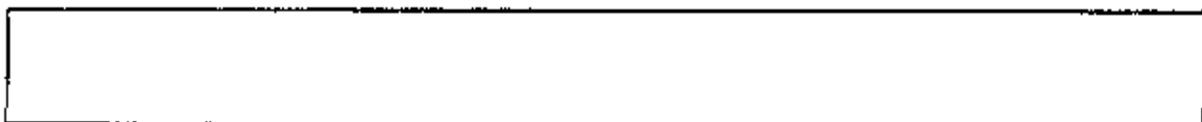
Nike Salera  
Senior Accountant



ATTACH TO Z2908

SMARTS CARTS, INC.  
JFK COMMISSION BREAKDOWN BY TERMINAL  
October-08

|            | TOTAL COMMISSION | \$108,828.74         |
|------------|------------------|----------------------|
|            | USAGE<br>%       | COMMISSION<br>AMOUNT |
| TERMINAL 1 | 14.83            | \$24,741.83          |
| TERMINAL 2 | 1.24             | \$2,067.38           |
| TERMINAL 3 | 9.83             | \$16,708.33          |
| TERMINAL 4 | 46.90            | \$79,068.81          |
| TERMINAL 5 | 5.13             | \$8,394.99           |
| TERMINAL 6 | 0.98             | \$1,639.00           |
| TERMINAL 7 | 6.88             | \$11,428.88          |
| TERMINAL 8 | 13.48            | \$22,828.03          |
| TERMINAL 9 | 0.98             | \$1,639.00           |
| TOTAL      | 108.90           | \$186,828.74         |



DECEMBER 14, 2009

Smarte Carte, Inc.  
16911 429-3634

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

*AVC 912*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of November, 2009

|                                 |                   |
|---------------------------------|-------------------|
| CASH RECEIPTS                   | 745,909.46        |
| CREDIT CARD RECEIPTS            | 247,890.00        |
| GOLD CARD REVENUE               | 13,400.00         |
| REFUNDS                         | 80.00             |
| SALES TAX                       | 21,299.19         |
| TOTAL NET INCOME                | 1,007,119.46      |
| COMMISSION BASE                 | <u>985,820.27</u> |
| COMMISSION PAYABLE              | 177,447.65        |
| LESS MINIMUM COMMISSION PAID    | 17,500.00         |
| COMMISSION DUE (CHECK ENCLOSED) | <u>159,947.65</u> |

Regards,  
SMARTE CARTE, INC

Mike Ehlers  
Senior Accountant

*12/14/09*

JANUARY 14, 2010

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

ANC917

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK JFK for the month of December, 2009

|                                 |              |
|---------------------------------|--------------|
| CASH RECEIPTS                   | 952,433.90   |
| CREDIT CARD RECEIPTS            | 320,935.00   |
| GOLD CARD REVENUE               | 15,105.00    |
| REFUNDS                         | 74.00        |
| SALES TAX                       | 27,392.47    |
|                                 | -----        |
| TOTAL NET INCOME                | 1,288,399.90 |
|                                 | =====        |
| COMMISSION BASE                 | 1,261,007.43 |
|                                 | =====        |
| COMMISSION PAYABLE              | 226,981.34   |
| LESS MINIMUM COMMISSION PAID    | 17,500.00    |
|                                 | -----        |
| COMMISSION DUE (CHECK ENCLOSED) | 209,481.34   |
|                                 | =====        |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

FEBRUARY 12, 2010

Smart® Carte, Inc.  
1651 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

*AKO 2/12*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of January, 2010

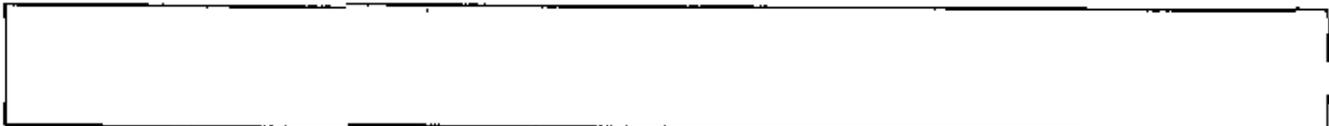
|                                 |                     |
|---------------------------------|---------------------|
| CASH RECEIPTS                   | 828,234.25          |
| CREDIT CARD RECEIPTS            | 352,230.00          |
| GOLD CARD REVENUE               | 12,003.00           |
| REFUNDS                         | 142.00              |
| SALES TAX                       | 29,690.64           |
| TOTAL NET INCOME                | <u>1,192,325.25</u> |
| COMMISSION BASE                 | <u>1,162,634.61</u> |
| COMMISSION PAYABLE              | 209,274.23          |
| LESS MINIMUM COMMISSION PAID    | 17,500.00           |
| COMMISSION DUE (CHECK ENCLOSED) | <u>191,774.23</u> ✓ |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

*2/12/10*



MARCH 12, 2010

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 35000-1517  
PHILADELPHIA PA 191951517  
223000

*Handwritten:* 1/10/2

REGARDING MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of February, 2010

|                                 |                   |
|---------------------------------|-------------------|
| CASH RECEIPTS                   | 747,304.50        |
| CREDIT CARD RECEIPTS            | 229,730.00        |
| GOLD CARD REVENUE               | 11,580.00         |
| REFUNDS                         | 147.00            |
| SALES TAX                       | 19,670.50         |
| TOTAL NET INCOME                | <u>938,467.50</u> |
| COMMISSION BASE                 | <u>968,797.00</u> |
| COMMISSION PAYABLE              | <u>174,383.46</u> |
| LESS MINIMUM COMMISSION PAID    | 17,500.00         |
| COMMISSION DUE (CHECK ENCLOSED) | <u>156,883.46</u> |

*Handwritten circles around 968,797.00 and 174,383.46*

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

*Handwritten:* 3/18/10

*Handwritten:* 44



APRIL 15, 2010

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

REGARDING MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-NJK for the month of March, 2010

|                                 |                   |
|---------------------------------|-------------------|
| CASH RECEIPTS                   | 662,444.75        |
| CREDIT CARD RECEIPTS            | 272,725.00        |
| GOLD CARD REVENUE               | 14,020.00         |
| REFUNDS                         | 46.00             |
| SALES TAX                       | 23,374.16         |
| TOTAL NET INCOME                | <u>949,143.75</u> |
| COMMISSION BASE                 | <u>925,769.59</u> |
| COMMISSION PAYABLE              | 166,638.53        |
| LESS MINIMUM COMMISSION PAID    | 17,500.00         |
| COMMISSION DUE [CHECK ENCLOSED] | <u>149,138.53</u> |

*M/09/10*

*925,769.59*

*4/22/10*

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant





JUNE 15, 2010

Smarte Carte, Inc.  
(853) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

*AYC 9/2*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JEK for the month of May, 2010

|                                 |                     |
|---------------------------------|---------------------|
| CASH RECEIPTS                   | 752,523.60          |
| CREDIT CARD RECEIPTS            | 274,470.00          |
| GOLD CARD REVENUE               | 13,845.00           |
| REFUNDS                         | 103.00              |
| SALES TAX                       | 23,502.14           |
| TOTAL NET INCOME                | <u>1,040,735.60</u> |
| COMMISSION BASE                 | <u>1,017,233.46</u> |
| COMMISSION PAYABLE              | 183,102.02          |
| LESS MINIMUM COMMISSION PAID    | 17,500.00           |
| COMMISSION DUE (CHECK ENCLOSED) | <u>165,602.02</u>   |

*1,017,233.46*

*6/25/10*

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

JULY 15, 2010

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

*ANC912*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of June, 2010

|                                 |                     |
|---------------------------------|---------------------|
| CASH RECEIPTS                   | 870,468.60          |
| CREDIT CARD RECEIPTS            | 311,995.00          |
| GOLD CARD REVENUE               | 12,405.00           |
| REFUNDS                         | 112.00              |
| SALES TAX                       | 26,443.63           |
| TOTAL NET INCOME                | <u>1,194,756.60</u> |
| COMMISSION BASE                 | <u>1,168,312.97</u> |
| COMMISSION PAYABLE              | <u>210,296.33</u>   |
| LESS MINIMUM COMMISSION PAID    | 17,500.00           |
| COMMISSION DUE (CHECK ENCLOSED) | <u>192,796.33</u>   |

*(Handwritten circles around commission base, payable, and due amounts)*

*7/23/10*

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

AUGUST 13, 2010

Shurtz Carte, Inc.  
16311 429-3414

THE PORT AUTHORITY OF NY & NJ  
PO BOX 99000-1517  
PHILADELPHIA PA 191951517  
229000

*HYCOT 2*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-NJ for the month of July, 2010

|                                 |                     |
|---------------------------------|---------------------|
| CASH RECEIPTS                   | 1,006,938.10        |
| CREDIT CARD RECEIPTS            | 357,320.00          |
| GOLD CARD REVENUE               | 12,553.00           |
| OTHER INCOME                    | 27,804.00           |
| REFUNDS                         | 155.00              |
| SALES TAX                       | 30,199.70           |
| TOTAL NET INCOME                | <u>1,424,969.80</u> |
| COMMISSION BASE                 | <u>1,374,403.40</u> |
| COMMISSION PAYABLE              | 247,392.61          |
| LESS MINIMUM COMMISSION PAID    | 17,500.00           |
| COMMISSION DUE (CHECK ENCLOSED) | <u>229,892.61</u>   |

*2/24/10*

Regards,  
SHURTZ CARTE, INC.

Mike Ehlers  
Senior Accountant

ATTACH TO Z29000

SMARTER CARTE, INC.  
 JFK COMMISSION BREAKDOWN BY TERMINAL  
 July-18

| TOTAL COMMISSION |         | \$328,892.81      |
|------------------|---------|-------------------|
| TERMINAL         | USAGE % | COMMISSION AMOUNT |
| TERMINAL 1       | 12.28   | \$28,821.87       |
| TERMINAL 2       | 1.86    | \$3,383.29        |
| TERMINAL 3       | 12.54   | \$24,323.84       |
| TERMINAL 4       | 48.34   | \$113,421.25      |
| TERMINAL 5       | 7.31    | \$18,808.88       |
| TERMINAL 6       | 0.00    | \$0.00            |
| TERMINAL 7       | 8.04    | \$11,885.76       |
| TERMINAL 8       | 11.43   | \$30,875.98       |
| TERMINAL 9       | 0.00    | \$0.00            |
| TOTAL            | 100.00  | \$328,892.81      |

SEPTEMBER 15, 2010

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

*AYC 9/12*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of August, 2010

|                                 |                     |
|---------------------------------|---------------------|
| CASH RECEIPTS                   | 1,197,886.80        |
| CREDIT CARD RECEIPTS            | 420,210.00          |
| GOLD CARD REVENUE               | 13,635.00           |
| REFUNDS                         | 173.00              |
| SALES TAX                       | 35,365.09           |
| TOTAL NET INCOME                | <u>1,631,558.80</u> |
| COMMISSION BASE                 | <u>1,596,193.71</u> |
| COMMISSION PAYABLE              | 287,314.87          |
| LESS MINIMUM COMMISSION PAID    | 17,500.00           |
| COMMISSION DUE (CHECK ENCLOSED) | <u>269,814.87</u>   |

*←*

*9/22/10*

Regards,  
SMARTÉ CARTE, INC.

Mike Ehlers  
Senior Accountant

OCTOBER 14, 2010

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

*A/E 9/12*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of September, 2010

|                                 |                    |
|---------------------------------|--------------------|
| CASH RECEIPTS                   | 963,762.8          |
| CREDIT CARD RECEIPTS            | 290,020.0          |
| GOLD CARD REVENUE               | 16,235.0           |
| REFUNDS                         | 141.2              |
| SALES TAX                       | 24,149.2           |
| TOTAL NET INCOME                | <u>1,259,876.2</u> |
| COMMISSION BASE                 | <u>1,235,726.8</u> |
| COMMISSION PAYABLE              | 222,430.8          |
| LESS MINIMUM COMMISSION PAID    | 17,500.0           |
| COMMISSION DUE (CHECK ENCLOSED) | <u>204,930.8</u>   |

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

*10/22/10*

NOVEMBER 15, 2010

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
ZZ9000

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of October, 2010

*Handwritten signature*

|                                 |                   |
|---------------------------------|-------------------|
| CASH RECEIPTS                   | 702,407.20        |
| CREDIT CARD RECEIPTS            | 261,310.00        |
| GOLD CARD REVENUE               | 12,510.00         |
| REFUNDS                         | 101.00            |
| SALES TAX                       | 22,320.57         |
| TOTAL NET INCOME                | <u>976,126.20</u> |
| COMMISSION BASE                 | <u>953,805.63</u> |
| COMMISSION PAYABLE              | 171,685.01        |
| LESS MINIMUM COMMISSION PAID    | 17,500.00         |
| COMMISSION DUE (CHECK ENCLOSED) | <u>154,185.01</u> |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

*Handwritten date: 11/24/10*



JANUARY 14, 2011

Smarte Carte, Inc.  
1651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229600

*A/C 912*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of December, 2010

|                                 |                     |
|---------------------------------|---------------------|
| CASH RECEIPTS                   | 815,750.17          |
| CREDIT CARD RECEIPTS            | 303,085.00          |
| GOLD CARD REVENUE               | 9,630.00            |
| OTHER INCOME                    | -4,521.84           |
| REFUNDS                         | 106.75              |
| SALES TAX                       | 25,491.12           |
| TOTAL NET INCOME                | <u>1,123,837.08</u> |
| COMMISSION BASE                 | <u>1,098,345.96</u> |
| COMMISSION PAYABLE              | 197,702.21          |
| LESS MINIMUM COMMISSION PAID    | 17,500.00           |
| COMMISSION DUE (CHECK ENCLOSED) | <u>180,202.21</u>   |

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

*1/21/11*

FEBRUARY 15, 2011

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

*Amc912*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JEK for the month of January, 2011

|                                 |                     |
|---------------------------------|---------------------|
| CASH RECEIPTS                   | 849,086.47          |
| CREDIT CARD RECEIPTS            | 358,780.00          |
| GOLD CARD REVENUE               | 10,256.00           |
| REFUNDS                         | 113.00              |
| SALES TAX                       | 30,082.15           |
| TOTAL NET INCOME                | <u>1,218,009.47</u> |
| COMMISSION BASE                 | <u>1,187,927.32</u> |
| COMMISSION PAYABLE              | 213,826.92          |
| LESS MINIMUM COMMISSION PAID    | 17,500.00           |
| COMMISSION DUE (CHECK ENCLOSED) | <u>196,326.92</u>   |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

*2/24/11*

MARCH 15, 2011

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

*AY/0913*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of February, 2011

|                                 |            |
|---------------------------------|------------|
| CASH RECEIPTS                   | 668,243.22 |
| CREDIT CARD RECEIPTS            | 225,130.00 |
| GOLD CARD REVENUE               | 9,021.00   |
| REFUNDS                         | 63.00      |
| SALES TAX                       | 19,086.94  |
| TOTAL NET INCOME                | 902,331.22 |
| COMMISSION BASE                 | 883,244.28 |
| COMMISSION PAYABLE              | 158,983.97 |
| LESS MINIMUM COMMISSION PAID    | 17,500.00  |
| COMMISSION DUE (CHECK ENCLOSED) | 141,483.97 |

883,244.28

*3/27/11*

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

ATTACH TO 32896

SMARTE CARTE, INC.  
 JFK COMMISSION BREAKDOWN BY TERMINAL  
 March-11

ANC 912

16-128-2614

Vendor No 32896

| Unit | Discount | Net Amount |
|------|----------|------------|
| 153  | 0.00     | 145,143.53 |

4/21/11

TOTAL COMMISSION \$145,143.53

|            | USAGE % | COMMISSION AMOUNT |
|------------|---------|-------------------|
| TERMINAL 1 | 14.03   | \$20,381.58       |
| TERMINAL 2 | 1.58    | \$2,288.52        |
| TERMINAL 3 | 5.97    | \$8,661.84        |
| TERMINAL 4 | 53.07   | \$77,001.17       |
| TERMINAL 5 | 6.58    | \$9,543.10        |
| TERMINAL 6 | 0.00    | \$0.00            |
| TERMINAL 7 | 5.94    | \$8,628.13        |
| TERMINAL 8 | 12.84   | \$18,641.17       |
| TERMINAL 9 | 0.00    | \$0.00            |
| TOTAL      | 100.00  | \$145,143.53      |

Total 145,143.53

|  |  |
|--|--|
| <b>Smartecarte</b><br>Smarte Carte, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 55110 | <b>STATEMENT</b>   |
|  | Reference No. . . . CCONT04868<br>Vendor No. . . . . 32896<br>Calculation For Apr-2011<br>Customer No. . . . . 131182<br>JFK - New York JFK International Airport<br>Line of Business Carts US |
| For: THE PORT AUTHORITY OF NY & NJ<br>PO BOX 95000-1517<br>PHILADELPHIA, PA 191951517    |  |

NY/C912

REGARDING Monthly receipts from Cart sales:

|                                 |                  |
|---------------------------------|------------------|
| Cash Deposit                    | 772,503.32       |
| Credit Card                     | 258,321.00       |
| Refunds                         | -135.00          |
| <u>Sales Tax</u>                | <u>21,057.17</u> |
| Net Income                      | 1,009,632.15     |
| Commission Base                 | 1,009,632.15     |
| Commission Due                  | 181,733.79       |
| Less: MAG Pre-Paid              | 17,800.00        |
| Commission Due (Check Enclosed) | 164,233.79       |

Regards,

Smarte Carte, Inc.  
Finance Team

5/19/11

ATTACH TO 32898

SMARTE CARTE, INC.  
JFK COMMISSION BREAKDOWN BY TERMINAL  
May-11

Vendor No 32898

Amount Discount Net Amount  
.00 174,988.42

TOTAL COMMISSION \$174,988.42

| TERMINAL   | USAGE  | COMMISSION   |
|------------|--------|--------------|
|            | %      | AMOUNT       |
| TERMINAL 1 | 13.95  | \$24,416.57  |
| TERMINAL 2 | 1.44   | \$2,511.73   |
| TERMINAL 3 | 6.47   | \$11,215.27  |
| TERMINAL 4 | 51.44  | \$90,026.28  |
| TERMINAL 5 | 6.45   | \$11,263.60  |
| TERMINAL 6 | 0.00   | \$0.00       |
| TERMINAL 7 | 7.53   | \$13,136.13  |
| TERMINAL 8 | 12.73  | \$22,275.86  |
| TERMINAL 9 | 0.00   | \$0.00       |
| TOTAL      | 100.00 | \$174,988.42 |

Total 174,988.42

ATTACH TO 32895

SMARTE CARTE, INC.  
JFK COMMISSION BREAKDOWN BY TERMINAL  
JUNE-11

| TOTAL COMMISSION |            |                      |
|------------------|------------|----------------------|
|                  |            | \$184,758.24         |
|                  | USAGE<br>% | COMMISSION<br>AMOUNT |
| TERMINAL 1       | 14.27      | \$26,381.22          |
| TERMINAL 2       | 1.48       | \$2,737.36           |
| TERMINAL 3       | 7.24       | \$13,380.21          |
| TERMINAL 4       | 60.23      | \$92,807.54          |
| TERMINAL 5       | 6.77       | \$12,500.30          |
| TERMINAL 6       | 0.00       | \$0.00               |
| TERMINAL 7       | 7.01       | \$12,954.11          |
| TERMINAL 8       | 13.00      | \$24,017.21          |
| TERMINAL 9       | 0.00       | \$0.00               |
| TOTAL            | 100.00     | \$184,758.24         |

*A/C 912*

|  |  |
|--|--|
| <b>Smartecarte</b><br>Smarte Carte, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 55110 | <h1>STATEMENT</h1>   |
| For: THE PORT AUTHORITY OF NY & NJ<br>PO BOX 95000-1517<br>PHILADELPHIA, PA 191951517    | Reference No. . . . CCONT15314<br>Vendor No. . . . . 32898<br>Calculation For: <u>July-2011</u><br>Customer No. . . . 111582<br>JFK - New York JFK International Airport<br>Line of Business    Carts US |

Ayc912

REGARDING: Monthly receipts from Cart sales

|                                 |                      |
|---------------------------------|----------------------|
| Cash Deposit                    | 960,893.22           |
| Credit Card                     | 344,430.00           |
| Refunds                         | 795.00               |
| <del>Sales Tax</del>            | <del>29,076.38</del> |
| Net Income                      | 1,277,151.84         |
| Commission Base                 | <u>1,277,151.84</u>  |
| Commission Due                  | 229,887.33           |
| Less: MAG Pre-Paid              | 17,500.00            |
| Commission Due (Check Enclosed) | <u>212,387.33</u>    |

Regards,

Smarte Carte, Inc  
Finance Team

8/26/11

|  |  |
|--|--|
| <b>smartecarte</b><br>Smarts Cards, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 55110 | <h1>STATEMENT</h1>   |
| For: THE PORT AUTHORITY OF NY & NJ<br>PO BOX 95000-1517<br>PHILADELPHIA, PA 191951517    | Reference No. . . . . CC0NT18318<br>Vendor No. . . . . 32888<br>Calculation For: August-2011<br>Customer No. . . . . 111182<br>JFK - New York JFK-International Airport<br>Line of Business . . . . . Cards US |

A/C 912

REGARDING Monthly receipts from Card sales.

|                                 |              |
|---------------------------------|--------------|
| Cash Deposit                    | 1,106,187.11 |
| Credit Card                     | 482,720.00   |
| Refunds                         | -180.00      |
| Sales Tax                       | 32,827.92    |
| Net Income                      | 1,474,879.19 |
| Commission Base                 | 1,474,879.19 |
| Commission Due                  | 265,478.25   |
| Less: MAG Pre-Paid              | 17,500.00    |
| Commission Due (Check Enclosed) | 247,978.25   |

Regards,

Smarts Cards, Inc  
Finance Team

ATTACH TO 32898

*AYC912*

SMART CARTE, INC.  
JFK COMMISSION BREAKDOWN BY TERMINAL  
September-11

| TOTAL COMMISSION |         | \$203,835.52      |
|------------------|---------|-------------------|
|                  | USAGE % | COMMISSION AMOUNT |
| TERMINAL 1       | 16.09   | \$32,755.22       |
| TERMINAL 2       | 1.52    | \$3,104.45        |
| TERMINAL 3       | 6.95    | \$14,190.94       |
| TERMINAL 4       | 31.29   | \$104,415.89      |
| TERMINAL 5       | 5.32    | \$10,841.78       |
| TERMINAL 6       | 0.00    | \$0.00            |
| TERMINAL 7       | 6.85    | \$14,019.83       |
| TERMINAL 8       | 11.94   | \$24,317.79       |
| TERMINAL 9       | 0.00    | \$0.00            |
| TOTAL            | 100.00  | \$203,835.52      |

*111*

|  |  |
|--|--|
| <b>smartecarte</b><br>Smarte Carte, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 55110 | <b>STATEMENT</b>   |
| For: THE PORT AUTHORITY OF NY & NJ<br>PO BOX 35000-1517<br>PHILADELPHIA, PA 191061517    | Reference No. . . . . CCOM724557<br>Vendor No. . . . . 32896<br>Calculation For: <u>October-2011</u><br>Customer No. . . . . 111162<br>JFK - New York JFK International Airport<br>Line of Business . . . . . Cards US |

REGARDING: Monthly receipts from Card sales

|                                 |                   |
|---------------------------------|-------------------|
| Cash Deposit                    | 692,337.61        |
| Credit Card                     | 252,439.00        |
| Refunds                         | -78.00            |
| <u>Sales Tax</u>                | <u>20,527.37</u>  |
| Net Income                      | 924,117.24        |
| Commission Base                 | <u>924,117.24</u> |
| Commission Due                  | 231,029.31        |
| Less: MAG Pre-Paid              | 17,500.00         |
| Commission Due (Check Enclosed) | <u>213,529.31</u> |

Regards,

Smarte Carte, Inc.  
Finance Team

ATTACH TO 32896

SMARTE CARTE, INC.  
JFK COMMISSION BREAKDOWN BY TERMINAL  
November-11

| TOTAL COMMISSION |         | \$223,868.40      |
|------------------|---------|-------------------|
| TERMINAL         | USAGE % | COMMISSION AMOUNT |
| TERMINAL 1       | 15.45   | \$34,582.38       |
| TERMINAL 2       | 1.24    | \$2,861.84        |
| TERMINAL 3       | 5.23    | \$11,705.77       |
| TERMINAL 4       | 53.36   | \$119,454.89      |
| TERMINAL 5       | 6.07    | \$13,589.88       |
| TERMINAL 6       | 0.00    | \$0.00            |
| TERMINAL 7       | 7.13    | \$15,958.30       |
| TERMINAL 8       | 11.48   | \$25,705.55       |
| TERMINAL 9       | 0.00    | \$0.00            |
| TOTAL            | 100.00  | \$223,868.40      |

223,868.40

223,868.40

LIBRARY AUTHORITY  
FBI  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON, DC 20535

W

ATTACH TO 32895

SMARTE CARTE, INC.  
JFK COMMISSION BREAKDOWN BY TERMINAL  
December-11

|            | USAGE<br>% | COMMISSION<br>AMOUNT |
|------------|------------|----------------------|
| TERMINAL 1 | 14.01      | \$34,925.82          |
| TERMINAL 2 | 1.54       | \$3,837.14           |
| TERMINAL 3 | 4.82       | \$12,288.54          |
| TERMINAL 4 | 51.35      | \$127,984.06         |
| TERMINAL 5 | 8.88       | \$21,829.16          |
| TERMINAL 6 | 0.00       | \$0.00               |
| TERMINAL 7 | 6.88       | \$17,138.44          |
| TERMINAL 8 | 12.82      | \$31,467.71          |
| TERMINAL 9 | 0.00       | \$0.00               |
| TOTAL      | 100.00     | \$248,253.97         |

index

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: For Port Authority Use Only :  
 :  
 : Permit Number: ANC-291 :

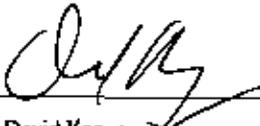
**NEWARK LIBERTY INTERNATIONAL AIRPORT  
PRIVILEGE PERMIT**

The Port Authority of New York and New Jersey (the "Port Authority") hereby grants to the Permittee named below the described non-exclusive privilege at Newark Liberty International Airport (the "Facility"), in the Counties of Essex and Union, Cities of Newark and Elizabeth, and State of New Jersey, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** Smarte Carte, Inc., a(n) corporation of the state of Minnesota
2. **PERMITTEE'S ADDRESS:** 4455 White Bear Parkway  
St. Paul, MN 55110
3. **PERMITTEE'S REPRESENTATIVE:** Edward Rudis
4. **PRIVILEGE:** As set forth in Special Endorsement Number 1.
5. **FEES:** As set forth in Special Endorsement Number 3.
6. **EFFECTIVE DATE:** October 1, 2011
7. **EXPIRATION DATE:** September 30, 2016, unless sooner revoked or terminated as herein provided, and subject to the Extension Option in Special Endorsement 2.
8. **REQUIRED SECURITY DEPOSIT:** As set forth in the Security Agreement (numbered AX-762), as amended, between the Port Authority and Permittee.
9. **INSURANCE REQUIREMENTS:** \$2,000,000.00 minimum limit Commercial General Liability  
\$2,000,000.00 minimum limit Automobile Liability
10. **ENDORSEMENTS:** Standard Endorsement 19.3, Special Endorsements, Schedule G, and Schedule A

Dated: As of October 1, 2011

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

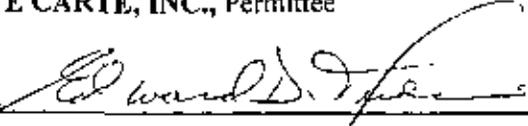
By   
 Name David Kagan  
 Assistant Director  
 Business Properties & Airport Development  
 (Title) \_\_\_\_\_

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

CC

RR

**SMARTE CARTE, INC., Permittee**

By   
 Name EDWARD D. RUDIS  
 (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 "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.

(b) 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.

(c) The term "City" shall mean the City of Newark.

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 9 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 4 on the first page hereof shall be an approval hereunder and all approvals hereunder shall be subject to the terms of Section 28 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: EWR Properties & Commercial Development, 1 Conrad Road, Building 1, Newark NJ 07114) 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 <sup>or like new</sup> 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) (a) 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 Newark Liberty International Airport, Newark, New Jersey.

(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.

(c) 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.

(d) 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. 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.

24. (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.

25. (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.

26. (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.

27. (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.

28. 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.

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

30. 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.

31. 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.

32. (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.

33. 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.

34. (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.

35. 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.

36. 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.

37. (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.

38. 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.

39. 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.

40. 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.

41. 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.

42. 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 Jersey, without regard to choice of law principles.

43. 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.

44. 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

STANDARD ENDORSEMENT NO. 19.3

**PARTICULAR FACILITY**

Newark Liberty International Airport

08/02

Notwithstanding any other provision of this Permit, the permission hereby granted shall in any event terminate with the expiration or termination of the lease of Newark Liberty International Airport from the City of Newark to the Port Authority under the agreement between the City and the Port Authority dated October 22, 1947, as the same from time to time may have been or may be supplemented or amended. Said agreement dated October 22, 1947 has been recorded in the Office of the Register of Deeds for the County of Essex on October 30, 1947 in Book E-110 of Deeds at pages 242, *et seq.* No greater rights and privileges are hereby granted to Permittee than the Port Authority has power to grant under said agreement as supplemented or amended as aforesaid.

"Newark Liberty International Airport" or "Airport" shall mean the land and premises in the County of Essex and State of New Jersey, which are westerly of the right of way of the Central Railroad of New Jersey and are shown upon the exhibit attached to the said agreement between the City and the Port Authority and marked "Exhibit A", as contained within the limits of a line of crosses appearing on said exhibit and designated "Boundary of terminal area in City of Newark", and lands contiguous thereto which may have been heretofore or may hereafter be acquired by the Port Authority to use for air terminal purposes.

The Port Authority has agreed by a provision in its agreement of lease with the City covering the Airport to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter notifies the Permittee to refrain from such compliance. Nothing herein contained shall release or discharge the Permittee from compliance with any other provision hereof respecting governmental requirements.

## SPECIAL ENDORSEMENTS

1. (a) Subject to all of the terms and conditions of this Permit, the Port Authority hereby grants to the Permittee the privilege and the Permittee hereby assumes the obligation, of installing, maintaining and operating self-service airline passenger luggage cart control units (herein sometimes called the "*Machines*"). providing airline passenger luggage carts and in conjunction therewith, operating an airline passenger luggage cart retrieval service (hereinafter the airline passenger luggage cart control units, the airline passenger luggage carts and the retrieval service are sometimes collectively called the "*Service*") to all passengers at the Airport and the Permittee agrees to provide such Service at such locations in and outside the various airline terminals, parking lots and courtyards at the Airport as shall be designated in writing by the Port Authority from time to time and for no other purpose or purposes whatsoever. The price that the Permittee shall charge for each luggage cart provided as a part of the Service shall be Five Dollars (\$5.00) per cart with no refund for returned carts. As part of the Service the Permittee shall provide the "*Customs Cart Service*" as defined in paragraph (b) below.

(b) (1) Without limiting the generality of the provisions of paragraph (a) of this Special Endorsement No. 1, the Permittee agrees to provide the Service to all international and domestic passengers at the Airport and the Permittee agrees to provide such Service at such locations in and outside the various airline terminals (hereinafter the "*Terminals*") as shall be designated in writing by the respective Terminal Operator (as defined herein) or the Port Authority from time to time, and parking lots and parking structures (hereinafter the parking lots and the parking structures collectively shall be referred to as "*Parking Lot(s)*") at the Airport and the AirTrain stations ("*AirTrain Station(s)*") as shall be designated in writing by the Port Authority. As part of the Service the Permittee shall provide the "*Customs Cart Service*," as defined herein, at the Airport. The Permittee agrees to furnish and provide all the necessary personnel, equipment, material and all other things necessary to provide such Customs Cart Service. The Permittee is hereby granted the privilege to provide to those airlines located in the FIF (as defined herein) at the Airport (the "*FIF Airlines*") electronic debit cards (hereinafter such electronic debit cards shall be referred to as "*Smarte Cards*"). The Smarte Cards are permitted to be used by the FIF Airlines crew members in order for the crew members to obtain the Service (such portion of the Service being herein called the "*Smarte Cards Service*").

(2) The "*Customs Cart Service*" shall be defined herein as Service to arriving international passengers at the Airport in the Secured federal inspection facility (hereinafter each such area called an "*FIF*") of such Terminals as shall be approved by the Port Authority at the Airport.

(3) It is understood and acknowledged by the Permittee that the Permittee hereby agrees to provide luggage carts through the Customs Cart Service sufficient to meet the requirements of passengers using each Terminal. The Port Authority makes no representations or warranties as to the location, size, adequacy or suitability of space and facility as may be designated by the Port Authority to be used by the Permittee for the Customs Cart Service nor the operational and other procedures which the respective terminals may require the Permittee to observe in carrying out its privileges and obligations hereunder.

(4) Without limiting the generality of Term and Condition No. 33 hereof, the Permittee is obligated to apply for and to obtain for itself and its employees all security clearances, consents, passes and approvals which are necessary for its employees to gain access to and serve the terminals and any other restricted areas of the Airport required for

the Customs Cart Service and to cooperate in every way with all Federal Inspection Services, including but not limited to securing, at its sole cost and expense, if required by the U.S. Customs Service, a "*Customs Area Security Bond*" or other assurance as required by the U.S. Customs Service in connection with providing the Customs Cart Service to such area of the Airport used by the U.S. Customs Service.

(c) Without limiting the generality of any of the other provisions of this Permit, the Service shall be provided by the Permittee in accordance with the following:

(1) The Permittee shall update and replenish the cart inventory and accompanying equipment, of the latest design. All Machines, luggage carts and other equipment installed or provided by the Permittee hereunder shall be of the type and specifications set forth in the "Equipment Schedule" attached hereto, hereby made a part hereof and marked "*Schedule A*" with all luggage carts having the "optional braking system", or as may otherwise be approved in writing by the Port Authority from time to time, and shall at all times must meet the highest standards of appearance and safety.

(2) The Permittee shall provide to its employees on the Airport Port Authority approved uniforms identifying the Permittee's organization, badges identifying its employees, and employee operations and customer service training, at no additional or separate cost to the Port Authority. The employee training program must be submitted to, reviewed and approved by the Port Authority, in writing prior to the training taking place.

(3) The Permittee shall maintain a sufficient and even dispersal of luggage carts throughout the Airport at all times in numbers sufficient to meet customer demand therefor. The total number of luggage carts and the locations of the Machines on the Effective Date shall be as specified in the Operations Plan, attached hereto and hereby made a part hereof but at no time shall there be less than Two Thousand Five Hundred (2,500) luggage carts available for use by the public on the Airport.

(4) The purpose of the Port Authority in extending the permission granted hereby is to have available at the Airport the Service, 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. The Permittee shall maintain the Machines, luggage carts and all other equipment installed or provided by it at the Airport in first-class working order, appearance and condition, making all repairs and replacements necessary therefor and shall keep the Machines well stocked with luggage carts.

(5) The Permittee's employees shall at all times conduct themselves in a professional, helpful and courteous manner to Airport patrons to provide the highest possible levels of customer service at the Airport.

(6) The Permittee recognizes that portions of the Airport where the Permittee's Machines and other equipment may be installed are under lease to third parties (which parties are herein referred to as a "*Terminal Operator*") for their exclusive occupancy

and that the Permittee must by independent arrangement with each Terminal Operator acquire the right or rights of access and use necessary for the operation of the Service by the Permittee in such areas and shall make its own arrangements with each Terminal Operator for the supply to its Machines and other equipment of such utilities and services as it may require. Each such arrangement between the Permittee and a Terminal Operator shall be subject to the approval of the Port Authority. The Port Authority makes no representations or warranties as to the 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 between the Port Authority and the Terminal Operator covering such exclusive occupancy and in the event of expiration or earlier termination of any such lease then the privileges granted under this Permit shall terminate with respect to the areas covered by such lease. In the event of any inconsistency between the terms of any such lease and the terms of this Permit the terms of this Permit shall control as between the Permittee and the Port Authority.

(7) The Machines shall dispense only such luggage carts and render such services as are approved in writing by the Port Authority.

(8) The Port Authority and the respective Terminal Operator shall approve the number and location of Machines and other equipment to be installed, maintained and serviced under this Permit and each may in its discretion, from time to time, consent to the inclusion under this Permit of an additional Machine or Machines and other equipment required to provide the Service. The location of each Machine and other equipment covered by this Permit is to be only that approved by the Port Authority and the respective Terminal Operator. The Port Authority or the respective Terminal Operator shall have the right, from time to time, to redesignate the location or locations of any or all Machines and other equipment covered by this Permit, and the Permittee shall thereupon at its own expense, comply therewith by promptly removing and reinstalling each such Machine and other equipment. The Port Authority shall also have the right, from time to time, to direct that the number of Machines and other equipment covered by this Permit be decreased and the Permittee shall promptly remove the Machines and other equipment as directed.

(9) In the event of relocation or removal the Permittee shall leave the vacated area in the condition required under this Permit in the case of expiration, and all obligations with respect to the vacated area which would have matured on the effective date of expiration of the Permit shall mature as to the vacated area on the required date of relocation or removal. In the event the Permittee fails to immediately transport any of its Machines and other equipment to a newly designated location, or to remove any of its Machines and other equipment, the Port Authority shall have the right to do so at the risk of the Permittee, and the Permittee shall pay the Port Authority the expense thereof on demand. Without limiting the foregoing, the Permittee agrees to take good care of each designated area and to restore the same upon the expiration or revocation of the effective period of the permission granted under this Permit to the condition existing prior to the installation of the Permittee's Machines and other equipment.

(10) (i) Without limiting the provisions of Section 6 of the foregoing Terms and Conditions and in addition thereto, the Permittee agrees that prior to the

installation of any Machines and other equipment it shall obtain the written approval of the Port Authority and the respective Terminal Operator as to the design and type thereof as well as the method, time 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 Machines and other equipment and for the removal and relocation thereof. In the event of any such installment or performance without the approval of the Port Authority and the respective Terminal Operator, then upon such notice from the Port Authority or the Terminal Operator, the Permittee shall remove the same or cause the same to be changed to the satisfaction of the Port Authority and the respective Terminal Operator.

(ii) Nothing contained in this Permit shall be or deemed to be consent to, or approval of, the erection of any structures, or the making of any improvements, alterations, modifications, additions, repairs or replacements to the Airport, including without limitation the installation of any Machines at the Airport. The Permittee agrees that no construction or installation, as aforesaid, shall be performed without the prior written approval of the Port Authority and the applicable Terminal Operator, if any, and subject to the terms and conditions of the this Permit and an approved Port Authority Alteration Application.

(11) The Permittee shall post informational and rate signs on the Machines and any other appropriate signage that the Port Authority or the Terminal Operator believes is necessary to provide the Service in accordance herewith. The Permittee shall place in a conspicuous place on each Machine installed and operated pursuant to the permission granted hereunder the name and address of the Permittee, the location of the Machine, or piece of other equipment, the Permit Number and such other information as the Port Authority may from time to time determine to be necessary.

(12) The Permittee understands and agrees that no reimbursement will be made by the Port Authority to the Permittee for any lost or stolen carts. The collection of lost or stolen carts is the responsibility of the Permittee.

(13) Collections shall be made from the Machines in the manner and at the time 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 Department of the Port Authority.

(14) The Permittee shall promptly handle in a manner satisfactory to the Port Authority all customer complaints including but not limited to those based on a shortage of luggage carts, failure or malfunction of the Machines or other equipment of the Permittee or defective luggage carts rendered therefrom or thereby and the Permittee shall make all suitable refunds, exchanges, credits and allowances in connection therewith. Without limiting the generality of the foregoing, the Permittee shall pay to the Port Authority liquidated damages of in the amount of Fifty Dollars and No Cents (\$50.00) for each instance where (1) the Permittee has failed to replenish a cart dispensing location within fifteen (15) minutes of notification by the Port Authority or a Terminal Operator that there are no carts available in such dispensing location and (2) the Permittee has failed to commence retrieving carts from any location within fifteen (15) minutes of notification by the Port Authority or a Terminal Operator that uncollected carts discarded by airport patrons are congregated in such numbers

or in such manner that they are causing an unsightly or unsafe condition.

2. Renewal Option: The Port Authority shall have the right, at its sole discretion, to extend this Agreement for a period of five (5) additional years subsequent to the Expiration Date, such extension period to commence on October 1, 2016 and to expire on September 30, 2021 ("*the Extension Term*"). The Extension Term shall contain the same Terms and Conditions of this Agreement, with the exception that the Percentage Fee (as defined herein) shall be an amount equal to the excess over the Minimum Annual Fee Amount of Twenty-Seven Percent (27%) of all of the Gross Receipts for each Annual Period. In addition, if necessary, as determined by the sole and exclusive opinion of the Port Authority, the Permittee shall be required to upgrade and replace Two Thousand Five Hundred (2,500) luggage carts and, if necessary, as determined by the sole and exclusive opinion of the Port Authority, upgrade and replace the vending systems at the Airport upon the start of the Extension Term. The Port Authority will advise the Permittee in writing, at least six (6) months prior to the Expiration Date if it elects to exercise its right to extend the term of this Agreement. Upon the exercise of the Port Authority of its option to extend as aforesaid, no execution by either party of any other document or instrument shall be required to effect such extension of the term of this Agreement.

3. Fees:

(a) The following terms shall have the meaning as used herein:

(1) "*Annual Period*" shall mean, as the context requires, the twelve-month period commencing on the Effective Date and each twelve-month period thereafter occurring during the effective period of the permission granted under this Permit, commencing with each anniversary of the Effective Date, provided, however, that the last Annual Period shall expire in any event on the earliest to occur of the date of expiration, termination or revocation of this Permit.

(2) "*Gross Receipts*" shall mean and include all monies paid or payable to the Permittee for services rendered at or from the Airport and any other revenues of any type arising out of or in connection with the Permittee's operations at the Airport, provided, however, that there shall be excluded from such Gross Receipts the following: (i) any sales taxes imposed by law which are directly payable to the taxing authority by the Permittee and(ii) amounts upon which Gross Receipts fees are payable or exempt from payment to the Port Authority pursuant to other agreements with the Permittee.

(3) "*Minimum Annual Fee Amount*" shall mean One Hundred Twenty-Six Thousand Dollars and No Cents (\$126,000.00), payable in monthly installments of Ten Thousand Five Hundred Dollars and No Cents (\$10,500.00).

(b) Basic Fee

(1) The Permittee shall pay to the Port Authority a basic fee at the rate Ten Thousand Five Hundred Dollars and No Cents (\$10,500.00) (the "*Basic Fee*"). The Permittee shall pay the Basic Fee monthly in advance on the Effective Date and on the first day of each calendar month thereafter occurring during the period of permission hereunder.

or in such manner that they are causing an unsightly or unsafe condition.

2. Renewal Option: The Port Authority shall have the right, at its sole discretion, to extend this Agreement for a period of five (5) additional years subsequent to the Expiration Date, such extension period to commence on October 1, 2016 and to expire on September 30, 2021 ("*the Extension Term*"). The Extension Term shall contain the same Terms and Conditions of this Agreement, with the exception that the Percentage Fee (as defined herein) shall be an amount equal to the excess over the Minimum Annual Fee Amount of Twenty-Seven Percent (27%) of all of the Gross Receipts for each Annual Period. In addition, the Permittee shall be required to upgrade and replace Two Thousand Five Hundred (2,500) Machines and upgrade and replace the vending systems at the Airport upon the start of the Extension Term. The Port Authority will advise the Permittee in writing, at least six (6) months prior to the Expiration Date if it elects to exercise its right to extend the term of this Agreement. Upon the exercise of the Port Authority of its option to extend as aforesaid, no execution by either party of any other document or instrument shall be required to effect such extension of the term of this Agreement.

3. Fees:

(a) The following terms shall have the meaning as used herein:

(1) "*Annual Period*" shall mean, as the context requires, the twelve-month period commencing on the Effective Date and each twelve-month period thereafter occurring during the effective period of the permission granted under this Permit, commencing with each anniversary of the Effective Date, provided, however, that the last Annual Period shall expire in any event on the earliest to occur of the date of expiration, termination or revocation of this Permit.

(2) "*Gross Receipts*" shall mean and include all monies paid or payable to the Permittee for services rendered at or from the Airport and any other revenues of any type arising out of or in connection with the Permittee's operations at the Airport, provided, however, that there shall be excluded from such Gross Receipts the following: (i) any sales taxes imposed by law which are directly payable to the taxing authority by the Permittee and (ii) amounts upon which Gross Receipts fees are payable or exempt from payment to the Port Authority pursuant to other agreements with the Permittee.

(3) "*Minimum Annual Fee Amount*" shall mean One Hundred Twenty-Six Thousand Dollars and No Cents (\$126,000.00), payable in monthly installments of Ten Thousand Five Hundred Dollars and No Cents (\$10,500.00).

(b) Basic Fee

(1) The Permittee shall pay to the Port Authority a basic fee at the rate Ten Thousand Five Hundred Dollars and No Cents (\$10,500.00) (the "*Basic Fee*"). The Permittee shall pay the Basic Fee monthly in advance on the Effective Date and on the first day of each calendar month thereafter occurring during the period of permission hereunder.

(2) In the event that this Permit shall commence or shall expire or be revoked or terminated on other than the last day of a calendar month, the Basic Fee payable for such calendar month shall be an amount equal to the applicable monthly installment set forth in paragraph (b)(1) above multiplied by a fraction, the numerator of which shall be the number of days in such calendar month in which this Permit was in effect and the denominator of which shall be the full number of days in such calendar month.

(c) Percentage Fee

(1) In addition to the Basic Fee payable hereunder, the Permittee shall pay to the Port Authority a Percentage Fee for each Annual Period in an amount equal to the excess over the Minimum Annual Fee Amount of Twenty-Two Percent (22%) of all of the Gross Receipts for such Annual Period (the "*Percentage Fee*").

(2) The computation of the Percentage Fee for each Annual Period, or a portion of an Annual Period as hereinafter provided, shall be individual to such Annual Period, or such portion of an Annual Period, and without relation to any other Annual Period, or any other portion of any Annual Period.

(3) For the purpose of calculating the Percentage Fee due for any Annual Period which contains less than 365 days, the applicable Minimum Annual Fee Amount shall be multiplied by a fraction, the numerator of which shall be the number of days from the commencement of such Annual Period through the last day thereof, both dates inclusive, and the denominator of which shall be 365.

(4) Notwithstanding Term and Condition 13(a), the Permittee shall report Gross Receipts and shall pay the Percentage Fee as follows: on the 20th day of the first month following the commencement of each Annual Period and on the 20th day of each and every month thereafter including the month following the end of each Annual Period and the month following the expiration of the permission granted hereunder, the Permittee shall render to the Port Authority a sworn statement showing all Gross Receipts arising from the Permittee's operations at the Airport in the preceding month, and also showing its cumulative Gross Receipts from the date of the commencement of the Annual Period for which the report is made through the last day of the preceding month and the percentage stated in paragraph (c)(1) of this Special Endorsement. Whenever any monthly statement shall show that the percentage set forth in paragraph (c)(1) of this Special Endorsement applied to all of the Gross Receipts for the Annual Period for which the report is made is in excess of the Minimum Annual Fee Amount, the Permittee shall pay to the Port Authority at the time of rendering the statement an amount equal to the excess of such sum over the Minimum Annual Fee Amount, and shall thereafter on the 20th day of each month during that Annual Period, and the month following the end of that Annual Period, including the month following the expiration of the permission granted hereunder, pay an amount equal to such percentage of its Gross Receipts for each subsequent month during that Annual Period.

(5) Upon the termination or revocation of the period of the permission granted hereunder (even if any revocation or termination is stated to have the same effect as expiration), Gross Receipts shall be reported and the Percentage Fee shall be paid within twenty

(20) days after the effective date of such termination or revocation, as follows. The Permittee shall render to the Port Authority a sworn statement separately showing of all its cumulative Gross Receipts for the Annual Period in which the effective date of termination or revocation falls and also the percentage set forth in paragraph (c)(1) of this Special Endorsement. The payment then due on account of all Gross Receipts for the Annual Period in which the effective date of termination or revocation falls shall be the excess over the prorated Minimum Annual Guaranteed Amount of the percentage stated in paragraph (c)(1) of this Special Endorsement applied to all the Gross Receipts arising during such Annual Period; said Minimum Annual Guaranteed Amount being prorated as set forth in paragraph (c)(3) above, less any Percentage Fee payments previously made for such Annual Period.

(6) Notwithstanding that the Percentage Fee and the Minimum Annual Guaranteed Amount may have been determined on an annual basis, such determination shall not in any way restrict or impair the Port Authority's right to revoke this Permit upon thirty (30) days' written notice to the Permittee.

(7) Notwithstanding that the Percentage Fee hereunder is measured by a percentage of Gross Receipts, no partnership relationship or joint venture between the Port Authority and the Permittee is created or intended to be created by this Permit.

(8) Without limiting the requirement for Port Authority approval, if the Permittee conducts any privilege or any portion thereof through the use of a contractor or other third party which is not a Port Authority permittee and where the payments for any of the foregoing are made to such contractor rather than to the Permittee, said payments shall be deemed amounts, monies, revenues, receipts and income paid or payable to the Permittee for purposes of determining the Permittee's Gross Receipts, provided, however, that the foregoing shall not grant or be deemed to grant any right or permission to the Permittee to use an independent contractor or other third party to perform any privilege or portion thereof or the doing of anything hereunder by an independent contractor or other third party.

(9) To the extent that the Permittee <sup>cm</sup> has not already done so at the time of execution of this Permit and without limiting the generality of any other term or provision hereof, the Permittee agrees to submit monthly statements of Gross Receipts and to pay, at the time of execution and delivery of this Permit to the Port Authority, all fees and other amounts due under this Permit to the Port Authority for the period from the Effective Date to the time of execution and delivery of this Permit by the Permittee.

(10) The Permittee shall furnish to the Port Authority on or before the twentieth day of July of each calendar year following the Effective Date a statement of all Gross Receipts for the preceding calendar year certified, at the Permittee's expense, by a certified public accountant.

4. Advertising/Public Notices:

(a) *Advertising/Public Notices Placed by the Port Authority*

(i) The Permittee shall have the obligation to accept the installation, placement, maintenance and operation of (x) such airport and other public service announcements and news as the Port Authority may supply or designate and (y) advertising displays, posters, and such other advertising media and public notices as may be directed by the Port Authority (all such airport and other public service announcements and news, and all such advertising displays, posters, advertising media and public notices, being collectively hereafter called "**PA Advertising Items**") on such of the Permittee's machines and luggage carts as are being operated at the Airport pursuant to this Permit. The Permittee shall be responsible for mounting PA Advertising Items on luggage carts at the direction of the Port Authority, at its own cost and expense, and shall not place PA Advertising Items on any Machine or luggage cart without the express direction of the Port Authority; provided, however, that the Permittee shall not be required to place such material in any machine or luggage cart if the Permittee has arranged with a third party for the display of advertising matter in such Machine or luggage cart pursuant to the provisions of subparagraph (a)(ii), below, during the period covered by the Port Authority's notice.

(ii) Without limiting any other item or provision hereof, the Permittee shall impose no charge to the Port Authority, or any contractor or advertising permittee which has been selected by the Port Authority, to install, place, maintain and operate PA Advertising Items on its behalf, in connection with the display of PA Advertising Items on any Machine or any of the Permittee's luggage carts. Accordingly, the Permittee shall not be entitled to any compensation with PA Advertising Items.

(b) *Advertising Place by Third Parties*

(i) Subject to the terms and provisions of this Permit, the Permittee shall have the right to solicit and/or enter into agreements with third party advertising companies which desire to install, place, maintain and operate advertising displays, posters, and other advertising media on any luggage cart at the Airport that is covered by this Permit (all such third party advertising displays, posters and other advertising media being individually called a "**Third Party Advertising Item**" and collectively called "**Third Party Advertising Items**").

(ii) No Third Party Advertising Item shall be placed, installed or operated by the Permittee in any luggage cart unless the Port Authority has given its prior approval as to the type, size, quality, kind, form, substance and character of the display, poster, exhibit or media, including the content thereof and the operation and maintenance thereof. Once installed, a Third Party Advertising Item must meet the Port Authority's continued approval as to the content thereof and the operation and maintenance thereof. Any Third Party Advertising Item which does not continue to meet with the approval of the Port Authority shall be immediately removed by the Permittee on notice from the Port Authority.

(iii) All arrangements of the Permittee with third parties for the display of advertising matter at the Airport shall be represented by written agreements with such third parties. True and accurate copies of all executed agreements shall be delivered by the Permittee to the Port Authority upon request. Without limiting the foregoing, the Permittee agrees that each such agreement entered into by it shall contain provisions making such agreement subject to all the provisions of this Permit and specifically stating that no party thereto shall obtain thereunder privileges greater than those granted under this permit. All monies paid or payable to or received or receivable by the Permittee for or in connection with any Third Party Advertising Item displayed, shown, exhibited or disseminated by the Permittee, including charges for normal placement, installation, operation, and maintenance thereof, shall be fully set forth in the Permittee's third party agreements.

(iv) In addition to such information and documentation as the Permittee is required to make available pursuant to this Permit, the Permittee agrees from time to time, at the request of the Port Authority, to provide to the Port Authority the following information in a form acceptable to the Port Authority: an updated inventory list and description of all Third Party Advertising Items installed by the Permittee pursuant to the provisions of this Permit, including, without limitation, the number, type and location of the advertising display item, the billings generated by each of the Permittee's advertising accounts at the Airport, and the Permittee's advertising rates with respect to such Third Party Advertising Items. The Permittee shall permit the Port Authority, by its agents, employees, and representatives, to examine and audit the records and books of account of the Permittee in connections with all of the foregoing, it being understood that nothing contained in this paragraph shall relieve the Permittee of its obligations to provide the documents and information described elsewhere in this permit, or shall be deemed to be a waiver by the Port Authority of any rights to examine any other documents and information relating to the Permittee's operations in connection with this Permit.

(v) All revenues and other compensation derived by the Permittee from Third Party Advertising Items shall be paid and allocated as follows: (x) Permittee may charge third parties at a rate in the range of Twenty-Two Dollars and No Cents (\$22.00) to Thirty Dollars and No Cents (\$30.00) per luggage cart per month and (y) revenues and other compensation derived therefrom shall be paid forty percent (40%) to the Port Authority, thirty percent (30%) to the third party advertising agency which is responsible for the media placement, and the remaining thirty percent (30%) may be retained by the Permittee. Moneys paid or payable to the Port Authority pursuant to this subparagraph shall be made on a monthly basis together with payments of the percentage fee due hereunder, together with monthly statements setting forth the details substantiating such payments, which monthly statements shall include, without limitation, the identity of the third party advertising company which placed the Third Party Advertising Item; the number, type and location of the Third Party Advertising Item; the billings generated by each of the Permittee's advertising accounts at the Airport for the preceding month and cumulatively for the annual period to which such monthly report occurs; and the Permittee's advertising rates with respect to such Third Party Advertising Items.

5. Gifts and Gratuities:

(a) During the term of this Permit, the Permittee shall not offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e, a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Permittee on behalf of the Port Authority, whether or not such duties are related to this Permit or any other Port Authority contract or matter. Any such conduct shall be deemed a material breach of this Permit.

(b) As used herein "*anything of value*" shall include but not be limited to any (i) favors, such as meals, entertainment, transportation (other than that contemplated by the Permit or any other Port Authority contract), etc., which might tend to obligate the Port Authority employee to the Permittee, and (ii) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Permit or any other Port Authority contract.

(c) In addition, during the term of this Permit, the Permittee shall not make an offer of employment or use confidential information in a manner proscribed by the Port Authority's Code of Ethics and Financial Disclosure dated as of April 11, 1996 (a copy of which is available upon request to the Office of the Secretary of the Port Authority).

6. Security Agreement:

The Port Authority and the Permittee have previously entered into a security agreement dated October 1, 2003 and identified by Port Authority No. AX-762, Supplement 1 (the "*Security Agreement*"), covering the deposit of security with the Port Authority. Without limiting the terms and conditions of the Security Agreement, the Permittee understands and agrees that a breach of the Security Agreement by the Permittee shall be and be deemed be a breach of this Permit by the Permittee permitting the Port Authority to revoke this Permit for cause.

7. Non-Exclusivity:

It is understood that any and all privileges granted hereunder to the Permittee are non-exclusive and shall not be construed to prevent or limit the granting of similar privileges at the Airport to another or others, whether by this form of permit or otherwise, or the securing or otherwise providing for luggage handling services through the contracting of skycaps, porters or other means. Neither the granting to others of rights and privileges similar or greater than the rights and privileges granted hereunder nor the existence of agreements by which similar rights and privileges have been previously granted to others shall constitute or be construed to constitute a violation or breach of the permission herein granted by the Port Authority or relieve the Permittee of any of its obligations hereunder.

8. Miscellaneous:

(a) For the purposes of this Permit, a default by the Permittee in keeping, performing or observing any promise, obligation, term or agreement set forth herein on the part of the Permittee to be kept, performed or observed shall include the following whether or not the time has yet arrived for the keeping, performance or observance of any such promise, obligation, term or agreement:

(1) a statement by the Permittee to any representative of the Port Authority indicating that it cannot or will not keep, perform or observe any one or more of its promises, obligations, terms or agreements under this Permit;

(2) any act or omission of the Permittee or any other occurrence which makes it impossible at the time that it will be able to keep, perform or observe any one or more of its promises, obligations, terms or agreements under this Permit; or

(3) any suspension of or failure to proceed with any part of the privileges to be performed by the Permittee which makes it improbable at the time that it will be able to keep, perform or observe any one or more of its promises, obligations, terms or agreements under this Permit.

(b) Nothing contained in this Permit shall constitute or be deemed to constitute permission to the Permittee to park or store equipment or personal property at any location or area at the Airport.

(c) The Permittee shall have no right hereunder to carry on any business or operation at the Airport other than that specifically provided herein.

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

(e) The Permittee, its employees, invitees and others doing business with it shall have no right hereunder to park vehicles within the Airport, except that the Permittee shall have the right to park luggage cart trailers, pick-up trucks and service van trailers for such time as is reasonably necessary for loading and unloading luggage carts and other equipment used by Permittee in providing the Service.

(f) The words "permission" and "privilege" are used interchangeably in this Permit, and except where expressly provided to the contrary, shall mean the privileges granted by this Permit.

(g) The section, paragraph and other headings, if any, in this Permit are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision hereof.

9. No Waiver:

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 then existing or subsequent breach or default thereof.

10. Removal of Property:

(a) All Machines and other personal property placed or installed by the Permittee at the Airport shall remain the property of the Permittee and must be removed within 72 hours after the expiration, revocation, cancellation or termination of the permission hereby granted, whichever shall be earlier.

(b) Any such property remaining at the Airport after the effective date of such expiration, revocation, cancellation or termination shall be deemed abandoned by the Permittee and may be removed and disposed of by the Port Authority or the Terminal Operator in any manner they so determine in their sole discretion and all the proceeds of any removal or disposition by the Port Authority shall be retained by the Port Authority for its account and all costs and expenses of such removal and disposition shall be paid to the Port Authority by the Permittee when billed and all the proceeds of any removal or disposition by the Terminal Operator shall be retained by the Terminal Operator for its account and all costs and expenses of such removal and disposition shall be paid to the Terminal Operator by the Permittee when billed.

11. Restoration:

The areas of the Airport affected by any removal of a Machine or other personal property of the Permittee shall be restored by the Permittee to the condition existing prior to any installation, including without limitation the removal of any wires, conduits, outlets, ducts and pipes installed by or for the Permittee.

12. Electricity:

In areas under the control of the Port Authority, electricity for the operation of the Machines will be provided by the Port Authority to the Permittee, without charge, through existing conduits, wires and outlets.

13. Prohibited Acts:

(a) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport. In addition to and without limiting Term and Condition No. 37 hereof, any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee and subject to the provisions of Section 8 of the Terms and Conditions hereof, be completely removed and/or remediated by the Permittee at its sole cost and expense. The obligations of the Permittee pursuant to this Special Endorsement No. 13(a) shall survive the expiration, revocation, cancellation or termination of the Permit.

(b) "*Hazardous Substance*" shall herein be defined as any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer, endocrine disruption or reproductive toxicity, petroleum and petroleum products and substances declared to be hazardous or toxic or the removal, containment or restriction of which is required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which is restricted, prohibited, regulated or penalized by any federal, state, county, or municipal or other local statute or law now or at any time hereafter in effect as amended or supplemented and by the regulations adopted and publications promulgated pursuant thereto.

(c) The Permittee shall not dispose of nor permit anyone to dispose of any waste materials (whether liquid or solid) by means of any toilets, sanitary sewers or storm sewers.

(d) The Permittee shall not solicit business on the public areas of the Airport and the use, at any time, of hand or standard megaphones, loudspeakers or any electric, electronic or other amplifying device is hereby expressly prohibited.

(e) The Permittee shall not use any cleaning materials having a harmful or corrosive effect on any part of the Airport.

14. Work and Labor Harmony:

(a) The Permittee shall so plan and conduct its operations as to work in harmony with the operations of others at the Airport and not to delay, endanger or interfere with the operations of others (whether or not specifically mentioned herein), all to the best interest of the Port Authority and the users of the Airport and as may be directed by the General Manager of the Airport.

(b) The Permittee is advised to ascertain whether any on now represented or not represented at the Airport will claim jurisdiction over any aspect of the operations to be preformed hereunder, and its attention is directed to Term and Condition No. 38 hereof. Further,

the Permittee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(c) The Permittee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(d) The Permittee acknowledges that it is familiar with the general and local conditions prevailing at the Airport and with the all pertinent matters and circumstances which may in any way affect performance of the privileges granted under the Permit.

15. Business Development and Records:

(a) In connection with the exercise of the privileges granted hereunder, the Permittee shall:

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

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

(3) maintain, in English and in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation, cancellation or termination thereof, and for a further period extending until the Permittee shall, upon request to the Port Authority, receive written permission from the Port Authority to do otherwise, full and complete records and books of account (including without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, records of daily forms and work schedules) recording all transactions of the Permittee at, through, or in anywise connected with the Airport, including without limitation the Investment Amount, all charges for services made through the Machines, Gross Receipts from each Machine installed and operated by the Permittee at each location and such additional monthly statistics and information that the Port authority may from time to time and at any time require, which records and books of account shall be kept at all times within the Port of New York District;

(4) cause any company which is owned or controlled by the Permittee, or any company which owns or controls the Permittee, if any such company performs services similar to those performed by the Permittee (any such company being hereinafter called an "Affiliate" and all such companies being hereinafter called the "Affiliates") to maintain, in English and in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation, cancellation or termination

thereof, and for a further period extending until the Permittee shall, upon request to the Port Authority, receive written permission from the Port Authority to do otherwise, full and complete records and books of account (including without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, and work schedules) recording all transactions of each Affiliate at, through, or in anywise connected with the Airport, which records and books of account shall be kept at all times within the Port of New York District;

(5) permit and/or cause to be permitted in ordinary business hours during the effective period of this Permit, for one (1) year thereafter, and during such further period as is mentioned in the preceding paragraphs (a)(iii) and (a)(iv), the examination and audit by the officers, employees and representatives of the Port Authority of all the records and books of account of the Permittee (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification, determination or calculation of Gross Receipts and the Investment Amount, all agreements, and all source documents) and all the records and books of account of all Affiliates (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification, determination or calculation of Gross Receipts and the Investment Amount and all agreements, and all source documents) (all of the foregoing records and books described in this paragraph (a)(v) being hereinafter collectively referred to as the "*Books and Records*") within ten (10) days following any request by the Port Authority from time to time and at any time to examine and audit any Books and Records;

(6) install and use such cash registers, sales slips, invoicing machines and any other equipment or devices, including without limitation computerized record keeping systems, for recording orders taken, or services rendered, as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of Gross Receipts, and without limiting the generality of the foregoing, for any privilege involving cash sales, install and use cash registers or other electronic cash control equipment that provides for non-resettable totals; and

(7) 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.

(b) (1) Without implying any limitation on the right of the Port Authority to revoke this Permit for cause for breach of any term, condition or provision thereof, including but not limited to, breach of any term, condition or provision of paragraph (a) above, the Permittee understands that the full reporting and disclosure to the Port Authority of all Gross Receipts and the Permittee's compliance with all the provisions of paragraph (a) above are of the utmost importance to the Port Authority in having entered into the percentage fee arrangement under this Permit.

(2) In the event any Books and Records are maintained outside the Port of New York District then, in addition to all, and without limiting any other, rights and

remedies of the Port Authority under this Permit or otherwise and in addition to all of the Permittee's other obligations under this Permit, the Port Authority in its sole discretion may (x) require on ten (10) days' notice to the Permittee that any such Books and Records be made available to the Port Authority within the Port of New York District for examination and audit pursuant to paragraph (a)(v) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(v) at the location(s) they are maintained and if such Books and Records are maintained within the contiguous United States the Permittee shall pay to the Port Authority when billed all travel costs and related expenses, as determined by the Port Authority, for Port Authority auditors and other representatives, employees and officers in connection with such examination and audit and if such Books and Records are maintained outside the contiguous United States the Permittee shall pay to the Port Authority when billed all costs and expenses of the Port Authority, as determined by the Port Authority, of such examination and audit, including but not limited to, salaries, benefits, travel costs and related expenses, overhead costs, and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination. Further, in the event that the Permittee has not made any Books and Records which are maintained outside of the Port of New York District available to the Port Authority within the Port of New York District for examination and audit pursuant to paragraph (a)(v) hereof within ten (10) days after the Permittee's receipt of notice from the Port Authority to do so, the Port Authority may estimate the Gross Receipts on any basis that the Port Authority, in its sole discretion, shall deem appropriate, such estimation to be final and binding on the Permittee and the fees based thereon shall be payable to the Port Authority when billed.

(3) In the event of the failure of the Permittee to comply with any of the provisions of paragraph (a) above then, except for the failure of the Permittee to maintain the Books and Records in the Port of New York District which failure is covered by subparagraph (b)(ii) above, in addition to all, and without limiting any other, rights and remedies of the Port Authority under this Permit or otherwise and in addition to all of the Permittee's other obligations under this Permit the Port Authority may estimate the Gross Receipts on any basis that the Port Authority, in its sole discretion, shall deem appropriate, such estimation to be final and binding on the Permittee and the fees based thereon shall be payable to the Port Authority when billed.

(c) Without implying any limitation on the rights or remedies of the Port Authority under this Permit or otherwise including without limitation the right of the Port Authority to revoke this Permit for cause for breach of any term or provision of paragraphs (a)(iii) or (a)(iv) above and in addition thereto, in the event any of the Books and Records are not maintained in English, then the Permittee shall pay to the Port Authority when billed, all costs and expenses of the Port Authority, as determined by the Port Authority, to translate such Books and Records into English.

(d) The foregoing auditing costs, expenses and amounts of the Port Authority set forth in paragraphs (b) and (c) above shall be deemed fees under this Permit payable to the Port Authority with the same force and effect as the Basic Fee and Percentage Fee and all other fees payable to the Port Authority under this Permit.

16. 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.

17. No Broker: The Permittee represents and warrants that no broker has been concerned in the negotiation or execution of this Permit and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Permittee shall indemnify the Port Authority and save it harmless from any and all claims which have been or which may be made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Permit or in connection with any permission contained herein.

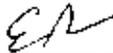
18. Waiver of Trial by Jury. The Permittee hereby waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by the Port Authority against the Permittee in respect of the space in which the Permittee exercises the privilege granted hereunder and/or in any action that may be brought by the Port Authority to recover fees, damages, or other sums due and owing under this Permit.

19. The Port Authority and the Permittee were heretofore parties to Port Authority Permit No. ANB-455, dated as of October 1, 2003, as amended and supplemented. This Permit hereby replaces Permit No. ANB-455. The Permittee shall remain liable for all obligations and liabilities which accrued under Permit No. ANB-455 through the expiration or termination date of Permit No. ANB-455 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.

20. The following Sections of the Terms and Conditions have been deleted: Section 13(c).

  
\_\_\_\_\_  
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](http://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](http://www.nysucp.net) and the New Jersey UCP at [www.njucp.net](http://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](mailto: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

**Schedule A**

The attached constitutes "Schedule A," which is hereby made a part hereof.

  
\_\_\_\_\_  
For the Port Authority

Initialed:

  
\_\_\_\_\_  
For the Permittee



Proposal to Install, Maintain and Operate Self-Service Airline Passenger Luggage Cart Control Units at Various Port Authority of New York and New Jersey Airports Via Privilege Permit

## Operations Plan

When your products are pushed, pulled and slammed shut by millions of people, they'd better be reliable and durable. When you consider that we are responsible for keeping our own products operational, it makes sense that they are built to last!

Smarte Carte has a strong reputation as an industry leader and technology pioneer. Our development and introduction of advanced features, such as unattended credit card acceptance, RFID locker rental and automated tracking and reporting of transactions, solidifies our standing in this regard.

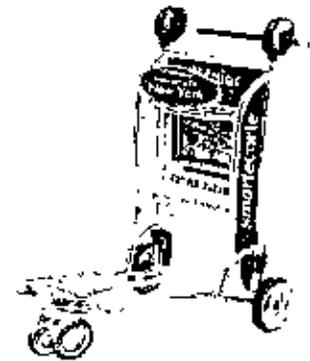


### Proposed Equipment:

|            | Model 1110 Worldcarte* | Model 1118 Worldcarte* | Enterprise CMU | Cushman/Taylor Dunn | Hand Tugger/QuickKarts | Truck & Trailer |
|------------|------------------------|------------------------|----------------|---------------------|------------------------|-----------------|
| JFK        | 7000                   | -                      | 106            | 16                  | 13                     | 3               |
| Newark     | 2500                   | -                      | 44             | 3                   | 8                      | 2               |
| La Guardia | -                      | 700                    | 31             | 2                   | -                      | -               |
| Stewart    | -                      | 60                     | 2              | -                   | -                      | -               |

Airport luggage carts streamline the flow of traffic through your airport. Smarte Carte<sup>®</sup> airport luggage carts provide travelers with mobility and the assurance that they are in control of their own belongings. This assurance gives travelers the freedom to spend more time and money at retail shops and restaurants.

Designed by the world's most experienced cart operator for today's world-class airports, Worldcarte<sup>®</sup> is the latest addition to Smarte Carte's family of airport luggage carts. Its sleek, attractive design creates a lasting impression of your airport, while delivering exceptional performance and unparalleled standards for durability. Smarte Carte's airport luggage carts are rented from cart management units strategically placed in high demand areas of the airport, requiring minimal floor space and ensuring that there is a cart available for every traveler who needs one.



Please reference Attachment 1 for detailed product specifications.

# smarte carte<sup>®</sup>

MAXIMIZE THE EXPERIENCE.

Proposal to Install, Maintain and Operate  
Self-Service Airline Passenger Luggage Cart Control  
Units at Various Port Authority of New York and  
New Jersey Airports Via Privilege Permit

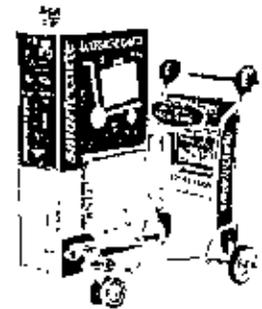
Our advanced cart management units (CMUs) are easy to find and easy to use! Smarte Carte<sup>®</sup> CMUs keep luggage carts stacked neatly and accessible for travelers.



#### Our CMUs:

- Accept credit cards (PCI-DSS Compliant acceptance of Master Card, VISA, American Express and Discover)
- Accept cash (\$1, \$5, \$10, \$20 bills)
- Give change
- Offer a reward to customers when they return carts (Stewart International Airport only)

Other features include the automated collection of transaction data, and our computerized management operating system that ensures carts are always available.



Please reference Attachment 1 for detailed product specifications.

- **Manual Labor** – Luggage carts are handled directly by Smarte Carte employees pushing and pulling the luggage carts with ropes. While moving carts with the ropes, a CSA will be limited to 20 carts at any given time.
- **Electric Cushman/Taylor Dunn vehicle** – a single rider vehicle capable of transporting a maximum of 40 luggage carts. The luggage carts are nested together inline and secured using a rope. The line of luggage carts is then hitched to the back of the vehicle using a Smarte Carte designed hitch. Equipped with a complete list of standard features including heavy-duty electronic brakes, forward and reverse safety horn, taillights and an adjustable bucket seat, the Cushman plays an important role in keeping CMUs throughout the airport filled with carts.
- **Hand Tugger/QuickKart** – a powerful, battery-operated cart handling tool that allows staff to quickly and efficiently move luggage carts throughout the airport. Its compact design allows the Tuggers/QuickKart to operate smoothly in tighter spaces compared to larger cart-handling vehicles.
- **Truck & Trailer** – Trucks are state and PANYNJ licensed and approved. Custom designed trailers provide efficient and safe loading and unloading of carts.



Please reference Attachment 1 for detailed product specifications.



Proposal to Install, Maintain and Operate Self-Service Airline Passenger Luggage Cart Control Units at Various Port Authority of New York and New Jersey Airports Via Privilege Permit

**Proposed Equipment Locations**

| JFK International Airport - Total Units 106 |                      |
|---|----------------------|
| CMU #                                       | Terminal / Area      |
| 1-01C                                       | T-1 Customs          |
| 1-02C                                       | T-1 Customs          |
| 1-03C                                       | T-1 Customs          |
| 1-04C                                       | T-1 Customs          |
| 1-30  | T-1 Departures       |
| 1-31  | T-1 Departures       |
| 1-32  | T-1 Departures       |
| 1-33  | T-1 Departures       |
| 1-E-01                                      | T-1 Bag Claim Curb   |
| 2-30  | T-2 Departures       |
| 2-31  | T-2 Departures       |
| 2E-01                                       | T-2 Bag Claim        |
| 2E-03                                       | T-2 Bag Claim        |
| 2F-04                                       | T-2 Bag Claim        |
| 2F-05                                       | T-2 Bag Claim        |
| 3-01C                                       | T-3 Customs          |
| 3-02C                                       | T-3 Customs          |
| 3-03C                                       | T-3 Customs          |
| 3-04C                                       | T-3 Customs          |
| 3-05C                                       | T-3 Customs          |
| 3-06C                                       | T-3 Customs          |
| 3-07C                                       | T-3 Customs          |
| 3-08C                                       | T-3 Customs          |
| 3-09C                                       | T-3 Customs          |
| 3-10C                                       | T-3 Customs          |
| 3-11  | T-3 Bag Claim        |
| 3-30  | T-3 Departures       |
| 3-31  | T-3 Departures       |
| 3-32  | T-3 Departures       |
| 3-33  | T-3 Departures       |
| 3-34  | T-3 Departures       |
| 3D-01                                       | Area D Baggage Claim |
| 3D-02                                       | Area D Baggage Claim |
| 3D-30                                       | Area D Departures    |
| G-60  | T-1 GARAGE PARKING   |
| G-61  | T-1 GARAGE PARKING   |
| G-65  | T-2/3 GARAGE PKG     |
| T1-61                                       | T-1 Parking          |
| T3-62                                       | T-3 Parking Garage   |



Proposal to Install, Maintain and Operate Self-Service Airline Passenger Luggage Cart Control Units at Various Port Authority of New York and New Jersey Airports Via Privilege Permit

| JFK International Airport - Total Units 106 |                        |
|---|------------------------|
| CMU #                                       | Terminal / Area        |
| 4-01C                                       | T-4 Customs            |
| 4-02C                                       | T-4 Customs            |
| 4-03C                                       | T-4 Customs            |
| 4-04C                                       | T-4 Customs            |
| 4-05C                                       | T-4 Customs            |
| 4-06c                                       | T-4 Customs            |
| 4-07C                                       | T-4 Customs            |
| 4-08C                                       | T-4 Customs            |
| 4-09C                                       | T-4 Customs            |
| 4-10C                                       | T-4 Customs            |
| 4-11D                                       | T-4 Domestic Bag Claim |
| 4--30                                       | T-4 Departures         |
| 4-31  | T-4 Departures         |
| 4--32                                       | T-4 Departures         |
| 4-33  | T-4 Departures         |
| 4-34  | T-4 Departures         |
| 4--60                                       | T-4 Parking            |
| 4-61  | T-4 Parking            |
| 4--63                                       | T-4 Parking            |
| 4-64  | T-4 Parking            |
| 4E-02                                       | T-4 Bag Claim Outside  |
| 5-01  | T-5 Bag Claim          |
| 5-02  | T-5 Bag Claim          |
| 5--03                                       | T-5 Bag Claim          |
| 5-04  | T-5 Bag Claim          |
| 5-30  | T-5 Departures         |
| 5--31                                       | T-5 Departures         |
| 5-32  | T-5 Departures         |
| 5-61  | T-5 Garage             |
| 5--65                                       | T-5 Garage             |
| 7-01C                                       | T-7 CUSTOMS            |
| 7-02C                                       | T-7 CUSTOMS            |
| 7-03C                                       | T-7 CUSTOMS            |
| 7--30                                       | T-7 DEPARTURES         |
| 7--31                                       | T-7 DEPARTURES         |
| T7-65                                       | T-7 Departures         |
| 7D-01                                       | T-7 Domestic Bag Claim |
| 7D-02                                       | T-7 Domestic Bag Claim |
| T7-64                                       | T-7 Parking Garage     |
| 8-01C                                       | T-8 Customs            |
| 8-02C                                       | T-8 Customs            |
| 8-03C                                       | T-8 Customs            |



Proposal to Install, Maintain and Operate Self-Service Airline Passenger Luggage Cart Control Units at Various Port Authority of New York and New Jersey Airports Via Privilege Permit

| JFK International Airport - Total Units 106 |                        |
|---|------------------------|
| CMU #                                       | Terminal / Area        |
| 8-04C                                       | T-8 Customs            |
| 8-05C                                       | T-8 Customs            |
| 8-01D                                       | T-8 Bag Claim Domestic |
| 8-02D                                       | T-8 Bag Claim Domestic |
| 8-30  | T-8 Departures         |
| 8-31  | T-8 Departures         |
| 8-32  | T-8 Departures         |
| T8-10                                       | T-8 Parking Garage     |
| T8-63G                                      | T-8 Parking Garage     |
| HB-01                                       | Howard Beach Station   |
| HB-20                                       | Howard Beach Station   |
| LT-20                                       | Long Term Parking      |
| LF-02                                       | Lefferts Station       |
| LT-02                                       | Long Term Parking      |
| LT-60                                       | Long Term Parking      |
| LT-61                                       | Long Term Parking      |
| LT-62                                       | Long Term Parking      |
| LT-63                                       | Long Term Parking      |
| B3-05                                       | Budget Rent-a-Car      |
| D-31  | Dollar Rent-a-Car      |
| FC-01                                       | Federal Circle         |
| FC-02                                       | Federal Circle         |
| FC-03                                       | Avis Federal Circle    |
| H-62  | Hertz Federal Circle   |
| JM-21                                       | Jamaica Station        |

| Newark Liberty International Airport- Total Units 44 |                   |
|--|-------------------|
| CMU #  | Terminal / Area   |
| A-01   | Bag Claim         |
| A-04   | Bag Claim         |
| A-05   | Departures        |
| A-06   | Bag Claim         |
| A-07   | Bag Claim         |
| A-08   | Bag Claim         |
| A-30   | Enterprise Rental |
| A-31   | Departures        |
| B-01   | Bag Claim         |
| B-02   | Departures        |
| B-03   | Bag Claim         |
| B-06   | Pass Lane Pick Up |
| B-07   | Bag Claim         |
| B-30   | Departures        |



Proposal to Install, Maintain and Operate  
Self-Service Airline Passenger Luggage Cart Control  
Units at Various Port Authority of New York and  
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| Newark Liberty International Airport- Total Units 44 |                    |
|--|--------------------|
| CMU #  | Terminal / Area    |
| B-31   | Departures         |
| B-32   | Departures         |
| C-01   | Bag Claim          |
| C-02   | Bag Claim          |
| C-03   | Bag Claim          |
| C-04   | Bag Claim          |
| C-05   | Bag Claim          |
| C-06   | Departures         |
| C-07   | Departures         |
| C-09   | Departures         |
| C-10   | Departures         |
| C-11   | Departures         |
| C-12   | Departures         |
| A-111  | T-A Parking        |
| B-105  | T-B Parking        |
| B-111  | T-B Parking        |
| C-109  | T-C Garage         |
| C-309  | T-C Garage         |
| P-02   | Airtrain STA Lower |
| P-03   | Airtrain STA Lower |
| P-04   | Airtrain STA Lower |
| R-01   | Rail Link-Upper    |
| BC-01  | Customs            |
| BC-02  | Customs            |
| BC-03  | Customs            |
| BC-04  | Customs            |
| BC-05  | Customs            |
| BC-08  | Customs            |
| CC-01  | Customs            |
| CC-03  | Customs            |

| La Guardia Airport - Total Units 31 |                                |
|-------------------------------------|--------------------------------|
| CMU #                               | Terminal / Area                |
| 1-01                                | T-D DELTA Bag Claim            |
| 1-02                                | T-D DELTA Bag Claim            |
| 1-03                                | T-D DELTA Bag Claim            |
| 1-04                                | T-D DELTA Bag Claim            |
| 1-05                                | T-D DELTA Bag Claim            |
| 2-01                                | T-C Bag Claim US AIR SHUTTLE   |
| 2-03                                | T-C Bag Claim US AIR Bag Claim |
| 2-04                                | T-C Bag Claim US AIR           |
| 2-30                                | T-C Departures US AIR          |



Proposal to Install, Maintain and Operate Self-Service Airline Passenger Luggage Cart Control Units at Various Port Authority of New York and New Jersey Airports Via Privilege Permit

| La Guardia Airport - Total Units 31 |  |
|-------------------------------------|--|
| CMU #                               | Terminal / Area                        |
| 2-31                                | T-C Departures US AIR                  |
| 3-01                                | CTB Bag Claim CONTINENTAL              |
| 3-02                                | CTB Bag Claim JETBLUE                  |
| 3-03                                | CTB Bag Claim AIR CANADA               |
| 3-04                                | CTB Bag Claim SPIRIT                   |
| 3-05                                | CTB Bag Claim AIR TRAN                 |
| 3-06                                | CTB Bag Claim UNITED AIRLINES          |
| 3-07                                | CTB Bag Claim UNITED AIRLINES          |
| 3-08                                | CTB Bag Claim AMERICAN EAGLE           |
| 3-09                                | CTB Bag Claim AMERICAN EAGLE           |
| 3-010                               | CTB Bag Claim AMERICAN AIRLINES        |
| 3-011                               | CTB Bag Claim AMERICAN AIRLINES        |
| 3-10                                | CTB Arrivals UNITED AIRLINES CURB SIDE |
| 3-30                                | CTB Departures SPIRIT                  |
| 3-31                                | CTB Departures AIR CANADA              |
| 3-32                                | CTB Departures CONTINENTAL             |
| 3-33                                | CTB Departures UNITED                  |
| 3-34                                | CTB Departures AMERICAN                |
| 3-35                                | CTB Departures AMERICAN AIRLINES       |
| 2-02                                | CTB Parking WEST WING GROUND FLR       |
| 3-60                                | CTB Parking EAST WING CONCOURSE A-B    |
| 3-61                                | CTB Parking WEST WING CONCOURSE C-D    |

| Stewart International Airport - Total Units 2 |                 |
|---|-----------------|
| CMU #   | Terminal / Area |
| 1   | Baggage Claim   |
| 2   | Departures Curb |

### Cart Cleaning & Maintenance Plan

Daily cleaning is performed by all Smarte Carte staff including management. It consists of removing debris from the top of CMUs, removing stickers and tags on CMUs, track and carts and general wipe down of products as needed. Specific cleaning by airport is defined below:

- **JFK International and Newark Liberty International Airports-** A full time cleaning associate is assigned the specific cleaning tasks which include a complete wipe down of CMUs, track and carts at each location throughout the airport. Each day a specific terminal(s) is targeted based on a rotation. Each week every CMU will receive a complete cleaning. On a quarterly basis, we examine any rust issues and those CMUs or track identified will have rust removed and will be repainted. Certain areas have more weather exposure and thus the process is required more frequently than CMUs located inside. Carts are power washed on an annual basis.
- **La Guardia Airport -** Cleaning is assigned to cart associates on a daily basis. Each day specific CMUs are targeted based on a rotation. Each week every CMU will receive a complete cleaning. On a quarterly basis,



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we examine any rust issues and those CMUs or track identified will have rust removed and will be repainted. Certain areas have more weather exposure and thus the process is required more frequently than CMUs located inside. Carts are power washed on an annual basis.

- Stewart International Airport – Cleaning is performed by our part time manager upon each visit.

Daily repair and maintenance checks are conducted on each CMU at JFK, Newark and La Guardia airports which consists of testing the CMU for all methods of payment including bills, coin and credit card. Carts are examined everyday by all staff and those with equipment issues are set aside and later collected and returned to a general maintenance area for repairs and detail cleaning. Cart moving equipment is inspected daily and any issues are logged and addressed by maintenance staff.

Weekly repair and maintenance checks are conducted by the part time manager at SWF airport. The New York City Manager conducts semi-annual visits to assist with any cart repairs and overall inspection.

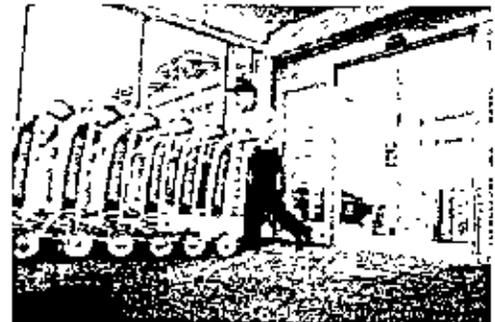
CMUs receive regular preventative maintenance. Based on usage volume, CMUs are scheduled monthly or quarterly. The preventative maintenance includes cleaning and lubricating the mechanical vending plate, cleaning of all internal rollers and mechanical assembly of the bill validator, credit card reader, coin acceptor, and the return end of the track. All aspects of the CMU are tested and signed-off by the technician or manager.

The JFK Terminal 4 conveyor receives monthly preventative maintenance performed by Oxford Airport Technical Services. It includes inspection of motors, bearings, guards, gear box, belts and general lubrication and cleaning.

#### **Cart Collection Frequency and Restocking Plan**

The challenge for a luggage cart service provider is to retrieve the abandoned carts left by thousands of arriving passengers at a peak hour! This is a critical sign of quality in luggage cart service. Only Smarte Carte is in a position to continue to assure the Port Authority the quickest, safest and most efficient cart retrieval program. We accomplish this through:

- Staffing schedules derived from 40+ years of luggage cart management experience.
- Specialized cart handling tools and equipment.
- Proper planning and coordinating with airline terminal managers.
- Trained and motivated employees.
- Monitoring both domestic and international airline schedules.



Finding loose carts is no problem. Anyone who works at the airport can tell you where to find the carts. The objective is to keep up with the thousands of cart users as they abandon their carts once they have reached their destination. This requires the proper planning and scheduling of motivated and trained staff.



Proposal to Install, Maintain and Operate  
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The process for collecting loose carts begins with a well-established staffing and labor plan. The labor plans detail specific work areas within the airport. The labor plans identify and target the heaviest usage areas; baggage claim, ticketing, arrivals hall and concourses. We visually monitor the flow of carts from these areas to the destination locations – baggage recheck, ground transportation and parking lots. The individual terminal supervisors continually analyze the traffic patterns and dispatch customer service associates to their work areas.

From there, customer service associates follow a pattern of consistently sweeping the work area from one end to the other to gather the loose carts promptly. Carts are either directly put into the return end of a CMU, or collected by nesting the carts together in a line. Lines of carts are secured by a rope and then brought to an appropriate CMU or staging area.

Supervisors also sweep the area to pinpoint the locations of loose carts and, using two-way radios or cell phones, direct employees to collect them.

Holding a line of carts secured by ropes is called "staging carts". Carts are staged when CMUs are not present or have no need for additional carts. Carts are also staged near areas of high rental volume, such as customs and baggage claim areas, in order to more quickly replenish carts.

Capture units and lines of carts are normally only staged for very brief periods of time, usually only long enough for the appropriate personnel (Cushman drivers, badged customs employees) to reach the assigned work zone and move the staged carts to the appropriate CMU or customs area. The locations selected for staging loose carts are many and varied, determined by current airport traffic flow.

#### **JFK International Airport - General Balancing Route**

Due to connections and the air train, carts are rented in one terminal and then released by the passenger in another terminal or area of the airport. Generally speaking, the carts will build up in the outer areas or outside of the airport at the various air train stops. A Ford 450 truck is used to transfer the carts back into the terminals, primarily to Terminal 4. Due to connections, carts tend to build in Terminals 1-3, 6 and 7, and then must be returned to Terminal 4. In some instances, a truck must be used as use of public roads is required to get from terminal to terminal. Also, within each terminal, carts tend to build on the ticketing levels and are then required to be returned down to bag claim. Below are the detailed routes for each terminal.

#### **• Terminal 1 (International only – No Domestic) Multiple Carrier**

- **Ticketing** – A walking route where cart associates will collect loose carts starting at the general checkpoint to all gates. They then collect loose carts starting from Korean ticketing to Lufthansa, then again from Korean to Air France side. The Airtrain Station is accessed via skywalk and swept for any loose carts left at the top of escalators and elevators. The Food Court level also is swept for loose carts left by passengers and is accessed via elevators. The carts collected will be returned to units 1-30, 1-31, 1-32, and 1-33. All excess carts will be taken to the far side of the departures curb and staged securely with ropes for pickup by a driver.
- **Arrivals/Customs** – The cart associate collects carts on the curb outside arrivals and in the shuttle/bus/taxi stand area on the outer island. Carts are ultimately staged outside of the AOA by receiving. A maximum of 500 carts can be staged in this area and must be secured with ropes to eliminate shrinkage. A 20 minute lead time must be given to security when access to the SIDA secure tunnel door is required. Three



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staff members are required to bring lines of carts from staging to the AOA, two staff members to move lines of carts via electric tugger to and through the tunnel and another on the secure side to attach to an electric Cushman. Once the carts are attached, a maximum of 45 carts can then be moved approximately 200 yards to the designated door from the ramp side and through a hallway into the customs area. This procedure is necessary up to 9 times over three shifts. A tugger or a QuicKart is used to push the carts to replenish the units inside customs by an Ambassador. Once inside the customs hall, carts are staged and secured on the west side to a maximum of 350 carts. These carts are replenished into customs units as necessary by the ambassadors.

- **Parking Garage Terminals 1, 2, & 3** - This is a four level garage with four CMUs located inside. A driver brings a gas Cushman on the outer roadway and enters the parking area via the toll plaza. Starting on the top level, the driver moves up and down each row of vehicles. When loose carts are identified, they are attached to the line, not to exceed 45 carts. The route then goes down levels consecutively. As the driver passes CMUs, he replaces carts if necessary. Once the driver has a full line of carts, he exits via the toll plaza and drives on the outer roadway entering on arrivals level and drops his load outside at customs staging.
- **Concourse** - An associate will check the concourse weekly and remove any carts brought in by airport tenants. The carts are then returned to the units on the departures curb.
- **Airside Ramp** - This area is checked at least once a week by an associate driving an electric Cushman around the airside ramp of Terminal 1. The carts are picked up, towed by the Cushman and returned to the customs area.
- **Terminal 2 – Delta Domestic**
  - **Ticketing** - A walking route where the cart associate will collect loose carts starting at the TSA checkpoint and moving forward through the ticketing area. Carts are replenished into the ticketing units 2-30 and 2-31 and staged by the outer island to be balanced downstairs to bag claim units by a driver via electric Cushman.
  - **Bag Claim** - A walking route where the cart associate will scan the entire curbside area including the outer roadway. The loose carts are then brought inside arrivals to fill up the units by bag claim E and F.
  - **Concourse** - There are no units on the Terminal 2 concourse, however, an associate regularly checks the concourse to remove any carts and return them to the ticketing units. The secure side of this gate accumulates an unusually large amount of carts due to the connecting walkway from Terminal 3.
- **Terminal 3 – Delta International & Domestic**
  - **Ticketing** - This terminal has three separate ticketing areas (international, domestic, and VIP preferred). All are walking routes where a cart associate is assigned to collect carts from the inside of the terminal by the ticketing counters and outside on the curbs at departures. Attention must be paid to the area inside the roadway loop as this area is prone to carts accumulating for unauthorized use. The carts collected will be returned to ticketing units on the east side (3-30 and 3-31) and ticketing units on the west side (3-33, 3-34 and 3-32). The excess carts will be taken downstairs to the bag claim units via a gas Cushman. A capture unit is on the curb of the east side departures curb that is used to stage until carts are moved.
  - **International Arrivals** - This is the sub-level in the back of the terminal complex with multiple curbs. Carts from all areas of the terminal are staged in front of international arrivals between A and B aisles. There are two capture units by the staging area to secure the carts. Cart associates walk all sides of the area clearing loose carts, paying particular attention to the taxi stand. Carts are then returned to the customs hall



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- **Customs** - Carts are pushed with a Tugger into the designated exit doors leading out of the customs hall. Staff accesses these doors with a PANYNJ swipe card and access code or security guard clearance depending on time of day. The B door is also used to bring in carts into customs but this is permitted only in the mornings. Once inside customs, the Ambassador moves carts manually with a rope and into CMUs.
- **Concourse** - A walking route where the associate will collect the carts from all gates within the loop. All carts on the north side are brought back to the north side units and the carts from the south side are brought to the south side units. Excess carts are brought down to the staging area on arrivals area via a gas Cushman.
- **Area D Departures** - A walking route where the associate will collect the carts from the ticketing counters inside the terminal and return the carts to the units on the departures curb outside. The excess carts are staged with a maximum of 40 carts by the curb for pickup by a Cushman.
- **Arrivals** - An associate collects all the loose carts from the taxi and curbside and refills the two units inside area D. The excess carts are staged by the capture unit located in the middle island by the taxi stand. A regular Cushman route from parking and from Terminal three departures picks up the line of carts and brings them to the staging area of Terminal 3
- **Terminal 4 – International & Domestic (Multiple Carriers)**
  - **Staging Area** - This is located on the east side of the building and is used to store carts prior to placement into the conveyor system.
  - **Customs** - All carts that go inside the Terminal 4 customs hall must pass through the conveyor system. This process takes a minimum of four staff members to complete. The carts are lined up in front of the conveyor with either a QuickKart or Tugger requiring two staff. One additional staff member must be inside the customs tunnel to insure that only one tunnel door is open at a time, as this is a sterile area. The line of no more than 65 – 80 carts is pushed through the door and seated in the gripper belts of the conveyor. The carts travel on the conveyor approximately 250 ft. where they end at the inside of the second secure door. Once the exterior door is closed after the last cart passes through, an ambassador opens the interior door leading into the customs hall and secures the line of carts to a Tugger and brings them into the back end of the baggage area to be loaded into the CMUs with a Quickkart. There are no additional cart staging areas inside of Terminal 4 customs. Employees can only access the SIDA door at the entrance to the conveyor room with their PANYNJ identification badge swipe and an access code. No personnel are permitted to pass through the conveyor doorways on either side.
  - **Concourse A & B / Airtrain Platform** - These are checked regularly by a walking cart associate. The carts in concourses A and B are brought to a service elevator near concourse A and brought down manually via elevator. A maximum of 15 carts can be transported in this elevator at one time. The carts are staged by a lobby near the service elevator and pushed outside by a Tugger to the Terminal 4 staging area. The train platform and elevator alcoves are checked for carts that are left by passengers.
  - **Ticketing** - A walking route where the cart associate will collect loose carts starting at the Air France ticketing counters and proceeding to all 8 aisles. The carts are staged and lined up at the back of the building behind the TSA stations in lines of up to 25 carts. They are pushed via QuickKart to the perimeter walls of the ticketing area and moved forward to the front of the terminal and brought outside on the curb to replenish the units. All excess carts are taken to the end of the east side curb and put in a capture unit, waiting to be picked up by the gas Cushman. The driver of the Cushman must bring the vehicle around the Terminal 4 garage on the outer roadway and enter the departures ramp with traffic. The carts are attached and the driver must again go around the terminal garage and enter the arrivals ramp with traffic and stages the carts by the Executive Access parking.

- Domestic Bag Claim & Arrivals general lobby – This is a walking route where the entire arrivals level is swept for loose carts and CMUs in the domestic bag claim hall are replenished. The associate will also walk the curb on the inner roadway collecting carts left by passengers who utilize the bus stand. The walking cart associate will also check the interline for loose carts and the parking lot on the west side of the building.
- Parking Garage / Terminal 4 Lot / Taxi Stand - This garage has five levels and five CMUs. An electric Cushman is kept in the garage and starts the route at the top level. The driver goes in and out of every lane attaching loose carts to the Cushman to a maximum of 40. CMUs in the garage are replenished as necessary. The route continues down consecutive levels until the ground floor. The driver will then work his way through the parking lot ending at the toll plaza exits. Carts are moved across the inner roadways to the terminal staging areas. The taxi stand located on the outer roadway is serviced by the same Cushman driver route.
- **Terminal 5 – Jet Blue Airways**
  - Departures- The cart associate will sweep the inside of the terminal retrieving carts from ticketing areas and security check points and replenishing them into CMUs back outside on the curb. Due to transfers from other terminals, this terminal tends to build in cart number, and excess carts are staged on the lower level. The excess carts are typically sent to Terminal 4. The Airtrain platform and connector are also checked for carts and when collected, are transferred down to the ground level.
  - Arrivals & Taxi Stand - This is a walking route where the associate will travel the entire length of the curb including the far end taxi stand collecting carts. In addition, the associate will sweep the baggage carousels and all areas inside the terminal for loose carts. CMUs are replenished and excess carts are put in the staging area. Additionally, this route includes the PANYNJ parking lot where loose carts accumulate.
  - Concourse- An associate will check the concourse weekly and remove any carts brought in by airport tenants. The carts are then returned to the units by the curbside.
- **Terminal 7 – British Airways, Cathay & United Airlines (International & Domestic)**
  - Staging Area- This is located on the west side of the arrivals curb and is used to store carts prior to transfer into the domestic and international bag claim. Up to 150 carts can be staged outside the SIDA door leading onto the AOA by Gate 4Z.
  - Ticketing- A walking cart associate picks up loose carts starting from Cathay to BA ticketing counters. The carts are staged in the middle of the building and manually brought outside to replenish the units on the curbsides. Both the inner and outer curbs must be walked and carts collected returned to the units. Excess carts are brought down to the staging area by Cushman. The driver takes the outer roadway around the garage and onto the arrivals ramp to the staging area.
  - Domestic Bag Claim - A walking route where the cart associate collects carts on the arrivals curb and islands and returns the carts back inside. Carts are brought into both domestic bag claim and customs through a SIDA secure door outside the terminal. This process takes a minimum of three staff. Two associates outside move a line of carts (not to exceed 40) up to the gate with a QuickKart or Tugger. A third employee on the secure side of the gate backs a Tugger up to the enclosed gate and attaches the line of carts. The line then travels approximately 100 ft. through the enclosed tunnel leading into the terminal via a secure door. The associate accesses this door with a swipe card and pin and travels another 50 ft. through a hallway leading into domestic bag claim.
  - Customs – The process is consistent with the domestic bag claim route, however, the associate would continue past the domestic bag claim to another secure access door that leads into customs.



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- **Terminal 7 Garage and Airtrain Platform** - The garage is two levels with one CMU. An electric Cushman is driven between all lanes of parked cars starting on the top level and working down. The line of carts is permitted to pass between both the inner and outer roadways on the lower level between the terminal and garage. A cart associate must walk the train platform and manually move carts down via elevator five at a time. Carts are then returned to the custom units.
- **Terminal 8 – American Airlines (International & Domestic)**
  - **Departures** - A walking route where the associates are assigned to collect carts from all ticketing counters and security check points. Special attention needs to be paid to this area as skycaps are known to recycle carts for their own financial gain. These carts are secured with ropes and moved manually to the curb to replenish CMUs. Excess carts are brought manually to the farthest end (east side) of the building to be picked up and brought to the staging area on the ground level. This is done via a Ford F450 truck. Only 45 carts can be loaded on the truck at one time. The driver has to follow the outer roadway around the parking garage and up the departures ramp to pick up the load. The route then takes him around the parking garage again and onto the roadway leading to arrivals. The load is dropped and carts are moved to staging via a QuicKart.
  - **Domestic Arrivals** - A walking route where the cart associate sweeps the entire general lobby and domestic baggage carousels. Additionally, the arrivals curb and the taxi/bus/shuttle stand are cleared of all carts left by passengers being picked up by car or ground transportation. These carts are moved via electric Cushman to the staging area or back inside to the bag claim units.
  - **Staging Area** - A designated staging area for all carts is located outside at the Westside of the building under two separate 60ft x 20ft tents. A maximum of 600 carts can be staged here prior to entry into the customs hall. This is also a designated charging station for Tuggers, Cushmans and QuicKarts. Carts to be brought into customs are staged here.
  - **Customs** - Carts going to AA customs all come from the staging area. Two staff members are required to perform this task and access to customs is initiated with swipe cards and pass codes. Carts are pushed with a Tugger or a QuicKart into a 50 ft. hallway a maximum of 45 carts at a time. An associate opens a roll up door leading to the staging area and the carts are brought in. The roll up door on the staging area side is rolled down automatically and another roll up door is opened leading to the customs hall. Only one door at a time can be opened as this is a sterile area. The carts are then pushed by a Tugger or QuicKart and manually placed into the units. CMUs are loaded manually by an ambassador.
- **Federal Circle – Car Rental / Airtrain / Hotel Shuttle** - This area is scanned a minimum of 10 times a day by an associate using a designated Ford F450 truck. Loose carts in front of the hotel shuttle pickup are used to replenish the units at Hertz, Avis, Dollar, and Budget, a unit by the Airtrain and a unit by the hotel shuttle pickup. All excess carts are loaded on the Ford F450 and brought back to the terminals. The driver/associate is in radio contact with all Terminal managers for cart balancing. Additionally, three days a week, a walking cart associate is assigned to the area to continually sweep and stage carts for the driver.
- **Lefferts Station / Long Term Parking / Airtrain** - Access to this parking lot is gained from the Lefferts Blvd. toll plaza. The driver will pass every row of vehicles stopping in an area when there are loose carts. The driver exits the vehicle and gathers the carts manually. A line of carts will be added to the truck not exceeding 45. Additionally, the driver will exit the truck when the train station is checked for loose carts. All loose carts are brought back to the CMU and all excess carts are loaded on the truck for balancing. This is a four mile commute to and from the terminals.
- **Long Term Parking** - A Ford F450 truck is assigned for the long term parking units and the lots are checked approximately 8 times a day. Long term parking is a six mile commute to and from the terminals. The Ford



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F450 truck travels to every aisle of the long term parking lot accumulating loose carts. The driver has to exit the vehicle to check the upper and lower platforms of the Airtrain station. Additionally, once a week for one shift a cart associate is sent out on the train to collect and stage carts for the driver to load.

- **Howard Beach - Airtrain to Transit / Long Term Parking** - The two units in this station are included in the regular checks of the Airtrain Ford F450 route. The train station is thoroughly checked for loose carts. All carts are brought back to the units and excess carts are loaded in the truck for balancing.
- **Jamaica Station / Airtrain to Transit** - This station is checked daily. It is a 14 mile commute from the terminals. A Ford F450 driver and cart associate drive to the station and park in the service lot. Both go upstairs and gather loose carts on the platform. The carts are brought down via the service elevators 6 at a time and loaded on the Ford F450 no more than 45 at a time. The carts are brought back to the terminals via the Van Wyck expressway. All carts from this station are brought back to Terminal 4 staging area for distribution.
- **Ramp Side Pickup Procedures** A Ford F450 truck conducts a cart roundup in the ramp once a week. Access to the RVSR (Restricted Vehicle Service Road) is gained at Terminal 8 and the driver works his way to every terminal via the roadway on the AOA. Each terminal has an area where the truck is parked and the driver and a cart associate collect carts brought into the secure area by airport personnel and baggage handlers. All vehicles and personnel on the ramp must be authorized.
- **Cart Roundup**- A quarterly cart roundup is requested by the GM in coordination with the Port Authority. A terminal manager of Smarte Carte is escorted by a Port Authority employee to check and retrieve carts being used illegally by airport vendors. The roundup usually covers the airside ramp beyond the RVSR, cargo areas, baggage storage rooms and other locations where carts are being used by vendors.

#### **Newark Liberty International Airport - General Balancing Route**

Due to connections and the air train, excess carts tend to build in Departures at Terminals A, B and C, as well as parking areas. These carts will be balanced via the Ford 450 truck and trailer to either customs area in Terminal B or C. These vehicle routes require the trucks to exit the airport and use outer roadways in order to access the different levels of the different terminals. Cushman's cannot be used as there are no roadways connecting the parking lots to the terminals. Also, within each terminal, carts tend to build on the ticketing levels and are then required to be returned down to bag claim.

- **Terminal A**
  - **Ticketing** - A walking route where the cart associate will collect loose carts inside by the ticketing counters and works from one end of the terminal to the next, balancing loose carts into the CMUs on the curb. Attention is paid to alcoves and corners by elevators and ticketing offices for loose carts that have accumulated
  - **Gate's Level and Airtrain Platform** - Associates walks to the security checkpoints/Gates. The carts collected will be returned to units A 05 & A 31 on the ticketing curb. The excess carts will be taken downstairs to the bag claim units on the freight elevator. No more than 8 carts can be moved on the elevator at one time.
  - **Bag Claim** - A walking route where the cart associate will scan the island near Active Pickup and then proceed to the curbside and check the Taxi Stand. Loose carts are collected and returned inside to the bag claim. Any excess carts are taken to a staging area to be picked up by the Ford 450 and taken to where the carts are needed, Terminal B or C Customs.
  - **Concourse** - There are no units on the A concourse, however, once a week, an associate will check the concourse and remove any carts (brought in by airport personnel) and return them to the ticketing units.



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- **Terminal A Short term Parking Lot** – The Ford 450 is driven up and down each row to collect carts from the parking area. The driver exits the vehicle and accumulates carts and loads the truck with multiple carts. The truck cart capacity is 45 carts. The carts are then taken to the Terminal that is in need of carts, which again requires exiting the airport in order to gain access to the proper terminal road.
- **Terminal A Bus Stop** – A cart associate walks to the Bus Stop at Terminal A to collect loose carts and return them to the CMUs at Terminal A.
- **Terminal B**
  - **Ticketing** – A walking route where the cart associate will collect loose carts starting at the front of the Curb outside Door #1 departures and follows through the end of the curb Door #7, then proceeds to each ticketing counter to collect any loose carts. The carts collected will be returned to ticketing units B 30, B 31 & B 32. The excess carts will be taken downstairs onto an elevator, no more than 8 at a time to the Arrivals Level where interline tunnel leads into the customs area. Attention is paid to alcoves and corners by elevators and ticketing offices for loose carts that have accumulated.
  - **Gate's Level and Airtrain Platform** – cart associates walk to the security checkpoints to collect any loose carts. The carts collected will be returned to units B 30, B 31 & B 32 on the ticketing curb. The excess carts will be taken downstairs on an elevator to the Arrivals Level where interline tunnel leads into the customs area, also checking CMUs by baggage claim to balance these units.
  - **Bag Claim** – A walking route where the cart associate will scan the entire curbside area starting at door#1 near the Taxi Stand through door # 12 and bus area. Loose carts are collected and returned inside the four bag claim units B01 through B03 and B07 (outside door#7). The associate will also walk the level down to British Airways where their ticketing counter and check in is located. From there, the cart associates walk to the Transit Bus/ Shuttle Stand to collect loose carts and fill CMU B06 at the Bus stop.
  - **Concourse** – There are no units on the B concourse, however, once a week, an associate will check the concourse and remove any carts (brought in by airport personnel) and return them to the ticketing units.
  - **Customs** – Carts are delivered (from the various other routes described above) via the Ford F450 truck to Door #12 on the arrivals level. The vehicle has to be parked horizontally and the load is dropped on the curb. Unloading the truck is a two staff operation in order to maintain safety on the curb.

Carts are pushed up the tunnel with a QuickKart through the interline area and through a roll down gate that is accessed with a key. This is a secure door leading into a sterile area so two staff are needed as only equipment is allowed to pass through this door. The Ambassador receives the line of carts on the other side of the door and fills the staging areas. The Customs area at Terminal B consists of two parts, the North Area and the South Area. The North side has two CMUs (BC04 & BC05) plus a staging area that holds 150 carts. The South side has four CMUs (BC01, BC02, and BC03 & BC08) plus a staging area that holds 220 carts.
  - **Terminal B Short Term Parking Lot** – The Ford F450 truck is driven up and down each row to collect carts from the parking area and taken to the Terminal that is in need of carts. The driver exits the vehicle and accumulates carts and loads the truck with multiple carts. No more than 45 carts can be loaded at a time. Also, the Cushman is used here to collect the carts and stage them between Terminal B & C parking lot. The driver is called when there are 45 carts staged to be collected and taken to Terminal C Airside for customs (see route 2 below under Terminal C).
  - **Terminal B Bus Stop** – This is located between Terminal A & B. A cart associate walks to the Bus Stand to collect loose carts which are then returned to the CMUs at Terminal B.



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• **Terminal C**

- **Ticketing** – There are two levels of ticketing at Terminal C. International (top level) and Domestic (middle level). Both are walking routes where the cart associate will collect loose carts starting at the front of the curb outside Door #1 Departures and follow through the end of the curb Door #4, then proceeds to the each ticketing counter to collect any loose carts. The carts collected will be returned to ticketing units C 06, C 07 & C 10. The excess carts will be taken downstairs onto an elevator to the Arrivals Level where the Interline tunnel (see Route 1 below) leads onto the RVSR. The cart associate proceeds to the Mid – Level curbside to collect loose carts and refill the three CMUs (C 09, C 11 & C 12). Attention is paid to alcoves and corners by elevators and ticketing offices for loose carts that have accumulated.
- **Domestic and International Bag Claim/Arrivals** – A walking route where the cart associate will scan for loose carts starting at the taxi stand, proceeding to the courtesy bus and airport shuttle island, then to the active pickup area. Loose carts are collected and returned inside to the five bag claim units C1 through C5 via a QuickKart. Another associate will scan the door 6 custom hall exit area and baggage recheck where a lot of carts accumulate. Any excess carts collected in the arrivals area, are taken via Quickkart to the tunnel at the RVSR for return to the customs hall (see Route 1 below).
- **Concourse** – There are no units on the C concourse, however, once a week, an associate will check the concourse and remove any carts (brought in by airport personnel) and return them to the ticketing units.
- **Customs** – There are two routes used to bring carts into the customs hall. Both routes lead to the customs hall tunnel, the first via an inside terminal route to the RVSR, the second via exterior airport roads to the RVSR.
  - o Route 1 uses an Arrivals tunnel and a door located near the bag claim area inside the terminal. Excess carts collected from the arrivals and departures levels of Terminal C will use this route. The Arrivals tunnel connects to the RVSR and only equipment can pass through the tunnel. The door next to the tunnel is secure and our staff use this door to access the RVSR. A Cushman is then used on the RVSR to move lines of 45 carts from the Arrivals tunnel to the customs hall tunnel, which is distance of approximately 200 yards.
  - o Route 2 is the most challenging route. All carts collected in Terminal C parking or other areas of the airport that need to be returned to Terminal C customs must use this route. A Ford F450 truck and trailer transport the carts via use of the exterior airport roads. The truck has to circle the airport in order to gain entry to the RVSR at a secure checkpoint. Access is gained by P-4 and the truck drives on the secure roadway to the pick-up and drop off points indicated above. The Ford F450 drops off a load of 45 carts to an area outside the tunnel. The driver guides carts up through the customs hall tunnel with a Quickkart, while an ambassador on the other side takes control of the row of carts coming through the door. This is a two staff operation as this is a sterile area and only equipment can pass through the roll down gate.
  - o Terminal C Custom Hall has two CMUs (CC01 & CC03) each holds 120 carts and a staging area that holds 300 carts.
- **Terminal C Short Term Parking Garage** – The Ford F450 is driven up and down each level to collect carts from the parking garage and taken to the Terminal that is in need of carts. Also, the Cushman is used here with the same procedure of driving up and down the rows adding carts to the line. After the carts are collected, the drivers stage them between Terminal B & C parking lot. The Ford F450 driver is called when there are 45 carts ready to be collected and taken to Terminal C Airside for customs.



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- Terminal C Bus Stop / Taxi Stand / Arrivals Curb - The QuickKart is used on the curbside by Door #8 to collect carts and at the Taxi and Bus Island. This area accumulates a lot of carts and a cart associate is assigned a walking route here as well. Carts collected here are returned to the customs hall via route 1.
- Concourse - There are no units on the C concourse, however, once a week, an associate will check the gates and remove any carts and return them to the ticketing units.
- P-1 Parking - The parking routes are performed with a Ford F450. The driver will proceed on the ground level to collect carts going up and down each row of vehicles. There is no CMU at this location. All carts are returned to the Terminal B or C customs staging areas.
- P-2 Car Rental / Long Term Parking - The parking routes are performed with a Ford 450. The driver will proceed on the ground level and cover the entire parking lot. The driver will check unit P 02 for any excess carts. The driver has to exit the vehicle to check the inside of the Car Renter facilities. Carts accumulate inside where passengers pick up their rental cars. All carts are returned to the Terminal B or C customs staging area.
- P-3 Car Rental / Long Term Parking - The parking routes are performed with a Ford 450. The driver will proceed on the ground level and cover the entire parking lot. The driver will check unit P 03 for any excess carts. The driver has to exit the vehicle to check the inside of the Car Renter facilities. Carts accumulate inside where passengers pick up their rental cars. The driver accesses the Rental car garage and proceeds to the top level, driving up and down each row. The route proceeds to each of the lower levels and the driver has to exit the vehicle to load the truck when necessary. All carts are returned to the Terminal B or C customs staging area.
- P-4 Garage Hotel Shuttle / Long Term Parking - The parking garage has six levels. The Ford F450 driver will go to the top and work their way back down to the ground level driving up and down each row to insure all loose carts are accumulated. The driver will check unit P 04 for any excess carts. All carts are returned to the Terminal C customs staging area.
- Airtrain Station - The station pick up is performed with a Ford 450. The truck is parked in the service lot and the driver proceeds to the second floor platform. The driver will check unit R 01 for any excess carts. All carts are brought down five at a time in an elevator, loaded on the truck, and returned to the Terminal B or C customs staging area.
- Air Side Procedures - Coordinate access to ramp areas with Port Authority in order to perform the drive through and recover carts. In addition, we will request a Port Authority escort to office areas and storage rooms to recover carts within all three terminals. This occurs twice a year.

#### **La Guardia Airport (LGA) - General Balancing Route**

The Delta and US Air Terminals will increase in cart number throughout the day due to passengers renting carts in bag claim at the Central Terminal and transferring to a departing flight on Delta or US Air. We balance carts via Cushman from the other two terminals back to the Central Terminal. Our cart associates take any excess carts from ticketing levels down to bag claim within the respective terminals.

#### • **Delta Terminal**

- Ticketing - A walking route where the cart associate will collect loose carts starting at the south side door on the curb and proceed to north side door at the end of the curb. The associate then proceeds inside to the Northwest and Delta ticketing counters, to the security checkpoint, and then to the area beside the gate. The carts collected will be returned to units on the ticketing curb. The excess carts will be taken



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downstairs to the bag claim units five at a time via an elevator.

- **Bag Claim** – A walking route where the cart associate will scan the island near Active Pickup and then proceed to the entire length of the curb outside arrivals including the Taxi Stand. Loose carts are collected and returned inside to the bag claim units (CMUs 1-01, 1-02, 1-03, 1-04, 1-05). The inside of the terminal at bag claim is checked for loose carts and any excess carts are placed into a capture unit on the curb for transport via Cushman to Central Terminal.
- **Parking Lot #5 & #6** – The cart associate drives the Cushman across the outer roadway into the parking lot. Each row is driven and loose carts are attached to the line. Once the lot in front of the terminal is cleared he proceeds to the lot on the side of the terminal and follows the same procedure going up and down each row of cars. The line of carts is pulled onto the arrivals curb and carts are moved into the terminal by hand and balanced into CMUs.
- **US Air Terminal**
  - **Ticketing** – A walking route where the cart associate will collect loose carts on the Departures curb, proceed inside to all the US Air ticketing counters, clear the area by the TSA checkpoint and check the entrance to the gate. The carts collected will be returned to ticketing units 2-30 & 2-31. The excess carts will be taken downstairs to the bag claim units
  - **Bag Claim** – A walking route where the cart associate will clear the entire curbside area on Arrivals including the taxi pick up. Loose carts are collected and returned inside to bag claim units 2-02, 2-03, 2-04.
  - **Bag Claim US Air Shuttle** – A walking route on the far side of the Arrivals level of the terminal. Carts are cleared by passenger pick-up, on the length of the arrivals curb and at the Taxi Stand. All carts are returned to CMU 2-01 inside in the lobby area.
  - **Parking Lot #3** – The cart associate brings the Cushman from the Delta Terminal over to the lot at US Air and proceeds to go up and down every row of cars starting at the far end and moving forward. The line of carts is pulled onto the arrivals curb and carts are moved into the terminal by hand and balanced into CMUs.
- **Central Terminal**
  - **Ticketing** – A walking route where the cart associate will collect loose carts starting at Gates A & B and proceed to the ticketing counters for Air Canada, Air Tran, Continental, Frontier, Midwest, Jet Blue and Spirit Air. Any loose carts found along the way will be placed in CMUs 3-30, 3-31, and 3-32. The associate proceeds to the TSA checkpoint and gathers loose carts and replenishes the same CMUs on the ticketing curb. Any excess carts are staged outside on the far end of the curb to be taken downstairs via Cushman. The associate then makes his way to Gates C & D, checking the ticketing counters for United, and American Airlines and then on to the TSA checkpoint. Any loose carts are returned to CMUs 3-33, 3-34, 3-35. Any excess carts are taken to the staging area on the curb where they will be balanced down via Cushman
  - **Bag Claim A & B** – A walking route where the cart associate will collect carts on the curb, outer roadway island and taxi stand and returns them to bag claim units 3-01,3-02,3-03,3-04,3-05.
  - **Bag Claim C & D** – A walking route where the cart associate collects carts on the curb and taxi stand and returns them back inside bag claim to units 3-06,3-07, 3-08 & 3-09.
  - **Central Terminal Garage / Lots #1 & #2** – This garage has four levels and two CMUs. The cart associate will drive the Cushman to the top level and work his way up and down each aisle, gathering loose carts. He will drive the Cushman down each level following the same procedure and balance the appropriate



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amount of carts into the garage units 3-60, 3-61. The associate will drive the remaining carts across both the outer and inner roadway to the arrivals curb. The carts are then moved by hand into the arrivals bag claim units.

- **Long Term Parking** - The cart associate will take the Cushman and proceed to drive down each aisle looking for loose carts to clear. Carts collected will be balanced into the units at the terminals.
- **Ramp Side Procedures** - Coordinate access to ramp areas with Port Authority of NY/NJ and Operations at LGA in order to have a Ford 450 drive the AOA and recover carts. In addition, we will request a PANYNJ escort to office areas and storage rooms to recover carts. This occurs on a quarterly basis.



#### **Stewart International Airport (SWF)-General Balancing Route**

- This location has two CMUs with quarter reward. The CMUs self-balance therefore, hourly labor is not required.

#### **Security Plan**

All Smarte Carte airport locations receive a minimum of one operational and financial audit each year, with larger locations receiving at least two audits per year. The operational component of the audit ensures that performance; appearance and safety standards are being met for both our products and our employees. Because managing a luggage cart concession involves the handling of cash, Smarte Carte's internal audit program includes a financial component with meticulous safeguards to secure revenue.

Audits are conducted by area managers and are typically unannounced. Within 30 days of completion of an audit, area managers are required to submit their findings to Smarte Carte's full-time internal auditor at our corporate headquarters. The internal auditor reviews each audit and the issues identified.

In addition, the internal auditor conducts unannounced operational and financial audits throughout the year.

Smarte Carte is committed to maintaining financial data security and the prevention of credit card fraud. All of Smarte Carte's equipment is compliant with Payment Card\* Industry Data Security Standards (PCI-DSS). Smarte Carte uses Trustwave's TrustKeeper for annual certification and performs an external monthly scan for vulnerabilities ensuring compliance with configuration requirements of applicable PCI-DSS standards. To aid in further fraud protection, credit card use history is continually analyzed at each CMU for patterns of abuse, suspect cards are placed on a hot list and re-authorized before allowing vend.

CMUs are equipped with insertion type card readers that accept Visa, Master Card, American Express and Discover. Additionally, each CMU is able to accept a Smarte Carte Gold Card that allows for a complementary use. Credit card transactions are pre-authorized using private and secure WIFI, DSL or Cellular Ethernet connectivity to the processing bank. Equipment is tested and monitored daily to ensure correct operation and because connectivity can be lost, CMUs can be placed into a mode of operation that will continue to allow rental and not inconvenience traveling passengers.



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### Customer Service Plan

When you think about what Smarte Carte provides in an airport setting, it really isn't carts. We are the first point of contact for most customers arriving at the airport. It's an opportunity to move – worry free and stress free - from one place to another in the airport. That takes a lot more than just installing carts! The product is SERVICE. Our systems and people are what make Smart Carte the best choice for your airports.

We put ultimate focus on the traveler experience. It's the PEOPLE of Smart Carte that help make the experience for Port Authority visitors! Smarte Carte employs over 200 people serving the four airports, and provides competitive wages and comprehensive benefits including health and dental coverage for our team members.

We are PROUD to be providing jobs in the New York and New Jersey economy!

We place a high value on customer service and customer concerns. Our equipment is the conduit through which we provide that service. To that end, our customer service strategies focus on eliminating potential problems before they happen and quickly resolving any questions, comments, concerns or problems that our customers may have.

Customer service begins with extensive training and solid employee management programs. Smarte Carte's mission is to exceed customer expectations based upon a synergistic combination of people, equipment, and procedures.

- **Customer Service Trained Staff** - All on-site managers, supervisors, customer service associates and home office operations personnel receive extensive customer service training. On-site staff wears our corporate uniform to readily identify them to passengers who would like assistance.
- **Equipment Emergency Contacts**

Smarte Carte designates an emergency contact manager for each shift, and that contact is assigned a specific phone to handle emergency issues. The number is communicated to local Port Authority operations personnel and both airline and terminal managers. Emergency cell phone numbers are provided below:

- JFK International Airport – Designated manager on duty 347-723-7933
- Newark Liberty International Airport – Designated manager on duty 973-332-2271
- La Guardia Airport – GM Henry Ty 347-992-3405
- Stewart International Airport – Carlos Montoya 973-665-4765

- In addition, Smarte Carte has a 24 hour toll-free telephone line to handle incoming customer service requests. This toll-free number is clearly displayed on all of our products. Smarte Carte offers a customer service area on our Web site ([www.smartecarte.com](http://www.smartecarte.com)) where customers can provide feedback or suggestions regarding our products and services as well as report issues or request refunds.
  - All refund requests are processed promptly. We have a "no-questions-asked, satisfaction guaranteed" policy.
  - Our customer service representatives immediately notify the on-duty manager of reported problems so we can respond promptly.
  - Customer Service Data – The data from every customer service call is recorded and tracked at the home office. This information is used to monitor our performance at every airport and to identify potential opportunities for design modifications to eliminate the most common problems.





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#### Staffing Plan

Smarte Carte is pleased to offer the PANYNJ a project leadership team with a wealth of professional credentials and proven success in designing, installing and managing a luggage cart concession.

- **President & CEO, Ed Rudis**
- **Senior Director of Operations, Kurt Larsen**  
The business development and operations staff assigned to the PANYNJ airports serve as the "chairmen" of the management team to assure compliance with contract terms and complete customer satisfaction. Ongoing communications and face-to-face meetings with the PANYNJ and the individual airports' management staff will ensure clear understanding and agreement on our mutual goals of providing the best service to passengers and airport visitors. They will oversee the planning, implementation, and fine-tuning of Smarte Carte's contractual commitments and service and also oversee the corporate resources needed to design, install and operate our luggage cart service at peak efficiency, effectiveness and professionalism. Please reference Attachment 2 for key operations management resumes.
- **Area Manager, Christopher Baile**
- **City Manager, Manny Aureus**  
Our area and city managers have extensive Smarte Carte knowledge and are strategically located throughout the country so that they are able to respond to issues at any of their locations in a timely manner. The area manager responsible for the PANYNJ airports is based in Newark Liberty International Airport. The City manager is based out of La Guardia Airport. The following is a list of some of the duties of our area managers:
  - Constantly monitor the operational and financial performance of their respective locations
  - Audit each location for adherence to Smarte Carte equipment and service standards.
  - Counsel, train and develop the skills of our location managers
  - Act as a secondary contact with airport operations staff to address any issues not resolved by the location manager.
  - Work with airport operations staff to facilitate movement of Smarte Carte equipment to provide the best possible service.

Please reference Attachment 2 for key operations management resumes.

- **Management**  
The location is managed by a General Manager and two Assistant General Managers. The airport is then divided into three zones, and each zone is supervised by Terminal and Assistant Terminal Managers. Please reference Attachment 3 for an organization chart for details by zone.
- **Security & Service Associates (SSAs)**
  - **Function**  
Smarte Carte's SSAs, or more commonly known as "Blue-Chip Ambassadors", work on the departure levels near the curbside units. They assist in the rental process, loading luggage onto carts, general airport directions and deter hustler activity. They are intimate with flight schedules and airline locations



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throughout the airport.

**– Staffing**

SSA staff ranges from approximately 15-20 SSAs which equates to 80 hours a day in the slow periods and 120 during busy periods. We employ both full-time and part-time SSAs.

Shifts by terminal are listed below:

Terminal 1 – Monday – Sunday 1pm – 6pm

Terminal 3 – Monday – Sunday 11am – 6pm

Terminal 4 – Monday – Sunday 6am – 2pm, 2 pm – 10 pm, 4pm - midnight

Terminal 5 – Monday – Sunday 11am – 6pm

Terminal 8 – Monday – Sunday 11am – 6pm

**– Uniform**

SSAs are provided blue dress shirts, jackets, etc.

**• Ambassadors**

**– Function**

Smarte Carte's ambassadors work in the customs baggage claim. They assist in the rental process, loading luggage onto carts and general airport directions. They are intimate with flight schedules and airline locations throughout the airport. Ambassadors provide change for large bills and exchange foreign currency.

**– Staffing**

Ambassador staff ranges from approximately 15-20 which equates to 80 hours a day in the slow periods and 120 during busy periods. We employ both full-time and part-time ambassadors.

Shifts by terminal are listed below:

Terminal 1 – Monday – Sunday 10am – 11pm

Terminal 3 – Monday – Sunday 6am – 9pm

Terminal 4 – Monday – Sunday 24 hour coverage

Terminal 7 – Monday – Sunday 6am – 12pm

Terminal 8 – Monday – Sunday 9am – 11pm

**– Uniform**

Ambassadors are provided pouches, blue dress shirts, jackets, etc.

**• Airtrain Drivers (ATD)**

**– Function**

Smarte Carte's ATDs work throughout the entire airport. They are responsible for balancing carts from the various air train stops and throughout the terminals. Balancing is required as many passengers rent carts in airport terminals and take them to Federal Circle, Jamaica & Howard Beach station, and long term parking. The carts are then collected via trucks and trailers and then driven back to the terminals. Balancing carts by using the air train is not allowed.



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- **Staffing**  
ATD staff ranges from 170 hours a week in the slow periods and 210 during busy periods.
- **Uniform**  
They are provided polo shirts, hats and jackets.
- Customer Service Associates (CSA's)
  - **Function**  
Smartecarte customer service associates transport carts from high return areas to high rental areas to ensure carts are always available to customers. They also perform daily cleaning of carts and cart management units. They provide customer service by assisting passengers and maintain good communication with other employees and facility management. They also learn and practice safe work habits assuring safety to self, coworkers, airport property, passengers and visitors.
  - **Staffing**  
We currently have approximately 70 cart associates on staff. We employ both full time and part time associates. They cover shifts 24 hours a day. They are assigned to the various terminals based on flight schedules.
  - **Uniform**  
CSA's are provided polo shirts, hats and jackets.
- Maintenance
  - **Function**  
Ensure CMUs, carts and all cart-moving equipment is working at optimum levels. Perform preventative maintenance, all repairs, detail cleaning and manage part inventory.
  - **Staffing**  
The maintenance staff consists of a maintenance manager, three technicians and three staff members. The maintenance shop is located in Building 14.
- Finance
  - **Function**  
Remove, count and record all cash from CMUs, record meter readings and enter all data into the collection data base. Arrange bank deposits and coin orders. Perform daily payment tests on CMUs. Prepare and audit ambassador pouches. Review international currency exchange rates.
  - **Staffing**  
The finance staff consists of a manager and three staff members.



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- Management

The location is managed by a General Manager, three Terminal Managers and three Assistant Terminal Managers. Please reference Attachment 2 for an organization chart for more detail.

- Ambassadors

- **Function**

Smarte Carte ambassadors work in the customs baggage claim areas in Terminals B and C. They assist in the rental process of carts, provide change for passengers and aid in the movement and collection of carts, inside and outside of the customs hall. They are intimate with flight schedules and airline locations throughout the airport and provide passengers with general airport directions.

- **Staffing**

We currently have 7 Ambassadors on staff, working 35 hours a week during slow periods, 40 hours during peak periods. We employ both full-time and part-time ambassadors.

Staffing by terminal is listed below:

Terminal C- Monday- Sunday 4:30 am- 7:30 pm

Terminal B- Monday- Sunday 5:00 am- 12:30 am

- **Uniform**

Ambassadors are provided pouches, gold color polo shirts, jackets, etc.

- Airtrain Drivers

- **Function**

Excess carts tend to build in departures at Terminals A, B and C, as well as all parking areas due to connections and the Airtrain. These carts are balanced via the F 450 truck to either customs area in term B, or C. These vehicle routes require the trucks to exit the airport and use outer roadways in order to access the different levels of the different terminals. Cushman's cannot be used as there are no roadways connecting the parking lots to the terminals. Also, within each terminal, carts tend to build on the ticketing levels and are then required to be returned down to baggage claim. Driver's also need to check all rail link stations as well as long term parking garages, which requires the Ford F450 to drive all levels of the garage to pick up loose carts.

- **Staffing**

Airtrain staff ranges 160 hours a week in slow periods and 200 during busy periods. We currently start the drivers at 4:00 am to 1:00 am; every hour of our operation is staffed with a driver.

- **Uniform**

They are provided polo shirts, hats and jackets



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- Customer Service Associates (CSA's)
  - **Function**  
Smarte Carte customer service associates transport carts from high return area to high rental areas to ensure carts are always available to customers. They perform daily cleaning of carts and cart management units. They provide customer service by assisting customers and maintain good communication with other employees and facility management. They also learn and practice safe work habits assuring safety to self, coworkers, airport property, passengers and visitors.
  - **Staffing**  
We currently have 19 CSA's on staff. We employ both full time and part time associates. They cover shifts from 4:00 am to 1:00 am for a total of 21 hours a day. They are assigned to terminals A, B and C based on flight schedules. They are moved throughout the day as business dictates.
  - **Uniform**  
CSA's are provided polo shirts, hats and jackets
- Maintenance
  - **Function**  
Ensure CMUs, carts and all cart-moving equipment is working at optimum levels. Perform preventative maintenance, all repairs, detail cleaning and manage part inventory.
  - **Staffing**  
The maintenance staff consists of a maintenance manager and three technicians. The maintenance shop is located in the customs hall of Terminal B.
- Finance
  - **Function**  
Remove, count and record all cash from CMUs, record meter readings and enter all data into the collection data base. Arrange bank deposits and coin orders. Perform daily payment tests on CMUs. Prepare and audit ambassador pouches. Review international currency exchange rates.
  - **Staffing**  
The finance staff consists of one finance manager.
- Management

The location is managed by a General Manager, a City Manager and two supervisors. The managers are responsible for all finance and general maintenance work. Any substantial maintenance work is performed by JFK staff. Please reference Attachment 3 for an organization chart for more detail.
- Customer Service Associates
  - **Function**  
Smarte Carte customer service associates transport carts from high return area to high rental areas to ensure carts are always available to customers. They also perform daily cleaning of carts and



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cart management units. They provide customer service by assisting customers and maintain good communication with other employees and facility management. They also learn and practice safe work habits assuring safety to self, coworkers, airport property, passengers and visitors.

**– Staffing**

We currently have five cart associates on staff. We employ both full time and part time associates. They cover shifts from 4:00 am to 1:00 am for a total of 21 hours a day. They are assigned to Terminals B, C and D based on flight schedules. They are moved throughout the day as business dictates.

**– Uniform**

CSA's are provided polo shirts, hats and jackets

**• Management**

Stewart International Airport is managed by a part time manager who visits the location twice a week to ensure the carts are balanced between the two units and the equipment is working.

**Home Office Support Center**

One of the integral pieces to the success of any Smarte Carte operation is the home office support center. At the support center, Smarte Carte has a team of 70 individuals whose sole function is to support the staff at each of our locations. From Technical Services staff that provides equipment information and training to Human Resource staff that provide employee support and training, the support center is a critical piece in the effective management of our operations.

Smarte Carte's location managers have the full support of all departments at our home office support center in Saint Paul, Minnesota.



# Smarte Carte

MAXIMIZE THE EXPERIENCE.

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They are listed below with a description of the roles and responsibilities of each.

- Accounting / Location Analysis - Our accounting and location analysis department monitors information on transactions, revenue, usage and service codes. This information is captured through each product's microprocessor. The data is electronically transmitted to our world headquarters on a scheduled basis. Usage and revenue data is also recorded manually to provide reporting system redundancy.

At the end of each month our world headquarters accounting/location analysis department analyzes the monthly performance through the use of our location analysis database. This database processes the monthly reporting data (rents, returns, cash, etc.) and compares actual meter readings with actual bank deposits. We will then provide the PANYNJ a report that lists the total monthly revenue. This commission settlement statement will accompany the monthly payment to the PANYNJ.

In addition, our location analysis database identifies "red flags." This is information that may indicate a problem at the location, including cart loss, theft or possible cart hustling situations. We use this information to track location performance and identify trends.

- Engineering / Technical Support / Planning - Smarte Carte is recognized by travelers, airports and competitors as the world leader in designing and managing passenger service solutions for the global marketplace. Our team of engineers, technicians and operation professionals continuously strive to improve our equipment through innovative, customer-focused products and product enhancements.

The advantage of a Smarte Carte management system is that we design and manufacture our own equipment for use at our airport concessions worldwide. Our engineering staff receives input from our field personnel, airports and travelers in order to design the products our customers want that will work efficiently in the airport environment.

Our technical support department provides technical assistance via telephone as well as extensive technical equipment manuals to aid field personnel in troubleshooting equipment problems.

Our staff of planners is responsible for coordinating and executing each installation, ensuring that both product and necessary resources are available to quickly and efficiently install each passenger service operation.

- Human Resources - Our corporate human resources department supports the recruitment, screening and hiring process, working directly with local and regional management. The HR department coordinates the advertising placements, screens resumes, conducts telephone interviews, background checks and creates a short list of the most qualified candidates. They also participate in on-site interviews when required.

The HR Department is also responsible for the coordination of benefits and leads the efforts of continuous training for our personnel. In coordination with regional management, HR provides various training manuals and skills assessment testing.





06-Feb-09

PORT AUTHORITY OF NY & NJ  
PO BOX 17309  
NEWARK NJ 071940001  
ZP8545

Lockers  
Suitcases  
Carts

**smartecarte**

Smartecarte, Inc.  
1455 White Bear Parkway  
St. Paul, MN 55110-7841  
800 838-1176 651 429 3614  
fax 651 426 0927

Regarding: Monthly report of receipts from cart & stroller rentals for  
NEWARK INTL AIRPORT for the month of JANUARY 2009.

*ANB 4/5*

|                      |                   |
|----------------------|-------------------|
| Cash Receipts        | 167,625.06        |
| Credit Card Receipts | 97,575.00         |
| Refunds              | 17.00             |
| Sales Tax            | 17,348.42         |
|                      | <hr/>             |
| Net Sales            | <u>247,834.64</u> |
|                      | <hr/>             |
| Base Commission      | 247,834.64        |
|                      | <hr/>             |
| Commission Payable   | 53,532.28         |
| Minimum Paid         | 10,500.00         |
|                      | <hr/>             |
| Commission Due       | 43,032.28         |

Regards,  
SMARTE CARTE, INC.

*Cheryl R. Meyer*  
Cheryl R. Meyer  
Senior Accountant

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MARCH 10, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2P8545

*ANBSES*

REGARDING:

MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of February, 2009

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 155,995.20        |
| CREDIT CARD RECEIPTS         | 58,170.00         |
| GOLD CARD REVENUE            | 2,523.00          |
| OTHER INCOME                 | 0.00              |
| REFUNDS                      | 60.00             |
| SALES TAX                    | 14,171.94         |
| <b>TOTAL NET INCOME</b>      | <b>202,456.26</b> |
| <br>                         | <br>              |
| COMMISSION BASE              | <u>202,456.26</u> |
| <br>                         | <br>              |
| COMMISSION PAYABLE           | 43,730.55         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| <br>                         | <br>              |
| COMMISSION OVER MINIMUM      | <u>33,230.55</u>  |

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

APRIL 10, 2009

Smarte Carte, Inc.  
 (651) 429-3614

PORT AUTHORITY OF NY & NJ  
 PO BOX 95000-1517  
 PHILADELPHIA PA 191951517  
 2P8545

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
 NEWARK INTL for the month of March, 2009

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 145,737.35        |
| CREDIT CARD RECEIPTS         | 64,761.00         |
| GOLD CARD REVENUE            | 3,933.00          |
| OTHER INCOME                 | 0.00              |
| REFUNDS                      | 38.00             |
| SALES TAX                    | 14,025.73         |
| TOTAL NET INCOME             | <u>200,367.62</u> |
| COMMISSION BASE              | <u>200,367.62</u> |
| COMMISSION PAYABLE           | 43,279.41         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>32,779.41</u>  |

Regards,  
 SMARTE CARTE, INC.

Mike Ehlers  
 Senior Accountant

*AWB/SS*

*C. d. / 4/10/09*

MAY 14, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2P8545

*PA 5455*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of April, 2009

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 204,378.34        |
| CREDIT CARD RECEIPTS         | 73,944.00         |
| GOLD CARD REVENUE            | 3,495.00          |
| OTHER INCOME                 | 0.00              |
| REFUNDS                      | 15.00             |
| SALES TAX                    | 18,435.67         |
| <b>TOTAL NET INCOME</b>      | <b>263,366.67</b> |
| <br>                         |                   |
| COMMISSION BASE              | 263,366.67        |
| <br>                         |                   |
| COMMISSION PAYABLE           | 56,887.20         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| <br>                         |                   |
| COMMISSION OVER MINIMUM      | 46,387.20         |

Regards,  
SMARTE CARTE, INC.

*5/27/09*

Mike Ehlers  
Senior Accountant



JULY 14, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2P8545

*ANALYSIS*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of June, 2009

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 234,999.20        |
| CREDIT CARD RECEIPTS         | 104,405.00        |
| GOLD CARD REVENUE            | 3,508.00          |
| OTHER INCOME                 | 0.00              |
| REFUNDS                      | 21.00             |
| SALES TAX                    | 22,456.30         |
| TOTAL NET INCOME             | <u>320,832.90</u> |
| COMMISSION BASE              | <u>320,832.90</u> |
| COMMISSION PAYABLE           | 69,299.91         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>58,799.91</u>  |

*7/29/09*

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

AUGUST 10, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
ZP8845

*ANB/SS*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of July, 2009

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 282,694.30        |
| CREDIT CARD RECEIPTS         | 128,640.00        |
| GOLD CARD REVENUE            | 4,375.00          |
| OTHER INCOME                 | 0.00              |
| REFUNDS                      | 34.00             |
| SALES TAX                    | 27,193.71         |
| TOTAL NET INCOME             | <u>388,481.59</u> |
| COMMISSION BASE              | <u>388,481.59</u> |
| COMMISSION PAYABLE           | 83,912.02         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>73,412.02</u>  |

*(Handwritten circle around 388,481.59)*

Regards,  
SMARTE CARTE, INC.

*8/9/09*

Mike Ehlers  
Senior Accountant

SEPTEMBER 14, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
ZP8545

*ANB 455*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of August, 2009

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 357,992.37        |
| CREDIT CARD RECEIPTS         | 142,485.00        |
| GOLD CARD REVENUE            | 3,985.00          |
| OTHER INCOME                 | 0.00              |
| REFUNDS                      | 103.00            |
| SALES TAX                    | 32,995.34         |
| TOTAL NET INCOME             | <u>471,362.03</u> |
| COMMISSION BASE              | <u>471,362.03</u> |
| COMMISSION PAYABLE           | 101,814.20        |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>91,314.20</u>  |

Regards,  
SMARTE CARTE, INC.

*9/29/09*

Mike Ehlers  
Senior Accountant

OCTOBER 14, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
298545

*AA 10/29/09*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of September, 2009

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 269,982.28        |
| CREDIT CARD RECEIPTS         | 127,735.00        |
| GOLD CARD REVENUE            | 5,275.00          |
| OTHER INCOME                 | 0.00              |
| REFUNDS                      | 63.00             |
| SALES TAX                    | 26,359.86         |
| TOTAL NET INCOME             | <u>376,569.39</u> |
| COMMISSION BASE              | <u>376,569.39</u> |
| COMMISSION PAYABLE           | 81,338.99         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>70,838.99</u>  |

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

*10/29/09*

NOVEMBER 12, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
288545

*AWB 455*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of October, 2009

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 198,422.20        |
| CREDIT CARD RECEIPTS         | 119,050.00        |
| GOLD CARD REVENUE            | 4,165.00          |
| OTHER INCOME                 | 0.00              |
| REFUNDS                      | 80.00             |
| SALES TAX                    | 21,036.45         |
| TOTAL NET INCOME             | <u>300,520.75</u> |
| COMMISSION BASE              | <u>300,520.75</u> |
| COMMISSION PAYABLE           | 64,912.48         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>54,412.48</u>  |

*11/24/09*

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

NOVEMBER 12, 2009

Smarte Carte, Inc.  
16511 429-3614

THE POST AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
229000

A/C 912

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of October, 2009

|                                 |                     |
|---------------------------------|---------------------|
| CASH RECEIPTS                   | 772,082.91          |
| CREDIT CARD RECEIPTS            | 261,610.00          |
| GOLD CARD REVENUE               | 12,875.00           |
| REFUNDS                         | 189.00              |
| SALES TAX                       | 22,374.78           |
| TOTAL NET INCOME                | <u>1,046,378.91</u> |
| COMMISSION BASE                 | <u>1,024,004.13</u> |
| COMMISSION PAYABLE              | <u>184,320.74</u>   |
| LESS MINIMUM COMMISSION PAID    | 17,500.00           |
| COMMISSION DUE (CHECK ENCLOSED) | <u>166,820.74</u>   |

Regards,  
SMARTE CARTE, INC.

11/24/09

Mike Ehlers  
Senior Accountant

DECEMBER 14, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
ZP6545

*ANIBY 55*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of November, 2009

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 196,464.95        |
| CREDIT CARD RECEIPTS         | 112,235.00        |
| GOLD CARD REVENUE            | 4,000.00          |
| OTHER INCOME                 | 0.00              |
| LESS REFUNDS                 | 80.00             |
| LESS SALES TAX               | 20,451.77         |
| TOTAL NET INCOME             | <u>292,168.18</u> |
| COMMISSION BASE              | <u>292,168.18</u> |
| COMMISSION PAYABLE           | 63,108.33         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>52,608.33</u>  |

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

*12/21/09*

JANUARY 19, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
ZP8545

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of December, 2009

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 253,394.65        |
| CREDIT CARD RECEIPTS         | 144,270.00        |
| GOLD CARD REVENUE            | 4,430.00          |
| OTHER INCOME                 | -4,516.41         |
| LESS REFUNDS                 | 48.00             |
| LESS SALES TAX               | 26,006.65         |
| TOTAL NET INCOME             | <u>371,523.59</u> |
| COMMISSION BASE              | <u>371,523.59</u> |
| COMMISSION PAYABLE           | 80,249.10         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>69,749.10</u>  |

*ANV455*

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

*1/22/10*

FEBRUARY 12, 2010

Smarte Carte, Inc.  
16511 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
298545

*ANALYSIS*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK/INTEL for the month of January, 2010

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 221,124.90        |
| CREDIT CARD RECEIPTS         | 151,740.00        |
| GOLD CARD REVENUE            | 2,345.00          |
| OTHER INCOME                 | 0.00              |
| LESS REFUNDS                 | 40.00             |
| LESS SALES TAX               | 24,543.82         |
| TOTAL NET INCOME             | <u>350,626.08</u> |
| COMMISSION BASE              | <u>350,626.08</u> |
| COMMISSION PAYABLE           | 75,735.23         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>65,235.23</u>  |

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

*2/27/10*

MARCH 12, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
278545

*AMB 455*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of February, 2010

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 176,692.40        |
| CREDIT CARD RECEIPTS         | 104,340.00        |
| GOLD CARD REVENUE            | 3,553.00          |
| OTHER INCOME                 | 0.00              |
| LESS REFUNDS                 | 30.00             |
| LESS SALES TAX               | 18,615.91         |
| TOTAL NET INCOME             | <u>265,941.49</u> |
| COMMISSION BASE              | <u>265,941.49</u> |
| COMMISSION PAYABLE           | 57,443.36         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>46,943.36</u>  |

Regards,  
SMARTE CARTE, INC.

Max Ehlers  
Senior Accountant

*7/24/10*

APRIL 15, 2010

smarte Carte, Inc.  
16511 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2PB545

*ANB455*

REGARDING MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK/INTL for the month of March, 2010

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 173,736.70        |
| CREDIT CARD RECEIPTS         | 105,990.00        |
| GOLD CARD REVENUE            | 4,260.00          |
| OTHER INCOME                 | 0.00              |
| LESS REFUNDS                 | 43.00             |
| LESS SALES TAX               | 18,575.76         |
| TOTAL NET INCOME             | <u>265,367.94</u> |
| COMMISSION BASE              | <u>265,367.94</u> |
| COMMISSION PAYABLE           | 57,319.48         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>46,819.48</u>  |

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

*4/20/10*

MAY 14, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191961517  
298545

*ANB 455*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of April, 2010

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 194,760.50        |
| CREDIT CARD RECEIPTS         | 127,240.00        |
| GOLD CARD REVENUE            | 3,665.00          |
| OTHER INCOME                 | 0.00              |
| LESS REFUNDS                 | 20.00             |
| LESS SALES TAX               | 21,303.91         |
| TOTAL NET INCOME             | <u>304,341.59</u> |
| COMMISSION BASE              | <u>304,341.59</u> |
| COMMISSION PAYABLE           | 65,737.76         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>55,237.76</u>  |

*(Handwritten circle around 304,341.59)*

*5/28/10*

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

JUNE 15, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2F8545

*Handwritten:* PWB/SS

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of May, 2010

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 201,419.80        |
| CREDIT CARD RECEIPTS         | 103,860.00        |
| GOLD CARD REVENUE            | 3,680.00          |
| OTHER INCOME                 | 0.00              |
| LESS REFUNDS                 | 20.00             |
| LESS SALES TAX               | 20,211.02         |
| <b>TOTAL NET INCOME</b>      | <b>288,728.78</b> |
| <br>                         |                   |
| COMMISSION BASE              | 288,728.78        |
| <br>                         |                   |
| COMMISSION PAYABLE           | 62,365.42         |
| <br>                         |                   |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| <br>                         |                   |
| COMMISSION OVER MINIMUM      | 51,865.42         |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

JULY 15, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
298545

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of June, 2010

|                              |            |
|------------------------------|------------|
| CASH RECEIPTS                | 234,815.11 |
| CREDIT CARD RECEIPTS         | 120,860.00 |
| GOLD CARD REVENUE            | 3,680.00   |
| OTHER INCOME                 | 0.00       |
| LESS REFUNDS                 | 18.00      |
| LESS SALES TAX               | 23,508.04  |
| TOTAL NET INCOME             | 335,829.11 |
| COMMISSION BASE              | 335,829.11 |
| COMMISSION PAYABLE           | 72,539.09  |
| LESS MINIMUM COMMISSION PAID | 10,500.00  |
| COMMISSION OVER MINIMUM      | 62,039.09  |

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

7/23/10

AUGUST 13, 2010

Smarte Carte, Inc  
1651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
EP8545

*AINB455*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of July, 2010

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 255,972.25        |
| CREDIT CARD RECEIPTS         | 151,160.00        |
| GOLD CARD REVENUE            | 4,245.00          |
| OTHER INCOME                 | 0.00              |
| LESS REFUNDS                 | 53.00             |
| LESS SALES TAX               | 26,909.06         |
| TOTAL NET INCOME             | <u>384,415.19</u> |
| COMMISSION BASE              | <u>384,415.19</u> |
| COMMISSION PAYABLE           | 83,033.68         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>72,533.68</u>  |

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

*8/24/10*

AUGUST 13, 2010

Smarte Carte, Inc.  
(651) 429-3614

THE PORT AUTHORITY OF NY & NJ  
PO BOX 99000-1517  
PHILADELPHIA PA 191951517  
229000

*AYCOP 2*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEW YORK-JFK for the month of July, 2010

|                                 |                     |
|---------------------------------|---------------------|
| CASH RECEIPTS                   | 1,006,938.10        |
| CREDIT CARD RECEIPTS            | 357,320.00          |
| GOLD CARD REVENUE               | 12,655.00           |
| OTHER INCOME                    | 27,804.00           |
| REFUNDS                         | 155.00              |
| SALES TAX                       | 30,158.70           |
| TOTAL NET INCOME                | <u>1,404,562.10</u> |
| COMMISSION BASE                 | <u>1,374,403.40</u> |
| COMMISSION PAYABLE              | 247,392.61          |
| LESS MINIMUM COMMISSION PAID    | 17,500.00           |
| COMMISSION DUE (CHECK ENCLOSED) | <u>229,892.61</u>   |

*2/24/10*

Regards,

SMARTE CARTE, INC.

Nike Ehlers  
Senior Accountant

SEPTEMBER 15, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2P8545

*ANG 455*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of August, 2010

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 318,959.64        |
| CREDIT CARD RECEIPTS         | 161,770.00        |
| GOLD CARD REVENUE            | 3,535.00          |
| OTHER INCOME                 | 21,861.00         |
| LESS REFUNDS                 | 45.00             |
| LESS SALES TAX               | 33,108.08         |
| TOTAL NET INCOME             | <u>472,972.56</u> |
| COMMISSION BASE              | <u>472,972.56</u> |
| COMMISSION PAYABLE           | 102,162.07        |
| LESS MINIMUM COMMISSION PAID | 10,300.00         |
| COMMISSION OVER MINIMUM      | <u>91,662.07</u>  |

*9/27/10*

Regards,  
SMARTER CARTE, INC.

Mike Ehlers  
Senior Accountant

OCTOBER 14, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
Z98545

*AMB455*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of September, 2010

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 237,962.58        |
| CREDIT CARD RECEIPTS         | 116,680.00        |
| GOLD CARD REVENUE            | 3,805.00          |
| OTHER INCOME                 | 0.00              |
| LESS REFUNDS                 | 29.00             |
| LESS SALES TAX               | 23,447.94         |
| TOTAL NET INCOME             | <u>334,970.64</u> |
| COMMISSION BASE              | <u>334,970.64</u> |
| COMMISSION PAYABLE           | 72,353.66         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>61,853.66</u>  |

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

*10/21/10*

NOVEMBER 9, 2010  
Spartan Cargo, Inc.  
18311 429-5814

PORT AUTHORITY OF NY & NJ  
PO BOX 80000-1521 PA 19185-1521  
PHILADELPHIA PA 19185-1521

*Handwritten:* PA 19185-1521

PROCEEDING MONTHLY REPORT OF RECEIPTS FROM CASH RECEIPTS FOR  
MONTH ENDS FOR THE MONTH OF OCTOBER 31, 2010

|                               |            |
|-------------------------------|------------|
| CASH RECEIPTS                 | 282,016.21 |
| CREDIT CARD RECEIPTS          | 302,410.00 |
| GOLD CARD RECEIPTS            | 3,103.00   |
| OTHER INCOME                  | 54.00      |
| LESS REFUND                   | 18,808.31  |
| LESS OTHER FEE                | 288,688.98 |
| TOTAL NET INCOME              | 288,688.98 |
| COMMISSION 20%                | 57,737.79  |
| COMMISSION AVAILABLE          | 230,951.19 |
| LESS WITHHOLD COMMISSION PAID | 10,500.00  |
| COMMISSION OVER MINIMUM       | 41,538.29  |

By: *Handwritten:* [Signature]  
Spartan Cargo, Inc.  
Mike Myers  
Spartan Cargo, Inc.

*Handwritten:* 11/19/10

DECEMBER 10, 2010  
Bank's Office, Inc.  
1517 42nd St

NOT AUTHORIZED BY NY & NJ  
FOR 2010-2011 BY 151751517  
2010-2011

MONTHLY REPORT OF RECEIPTS FROM GAIN REALTY FROM  
MEMBER INTL FOR THE MONTH OF NOVEMBER 2010

|                              |            |
|------------------------------|------------|
| CASH RECEIPTS                | 170,781.00 |
| STOCK SALES RECEIPTS         | 36,715.00  |
| OTHER SALES RECEIPTS         | 2,110.00   |
| LESS PAYMENTS                | 0.00       |
| LESS BANKS TAX               | 20.00      |
| TOTAL NET INCOME             | 189,486.00 |
| COMMISSION BASE              | 233,156.48 |
| COMMISSION PAYABLE           | 233,156.48 |
| LESS MINIMUM COMMISSION PAID | 10,500.00  |
| COMMISSION OTHER WITHDRAWN   | 16,243.33  |

Requester,  
SHARIT PARTS, INC.

Mike Chlapek  
Profilax Accounting

AMB 455

12/10/10

JANUARY 7, 2011

Smarte Carte, Inc.  
(651) 429-3614

FORT AUTHORITY OF NY & NJ  
PO BOX 99000-1517  
PHILADELPHIA PA 191951517  
289545

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of December, 2010

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 203,545.77        |
| CREDIT CARD RECEIPTS         | 129,410.00        |
| GOLD CARD REVENUE            | 4,515.00          |
| OTHER INCOME                 | -1,716.88         |
| LESS REFUNDS                 | 55.00             |
| LESS SALES TAX               | 21,962.61         |
| TOTAL NET INCOME             | <u>313,737.28</u> |
| COMMISSION BASE              | <u>313,737.28</u> |
| COMMISSION PAYABLE           | 67,767.25         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>57,267.25</u>  |

Regards,

SMARTE CARTE, INC.

Mike Shler  
Senior Accountant

*ANALYST*

*1/21/11*

FEBRUARY 10, 2011

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
288545

*AMB 455*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of January, 2011

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 200,255.59        |
| CREDIT CARD RECEIPTS         | 142,840.00        |
| GOLD CARD REVENUE            | 3,655.00          |
| OTHER INCOME                 | 0.00              |
| LESS REFUNDS                 | 64.15             |
| LESS SALES TAX               | 22,680.42         |
| TOTAL NET INCOME             | <u>324,006.02</u> |
| COMMISSION BASE              | <u>324,006.02</u> |
| COMMISSION PAYABLE           | 69,985.30         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>59,485.30</u>  |

Regards,  
SMARTE CARTE, INC.

*2/23/11*

Mike Ehlers  
Senior Accountant

MARCH 8, 2011

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY & NJ  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
298545

*ANB455*

REGARDING: MONTHLY REPORT OF RECEIPTS FROM CART RENTALS FOR  
NEWARK INTL for the month of February, 2011

|                              |                   |
|------------------------------|-------------------|
| CASH RECEIPTS                | 152,288.40        |
| CREDIT CARD RECEIPTS         | 87,590.00         |
| GOLD CARD REVENUE            | 3,350.00          |
| OTHER INCOME                 | 0.00              |
| LESS REFUNDS                 | 85.25             |
| LESS SALES TAX               | 15,905.93         |
| TOTAL NET INCOME             | <u>227,227.24</u> |
| COMMISSION BASE              | <u>227,227.24</u> |
| COMMISSION PAYABLE           | 49,081.08         |
| LESS MINIMUM COMMISSION PAID | 10,500.00         |
| COMMISSION OVER MINIMUM      | <u>38,581.08</u>  |

*3/21/11*

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

|  |   |
|--|---|
| <b>Smartecarte</b><br>Smarte Carta, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 55110 | <h1>STATEMENT</h1>  |
| For: PORT AUTHORITY OF NY & NJ<br>PO BOX 85000-1517<br>PHILADELPHIA, PA 191851517        | Reference No. . . . . CCONT01385<br>Vendor No. . . . . 32304<br>Calculation For. . . . . March-2011<br>Customer No. . . . . 111178<br>EWR - Newark Liberty International Airport<br>Line of Business . . . . . Carts US |

17703415

REGARDING: Monthly receipts from Cart rentals:

|                                 |            |
|---------------------------------|------------|
| Cash Deposit                    | 155,908.95 |
| Credit Card                     | 100,560.00 |
| Refunds                         | -10.00     |
| Sales Tax                       | -6,779.55  |
| Net Income                      | 239,709.30 |
| Commission Base                 | 239,709.30 |
| Calculated Commission:          | 51,777.21  |
| Less MAG Pre-paid:              | 10,590.00  |
| Commission Due (Check Enclosed) | 41,277.21  |

239,709.30

Regards,

Smarte Carta, Inc.  
Finance Team

4/21/11

|  |   |
|--|---|
| <b>smartecarte</b><br>Smarte Cards, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 55110 | <h1>STATEMENT</h1>  |
| For: PORT AUTHORITY OF NY & NJ<br>PO BOX 95000-1517<br>PHILADELPHIA, PA 191951517        | Reference No. . . . . CCONTD4887<br>Vendor No. . . . . 32304<br>Calculation For: April-2011<br>Customer No. . . . . 111178<br>EWR - Newark Liberty International Airport<br>Line of Business Carts US |

RAB455

REGARDING Monthly receipts from Cart rentals.

|                                 |                  |
|---------------------------------|------------------|
| Cash Deposit                    | 182,532.40       |
| Credit Card                     | 105,105.00       |
| Refunds                         | -39.00           |
| <u>Sales Tax</u>                | <u>18,874.85</u> |
| Net income                      | 286,783.55       |
| Commission Base                 | 286,783.55       |
| Calculated Commission           | 38,097.25        |
| Less MAG Pre-paid               | 10,500.00        |
| Commission Due (Check Enclosed) | 47,597.25        |

9/19/11

Regards,

Smarte Cards, Inc.  
Finance Team

|  |   |
|--|---|
| <b>smartecarte</b><br>Smarte Carte, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 55110 | <b>STATEMENT</b>  |
|  | Reference No. . . . . CCDMT07809<br>Vendor No. . . . . 32304<br>Calculation For: May-2011<br>Customer No. . . . . 111178<br>EWR - Newark Liberty International Airport<br>Line of Business Carte US |
| For: PORT AUTHORITY OF NY & NJ<br>PO BOX 95000-1517<br>PHILADELPHIA, PA 191991517        |   |

*ANB/SS*

REGARDING: Monthly receipts from Cart rentals

|                                 |                   |
|---------------------------------|-------------------|
| Cash Deposit                    | 187,221.71        |
| Credit Card                     | 115,805.00        |
| Refunds                         | -59.00            |
| Sales Tax                       | <u>19,807.23</u>  |
| Net Income                      | 262,860.48        |
| Commission Base                 | <u>282,960.48</u> |
| Calculated Commission:          | 81,119.48         |
| Less MAG Pre-paid:              | <u>10,500.00</u>  |
| Commission Due (Check Enclosed) | <u>50,619.48</u>  |

Regards,

Smarte Carte, Inc.  
Finance Team

|  |  |
|--|--|
| <b>Smartecarte</b><br>Smarte Carte, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 55110 | <h1>STATEMENT</h1>   |
| For: PORT AUTHORITY OF NY & NJ<br>PO BOX 9500-1517<br>PHILADELPHIA, PA 191851517         | Reference No. . . . CCONT12802<br>Vendor No. . . . . 32304<br>Calculation For . . . June-2011<br>Customer No. . . . 111178<br>EWR - Newark Liberty International Airport<br>Line of Business . . . Cabs US |

REGARDING: Monthly receipts from Cab rentals.

Cash Deposit  
 Credit Card  
 Refunds  
 Sales Tax  
 Net Income

197,588.50  
 122,329.00  
 -84.00  
 20,623.49  
 298,907.01

ANB455

Commission Base

298,907.01

Calculated Commission:  
 Less MAG Pre-paid

84,583.91  
 10,806.00

Commission Due (Check Enclosed)

54,083.91

Regards,

Smarte Carte, Inc.  
 Finance Team

|  |   |
|--|---|
| <b>smartecarte</b><br>Smarts Carte, Inc.<br>4435 White Bear Parkway<br>St Paul, MN 55110 | <h1>STATEMENT</h1>  |
| For: PORT AUTHORITY OF NY & NJ<br>PO BOX 98000-1517<br>PHILADELPHIA, PA 191951517        | Reference No. . . . CCONT15313<br>Vendor No. . . . . 32904<br>Calculation For: July-2011<br>Customer No. . . . 111178<br>EWR - Newark Liberty International Airport<br>Line of Business: Carts US |

ANB455

REGARDING: Monthly receipts from Cart rentals

|                                 |            |
|---------------------------------|------------|
| Cash Deposit                    | 229,988.70 |
| Credit Card                     | 138,440.00 |
| Refunds                         | -55.00     |
| Sales Tax                       | 24,097.91  |
| Net Income                      | 344,235.79 |
| Commission Base                 | 344,255.79 |
| Calculated Commission,          | 74,389.29  |
| Less MAG Pre-paid:              | 10,500.00  |
| Commission Due (Check Enclosed) | 63,889.29  |

Regards,

Smarts Carte, Inc.  
Finance Team

|  |  |
|--|--|
| <b>smartecarte</b><br>Smarte Carte, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 55110 | <h1>STATEMENT</h1>   |
|  | Reference No. . . . . CCONT18317<br>Vendor No. . . . . 32304<br>Calculation For: <u>August 2011</u><br>Customer No. . . . . 111178<br>EWR - Newark Liberty International Airport<br>Line of Business    Carte US |
| For: PORT AUTHORITY OF NY & NJ<br>PO BOX 95000-1617<br>PHILADELPHIA, PA 191651517        |  |

ANB455

REGARDING: Monthly receipts from Cart rentals

|                                 |                   |
|---------------------------------|-------------------|
| Cash Deposit                    | 256,957.10        |
| Credit Card                     | 153,270.00        |
| Refunds                         | -38.00            |
| <u>Sales Tax</u>                | <u>26,334.83</u>  |
| Net Income                      | 383,354.30        |
| Commission Base                 | <u>383,354.30</u> |
| Calculated Commission:          | 82,804.53         |
| Less MAG Pre-paid:              | 10,500.00         |
| Commission Due (Check Enclosed) | <u>72,304.53</u>  |

Regards,

Smarte Carte, Inc.  
Finance Team

|  |   |
|--|---|
| <b>smartecarte</b><br>Smarte Cards, Inc.<br>4435 White Bear Parkway<br>St Paul, MN 55110 | <h1>STATEMENT</h1>  |
| For: PORT AUTHORITY OF NY & NJ<br>PO BOX 95000-1517<br>PHILADELPHIA, PA 191951517        | Reference No. . . . . CC0NT21510<br>Vendor No. . . . . 32304<br>Calculation For: <u>September-2011</u><br>Customer No. . . . . 111178<br>EWR - Newark Liberty International Airport<br>Line of Business: Cards US |

ANB 455

REGARDING: Monthly receipts from Card rentals:

|                                 |            |
|---------------------------------|------------|
| Cash Deposit                    | 204,648.15 |
| Credit Card                     | 121,530.00 |
| Refunds                         | .70.00     |
| Sales Tax                       | 21,322.98  |
| Net Income                      | 304,685.19 |
| Commission Base                 | 304,685.19 |
| Calculated Commission:          | 88,812.00  |
| Less MAG Pre-paid:              | 10,500.00  |
| Commission Due (Check Enclosed) | 78,312.00  |

Regards,

Smarte Cards, Inc.  
Finance Team

|  |   |
|--|---|
| <b>smartecarte</b><br>Smarte Cards, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 55110 | <h1>STATEMENT</h1>  |
| For: PORT AUTHORITY OF NY & NJ<br>PO BOX 95000-1517<br>PHILADELPHIA, PA 191951517        | Reference No. . . . . CCDNT24658<br>Vendor No. . . . . 32304<br>Calculation For: <u>October 2011</u><br>Customer No. . . . . 111178<br>EWR - Newark Liberty International Airport<br>Line of Business: Cards US |

ANALYSE

REGARDING Monthly receipts from Card rentals:

|                                  |            |
|----------------------------------|------------|
| Cash Deposit                     | 149,743.40 |
| Credit Card                      | 94,870.00  |
| Refunds                          | -15.00     |
| Sales Tax                        | 15,001.78  |
| Net Income                       | 228,598.64 |
| Commission Base                  | 228,598.64 |
| Calculated Commission:           | 57,149.16  |
| Less MAG Pre-paid:               | 10,500.00  |
| Commission Due (Check Enclosed): | 46,649.16  |

Regards,

Smarte Cards, Inc  
Finance Team

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L I

|  |  |
|--|--|
| <b>smartecarte</b><br>Smarte Carte, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 55110 | <h1>STATEMENT</h1>   |
| For: PORT AUTHORITY OF NY & NJ<br>PO BOX 95000-1517<br>PHILADELPHIA, PA 191951517        | Reference No. . . . . CCNT27458<br>Vendor No. . . . . 32304<br>Calculation For: November-2011<br>Customer No. . . . . 111178<br>EWR - Newark Liberty International Airport<br>Line of Business Carte LIS |

REGARDING: Monthly receipts from Cart rentals:

|                                 |                  |
|---------------------------------|------------------|
| Cash Deposit                    | 150,913.16       |
| Credit Card                     | 103,985.00       |
| Refunds                         | -30.00           |
| <u>Sales Tax</u>                | <u>18,879.62</u> |
| Net Income                      | 236,194.53       |
| Commission Base                 | 236,194.53       |
| Calculated Commission:          | 32,402.80        |
| Less MAG Pre-paid:              | 10,500.00        |
| Commission Due (Check Enclosed) | 41,902.80        |

Regards,

Smarte Carte, Inc.  
Finance Team

|  |  |
|--|--|
| <b>Smartecarte</b><br>Smarte Carte, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 55110 | <h1>STATEMENT</h1>   |
| For: PORT AUTHORITY OF NY & NJ<br>PO BOX 9900-1517<br>PHILADELPHIA, PA 191951517         | Reference No. . . . . OCONT30250<br>Vendor No. . . . . 32304<br>Calculation For: <u>December 2011</u><br>Customer No. . . . . 111178<br>EWR - Newark Liberty International Airport<br>Line of Business    Carte US |

REGARDING: Monthly receipts from Cart rentals:

|                                 |            |
|---------------------------------|------------|
| Cash Deposit                    | 169,413.55 |
| Credit Card                     | 117,165.00 |
| Refunds                         | .70 00     |
| Sales Tax                       | 18,743.52  |
| Net Income                      | 267,265.00 |
| Commission Base                 | 267,265.00 |
| Calculated Commission:          | 89,908.30  |
| Late MAG Pre-paid:              | 10,500.00  |
| Commission Due (Check Enclosed) | 46,408.30  |

Regards,

Smarte Carte, Inc.  
Finance Team

: For Port Authority Use Only :  
 : :  
 : Permit Number: AGA-956 :

**LAGUARDIA AIRPORT  
PRIVILEGE PERMIT**

The Port Authority of New York and New Jersey (the "Port Authority") hereby grants to the Permittee named below the described non-exclusive privilege at LaGuardia Airport, in the Borough of Queens, County of Queens, City and State of New York (the "Facility"), in accordance with the Terms and Conditions hereof, and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** Smarte Carte, Inc , a(n) corporation of the state of Minnesota
2. **PERMITTEE'S ADDRESS:** 4455 White Bear Parkway  
St. Paul, MN 55110
3. **PERMITTEE'S REPRESENTATIVE:** Edward Rudis
4. **PRIVILEGE:** As set forth in Special Endorsement Number 1.
5. **FEES:** As set forth in Special Endorsement Number 3.
6. **EFFECTIVE DATE:** October 1, 2011
7. **EXPIRATION DATE:** September 30, 2016, unless sooner revoked or terminated as herein provided, and subject to the Extension Option in Special Endorsement 2.
8. **REQUIRED SECURITY DEPOSIT:** As set forth in the Security Agreement (numbered AX-762), as amended, between the Port Authority and Permittee.
9. **INSURANCE REQUIREMENTS:** \$2,000,000.00 minimum limit Commercial General Liability  
\$2,000,000.00 minimum limit Automobile Liability
10. **ENDORSEMENTS:** Special Endorsements, Schedule G, and Schedule A.

Dated: As of October 1, 2011

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

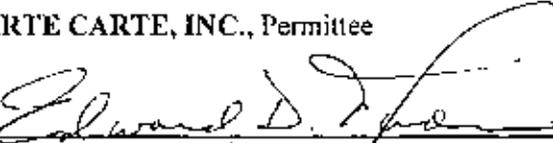
By   
 Name David Kagan  
~~Assistant Director~~  
 Business Properties & Airport Development  
 (Title) Assistant Director

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

CC

RR

SMARTE CARTE, INC., Permittee

By   
 Name EDWARD D. RUDIS  
 (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 LaGuardia Airport, consisting of certain premises identified as "LaGuardia Airport" on Sheet LGA-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.

~~(e) — 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 9 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;

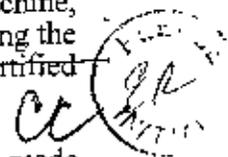
(iii) maintain in accordance with accepted accounting practice during the effective period of this Permit and for one year after the expiration or earlier revocation thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, 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 4 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: Properties Unit, LaGuardia Airport, Hanger # 7C, 3<sup>rd</sup> Floor, Flushing, NY 11371) 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 <sup>or like new</sup> 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 LaGuardia 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.

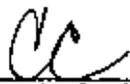
42. Without in any way limiting the provisions hereof, unless otherwise notified by the Port Authority in writing, in the event the Permittee shall continue to operate the Machines after the expiration, revocation or termination of the effective period of the permission granted under this Permit, as 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) Subject to all of the terms and conditions of this Permit, the Port Authority hereby grants to the Permittee the privilege and the Permittee hereby assumes the obligation, of installing, maintaining and operating self-service airline passenger luggage cart control units (herein sometimes called the "*Machines*"), providing airline passenger luggage carts and in conjunction therewith, operating an airline passenger luggage cart retrieval service (hereinafter the airline passenger luggage cart control units, the airline passenger luggage carts and the retrieval service are sometimes collectively called the "*Service*") to all passengers at the Airport and the Permittee agrees to provide such Service at such locations in and outside the various airline terminals, parking lots and courtyards at the Airport as shall be designated in writing by the Port Authority from time to time and for no other purpose or purposes whatsoever. The price that the Permittee shall charge for each luggage cart provided as a part of the Service shall be Five Dollars (\$5.00) per cart with no refund for returned carts.

(b) (1) Without limiting the generality of the provisions of paragraph (a) of this Special Endorsement No. 1, the Permittee agrees to provide the Service to arriving and departing passengers at the Airport in the Central Terminal Building (hereinafter the "*CTB*"), as well as any future terminal that might replace the CTB, the Delta Terminal Building, and USAirways Terminal Building (collectively, the "*Terminals*").

(2) It is understood and acknowledged by the Permittee that the Permittee hereby agrees to provide luggage carts sufficient to meet the requirements of passengers using each Terminal. The Port Authority makes no representations or warranties as to the location, size, adequacy or suitability of space and facility as may be designated by the Port Authority to be used by the Permittee for the operational and other procedures which the respective terminals may require the Permittee to observe in carrying out its privileges and obligations hereunder.

(3) Without limiting the generality of Term and Condition No. 33 hereof, the Permittee is obligated to apply for and to obtain for itself and its employees all security clearances, consents, passes and approvals which are necessary for its employees to gain access to and serve the terminals.

(c) Without limiting the generality of any of the other provisions of this Permit, the Service shall be provided by the Permittee in accordance with the following:

(1) The Permittee shall provide Seven Hundred Fifty (750) new luggage carts and accompanying equipment, of the latest design. All Machines, luggage carts and other equipment installed or provided by the Permittee hereunder shall be of the type and specifications set forth in the "*Equipment Schedule*" attached hereto, hereby made a part hereof and marked "*Schedule A*" with all luggage carts having the "*optional braking system*", or as may otherwise be approved in writing by the Port Authority from time to time, and shall at all times must meet the highest standards of appearance and safety.

(2) The Permittee shall provide to its employees on the Airport Port Authority approved uniforms identifying the Permittee's organization, badges identifying its employees, and employee operations and customer service training, at no additional or separate

cost to the Port Authority. The employee training program must be submitted to, reviewed and approved by the Port Authority, in writing prior to the training taking place.

(3) The Permittee shall maintain a sufficient and even dispersal of luggage carts throughout the Airport at all times in numbers sufficient to meet customer demand therefor. The total number of luggage carts and the locations of the Machines on the Effective Date shall be as specified in Schedule A, but at no time shall there be less than Seven Hundred-Fifty (750) luggage carts available for use by the public on the Airport.

(4) The purpose of the Port Authority in extending the permission granted hereby is to have available at the Airport the Service, 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. The Permittee shall maintain the Machines, luggage carts and all other equipment installed or provided by it at the Airport in first-class working order, appearance and condition, making all repairs and replacements necessary therefor and shall keep the Machines well stocked with luggage carts.

(5) The Permittee's employees shall at all times conduct themselves in a professional, helpful and courteous manner to Airport patrons to provide the highest possible levels of customer service at the Airport.

(6) The Permittee recognizes that portions of the Airport where the Permittee's Machines and other equipment may be installed are under lease to third parties (which parties are herein referred to as a "*Terminal Operator*") for their exclusive occupancy and that the Permittee must by independent arrangement with each Terminal Operator acquire the right or rights of access and use necessary for the operation of the Service by the Permittee in such areas and shall make its own arrangements with each Terminal Operator for the supply to its Machines and other equipment of such utilities and services as it may require. Each such arrangement between the Permittee and a Terminal Operator shall be subject to the approval of the Port Authority. The Port Authority makes no representations or warranties as to the 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 between the Port Authority and the Terminal Operator covering such exclusive occupancy and in the event of expiration or earlier termination of any such lease then the privileges granted under this Permit shall terminate with respect to the areas covered by such lease. In the event of any inconsistency between the terms of any such lease and the terms of this Permit the terms of this Permit shall control as between the Permittee and the Port Authority.

(7) The Machines shall dispense only such luggage carts and render such services as are approved in writing by the Port Authority.

(8) The Port Authority and the respective Terminal Operator shall approve the number and location of Machines and other equipment to be installed, maintained and serviced under this Permit and each may in its discretion, from time to time, consent to the inclusion under this Permit of an additional Machine or Machines and other equipment

required to provide the Service. The location of each Machine and other equipment covered by this Permit is to be only that approved by the Port Authority and the respective Terminal Operator. The Port Authority or the respective Terminal Operator shall have the right, from time to time, to redesignate the location or locations of any or all Machines and other equipment covered by this Permit, and the Permittee shall thereupon at its own expense, comply therewith by promptly removing and reinstalling each such Machine and other equipment. The Port Authority shall also have the right, from time to time, to direct that the number of Machines and other equipment covered by this Permit be decreased and the Permittee shall promptly remove the Machines and other equipment as directed.

(9) In the event of relocation or removal the Permittee shall leave the vacated area in the condition required under this Permit in the case of expiration, and all obligations with respect to the vacated area which would have matured on the effective date of expiration of the Permit shall mature as to the vacated area on the required date of relocation or removal. In the event the Permittee fails to immediately transport any of its Machines and other equipment to a newly designated location, or to remove any of its Machines and other equipment, the Port Authority shall have the right to do so at the risk of the Permittee, and the Permittee shall pay the Port Authority the expense thereof on demand. Without limiting the foregoing, the Permittee agrees to take good care of each designated area and to restore the same upon the expiration or revocation of the effective period of the permission granted under this Permit to the condition existing prior to the installation of the Permittee's Machines and other equipment.

(10) (i) Without limiting the provisions of Section 6 of the foregoing Terms and Conditions and in addition thereto, the Permittee agrees that prior to the installation of any Machines and other equipment it shall obtain the written approval of the Port Authority and the respective Terminal Operator as to the design and type thereof as well as the method, time 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 Machines and other equipment and for the removal and relocation thereof. In the event of any such installment or performance without the approval of the Port Authority and the respective Terminal Operator, then upon such notice from the Port Authority or the Terminal Operator, the Permittee shall remove the same or cause the same to be changed to the satisfaction of the Port Authority and the respective Terminal Operator.

(ii) Nothing contained in this Permit shall be or deemed to be consent to, or approval of, the creation of any structures, or the making of any improvements, alterations, modifications, additions, repairs or replacements to the Airport, including without limitation the installation of any Machines at the Airport. The Permittee agrees that no construction or installation, as aforesaid, shall be performed without the prior written approval of the Port Authority and the applicable Terminal Operator, if any, and subject to the terms and conditions of the this Permit and an approved Port Authority Alteration Application.

(11) The Permittee shall post informational and rate signs on the Machines and any other appropriate signage that the Port Authority or the Terminal Operator believes is necessary to provide the Service in accordance herewith. The Permittee shall place in a conspicuous place on each Machine installed and operated pursuant to the permission

granted hereunder the name and address of the Permittee, the location of the Machine, or piece of other equipment, the Permit Number and such other information as the Port Authority may from time to time determine to be necessary.

(12) The Permittee understands and agrees that no reimbursement will be made by the Port Authority to the Permittee for any lost or stolen carts. The collection of lost or stolen carts is the responsibility of the Permittee.

(13) Collections shall be made from the Machines in the manner and at the time 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 Department of the Port Authority.

(14) The Permittee shall promptly handle in a manner satisfactory to the Port Authority all customer complaints including but not limited to those based on a shortage of luggage carts, failure or malfunction of the Machines or other equipment of the Permittee or defective luggage carts rendered therefrom or thereby and the Permittee shall make all suitable refunds, exchanges, credits and allowances in connection therewith. Without limiting the generality of the foregoing, the Permittee shall pay to the Port Authority liquidated damages of in the amount of Fifty Dollars and No Cents (\$50.00) for each instance where (1) the Permittee has failed to replenish a cart dispensing location within fifteen (15) minutes of notification by the Port Authority or a Terminal Operator that there are no carts available in such dispensing location and (2) the Permittee has failed to commence retrieving carts from any location within fifteen (15) minutes of notification by the Port Authority or a Terminal Operator that uncollected carts discarded by airport patrons are congregated in such numbers or in such manner that they are causing an unsightly or unsafe condition.

2. Renewal Option: The Port Authority shall have the right, at its sole discretion, to extend this Agreement for a period of five (5) additional years subsequent to the Expiration Date, such extension period to commence on October 1, 2016 and to expire on September 30, 2021 ("*the Extension Term*"). The Extension Term shall contain the same Terms and Conditions of this Agreement, with the addition that the Permittee shall be required, if necessary, as determined by the sole and exclusive opinion of the Port Authority, to upgrade and replace Seven Hundred Fifty (750) luggage carts and, if necessary, as determined by the sole and exclusive opinion of the Port Authority, the vending systems at the Airport. The Port Authority will advise the Permittee in writing, at least six (6) months prior to the Expiration Date if it elects to exercise its right to extend the term of this Agreement. Upon the exercise of the Port Authority of its option to extend as aforesaid, no execution by either party of any other document or instrument shall be required to effect such extension of the term of this Agreement.

3. Fees:

(a) The following terms shall have the meaning as used herein:

(1) "*Annual Period*" shall mean, as the context requires, the twelve-month period commencing on the Effective Date and each twelve-month period thereafter occurring during the effective period of the permission granted under this Permit, commencing with each anniversary of the Effective Date, provided, however, that the last Annual Period shall

expire in any event on the earliest to occur of the date of expiration, termination or revocation of this Permit.

(2) "**Gross Receipts**" shall mean and include all monies paid or payable to the Permittee for services rendered at or from the Airport and any other revenues of any type arising out of or in connection with the Permittee's operations at the Airport, provided, however, that there shall be excluded from such Gross Receipts the following: (i) any sales taxes imposed by law which are directly payable to the taxing authority by the Permittee and (ii) amounts upon which Gross Receipts fees are payable or exempt from payment to the Port Authority pursuant to other agreements with the Permittee.

(3) "**Minimum Annual Fee Amount**" shall mean One Hundred Thirty-Four Thousand Dollars and No Cents (\$134,000.00), payable in monthly installments of Eleven Thousand Two Hundred Dollars and No Cents (\$11,200.00).

(b) Basic Fee

(1) The Permittee shall pay to the Port Authority a basic fee at the rate of Eleven Thousand Two Hundred Dollars and No Cents (\$11,200.00) (the "**Basic Fee**"). The Permittee shall pay the Basic Fee monthly in advance on the Effective Date and on the first day of each calendar month thereafter occurring during the period of permission hereunder.

(2) In the event that this Permit shall commence or shall expire or be revoked or terminated on other than the last day of a calendar month, the Basic Fee payable for such calendar month shall be an amount equal to the applicable monthly installment set forth in paragraph (b)(1) above multiplied by a fraction, the numerator of which shall be the number of days in such calendar month in which this Permit was in effect and the denominator of which shall be the full number of days in such calendar month.

(c) Percentage Fee

(1) In addition to the Basic Fee payable hereunder, the Permittee shall pay to the Port Authority a Percentage Fee for each Annual Period in an amount equal to the excess over the Minimum Annual Fee Amount of Thirty-Five Percent (35%) of all of the Gross Receipts for such Annual Period (the "**Percentage Fee**").

(2) The computation of the Percentage Fee for each Annual Period, or a portion of an Annual Period as hereinafter provided, shall be individual to such Annual Period, or such portion of an Annual Period, and without relation to any other Annual Period, or any other portion of any Annual Period.

(3) For the purpose of calculating the Percentage Fee due for any Annual Period which contains less than 365 days, the applicable Minimum Annual Fee Amount shall be multiplied by a fraction, the numerator of which shall be the number of days from the commencement of such Annual Period through the last day thereof, both dates inclusive, and the

denominator of which shall be 365.

(4) Notwithstanding Term and Condition 13(a), the Permittee shall report Gross Receipts and shall pay the Percentage Fee as follows: on the 20th day of the first month following the commencement of each Annual Period and on the 20th day of each and every month thereafter including the month following the end of each Annual Period and the month following the expiration of the permission granted hereunder, the Permittee shall render to the Port Authority a sworn statement showing all Gross Receipts arising from the Permittee's operations at the Airport in the preceding month, and also showing its cumulative Gross Receipts from the date of the commencement of the Annual Period for which the report is made through the last day of the preceding month and the percentage stated in paragraph (c)(1) of this Special Endorsement. Whenever any monthly statement shall show that the percentage set forth in paragraph (c)(1) of this Special Endorsement applied to all of the Gross Receipts for the Annual Period for which the report is made is in excess of the Minimum Annual Fee Amount, the Permittee shall pay to the Port Authority at the time of rendering the statement an amount equal to the excess of such sum over the Minimum Annual Fee Amount, and shall thereafter on the 20th day of each month during that Annual Period, and the month following the end of that Annual Period, including the month following the expiration of the permission granted hereunder, pay an amount equal to such percentage of its Gross Receipts for each subsequent month during that Annual Period.

(5) Upon the termination or revocation of the period of the permission granted hereunder (even if any revocation or termination is stated to have the same effect as expiration), Gross Receipts shall be reported and the Percentage Fee shall be paid within twenty (20) days after the effective date of such termination or revocation, as follows. The Permittee shall render to the Port Authority a sworn statement separately showing of all its cumulative Gross Receipts for the Annual Period in which the effective date of termination or revocation falls and also the percentage set forth in paragraph (c)(1) of this Special Endorsement. The payment then due on account of all Gross Receipts for the Annual Period in which the effective date of termination or revocation falls shall be the excess over the prorated Minimum Annual Guaranteed Amount of the percentage stated in paragraph (c)(1) of this Special Endorsement applied to all the Gross Receipts arising during such Annual Period; said Minimum Annual Guaranteed Amount being prorated as set forth in paragraph (c)(3) above, less any Percentage Fee payments previously made for such Annual Period.

(6) Notwithstanding that the Percentage Fee and the Minimum Annual Guaranteed Amount may have been determined on an annual basis, such determination shall not in any way restrict or impair the Port Authority's right to revoke this Permit upon thirty (30) days' written notice to the Permittee.

(7) Notwithstanding that the Percentage Fee hereunder is measured by a percentage of Gross Receipts, no partnership relationship or joint venture between the Port Authority and the Permittee is created or intended to be created by this Permit.

(8) Without limiting the requirement for Port Authority approval, if the Permittee conducts any privilege or any portion thereof through the use of a contractor or other third party which is not a Port Authority permittee and where the payments for any of the foregoing are made to such contractor rather than to the Permittee, said payments shall be

deemed amounts, monies, revenues, receipts and income paid or payable to the Permittee for purposes of determining the Permittee's Gross Receipts, provided, however, that the foregoing shall not grant or be deemed to grant any right or permission to the Permittee to use an independent contractor or other third party to perform any privilege or portion thereof or the doing of anything hereunder by an independent contractor or other third party.

(9) To the extent that the Permittee <sup>SM</sup> has not already done so at the time of execution of this Permit and without limiting the generality of any other term or provision hereof, the Permittee agrees to submit monthly statements of Gross Receipts and to pay, at the time of execution and delivery of this Permit to the Port Authority, all fees and other amounts due under this Permit to the Port Authority for the period from the Effective Date to the time of execution and delivery of this Permit by the Permittee.



(10) The Permittee shall furnish to the Port Authority on or before the twentieth day of July of each calendar year following the Effective Date a statement of all Gross Receipts for the preceding calendar year certified, at the Permittee's expense, by a certified public accountant.

4. Advertising/Public Notices:

(a) *Advertising/Public Notices Placed by the Port Authority*

(i) The Permittee shall have the obligation to accept the installation, placement, maintenance and operation of (x) such airport and other public service announcements and news as the Port Authority may supply or designate and (y) advertising displays, posters, and such other advertising media and public notices as may be directed by the Port Authority (all such airport and other public service announcements and news, and all such advertising displays, posters, advertising media and public notices, being collectively hereafter called "*PA Advertising Items*") on such of the Permittee's machines and luggage carts as are being operated at the Airport pursuant to this Permit. The Permittee shall be responsible for mounting PA Advertising Items on luggage carts at the direction of the Port Authority, at its own cost and expense, and shall not place PA Advertising Items on any Machine or luggage cart without the express direction of the Port Authority; provided, however, that the Permittee shall not be required to place such material in any machine or luggage cart if the Permittee has arranged with a third party for the display of advertising matter in such Machine or luggage cart pursuant to the provisions of subparagraph (a)(ii), below, during the period covered by the Port Authority's notice.

(ii) Without limiting any other item or provision hereof, the Permittee shall impose no charge to the Port Authority, or any contractor or advertising permittee which has been selected by the Port Authority, to install, place, maintain and operate PA Advertising Items on its behalf, in connection with the display of PA Advertising Items on any Machine or any of the Permittee's luggage carts. Accordingly, the Permittee shall not be entitled to any compensation with PA Advertising Items.

(b) *Advertising Place by Third Parties*

(i) Subject to the terms and provisions of this Permit, the Permittee shall have the right to solicit and/or enter into agreements with third party advertising companies which desire to install, place, maintain and operate advertising displays, posters, and other advertising media on any luggage cart at the Airport that is covered by this Permit (all such third party advertising displays, posters and other advertising media being individually called a "*Third Party Advertising Item*" and collectively called "*Third Party Advertising Items*").

(ii) No Third Party Advertising Item shall be placed, installed or operated by the Permittee in any luggage cart unless the Port Authority has given its prior approval as to the type, size, quality, kind, form, substance and character of the display, poster, exhibit or media, including the content thereof and the operation and maintenance thereof. Once installed, a Third Party Advertising Item must meet the Port Authority's continued approval as to the content thereof and the operation and maintenance thereof. Any Third Party Advertising Item which does not continue to meet with the approval of the Port Authority shall be immediately removed by the Permittee on notice from the Port Authority.

(iii) All arrangements of the Permittee with third parties for the display of advertising matter at the Airport shall be represented by written agreements with such third parties. True and accurate copies of all executed agreements shall be delivered by the Permittee to the Port Authority upon request. Without limiting the foregoing, the Permittee agrees that each such agreement entered into by it shall contain provisions making such agreement subject to all the provisions of this Permit and specifically stating that no party thereto shall obtain thereunder privileges greater than those granted under this permit. All monies paid or payable to or received or receivable by the Permittee for or in connection with any Third Party Advertising Item displayed, shown, exhibited or disseminated by the Permittee, including charges for normal placement, installation, operation, and maintenance thereof, shall be fully set forth in the Permittee's third party agreements.

(iv) In addition to such information and documentation as the Permittee is required to make available pursuant to this Permit, the Permittee agrees from time to time, at the request of the Port Authority, to provide to the Port Authority the following information in a form acceptable to the Port Authority: an updated inventory list and description of all Third Party Advertising Items installed by the Permittee pursuant to the provisions of this Permit, including, without limitation, the number, type and location of the advertising display item, the billings generated by each of the Permittee's advertising accounts at the Airport, and the Permittee's advertising rates with respect to such Third Party Advertising Items. The Permittee shall permit the Port Authority, by its agents, employees, and representatives, to examine and audit the records and books of account of the Permittee in connections with all of the foregoing, it being understood that nothing contained in this paragraph shall relieve the Permittee of its obligations to provide the documents and information described elsewhere in this permit, or shall be deemed to be a waiver by the Port Authority of any rights to examine any other documents and information relating to the Permittee's operations in connection with this Permit.

(v) All revenues and other compensation derived by the Permittee from Third Party Advertising Items shall be paid and allocated as follows: (x) Permittee may

charge third parties at a rate in the range of Twenty-Two Dollars and No Cents (\$22.00) to Thirty Dollars and No Cents (\$30.00) per luggage cart per month and (y) revenues and other compensation derived therefrom shall be paid forty percent (40%) to the Port Authority, thirty percent (30%) to the third party advertising agency which is responsible for the media placement, and the remaining thirty percent (30%) may be retained by the Permittee. Moneys paid or payable to the Port Authority pursuant to this subparagraph shall be made on a monthly basis together with payments of the percentage fee due hereunder, together with monthly statements setting forth the details substantiating such payments, which monthly statements shall include, without limitation, the identity of the third party advertising company which placed the Third Party Advertising Item; the number, type and location of the Third Party Advertising Item; the billings generated by each of the Permittee's advertising accounts at the Airport for the preceding month and cumulatively for the annual period to which such monthly report occurs; and the Permittee's advertising rates with respect to such Third Party Advertising Items.

5. Gifts and Gratuities:

(a) During the term of this Permit, the Permittee shall not offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e, a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Permittee on behalf of the Port Authority, whether or not such duties are related to this Permit or any other Port Authority contract or matter. Any such conduct shall be deemed a material breach of this Permit.

(b) As used herein "*anything of value*" shall include but not be limited to any (i) favors, such as meals, entertainment, transportation (other than that contemplated by the Permit or any other Port Authority contract), etc., which might tend to obligate the Port Authority employee to the Permittee, and (ii) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Permit or any other Port Authority contract.

(c) In addition, during the term of this Permit, the Permittee shall not make an offer of employment or use confidential information in a manner proscribed by the Port Authority's Code of Ethics and Financial Disclosure dated as of April 11, 1996 (a copy of which is available upon request to the Office of the Secretary of the Port Authority).

6. Security Agreement:

The Port Authority and the Permittee have previously entered into a security agreement dated October 1, 2003 and identified by Port Authority No. AX-762, Supplement 1 (the "*Security Agreement*"), covering the deposit of security with the Port Authority. Without limiting the terms and conditions of the Security Agreement, the Permittee understands and

agrees that a breach of the Security Agreement by the Permittee shall be and be deemed be a breach of this Permit by the Permittee permitting the Port Authority to revoke this Permit for cause.

7. Non-Exclusivity:

It is understood that any and all privileges granted hereunder to the Permittee are non-exclusive and shall not be construed to prevent or limit the granting of similar privileges at the Airport to another or others, whether by this form of permit or otherwise, or the securing or otherwise providing for luggage handling services through the contracting of skycaps, porters or other means. Neither the granting to others of rights and privileges similar or greater than the rights and privileges granted hereunder nor the existence of agreements by which similar rights and privileges have been previously granted to others shall constitute or be construed to constitute a violation or breach of the permission herein granted by the Port Authority or relieve the Permittee of any of its obligations hereunder.

8. Miscellaneous:

(a) For the purposes of this Permit, a default by the Permittee in keeping, performing or observing any promise, obligation, term or agreement set forth herein on the part of the Permittee to be kept, performed or observed shall include the following whether or not the time has yet arrived for the keeping, performance or observance of any such promise, obligation, term or agreement:

(i) a statement by the Permittee to any representative of the Port Authority indicating that it cannot or will not keep, perform or observe any one or more of its promises, obligations, terms or agreements under this Permit;

(ii) any act or omission of the Permittee or any other occurrence which makes it impossible at the time that it will be able to keep, perform or observe any one or more of its promises, obligations, terms or agreements under this Permit; or

(iii) any suspension of or failure to proceed with any part of the privileges to be performed by the Permittee which makes it improbable at the time that it will be able to keep, perform or observe any one or more of its promises, obligations, terms or agreements under this Permit.

(b) Nothing contained in this Permit shall constitute or be deemed to constitute permission to the Permittee to park or store equipment or personal property at any location or area at the Airport.

(c) The Permittee shall have no right hereunder to carry on any business or operation at the Airport other than that specifically provided herein.

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

(e) The Permittee, its employees, invitees and others doing business with it shall have no right hereunder to park vehicles within the Airport, except that the Permittee shall have the right to park luggage cart trailers, pick-up trucks and service van trailers for such time as is reasonably necessary for loading and unloading luggage carts and other equipment used by Permittee in providing the Service.

(f) The words "permission" and "privilege" are used interchangeably in this Permit, and except where expressly provided to the contrary, shall mean the privileges granted by this Permit.

(g) The section, paragraph and other headings, if any, in this Permit are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision hereof.

9. No Waiver:

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 then existing or subsequent breach or default thereof.

10. Removal of Property:

(a) All Machines and other personal property placed or installed by the Permittee at the Airport shall remain the property of the Permittee and must be removed within 72 hours after the expiration, revocation, cancellation or termination of the permission hereby granted, whichever shall be earlier.

(b) Any such property remaining at the Airport after the effective date of such expiration, revocation, cancellation or termination shall be deemed abandoned by the Permittee and may be removed and disposed of by the Port Authority or the Terminal Operator in any manner they so determine in their sole discretion and all the proceeds of any removal or disposition by the Port Authority shall be retained by the Port Authority for its account and all costs and expenses of such removal and disposition shall be paid to the Port Authority by the Permittee when billed and all the proceeds of any removal or disposition by the Terminal Operator shall be retained by the Terminal Operator for its account and all costs

and expenses of such removal and disposition shall be paid to the Terminal Operator by the Permittee when billed.

11. Restoration:

The areas of the Airport affected by any removal of a Machine or other personal property of the Permittee shall be restored by the Permittee to the condition existing prior to any installation, including without limitation the removal of any wires, conduits, outlets, ducts and pipes installed by or for the Permittee.

12. Electricity:

In areas under the control of the Port Authority, electricity for the operation of the Machines will be provided by the Port Authority to the Permittee, without charge, through existing conduits, wires and outlets.

13. Prohibited Acts:

(a) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport. In addition to and without limiting Term and Condition No. 38 hereof, any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee and subject to the provisions of Section 8 of the Terms and Conditions hereof, be completely removed and/or remediated by the Permittee at its sole cost and expense. The obligations of the Permittee pursuant to this Special Endorsement No. 13(a) shall survive the expiration, revocation, cancellation or termination of the Permit.

(b) "*Hazardous Substance*" shall herein be defined as any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer, endocrine disruption or reproductive toxicity, petroleum and petroleum products and substances declared to be hazardous or toxic or the removal, containment or restriction of which is required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which is restricted, prohibited, regulated or penalized by any federal, state, county, or municipal or other local statute or law now or at any time hereafter in effect as amended or supplemented and by the regulations adopted and publications promulgated pursuant thereto.

(c) The Permittee shall not dispose of nor permit anyone to dispose of any waste materials (whether liquid or solid) by means of any toilets, sanitary sewers or storm sewers.

(d) The Permittee shall not solicit business on the public areas of the Airport and the use, at any time, of hand or standard megaphones, loudspeakers or any electric, electronic or other amplifying device is hereby expressly prohibited.

(e) The Permittee shall not use any cleaning materials having a harmful or corrosive effect on any part of the Airport.

14. Work and Labor Harmony:

(a) The Permittee shall so plan and conduct its operations as to work in harmony with the operations of others at the Airport and not to delay, endanger or interfere with the operations of others (whether or not specifically mentioned herein), all to the best interest of the Port Authority and the users of the Airport and as may be directed by the General Manager of the Airport.

(b) The Permittee is advised to ascertain whether any on now represented or not represented at the Airport will claim jurisdiction over any aspect of the operations to be preformed hereunder, and its attention is directed to Term and Condition No. 39 hereof. Further, the Permittee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(c) The Permittee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(d) The Permittee acknowledges that it is familiar with the general and local conditions prevailing at the Airport and with the all pertinent matters and circumstances which may in any way affect performance of the privileges granted under the Permit.

15. Business Development and Records:

(a) In connection with the exercise of the privileges granted hereunder, the Permittee shall:

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

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

(3) maintain, in English and in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation, cancellation or termination thereof, and for a further period extending until the Permittee shall, upon request to the Port Authority, receive written permission from the Port Authority to do otherwise, full and complete records and books of account (including without

limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, records of daily forms and work schedules) recording all transactions of the Permittee at, through, or in anywise connected with the Airport, including without limitation the Investment Amount, all charges for services made through the Machines, Gross Receipts from each Machine installed and operated by the Permittee at each location and such additional monthly statistics and information that the Port authority may from time to time and at any time require, which records and books of account shall be kept at all times within the Port of New York District;

(4) cause any company which is owned or controlled by the Permittee, or any company which owns or controls the Permittee, if any such company performs services similar to those performed by the Permittee (any such company being hereinafter called an "Affiliate" and all such companies being hereinafter called the "Affiliates") to maintain, in English and in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation, cancellation or termination thereof, and for a further period extending until the Permittee shall, upon request to the Port Authority, receive written permission from the Port Authority to do otherwise, full and complete records and books of account (including without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, and work schedules) recording all transactions of each Affiliate at, through, or in anywise connected with the Airport, which records and books of account shall be kept at all times within the Port of New York District;

(5) permit and/or cause to be permitted in ordinary business hours during the effective period of this Permit, for one (1) year thereafter, and during such further period as is mentioned in the preceding paragraphs (a)(iii) and (a)(iv), the examination and audit by the officers, employees and representatives of the Port Authority of all the records and books of account of the Permittee (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification, determination or calculation of Gross Receipts, all agreements, and all source documents) and all the records and books of account of all Affiliates (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification, determination or calculation of Gross Receipts and all agreements, and all source documents) (all of the foregoing records and books described in this paragraph (a)(v) being hereinafter collectively referred to as the "**Books and Records**") within ten (10) days following any request by the Port Authority from time to time and at any time to examine and audit any Books and Records;

(6) install and use such cash registers, sales slips, invoicing machines and any other equipment or devices, including without limitation computerized record keeping systems, for recording orders taken, or services rendered, as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of Gross Receipts, and without limiting the generality of the foregoing, for any privilege involving cash sales, install and use cash registers or other electronic cash control equipment that provides for non-resettable totals; and

(7) 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.

(b) (1) Without implying any limitation on the right of the Port Authority to revoke this Permit for cause for breach of any term, condition or provision thereof, including but not limited to, breach of any term, condition or provision of paragraph (a) above, the Permittee understands that the full reporting and disclosure to the Port Authority of all Gross Receipts and the Permittee's compliance with all the provisions of paragraph (a) above are of the utmost importance to the Port Authority in having entered into the percentage fee arrangement under this Permit.

(2) In the event any Books and Records are maintained outside the Port of New York District then, in addition to all, and without limiting any other, rights and remedies of the Port Authority under this Permit or otherwise and in addition to all of the Permittee's other obligations under this Permit, the Port Authority in its sole discretion may (x) require on ten (10) days' notice to the Permittee that any such Books and Records be made available to the Port Authority within the Port of New York District for examination and audit pursuant to paragraph (a)(v) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(v) at the location(s) they are maintained and if such Books and Records are maintained within the contiguous United States the Permittee shall pay to the Port Authority when billed all travel costs and related expenses, as determined by the Port Authority, for Port Authority auditors and other representatives, employees and officers in connection with such examination and audit and if such Books and Records are maintained outside the contiguous United States the Permittee shall pay to the Port Authority when billed all costs and expenses of the Port Authority, as determined by the Port Authority, of such examination and audit, including but not limited to, salaries, benefits, travel costs and related expenses, overhead costs, and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination. Further, in the event that the Permittee has not made any Books and Records which are maintained outside of the Port of New York District available to the Port Authority within the Port of New York District for examination and audit pursuant to paragraph (a)(v) hereof within ten (10) days after the Permittee's receipt of notice from the Port Authority to do so, the Port Authority may estimate the Gross Receipts on any basis that the Port Authority, in its sole discretion, shall deem appropriate, such estimation to be final and binding on the Permittee and the fees based thereon shall be payable to the Port Authority when billed.

(3) In the event of the failure of the Permittee to comply with any of the provisions of paragraph (a) above then, except for the failure of the Permittee to maintain the Books and Records in the Port of New York District which failure is covered by subparagraph (b)(ii) above, in addition to all, and without limiting any other, rights and remedies of the Port Authority under this Permit or otherwise and in addition to all of the Permittee's other obligations under this Permit the Port Authority may estimate the Gross Receipts on any basis that the Port Authority, in its sole discretion, shall deem appropriate, such estimation to be final and binding on the Permittee and the fees based thereon shall be payable to the Port Authority when billed.

(c) Without implying any limitation on the rights or remedies of the Port Authority under this Permit or otherwise including without limitation the right of the Port

Authority to revoke this Permit for cause for breach of any term or provision of paragraphs (a)(iii) or (a)(iv) above and in addition thereto, in the event any of the Books and Records are not maintained in English, then the Permittee shall pay to the Port Authority when billed, all costs and expenses of the Port Authority, as determined by the Port Authority, to translate such Books and Records into English.

(d) The foregoing auditing costs, expenses and amounts of the Port Authority set forth in paragraphs (b) and (c) above shall be deemed fees under this Permit payable to the Port Authority with the same force and effect as the Basic Fee and Percentage Fee and all other fees payable to the Port Authority under this Permit.

16. 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.

17. No Broker: The Permittee represents and warrants that no broker has been concerned in the negotiation or execution of this Permit and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Permittee shall indemnify the Port Authority and save it harmless from any and all claims which have been or which may be made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Permit or in connection with any permission contained herein.

18. Waiver of Trial by Jury. The Permittee hereby waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by the Port Authority against the Permittee in respect of the space in which the Permittee exercises the privilege granted hereunder and/or in any action that may be brought by the Port Authority to recover fees, damages, or other sums due and owing under this Permit.

19. The Port Authority and the Permittee were heretofore parties to Port Authority Permit No. AGA-388, dated as of March 1, 1996, as amended and supplemented. This Permit hereby replaces Permit No. AGA-388. The Permittee shall remain liable for all obligations and liabilities which accrued under Permit No. AGA-388 through the expiration or termination date of Permit No. AGA-388 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.

20. The following Sections of the Terms and Conditions have been deleted: Section 13(e).



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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](http://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](http://www.nysucp.net) and the New Jersey UCP at [www.njucp.net](http://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](mailto: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

**Schedule A**

The attached constitutes "Schedule A," which is hereby made a part hereof.

  
\_\_\_\_\_  
For the Port Authority

Initialed:

  
\_\_\_\_\_  
For the Permittee

# smarte carte®

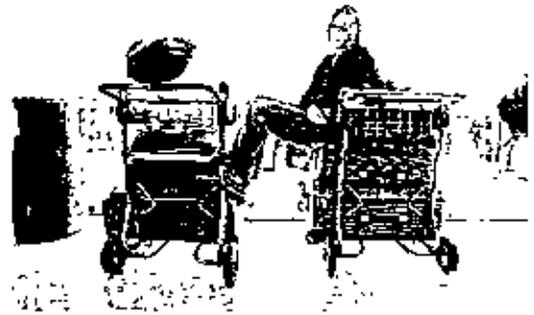
MAXIMIZE THE EXPERIENCE.

Proposal to Install, Maintain and Operate Self-Service Airline Passenger Luggage Cart Control Units at Various Port Authority of New York and New Jersey Airports Via Privilege Permit

## Operations Plan

When your products are pushed, pulled and slammed shut by millions of people, they'd better be reliable and durable. When you consider that we are responsible for keeping our own products operational, it makes sense that they are built to last!

Smarte Carte has a strong reputation as an industry leader and technology pioneer. Our development and introduction of advanced features, such as unattended credit card acceptance, RFID locker rental and automated tracking and reporting of transactions, solidifies our standing in this regard.



## Proposed Equipment

|            | Model 1110 Worldcarte® | Model 1118 Worldcarte® | Enterprise CMU | Cushman/Taylor Dunn | Hand Tugger/QuicKarts | Truck & Trailer |
|------------|------------------------|------------------------|----------------|---------------------|-----------------------|-----------------|
| JFK        | 7000                   | -                      | 106            | 16                  | 13                    | 3               |
| Newark     | 2500                   | -                      | 44             | 3                   | 8                     | 2               |
| La Guardia | -                      | 700                    | 31             | 2                   | -                     | -               |
| Stewart    | -                      | 60                     | 2              | -                   | -                     | -               |

Airport luggage carts streamline the flow of traffic through your airport. Smarte Carte® airport luggage carts provide travelers with mobility and the assurance that they are in control of their own belongings. This assurance gives travelers the freedom to spend more time and money at retail shops and restaurants.

Designed by the world's most experienced cart operator for today's world-class airports, Worldcarte® is the latest addition to Smarte Carte's family of airport luggage carts. Its sleek, attractive design creates a lasting impression of your airport, while delivering exceptional performance and unparalleled standards for durability. Smarte Carte's airport luggage carts are rented from cart management units strategically placed in high demand areas of the airport, requiring minimal floor space and ensuring that there is a cart available for every traveler who needs one.



Please reference Attachment 1 for detailed product specifications.

# smarte carte®

MAXIMIZE THE EXPERIENCE.

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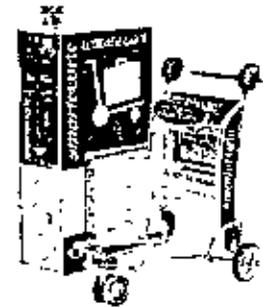
Our advanced cart management units (CMUs) are easy to find and easy to use! Smarte Carte® CMUs keep luggage carts stacked neatly and accessible for travelers.



#### Our CMUs:

- Accept credit cards (PCI-DSS Compliant acceptance of Master Card, VISA, American Express and Discover)
- Accept cash (\$1, \$5, \$10, \$20 bills)
- Give change
- Offer a reward to customers when they return carts (Stewart International Airport only)

Other features include the automated collection of transaction data, and our computerized management operating system that ensures carts are always available.



Please reference Attachment 1 for detailed product specifications.

- Manual Labor – Luggage carts are handled directly by Smarte Carte employees pushing and pulling the luggage carts with ropes. While moving carts with the ropes, a CSA will be limited to 20 carts at any given time.
- Electric Cushman/Taylor Dunn vehicle – a single rider vehicle capable of transporting a maximum of 40 luggage carts. The luggage carts are nested together inline and secured using a rope. The line of luggage carts is then hitched to the back of the vehicle using a Smarte Carte designed hitch. Equipped with a complete list of standard features including heavy-duty electronic brakes, forward and reverse safety horn, taillights and an adjustable bucket seat, the Cushman plays an important role in keeping CMUs throughout the airport filled with carts.
- Hand Tugger/QuickKart – a powerful, battery-operated cart handling tool that allows staff to quickly and efficiently move luggage carts throughout the airport. Its compact design allows the Tuggers/QuickKart to operate smoothly in tighter spaces compared to larger cart-handling vehicles.
- Truck & Trailer – Trucks are state and PANYNJ licensed and approved. Custom designed trailers provide efficient and safe loading and unloading of carts.



Please reference Attachment 1 for detailed product specifications.



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Proposed Equipment Locations

| JFK International Airport - Total Units 106 |                      |
|---|----------------------|
| CMU #                                       | Terminal / Area      |
| 1-01C                                       | T-1 Customs          |
| 1-02C                                       | T-1 Customs          |
| 1-03C                                       | T-1 Customs          |
| 1-04C                                       | T-1 Customs          |
| 1-30  | T-1 Departures       |
| 1-31  | T-1 Departures       |
| 1-32  | T-1 Departures       |
| 1-33  | T-1 Departures       |
| 1-E-01                                      | T-1 Bag Claim Curb   |
| 2-30  | T-2 Departures       |
| 2-31  | T-2 Departures       |
| 2E-01                                       | T-2 Bag Claim        |
| 2E-03                                       | T-2 Bag Claim        |
| 2F-04                                       | T-2 Bag Claim        |
| 2F-05                                       | T-2 Bag Claim        |
| 3-01C                                       | T-3 Customs          |
| 3-02C                                       | T-3 Customs          |
| 3-03C                                       | T-3 Customs          |
| 3-04C                                       | T-3 Customs          |
| 3-05C                                       | T-3 Customs          |
| 3-06C                                       | T-3 Customs          |
| 3-07C                                       | T-3 Customs          |
| 3-08C                                       | T-3 Customs          |
| 3-09C                                       | T-3 Customs          |
| 3-10C                                       | T-3 Customs          |
| 3-11  | T-3 Bag Claim        |
| 3-30  | T-3 Departures       |
| 3-31  | T-3 Departures       |
| 3-32  | T-3 Departures       |
| 3-33  | T-3 Departures       |
| 3-34  | T-3 Departures       |
| 3D-01                                       | Area D Baggage Claim |
| 3D-02                                       | Area D Baggage Claim |
| 3D-30                                       | Area D Departures    |
| G-60  | T-1 GARAGE PARKING   |
| G-61  | T-1 GARAGE PARKING   |
| G-65  | T-2/3 GARAGE PKG     |
| T1-61                                       | T-1 Parking          |
| T3-62                                       | T-3 Parking Garage   |



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| JFK International Airport - Total Units 106 |                        |
|---|------------------------|
| CMU #                                       | Terminal / Area        |
| 4-01C                                       | T-4 Customs            |
| 4-02C                                       | T-4 Customs            |
| 4-03C                                       | T-4 Customs            |
| 4-04C                                       | T-4 Customs            |
| 4-05C                                       | T-4 Customs            |
| 4-06c                                       | T-4 Customs            |
| 4-07C                                       | T-4 Customs            |
| 4-08C                                       | T-4 Customs            |
| 4-09C                                       | T-4 Customs            |
| 4-10C                                       | T-4 Customs            |
| 4-11D                                       | T-4 Domestic Bag Claim |
| 4--30                                       | T-4 Departures         |
| 4-31  | T-4 Departures         |
| 4-32  | T-4 Departures         |
| 4-33  | T-4 Departures         |
| 4-34  | T-4 Departures         |
| 4-60  | T-4 Parking            |
| 4-61  | T-4 Parking            |
| 4-63  | T-4 Parking            |
| 4-64  | T-4 Parking            |
| 4E-02                                       | T-4 Bag Claim Outside  |
| 5--01                                       | T-5 Bag Claim          |
| 5-02  | T-5 Bag Claim          |
| 5-03  | T-5 Bag Claim          |
| 5-04  | T-5 Bag Claim          |
| 5--30                                       | T-5 Departures         |
| 5-31  | T-5 Departures         |
| 5-32  | T-5 Departures         |
| 5--61                                       | T-5 Garage             |
| 5-65  | T-5 Garage             |
| 7-01C                                       | T-7 CUSTOMS            |
| 7-02C                                       | T-7 CUSTOMS            |
| 7-03C                                       | T-7 CUSTOMS            |
| 7--30                                       | T-7 DEPARTURES         |
| 7-31  | T-7 DEPARTURES         |
| T7-65                                       | T-7 Departures         |
| 7D-01                                       | T-7 Domestic Bag Claim |
| 7D-02                                       | T-7 Domestic Bag Claim |
| T7-64                                       | T-7 Parking Garage     |
| 8--01C                                      | T-8 Customs            |
| 8-02C                                       | T-8 Customs            |
| 8-03C                                       | T-8 Customs            |



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| JFK International Airport - Total Units 106 |                        |
|---|------------------------|
| CMU #                                       | Terminal / Area        |
| 8-04C                                       | T-8 Customs            |
| 8-05C                                       | T-8 Customs            |
| 8-01D                                       | T-8 Bag Claim Domestic |
| 8-02D                                       | T-8 Bag Claim Domestic |
| 8-30  | T-8 Departures         |
| 8-31  | T-8 Departures         |
| 8-32  | T-8 Departures         |
| T8-10                                       | T-8 Parking Garage     |
| T8-63G                                      | T-8 Parking Garage     |
| HB-01                                       | Howard Beach Station   |
| HB-20                                       | Howard Beach Station   |
| LT-20                                       | Long Term Parking      |
| LF-02                                       | Lefferts Station       |
| LT-02                                       | Long Term Parking      |
| LT-60                                       | Long Term Parking      |
| LT-61                                       | Long Term Parking      |
| LT-62                                       | Long Term Parking      |
| LT-63                                       | Long Term Parking      |
| B3-05                                       | Budget Rent-a-Car      |
| D-31  | Dollar Rent-a-Car      |
| FC-01                                       | Federal Circle         |
| FC-02                                       | Federal Circle         |
| FC-03                                       | Avis Federal Circle    |
| H-62  | Hertz Federal Circle   |
| JM-21                                       | Jamaica Station        |

| Newark Liberty International Airport - Total Units 44 |                   |
|---|-------------------|
| CMU #   | Terminal / Area   |
| A-01  | Bag Claim         |
| A-04  | Bag Claim         |
| A-05  | Departures        |
| A-06  | Bag Claim         |
| A-07  | Bag Claim         |
| A-08  | Bag Claim         |
| A-30  | Enterprise Rental |
| A-31  | Departures        |
| B-01  | Bag Claim         |
| B-02  | Departures        |
| B-03  | Bag Claim         |
| B-06  | Pass Lane Pick Up |
| B-07  | Bag Claim         |
| B-30  | Departures        |



Proposal to Install, Maintain and Operate Self-Service Airline Passenger Luggage Cart Control Units at Various Port Authority of New York and New Jersey Airports Via Privilege Permit

| Newark Liberty International Airport- Total Units 44 |                    |
|--|--------------------|
| CMU #  | Terminal / Area    |
| B-31   | Departures         |
| B-32   | Departures         |
| C-01   | Bag Claim          |
| C-02   | Bag Claim          |
| C-03   | Bag Claim          |
| C-04   | Bag Claim          |
| C-05   | Bag Claim          |
| C-06   | Departures         |
| C-07   | Departures         |
| C-09   | Departures         |
| C-10   | Departures         |
| C-11   | Departures         |
| C-12   | Departures         |
| A-111  | T-A Parking        |
| B-105  | T-B Parking        |
| B-111  | T-B Parking        |
| C-109  | T-C Garage         |
| C-309  | T-C Garage         |
| P-02   | Airtrain STA Lower |
| P-03   | Airtrain STA Lower |
| P-04   | Airtrain STA Lower |
| R-01   | Rail Link -Upper   |
| BC-01  | Customs            |
| BC-02  | Customs            |
| BC-03  | Customs            |
| BC-04  | Customs            |
| BC-05  | Customs            |
| BC-08  | Customs            |
| CC-01  | Customs            |
| CC-03  | Customs            |

| La Guardia Airport - Total Units 31 |                                |
|-------------------------------------|--------------------------------|
| CMU #                               | Terminal / Area                |
| 1-01                                | T-D DELTA Bag Claim            |
| 1-02                                | T-D DELTA Bag Claim            |
| 1-03                                | T-D DELTA Bag Claim            |
| 1-04                                | T-D DELTA Bag Claim            |
| 1-05                                | T-D DELTA Bag Claim            |
| 2-01                                | T-C Bag Claim US AIR SHUTTLE   |
| 2-03                                | T-C Bag Claim US AIR Bag Claim |
| 2-04                                | T-C Bag Claim US AIR           |
| 2-30                                | T-C Departures US AIR          |



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| La Guardia Airport - Total Units 31 |  |
|-------------------------------------|--|
| CMU #                               | Terminal / Area                        |
| 2-31                                | T-C Departures US AIR                  |
| 3-01                                | CTB Bag Claim CONTINENTAL              |
| 3-02                                | CTB Bag Claim JETBLUE                  |
| 3-03                                | CTB Bag Claim AIR CANADA               |
| 3-04                                | CTB Bag Claim SPIRIT                   |
| 3-05                                | CTB Bag Claim AIR TRAN                 |
| 3-06                                | CTB Bag Claim UNITED AIRLINES          |
| 3-07                                | CTB Bag Claim UNITED AIRLINES          |
| 3-08                                | CTB Bag Claim AMERICAN EAGLE           |
| 3-09                                | CTB Bag Claim AMERICAN EAGLE           |
| 3-010                               | CTB Bag Claim AMERICAN AIRLINES        |
| 3-011                               | CTB Bag Claim AMERICAN AIRLINES        |
| 3-10                                | CTB Arrivals UNITED AIRLINES CURB SIDE |
| 3-30                                | CTB Departures SPIRIT                  |
| 3-31                                | CTB Departures AIR CANADA              |
| 3-32                                | CTB Departures CONTINENTAL             |
| 3-33                                | CTB Departures UNITED                  |
| 3-34                                | CTB Departures AMERICAN                |
| 3-35                                | CTB Departures AMERICAN AIRLINES       |
| 2-02                                | CTB Parking WEST WING GROUND FLR       |
| 3-60                                | CTB Parking EAST WING CONCOURSE A-B    |
| 3-61                                | CTB Parking WEST WING CONCOURSE C-D    |

| Stewart International Airport - Total Units 2 |                 |
|---|-----------------|
| CMU #   | Terminal / Area |
| 1   | Baggage Claim   |
| 2   | Departures Curb |

### Cart Cleaning & Maintenance Plan

Daily cleaning is performed by all Smarte Carte staff including management. It consists of removing debris from the top of CMUs, removing stickers and tags on CMUs, track and carts and general wipe down of products as needed. Specific cleaning by airport is defined below:

- JFK International and Newark Liberty International Airports - A full time cleaning associate is assigned the specific cleaning tasks which include a complete wipe down of CMUs, track and carts at each location throughout the airport. Each day a specific terminal(s) is targeted based on a rotation. Each week every CMU will receive a complete cleaning. On a quarterly basis, we examine any rust issues and those CMUs or track identified will have rust removed and will be repainted. Certain areas have more weather exposure and thus the process is required more frequently than CMUs located inside. Carts are power washed on an annual basis.
- La Guardia Airport - Cleaning is assigned to cart associates on a daily basis. Each day specific CMUs are targeted based on a rotation. Each week every CMU will receive a complete cleaning. On a quarterly basis,

we examine any rust issues and those CMUs or track identified will have rust removed and will be repainted. Certain areas have more weather exposure and thus the process is required more frequently than CMUs located inside. Carts are power washed on an annual basis.

- Stewart International Airport – Cleaning is performed by our part time manager upon each visit.

Daily repair and maintenance checks are conducted on each CMU at JFK, Newark and La Guardia airports which consists of testing the CMU for all methods of payment including bills, coin and credit card. Carts are examined everyday by all staff and those with equipment issues are set aside and later collected and returned to a general maintenance area for repairs and detail cleaning. Cart moving equipment is inspected daily and any issues are logged and addressed by maintenance staff.

Weekly repair and maintenance checks are conducted by the part time manager at SWF airport. The New York City Manager conducts semi-annual visits to assist with any cart repairs and overall inspection.

*CMUs receive regular preventative maintenance. Based on usage volume, CMUs are scheduled monthly or quarterly. The preventative maintenance includes cleaning and lubricating the mechanical vending plate, cleaning of all internal rollers and mechanical assembly of the bill validator, credit card reader, coin acceptor, and the return end of the track. All aspects of the CMU are tested and signed-off by the technician or manager.*

The JFK Terminal 4 conveyor receives monthly preventative maintenance performed by Oxford Airport Technical Services. It includes inspection of motors, bearings, guards, gear box, belts and general lubrication and cleaning.

#### **Cart Collection Frequency and Restocking Plan**

The challenge for a luggage cart service provider is to retrieve the abandoned carts left by thousands of arriving passengers at a peak hour. This is a critical sign of quality in luggage cart service. Only Smarte Carte is in a position to continue to assure the Port Authority the quickest, safest and most efficient cart retrieval program. We accomplish this through:

- Staffing schedules derived from 40+ years of luggage cart management experience.
- Specialized cart handling tools and equipment.
- Proper planning and coordinating with airline terminal managers.
- Trained and motivated employees.
- Monitoring both domestic and international airline schedules.



Finding loose carts is no problem. Anyone who works at the airport can tell you where to find the carts. The objective is to keep up with the thousands of cart users as they abandon their carts once they have reached their destination. This requires the proper planning and scheduling of motivated and trained staff.



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The process for collecting loose carts begins with a well-established staffing and labor plan. The labor plans detail specific work areas within the airport. The labor plans identify and target the heaviest usage areas; baggage claim, ticketing, arrivals hall and concourses. We visually monitor the flow of carts from these areas to the destination locations – baggage recheck, ground transportation and parking lots. The individual terminal supervisors continually analyze the traffic patterns and dispatch customer service associates to their work areas.

From there, customer service associates follow a pattern of consistently sweeping the work area from one end to the other to gather the loose carts promptly. Carts are either directly put into the return end of a CMU, or collected by nesting the carts together in a line. Lines of carts are secured by a rope and then brought to an appropriate CMU or staging area.

Supervisors also sweep the area to pinpoint the locations of loose carts and, using two-way radios or cell phones, direct employees to collect them.

Holding a line of carts secured by ropes is called "staging carts". Carts are staged when CMUs are not present or have no need for additional carts. Carts are also staged near areas of high rental volume, such as customs and baggage claim areas, in order to more quickly replenish carts.

Capture units and lines of carts are normally only staged for very brief periods of time, usually only long enough for the appropriate personnel (Cushman drivers, badged customs employees) to reach the assigned work zone and move the staged carts to the appropriate CMU or customs area. The locations selected for staging loose carts are many and varied, determined by current airport traffic flow.

#### **JFK International Airport - General Balancing Route**

Due to connections and the air train, carts are rented in one terminal and then released by the passenger in another terminal or area of the airport. Generally speaking, the carts will build up in the outer areas or outside of the airport at the various air train stops. A Ford 450 truck is used to transfer the carts back into the terminals, primarily to Terminal 4. Due to connections, carts tend to build in Terminals 1-3, 6 and 7, and then must be returned to Terminal 4. In some instances, a truck must be used as use of public roads is required to get from terminal to terminal. Also, within each terminal, carts tend to build on the ticketing levels and are then required to be returned down to bag claim. Below are the detailed routes for each terminal.

#### **• Terminal 1 (International only – No Domestic) Multiple Carrier**

- **Ticketing** – A walking route where cart associates will collect loose carts starting at the general checkpoint to all gates. They then collect loose carts starting from Korean ticketing to Lufthansa, then again from Korean to Air France side. The Airtrain Station is accessed via skywalk and swept for any loose carts left at the top of escalators and elevators. The Food Court level also is swept for loose carts left by passengers and is accessed via elevators. The carts collected will be returned to units 1-30, 1-31, 1-32, and 1-33. All excess carts will be taken to the far side of the departures curb and staged securely with ropes for pickup by a driver.
- **Arrivals/Customs** – The cart associate collects carts on the curb outside arrivals and in the shuttle/bus/taxi stand area on the outer island. Carts are ultimately staged outside of the AOA by receiving. A maximum of 500 carts can be staged in this area and must be secured with ropes to eliminate shrinkage. A 20 minute lead time must be given to security when access to the SIDA secure tunnel door is required. Three



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staff members are required to bring lines of carts from staging to the AOA, two staff members to move lines of carts via electric tugger to and through the tunnel and another on the secure side to attach to an electric Cushman. Once the carts are attached, a maximum of 45 carts can then be moved approximately 200 yards to the designated door from the ramp side and through a hallway into the customs area. This procedure is necessary up to 9 times over three shifts. A tugger or a QuickKart is used to push the carts to replenish the units inside customs by an Ambassador. Once inside the customs hall, carts are staged and secured on the west side to a maximum of 350 carts. These carts are replenished into customs units as necessary by the ambassadors.

- **Parking Garage Terminals 1, 2, & 3** - This is a four level garage with four CMUs located inside. A driver brings a gas Cushman on the outer roadway and enters the parking area via the toll plaza. Starting on the top level, the driver moves up and down each row of vehicles. When loose carts are identified, they are attached to the line, not to exceed 45 carts. The route then goes down levels consecutively. As the driver passes CMUs, he replaces carts if necessary. Once the driver has a full line of carts, he exits via the toll plaza and drives on the outer roadway entering on arrivals level and drops his load outside at customs staging.
- **Concourse** - An associate will check the concourse weekly and remove any carts brought in by airport tenants. The carts are then returned to the units on the departures curb.
- **Airside Ramp** - This area is checked at least once a week by an associate driving an electric Cushman around the airside ramp of Terminal 1. The carts are picked up, towed by the Cushman and returned to the customs area.
- **Terminal 2 - Delta Domestic**
  - **Ticketing** - A walking route where the cart associate will collect loose carts starting at the TSA checkpoint and moving forward through the ticketing area. Carts are replenished into the ticketing units 2-30 and 2-31 and staged by the outer island to be balanced downstairs to bag claim units by a driver via electric Cushman.
  - **Bag Claim** - A walking route where the cart associate will scan the entire curbside area including the outer roadway. The loose carts are then brought inside arrivals to fill up the units by bag claim E and F.
  - **Concourse** - There are no units on the Terminal 2 concourse, however, an associate regularly checks the concourse to remove any carts and return them to the ticketing units. The secure side of this gate accumulates an unusually large amount of carts due to the connecting walkway from Terminal 3.
- **Terminal 3 - Delta International & Domestic**
  - **Ticketing** - This terminal has three separate ticketing areas (International, domestic, and VIP preferred). All are walking routes where a cart associate is assigned to collect carts from the inside of the terminal by the ticketing counters and outside on the curbs at departures. Attention must be paid to the area inside the roadway loop as this area is prone to carts accumulating for unauthorized use. The carts collected will be returned to ticketing units on the east side (3-30 and 3-31) and ticketing units on the west side (3-33, 3-34 and 3-32). The excess carts will be taken downstairs to the bag claim units via a gas Cushman. A capture unit is on the curb of the east side departures curb that is used to stage until carts are moved.
  - **International Arrivals** - This is the sub-level in the back of the terminal complex with multiple curbs. Carts from all areas of the terminal are staged in front of international arrivals between A and B aisles. There are two capture units by the staging area to secure the carts. Cart associates walk all sides of the area clearing loose carts, paying particular attention to the taxi stand. Carts are then returned to the customs hall.



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- **Customs** - Carts are pushed with a Tugger into the designated exit doors leading out of the customs hall. Staff accesses these doors with a PANYNJ swipe card and access code or security guard clearance depending on time of day. The B door is also used to bring in carts into customs but this is permitted only in the mornings. Once inside customs, the Ambassador moves carts manually with a rope and into CMUs.
- **Concourse** - A walking route where the associate will collect the carts from all gates within the loop. All carts on the north side are brought back to the north side units and the carts from the south side are brought to the south side units. Excess carts are brought down to the staging area on arrivals area via a gas Cushman.
- **Area D Departures** - A walking route where the associate will collect the carts from the ticketing counters inside the terminal and return the carts to the units on the departures curb outside. The excess carts are staged with a maximum of 40 carts by the curb for pickup by a Cushman.
- **Arrivals** - An associate collects all the loose carts from the taxi and curbside and refills the two units inside area D. The excess carts are staged by the capture unit located in the middle island by the taxi stand. A regular Cushman route from parking and from Terminal three departures picks up the line of carts and brings them to the staging area of Terminal 3.
- **Terminal 4 - International & Domestic (Multiple Carriers)**
  - **Staging Area** - This is located on the east side of the building and is used to store carts prior to placement into the conveyor system.
  - **Customs** - All carts that go inside the Terminal 4 customs hall must pass through the conveyor system. This process takes a minimum of four staff members to complete. The carts are lined up in front of the conveyor with either a QuickKart or Tugger requiring two staff. One additional staff member must be inside the customs tunnel to insure that only one tunnel door is open at a time, as this is a sterile area. The line of no more than 65 - 80 carts is pushed through the door and seated in the gripper belts of the conveyor. The carts travel on the conveyor approximately 250 ft. where they end at the inside of the second secure door. Once the exterior door is closed after the last cart passes through, an ambassador opens the interior door leading into the customs hall and secures the line of carts to a Tugger and brings them into the back end of the baggage area to be loaded into the CMUs with a Quickkart. There are no additional cart staging areas inside of Terminal 4 customs. Employees can only access the SIDA door at the entrance to the conveyor room with their PANYNJ identification badge swipe and an access code. No personnel are permitted to pass through the conveyor doorways on either side.
  - **Concourse A & B / Airstair Platform** - These are checked regularly by a walking cart associate. The carts in concourses A and B are brought to a service elevator near concourse A and brought down manually via elevator. A maximum of 15 carts can be transported in this elevator at one time. The carts are staged by a lobby near the service elevator and pushed outside by a Tugger to the Terminal 4 staging area. The train platform and elevator alcoves are checked for carts that are left by passengers.
  - **Ticketing** - A walking route where the cart associate will collect loose carts starting at the Air France ticketing counters and proceeding to all 8 aisles. The carts are staged and lined up at the back of the building behind the TSA stations in lines of up to 25 carts. They are pushed via QuickKart to the perimeter walls of the ticketing area and moved forward to the front of the terminal and brought outside on the curb to replenish the units. All excess carts are taken to the end of the east side curb and put in a capture unit, waiting to be picked up by the gas Cushman. The driver of the Cushman must bring the vehicle around the Terminal 4 garage on the outer roadway and enter the departures ramp with traffic. The carts are attached and the driver must again go around the terminal garage and enter the arrivals ramp with traffic and stages the carts by the Executive Access parking.



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- **Domestic Bag Claim & Arrivals general lobby** - This is a walking route where the entire arrivals level is swept for loose carts and CMUs in the domestic bag claim hall are replenished. The associate will also walk the curb on the inner roadway collecting carts left by passengers who utilize the bus stand. The walking cart associate will also check the interline for loose carts and the parking lot on the west side of the building.
- **Parking Garage / Terminal 4 Lot / Taxi Stand** - This garage has five levels and five CMUs. An electric Cushman is kept in the garage and starts the route at the top level. The driver goes in and out of every lane attaching loose carts to the Cushman to a maximum of 40. CMUs in the garage are replenished as necessary. The route continues down consecutive levels until the ground floor. The driver will then work his way through the parking lot ending at the toll plaza exits. Carts are moved across the inner roadways to the terminal staging areas. The taxi stand located on the outer roadway is serviced by the same Cushman driver route.
- **Terminal 5 - Jet Blue Airways**
  - **Departures** - The cart associate will sweep the inside of the terminal retrieving carts from ticketing areas and security check points and replenishing them into CMUs back outside on the curb. Due to transfers from other terminals, this terminal tends to build in cart number, and excess carts are staged on the lower level. The excess carts are typically sent to Terminal 4. The Airtrain platform and connector are also checked for carts and when collected, are transferred down to the ground level
  - **Arrivals & Taxi Stand** - This is a walking route where the associate will travel the entire length of the curb including the far end taxi stand collecting carts. In addition, the associate will sweep the baggage carousels and all areas inside the terminal for loose carts. CMUs are replenished and excess carts are put in the staging area. Additionally, this route includes the PANYNJ parking lot where loose carts accumulate.
  - **Concourse** - An associate will check the concourse weekly and remove any carts brought in by airport tenants. The carts are then returned to the units by the curbside.
- **Terminal 7 - British Airways, Cathay & United Airlines (International & Domestic)**
  - **Staging Area** - This is located on the west side of the arrivals curb and is used to store carts prior to transfer into the domestic and international bag claim. Up to 150 carts can be staged outside the SIDA door leading onto the AOA by Gate 4Z.
  - **Ticketing** - A walking cart associate picks up loose carts starting from Cathay to BA ticketing counters. The carts are staged in the middle of the building and manually brought outside to replenish the units on the curbsides. Both the inner and outer curbs must be walked and carts collected returned to the units. Excess carts are brought down to the staging area by Cushman. The driver takes the outer roadway around the garage and onto the arrivals ramp to the staging area.
  - **Domestic Bag Claim** - A walking route where the cart associate collects carts on the arrivals curb and islands and returns the carts back inside. Carts are brought into both domestic bag claim and customs through a SIDA secure door outside the terminal. This process takes a minimum of three staff. Two associates outside move a line of carts (not to exceed 40) up to the gate with a QuickKart or Tugger. A third employee on the secure side of the gate backs a Tugger up to the enclosed gate and attaches the line of carts. The line then travels approximately 100 ft. through the enclosed tunnel leading into the terminal via a secure door. The associate accesses this door with a swipe card and pin and travels another 50 ft. through a hallway leading into domestic bag claim.
  - **Customs** - The process is consistent with the domestic bag claim route, however, the associate would continue past the domestic bag claim to another secure access door that leads into customs.



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- **Terminal 7 Garage and Airtrain Platform** - The garage is two levels with one CMU. An electric Cushman is driven between all lanes of parked cars starting on the top level and working down. The line of carts is permitted to pass between both the inner and outer roadways on the lower level between the terminal and garage. A cart associate must walk the train platform and manually move carts down via elevator five at a time. Carts are then returned to the custom units.
- **Terminal 8 - American Airlines (International & Domestic)**
  - **Departures** - A walking route where the associates are assigned to collect carts from all ticketing counters and security check points. Special attention needs to be paid to this area as skycaps are known to recycle carts for their own financial gain. These carts are secured with ropes and moved manually to the curb to replenish CMUs. Excess carts are brought manually to the farthest end (east side) of the building to be picked up and brought to the staging area on the ground level. This is done via a Ford F450 truck. Only 45 carts can be loaded on the truck at one time. The driver has to follow the outer roadway around the parking garage and up the departures ramp to pick up the load. The route then takes him around the parking garage again and onto the roadway leading to arrivals. The load is dropped and carts are moved to staging via a QuickKart.
  - **Domestic Arrivals** - A walking route where the cart associate sweeps the entire general lobby and domestic baggage carousels. Additionally, the arrivals curb and the taxi/bus/shuttle stand are cleared of all carts left by passengers being picked up by car or ground transportation. These carts are moved via electric Cushman to the staging area or back inside to the bag claim units.
  - **Staging Area** - A designated staging area for all carts is located outside at the Westside of the building under two separate 60ft x 20ft tents. A maximum of 600 carts can be staged here prior to entry into the customs hall. This is also a designated charging station for Tuggers, Cushmans and QuickKarts. Carts to be brought into customs are staged here.
  - **Customs** - Carts going to AA customs all come from the staging area. Two staff members are required to perform this task and access to customs is initiated with swipe cards and pass codes. Carts are pushed with a Tugger or a QuickKart into a 50 ft. hallway a maximum of 45 carts at a time. An associate opens a roll up door leading to the staging area and the carts are brought in. The roll up door on the staging area side is rolled down automatically and another roll up door is opened leading to the customs hall. Only one door at a time can be opened as this is a sterile area. The carts are then pushed by a Tugger or QuickKart and manually placed into the units. CMUs are loaded manually by an ambassador.
- **Federal Circle - Car Rental / Airtrain / Hotel Shuttle** - This area is scanned a minimum of 10 times a day by an associate using a designated Ford F450 truck. Loose carts in front of the hotel shuttle pickup are used to replenish the units at Hertz, Avis, Dollar, and Budget, a unit by the Airtrain and a unit by the hotel shuttle pickup. All excess carts are loaded on the Ford F450 and brought back to the terminals. The driver/associate is in radio contact with all Terminal managers for cart balancing. Additionally, three days a week, a walking cart associate is assigned to the area to continually sweep and stage carts for the driver.
- **Lefferts Station / Long Term Parking / Airtrain** - Access to this parking lot is gained from the Lefferts Blvd. toll plaza. The driver will pass every row of vehicles stopping in an area when there are loose carts. The driver exits the vehicle and gathers the carts manually. A line of carts will be added to the truck not exceeding 45. Additionally, the driver will exit the truck when the train station is checked for loose carts. All loose carts are brought back to the CMU and all excess carts are loaded on the truck for balancing. This is a four mile commute to and from the terminals.
- **Long Term Parking** - A Ford F450 truck is assigned for the long term parking units and the lots are checked approximately 8 times a day. Long term parking is a six mile commute to and from the terminals. The Ford



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F450 truck travels to every aisle of the long term parking lot accumulating loose carts. The driver has to exit the vehicle to check the upper and lower platforms of the Airtrain station. Additionally, once a week for one shift a cart associate is sent out on the train to collect and stage carts for the driver to load.

- **Howard Beach – Airtrain to Transit / Long Term Parking** - The two units in this station are included in the regular checks of the Airtrain Ford F450 route. The train station is thoroughly checked for loose carts. All carts are brought back to the units and excess carts are loaded in the truck for balancing.
- **Jamaica Station / Airtrain to Transit** - This station is checked daily. It is a 14 mile commute from the terminals. A Ford F450 driver and cart associate drive to the station and park in the service lot. Both go upstairs and gather loose carts on the platform. The carts are brought down via the service elevators 6 at a time and loaded on the Ford F450 no more than 45 at a time. The carts are brought back to the terminals via the Van Wyck expressway. All carts from this station are brought back to Terminal 4 staging area for distribution.
- **Ramp Side Pickup Procedures** A Ford F450 truck conducts a cart roundup in the ramp once a week. Access to the RVSR (Restricted Vehicle Service Road) is gained at Terminal 8 and the driver works his way to every terminal via the roadway on the AOA. Each terminal has an area where the truck is parked and the driver and a cart associate collect carts brought into the secure area by airport personnel and baggage handlers. All vehicles and personnel on the ramp must be authorized.
- **Cart Roundup**- A quarterly cart roundup is requested by the GM in coordination with the Port Authority. A terminal manager of Smarte Carte is escorted by a Port Authority employee to check and retrieve carts being used illegally by airport vendors. The roundup usually covers the airside ramp beyond the RVSR, cargo areas, baggage storage rooms and other locations where carts are being used by vendors.

#### **Newark Liberty International Airport - General Balancing Route**

Due to connections and the air train, excess carts tend to build in Departures at Terminals A, B and C, as well as parking areas. These carts will be balanced via the Ford 450 truck and trailer to either customs area in Terminal B or C. These vehicle routes require the trucks to exit the airport and use outer roadways in order to access the different levels of the different terminals. Cushman's cannot be used as there are no roadways connecting the parking lots to the terminals. Also, within each terminal, carts tend to build on the ticketing levels and are then required to be returned down to bag claim.

- **Terminal A**
  - **Ticketing** - A walking route where the cart associate will collect loose carts inside by the ticketing counters and works from one end of the terminal to the next, balancing loose carts into the CMUs on the curb. Attention is paid to alcoves and corners by elevators and ticketing offices for loose carts that have accumulated.
  - **Gate's Level and Airtrain Platform** - Associates walks to the security checkpoints/Gates. The carts collected will be returned to units A 05 & A 31 on the ticketing curb. The excess carts will be taken downstairs to the bag claim units on the freight elevator. No more than 8 carts can be moved on the elevator at one time.
  - **Bag Claim** - A walking route where the cart associate will scan the island near Active Pickup and then proceed to the curbside and check the Taxi Stand. Loose carts are collected and returned inside to the bag claim. Any excess carts are taken to a staging area to be picked up by the Ford 450 and taken to where the carts are needed, Terminal B or C Customs.
  - **Concourse** - There are no units on the A concourse, however, once a week, an associate will check the concourse and remove any carts (brought in by airport personnel) and return them to the ticketing units.



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- Terminal A Short term Parking Lot – The Ford 450 is driven up and down each row to collect carts from the parking area. The driver exits the vehicle and accumulates carts and loads the truck with multiple carts. The truck cart capacity is 45 carts. The carts are then taken to the Terminal that is in need of carts, which again requires exiting the airport in order to gain access to the proper terminal road.
- Terminal A Bus Stop – A cart associate walks to the Bus Stop at Terminal A to collect loose carts and return them to the CMUs at Terminal A.
- **Terminal B**
  - Ticketing – A walking route where the cart associate will collect loose carts starting at the front of the Curb outside Door #1 departures and follows through the end of the curb Door #7, then proceeds to each ticketing counter to collect any loose carts. The carts collected will be returned to ticketing units B 30, B 31 & B 32. The excess carts will be taken downstairs onto an elevator, no more than 8 at a time to the Arrivals Level where interline tunnel leads into the customs area. Attention is paid to alcoves and corners by elevators and ticketing offices for loose carts that have accumulated.
  - Gate's Level and Airtrain Platform – cart associates walk to the security checkpoints to collect any loose carts. The carts collected will be returned to units B 30, B 31 & B 32 on the ticketing curb. The excess carts will be taken downstairs on an elevator to the Arrivals Level where interline tunnel leads into the customs area, also checking CMUs by baggage claim to balance these units.
  - Bag Claim – A walking route where the cart associate will scan the entire curbside area starting at door #1 near the Taxi Stand through door # 12 and bus area. Loose carts are collected and returned inside the four bag claim units B01 through B03 and B07 (outside door #7). The associate will also walk the level down to British Airways where their ticketing counter and check in is located. From there, the cart associates walk to the Transit Bus/ Shuttle Stand to collect loose carts and fill CMU B06 at the Bus stop.
  - Concourse – There are no units on the B concourse, however, once a week, an associate will check the concourse and remove any carts (brought in by airport personnel) and return them to the ticketing units.
  - Customs – Carts are delivered (from the various other routes described above) via the Ford F450 truck to Door #12 on the arrivals level. The vehicle has to be parked horizontally and the load is dropped on the curb. Unloading the truck is a two staff operation in order to maintain safety on the curb.

Carts are pushed up the tunnel with a QuickKart through the Interline area and through a roll down gate that is accessed with a key. This is a secure door leading into a sterile area so two staff are needed as only equipment is allowed to pass through this door. The Ambassador receives the line of carts on the other side of the door and fills the staging areas. The Customs area at Terminal B consists of two parts, the North Area and the South Area. The North side has two CMUs (BC04 & BC05) plus a staging area that holds 150 carts. The South side has four CMUs (BC01, BC02, and BC03 & BC08) plus a staging area that holds 220 carts.
  - Terminal B Short Term Parking Lot – The Ford F450 truck is driven up and down each row to collect carts from the parking area and taken to the Terminal that is in need of carts. The driver exits the vehicle and accumulates carts and loads the truck with multiple carts. No more than 45 carts can be loaded at a time. Also, the Cushman is used here to collect the carts and stage them between Terminal B & C parking lot. The driver is called when there are 45 carts staged to be collected and taken to Terminal C Airside for customs (see route 2 below under Terminal C).
  - Terminal B Bus Stop – This is located between Terminal A & B. A cart associate walks to the Bus Stand to collect loose carts which are then returned to the CMUs at Terminal B.

## • Terminal C

- **Ticketing** - There are two levels of ticketing at Terminal C. International (top level) and Domestic (middle level). Both are walking routes where the cart associate will collect loose carts starting at the front of the curb outside Door #1 Departures and follow through the end of the curb Door #4, then proceeds to the each ticketing counter to collect any loose carts. The carts collected will be returned to ticketing units C 06, C 07 & C 10. The excess carts will be taken downstairs onto an elevator to the Arrivals Level where the Interline tunnel (see Route 1 below) leads onto the RVSR. The cart associate proceeds to the Mid - Level curbside to collect loose carts and refill the three CMUs (C 09, C 11 & C 12). Attention is paid to alcoves and corners by elevators and ticketing offices for loose carts that have accumulated.
- **Domestic and International Bag Claim/Arrivals** - A walking route where the cart associate will scan for loose carts starting at the taxi stand, proceeding to the courtesy bus and airport shuttle island, then to the active pickup area. Loose carts are collected and returned inside to the five bag claim units C1 through C5 via a QuickKart. Another associate will scan the door 6 custom hall exit area and baggage recheck where a lot of carts accumulate. Any excess carts collected in the arrivals area, are taken via Quickkart to the tunnel at the RVSR for return to the customs hall (see Route 1 below).
- **Concourse** - There are no units on the C concourse, however, once a week, an associate will check the concourse and remove any carts (brought in by airport personnel) and return them to the ticketing units.
- **Customs** - There are two routes used to bring carts into the customs hall. Both routes lead to the customs hall tunnel, the first via an inside terminal route to the RVSR, the second via exterior airport roads to the RVSR.
  - o Route 1 uses an Arrivals tunnel and a door located near the bag claim area inside the terminal. Excess carts collected from the arrivals and departures levels of Terminal C will use this route. The Arrivals tunnel connects to the RVSR and only equipment can pass through the tunnel. The door next to the tunnel is secure and our staff use this door to access the RVSR. A Cushman is then used on the RVSR to move lines of 45 carts from the Arrivals tunnel to the customs hall tunnel, which is distance of approximately 200 yards.
  - o Route 2 is the most challenging route. All carts collected in Terminal C parking or other areas of the airport that need to be returned to Terminal C customs must use this route. A Ford F450 truck and trailer transport the carts via use of the exterior airport roads. The truck has to circle the airport in order to gain entry to the RVSR at a secure checkpoint. Access is gained by P-4 and the truck drives on the secure roadway to the pick-up and drop off points indicated above. The Ford F450 drops off a load of 45 carts to an area outside the tunnel. The driver guides carts up through the customs hall tunnel with a Quickkart, while an ambassador on the other side takes control of the row of carts coming through the door. This is a two staff operation as this is a sterile area and only equipment can pass through the roll down gate.
  - o Terminal C Custom Hall has two CMUs (CC01 & CC03) each holds 120 carts and a staging area that holds 300 carts.
- **Terminal C Short Term Parking Garage** - The Ford F450 is driven up and down each level to collect carts from the parking garage and taken to the Terminal that is in need of carts. Also, the Cushman is used here with the same procedure of driving up and down the rows adding carts to the line. After the carts are collected, the drivers stage them between Terminal B & C parking lot. The Ford F450 driver is called when there are 45 carts ready to be collected and taken to Terminal C Airside for customs.



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- **Terminal C Bus Stop / Taxi Stand / Arrivals Curb** - The QuickKart is used on the curbside by Door #8 to collect carts and at the Taxi and Bus Island. This area accumulates a lot of carts and a cart associate is assigned a walking route here as well. Carts collected here are returned to the customs hall via route 1.
- **Concourse** - There are no units on the C concourse, however, once a week, an associate will check the gates and remove any carts and return them to the ticketing units.
- **P-1 Parking** - The parking routes are performed with a Ford F450. The driver will proceed on the ground level to collect carts going up and down each row of vehicles. There is no CMU at this location. All carts are returned to the Terminal B or C customs staging areas.
- **P-2 Car Rental / Long Term Parking** - The parking routes are performed with a Ford 450. The driver will proceed on the ground level and cover the entire parking lot. The driver will check unit P 02 for any excess carts. The driver has to exit the vehicle to check the inside of the Car Renter facilities. Carts accumulate inside where passengers pick up their rental cars. All carts are returned to the Terminal B or C customs staging area.
- **P-3 Car Rental / Long Term Parking** - The parking routes are performed with a Ford 450. The driver will proceed on the ground level and cover the entire parking lot. The driver will check unit P 03 for any excess carts. The driver has to exit the vehicle to check the inside of the Car Renter facilities. Carts accumulate inside where passengers pick up their rental cars. The driver accesses the Rental car garage and proceeds to the top level, driving up and down each row. The route proceeds to each of the lower levels and the driver has to exit the vehicle to load the truck when necessary. All carts are returned to the Terminal B or C customs staging area.
- **P-4 Garage Hotel Shuttle / Long Term Parking** - The parking garage has six levels. The Ford F450 driver will go to the top and work their way back down to the ground level driving up and down each row to insure all loose carts are accumulated. The driver will check unit P 04 for any excess carts. All carts are returned to the Terminal C customs staging area.
- **Airtrain Station** - The station pick up is performed with a Ford 450. The truck is parked in the service lot and the driver proceeds to the second floor platform. The driver will check unit R 01 for any excess carts. All carts are brought down five at a time in an elevator, loaded on the truck, and returned to the Terminal B or C customs staging area.
- **Air Side Procedures** - Coordinate access to ramp areas with Port Authority in order to perform the drive through and recover carts. In addition, we will request a Port Authority escort to office areas and storage rooms to recover carts within all three terminals. This occurs twice a year.

#### **La Guardia Airport (LGA) - General Balancing Route**

The Delta and US Air Terminals will increase in cart number throughout the day due to passengers renting carts in bag claim at the Central Terminal and transferring to a departing flight on Delta or US Air. We balance carts via Cushman from the other two terminals back to the Central Terminal. Our cart associates take any excess carts from ticketing levels down to bag claim within the respective terminals.

#### **Delta Terminal**

- **Ticketing** - A walking route where the cart associate will collect loose carts starting at the south side door on the curb and proceed to north side door at the end of the curb. The associate then proceeds inside to the Northwest and Delta ticketing counters, to the security checkpoint, and then to the area beside the gate. The carts collected will be returned to units on the ticketing curb. The excess carts will be taken



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downstairs to the bag claim units five at a time via an elevator.

- **Bag Claim** - A walking route where the cart associate will scan the island near Active Pickup and then proceed to the entire length of the curb outside arrivals including the Taxi Stand. Loose carts are collected and returned inside to the bag claim units (CMUs 1-01, 1-02, 1-03, 1-04, 1-05). The inside of the terminal at bag claim is checked for loose carts and any excess carts are placed into a capture unit on the curb for transport via Cushman to Central Terminal.
- **Parking Lot #5 & #6** - The cart associate drives the Cushman across the outer roadway into the parking lot. Each row is driven and loose carts are attached to the line. Once the lot in front of the terminal is cleared he proceeds to the lot on the side of the terminal and follows the same procedure going up and down each row of cars. The line of carts is pulled onto the arrivals curb and carts are moved into the terminal by hand and balanced into CMUs.
- **US Air Terminal**
  - **Ticketing** - A walking route where the cart associate will collect loose carts on the Departures curb, proceed inside to all the US Air ticketing counters, clear the area by the TSA checkpoint and check the entrance to the gate. The carts collected will be returned to ticketing units 2-30 & 2-31. The excess carts will be taken downstairs to the bag claim units.
  - **Bag Claim** - A walking route where the cart associate will clear the entire curbside area on Arrivals including the taxi pick up. Loose carts are collected and returned inside to bag claim units 2-02, 2-03, 2-04.
  - **Bag Claim US Air Shuttle** - A walking route on the far side of the Arrivals level of the terminal. Carts are cleared by passenger pick-up, on the length of the arrivals curb and at the Taxi Stand. All carts are returned to CMU 2-01 inside in the lobby area.
  - **Parking Lot #3** - The cart associate brings the Cushman from the Delta Terminal over to the lot at US Air and proceeds to go up and down every row of cars starting at the far end and moving forward. The line of carts is pulled onto the arrivals curb and carts are moved into the terminal by hand and balanced into CMUs.
- **Central Terminal**
  - **Ticketing** - A walking route where the cart associate will collect loose carts starting at Gates A & B and proceed to the ticketing counters for Air Canada, Air Tran, Continental, Frontier, Midwest, Jet Blue and Spirit Air. Any loose carts found along the way will be placed in CMUs 3-30, 3-31, and 3-32. The associate proceeds to the TSA checkpoint and gathers loose carts and replenishes the same CMUs on the ticketing curb. Any excess carts are staged outside on the far end of the curb to be taken downstairs via Cushman. The associate then makes his way to Gates C & D, checking the ticketing counters for United, and American Airlines and then on to the TSA checkpoint. Any loose carts are returned to CMUs 3-33, 3-34, 3-35. Any excess carts are taken to the staging area on the curb where they will be balanced down via Cushman.
  - **Bag Claim A & B** - A walking route where the cart associate will collect carts on the curb, outer roadway island and taxi stand and returns them to bag claim units 3-01, 3-02, 3-03, 3-04, 3-05.
  - **Bag Claim C & D** - A walking route where the cart associate collects carts on the curb and taxi stand and returns them back inside bag claim to units 3-06, 3-07, 3-08 & 3-09.
  - **Central Terminal Garage / Lots #1 & #2** - This garage has four levels and two CMUs. The cart associate will drive the Cushman to the top level and work his way up and down each aisle, gathering loose carts. He will drive the Cushman down each level following the same procedure and balance the appropriate

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amount of carts into the garage units 3-60, 3-61. The associate will drive the remaining carts across both the outer and inner roadway to the arrivals curb. The carts are then moved by hand into the arrivals bag claim units.

- **Long Term Parking** – The cart associate will take the Cushman and proceed to drive down each aisle looking for loose carts to clear. Carts collected will be balanced into the units at the terminals.
- **Ramp Side Procedures** - Coordinate access to ramp areas with Port Authority of NY/NJ and Operations at LGA in order to have a Ford 450 drive the AOA and recover carts. In addition, we will request a PANYNJ escort to office areas and storage rooms to recover carts. This occurs on a quarterly basis.

#### Stewart International Airport (SWF)-General Balancing Route

- This location has two CMUs with quarter reward. The CMUs self-balance therefore, hourly labor is not required.



#### Security Plan

All Smarte Carte airport locations receive a minimum of one operational and financial audit each year, with larger locations receiving at least two audits per year. The operational component of the audit ensures that performance, appearance and safety standards are being met for both our products and our employees. Because managing a luggage cart concession involves the handling of cash, Smarte Carte's internal audit program includes a financial component with meticulous safeguards to secure revenue.

Audits are conducted by area managers and are typically unannounced. Within 30 days of completion of an audit, area managers are required to submit their findings to Smarte Carte's full-time internal auditor at our corporate headquarters. The internal auditor reviews each audit and the issues identified.

In addition, the internal auditor conducts unannounced operational and financial audits throughout the year.

Smarte Carte is committed to maintaining financial data security and the prevention of credit card fraud. All of Smarte Carte's equipment is compliant with Payment Card® Industry Data Security Standards (PCI-DSS). Smarte Carte uses Trustwave's TrustKeeper for annual certification and performs an external monthly scan for vulnerabilities ensuring compliance with configuration requirements of applicable PCI-DSS standards. To aid in further fraud protection, credit card use history is continually analyzed at each CMU for patterns of abuse, suspect cards are placed on a hot list and re-authorized before allowing vend.

CMUs are equipped with insertion type card readers that accept Visa, Master Card, American Express and Discover. Additionally, each CMU is able to accept a Smarte Carte Gold Card that allows for a complementary use. Credit card transactions are pre-authorized using private and secure WIFI, DSL or Cellular Ethernet connectivity to the processing bank. Equipment is tested and monitored daily to ensure correct operation and because connectivity can be lost, CMUs can be placed into a mode of operation that will continue to allow rental and not inconvenience traveling passengers.

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## Customer Service Plan

When you think about what Smarte Carte provides in an airport setting, it really isn't carts. We are the first point of contact for most customers arriving at the airport. It's an opportunity to move – worry free and stress free - from one place to another in the airport. That takes a lot more than just installing carts! The product is SERVICE. Our systems and people are what make Smart Carte the best choice for your airports.

We put ultimate focus on the traveler experience. It's the PEOPLE of Smart Carte that help make the experience for Port Authority visitors! Smarte Carte employs over 200 people serving the four airports, and provides competitive wages and comprehensive benefits including health and dental coverage for our team members.

We are PROUD to be providing jobs in the New York and New Jersey economy!

We place a high value on customer service and customer concerns. Our equipment is the conduit through which we provide that service. To that end, our customer service strategies focus on eliminating potential problems before they happen and quickly resolving any questions, comments, concerns or problems that our customers may have.

Customer service begins with extensive training and solid employee management programs. Smarte Carte's mission is to exceed customer expectations based upon a synergistic combination of people, equipment, and procedures.

- **Customer Service Trained Staff** - All on-site managers, supervisors, customer service associates and home office operations personnel receive extensive customer service training. On-site staff wears our corporate uniform to readily identify them to passengers who would like assistance.

- **Equipment Emergency Contacts**

Smarte Carte designates an emergency contact manager for each shift, and that contact is assigned a specific phone to handle emergency issues. The number is communicated to local Port Authority operations personnel and both airline and terminal managers. Emergency cell phone numbers are provided below:

- JFK International Airport – Designated manager on duty 347-723-7933
- Newark Liberty International Airport – Designated manager on duty 973-332-2271
- La Guardia Airport – GM Henry Ty 347-992-3405
- Stewart International Airport – Carlos Montoya 973-665-4765

- **In addition, Smarte Carte has a 24 hour toll-free telephone line to handle incoming customer service requests.** This toll-free number is clearly displayed on all of our products. Smarte Carte offers a customer service area on our Web site ([www.smartecarte.com](http://www.smartecarte.com)) where customers can provide feedback or suggestions regarding our products and services as well as report issues or request refunds.

- All refund requests are processed promptly. We have a "no-questions-asked, satisfaction guaranteed" policy.
- Our customer service representatives immediately notify the on-duty manager of reported problems so we can respond promptly.
- Customer Service Data – The data from every customer service call is recorded and tracked at the home office. This information is used to monitor our performance at every airport and to identify potential opportunities for design modifications to eliminate the most common problems.





Proposal to Install, Maintain and Operate  
Self-Service Airline Passenger Luggage Cart Control  
Units at Various Port Authority of New York and  
New Jersey Airports Via Privilege Permit

#### Staffing Plan

Smarte Carte is pleased to offer the PANYNJ a project leadership team with a wealth of professional credentials and proven success in designing, installing and managing a luggage cart concession.

- **President & CEO, Ed Rudis**
- **Senior Director of Operations, Kurt Larsen**  
The business development and operations staff assigned to the PANYNJ airports serve as the "chairmen" of the management team to assure compliance with contract terms and complete customer satisfaction. Ongoing communications and face-to-face meetings with the PANYNJ and the individual airports' management staff will ensure clear understanding and agreement on our mutual goals of providing the best service to passengers and airport visitors. They will oversee the planning, implementation, and fine-tuning of Smarte Carte's contractual commitments and service and also oversee the corporate resources needed to design, install and operate our luggage cart service at peak efficiency, effectiveness and professionalism. Please reference Attachment 2 for key operations management resumes.
- **Area Manager, Christopher Baile**
- **City Manager, Manny Aureus**  
Our area and city managers have extensive Smarte Carte knowledge and are strategically located throughout the country so that they are able to respond to issues at any of their locations in a timely manner. The area manager responsible for the PANYNJ airports is based in Newark Liberty International Airport. The City manager is based out of La Guardia Airport. The following is a list of some of the duties of our area managers:
  - Constantly monitor the operational and financial performance of their respective locations.
  - Audit each location for adherence to Smarte Carte equipment and service standards.
  - Counsel, train and develop the skills of our location managers
  - Act as a secondary contact with airport operations staff to address any issues not resolved by the location manager.
  - Work with airport operations staff to facilitate movement of Smarte Carte equipment to provide the best possible service.

Please reference Attachment 2 for key operations management resumes.

- **Management**  
The location is managed by a General Manager and two Assistant General Managers. The airport is then divided into three zones, and each zone is supervised by Terminal and Assistant Terminal Managers. Please reference Attachment 3 for an organization chart for details by zone.
- **Security & Service Associates (SSAs)**
  - **Function**  
Smarte Carte's SSAs, or more commonly known as "Blue-Chip Ambassadors", work on the departure levels near the curbside units. They assist in the rental process, loading luggage onto carts, general airport directions and deter hustler activity. They are intimate with flight schedules and airline locations



Proposal to Install, Maintain and Operate  
Self-Service Airline Passenger Luggage Cart Control  
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throughout the airport.

– **Staffing**

SSA staff ranges from approximately 15-20 SSAs which equates to 80 hours a day in the slow periods and 120 during busy periods. We employ both full-time and part-time SSAs.

Shifts by terminal are listed below:

Terminal 1 – Monday – Sunday 1pm – 6pm

Terminal 3 – Monday – Sunday 11am – 6pm

Terminal 4 – Monday – Sunday 6am – 2pm, 2 pm – 10 pm, 4pm - midnight

Terminal 5 – Monday – Sunday 11am – 6pm

Terminal 8 – Monday – Sunday 11am – 6pm

– **Uniform**

SSAs are provided blue dress shirts, jackets, etc.

• Ambassadors

– **Function**

Smarte Carte's ambassadors work in the customs baggage claim. They assist in the rental process, loading luggage onto carts and general airport directions. They are intimate with flight schedules and airline locations throughout the airport. Ambassadors provide change for large bills and exchange foreign currency.

– **Staffing**

Ambassador staff ranges from approximately 15-20 which equates to 80 hours a day in the slow periods and 120 during busy periods. We employ both full-time and part-time ambassadors.

Shifts by terminal are listed below:

Terminal 1 – Monday – Sunday 10am – 11pm

Terminal 3 – Monday – Sunday 6am – 9pm

Terminal 4 – Monday – Sunday 24 hour coverage

Terminal 7 – Monday – Sunday 6am – 12pm

Terminal 8 – Monday – Sunday 9am – 11pm

– **Uniform**

Ambassadors are provided pouches, blue dress shirts, jackets, etc.

• Airtrain Drivers (ATD)

– **Function**

Smarte Carte's ATDs work throughout the entire airport. They are responsible for balancing carts from the various air train stops and throughout the terminals. Balancing is required as many passengers rent carts in airport terminals and take them to Federal Circle, Jamaica & Howard Beach station, and long term parking. The carts are then collected via trucks and trailers and then driven back to the terminals. Balancing carts by using the air train is not allowed.



Proposal to Install, Maintain and Operate  
Self-Service Airline Passenger Luggage Cart Control  
Units at Various Port Authority of New York and  
New Jersey Airports Via Privilege Permit.

- **Staffing**  
ATD staff ranges from 170 hours a week in the slow periods and 210 during busy periods.
- **Uniform**  
They are provided polo shirts, hats and jackets.
- **Customer Service Associates (CSA's)**
  - **Function**  
Smartecarte customer service associates transport carts from high return areas to high rental areas to ensure carts are always available to customers. They also perform daily cleaning of carts and cart management units. They provide customer service by assisting passengers and maintain good communication with other employees and facility management. They also learn and practice safe work habits assuring safety to self, coworkers, airport property, passengers and visitors.
  - **Staffing**  
We currently have approximately 70 cart associates on staff. We employ both full time and part time associates. They cover shifts 24 hours a day. They are assigned to the various terminals based on flight schedules.
  - **Uniform**  
CSA's are provided polo shirts, hats and jackets.
- **Maintenance**
  - **Function**  
Ensure CMUs, carts and all cart-moving equipment is working at optimum levels. Perform preventative maintenance, all repairs, detail cleaning and manage part inventory.
  - **Staffing**  
The maintenance staff consists of a maintenance manager, three technicians and three staff members. The maintenance shop is located in Building 14.
- **Finance**
  - **Function**  
Remove, count and record all cash from CMUs, record meter readings and enter all data into the collection data base. Arrange bank deposits and coin orders. Perform daily payment tests on CMUs. Prepare and audit ambassador pouches. Review international currency exchange rates.
  - **Staffing**  
The finance staff consists of a manager and three staff members.



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Self-Service Airline Passenger Luggage Cart Control  
Units at Various Port Authority of New York and  
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- Management

The location is managed by a General Manager, three Terminal Managers and three Assistant Terminal Managers. Please reference Attachment 2 for an organization chart for more detail.

- Ambassadors

- **Function**

Smarte Carte ambassadors work in the customs baggage claim areas in Terminals B and C. They assist in the rental process of carts, provide change for passengers and aid in the movement and collection of carts, inside and outside of the customs hall. They are intimate with flight schedules and airline locations throughout the airport and provide passengers with general airport directions.

- **Staffing**

We currently have 7 Ambassadors on staff, working 35 hours a week during slow periods, 40 hours during peak periods. We employ both full-time and part-time ambassadors.

Staffing by terminal is listed below:

Terminal C- Monday- Sunday 4:30 am- 7:30 pm

Terminal B- Monday- Sunday 5:00 am- 12:30 am

- **Uniform**

Ambassadors are provided pouches, gold color polo shirts, jackets, etc.

- Airtrain Drivers

- **Function**

Excess carts tend to build in departures at Terminals A, B and C, as well as all parking areas due to connections and the Airtrain. These carts are balanced via the F 450 truck to either customs area in term B, or C. These vehicle routes require the trucks to exit the airport and use outer roadways in order to access the different levels of the different terminals. Cushman's cannot be used as there are no roadways connecting the parking lots to the terminals. Also, within each terminal, carts tend to build on the ticketing levels and are then required to be returned down to baggage claim. Drivers also need to check all rail link stations as well as long term parking garages, which requires the Ford F450 to drive all levels of the garage to pick up loose carts.

- **Staffing**

Airtrain staff ranges 160 hours a week in slow periods and 200 during busy periods. We currently start the drivers at 4:00 am to 1:00 am; every hour of our operation is staffed with a driver.

- **Uniform**

They are provided polo shirts, hats and jackets



Proposal to Install, Maintain and Operate  
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- Customer Service Associates (CSA's)
  - **Function**  
Smarte Carte customer service associates transport carts from high return area to high rental areas to ensure carts are always available to customers. They perform daily cleaning of carts and cart management units. They provide customer service by assisting customers and maintain good communication with other employees and facility management. They also learn and practice safe work habits assuring safety to self, coworkers, airport property, passengers and visitors.
  - **Staffing**  
We currently have 19 CSA's on staff. We employ both full time and part time associates. They cover shifts from 4:00 am to 1:00 am for a total of 21 hours a day. They are assigned to terminals A, B and C based on flight schedules. They are moved throughout the day as business dictates.
  - **Uniform**  
CSA's are provided polo shirts, hats and jackets
- Maintenance
  - **Function**  
Ensure CMUs, carts and all cart-moving equipment is working at optimum levels. Perform preventative maintenance, all repairs, detail cleaning and manage part inventory.
  - **Staffing**  
The maintenance staff consists of a maintenance manager and three technicians. The maintenance shop is located in the customs hall of Terminal B.
- Finance
  - **Function**  
Remove, count and record all cash from CMUs, record meter readings and enter all data into the collection data base. Arrange bank deposits and coin orders. Perform daily payment tests on CMUs. Prepare and audit ambassador pouches. Review international currency exchange rates.
  - **Staffing**  
The finance staff consists of one finance manager.
- Management

The location is managed by a General Manager, a City Manager and two supervisors. The managers are responsible for all finance and general maintenance work. Any substantial maintenance work is performed by JFK staff. Please reference Attachment 3 for an organization chart for more detail
- Customer Service Associates
  - **Function**  
Smarte Carte customer service associates transport carts from high return area to high rental areas to ensure carts are always available to customers. They also perform daily cleaning of carts and

# smartecarte<sup>®</sup>

MAXIMIZE THE EXPERIENCE.

Proposal to Install, Maintain and Operate Self-Service Airline Passenger Luggage Cart Control Units at Various Port Authority of New York and New Jersey Airports Via Privilege Permit

cart management units. They provide customer service by assisting customers and maintain good communication with other employees and facility management. They also learn and practice safe work habits assuring safety to self, coworkers, airport property, passengers and visitors.

– **Staffing**

We currently have five cart associates on staff. We employ both full time and part time associates. They cover shifts from 4:00 am to 1:00 am for a total of 21 hours a day. They are assigned to Terminals B, C and D based on flight schedules. They are moved throughout the day as business dictates.

– **Uniform**

CSA's are provided polo shirts, hats and jackets

• **Management**

Stewart International Airport is managed by a part time manager who visits the location twice a week to ensure the carts are balanced between the two units and the equipment is working.

**Home Office Support Center**

One of the integral pieces to the success of any Smarte Carte operation is the home office support center. At the support center, Smarte Carte has a team of 70 individuals whose sole function is to support the staff at each of our locations. From Technical Services staff that provides equipment information and training to Human Resource staff that provide employee support and training, the support center is a critical piece in the effective management of our operations.

Smarte Carte's location managers have the full support of all departments at our home office support center in Saint Paul, Minnesota.



# Smarte Carte<sup>™</sup>

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Proposal to Install, Maintain and Operate  
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Units at Various Port Authority of New York and  
New Jersey Airports Via Privilege Permit

They are listed below with a description of the roles and responsibilities of each.

- **Accounting / Location Analysis** - Our accounting and location analysis department monitors information on transactions, revenue, usage and service codes. This information is captured through each product's microprocessor. The data is electronically transmitted to our world headquarters on a scheduled basis. Usage and revenue data is also recorded manually to provide reporting system redundancy.

At the end of each month our world headquarters accounting/location analysis department analyzes the monthly performance through the use of our location analysis database. This database processes the monthly reporting data (rents, returns, cash, etc.) and compares actual meter readings with actual bank deposits. We will then provide the PANYNJ a report that lists the total monthly revenue. This commission settlement statement will accompany the monthly payment to the PANYNJ.

In addition, our location analysis database identifies "red flags." This is information that may indicate a problem at the location, including cart loss, theft or possible cart hustling situations. We use this information to track location performance and identify trends.

- **Engineering / Technical Support / Planning** - Smarte Carte is recognized by travelers, airports and competitors as the world leader in designing and managing passenger service solutions for the global marketplace. Our team of engineers, technicians and operation professionals continuously strive to improve our equipment through innovative, customer-focused products and product enhancements.

The advantage of a Smarte Carte management system is that we design and manufacture our own equipment for use at our airport concessions worldwide. Our engineering staff receives input from our field personnel, airports and travelers in order to design the products our customers want that will work efficiently in the airport environment.

Our technical support department provides technical assistance via telephone as well as extensive technical equipment manuals to aid field personnel in troubleshooting equipment problems.

Our staff of planners is responsible for coordinating and executing each installation, ensuring that both product and necessary resources are available to quickly and efficiently install each passenger service operation.

- **Human Resources** - Our corporate human resources department supports the recruitment, screening and hiring process, working directly with local and regional management. The HR department coordinates the advertising placements, screens resumes, conducts telephone interviews, background checks and creates a short list of the most qualified candidates. They also participate in on-site interviews when required.

The HR Department is also responsible for the coordination of benefits and leads the efforts of continuous training for our personnel. In coordination with regional management, HR provides various training manuals and skills assessment testing.





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In addition, Smarte Carte has a designated Human Resources manager located in the Smarte Carte JFK office to handle all employee relations.

- **Marketing/Communications** - Smarte Carte's marketing department is devoted to effectively communicating information about our products and services to your customers, including:
  - **Information Directories:** We suggest that Smarte Carte passenger service locations be included on all information kiosks and/or service directories at the airport and on your web site to assist travelers. We will provide any information or artwork that is needed.
  - **Point-of-Sale:** Smarte Carte's marketing department has developed product point-of-sale signs that are visible from a distance and communicate passenger service availability to travelers. Our products also include step-by-step instructions that make cart rental easy.
  - **Directional Signs/Brochures:** At the airport's request, Smarte Carte's marketing and graphics staff can provide additional signs directing travelers to passenger services and/or brochures that include a diagram of the airport showing Smarte Carte locations and other information about the Smarte Carte service.
  - **Press Releases:** At the airport's request, we can prepare a press release to be sent to all local newspapers, television and radio stations and business publications. The release will focus on the added convenience the Smarte Carte service provides travelers through your airport.
  - **At the local level,** we will continue to work with the Port Authority, airlines and terminal managers to position our CMUs in ideal locations to generate the highest level of passenger rents. Our CMUs are equipped with lighted tri-signs that increase visibility to passengers. We provide ambassador service in all customs halls, greeting arriving passengers, directing them to our CMUs and assist in the rental process by providing change and converting foreign currency. At JFK, we implemented the curbside Blue-Chip service where our SSA's greets passengers departing the airport curbside and offer directional assistance as well as promoting the use of our carts. Smarte Carte staff is the first point of contact for most arriving and departing passengers in your airports.
- **Manufacturing** - Our manufacturing department works hand-in-hand with our field location staff, engineering and our technical support department to ensure that product, replacement parts and product upgrades or enhancements are readily available to meet current and future needs.
- **Information Technology** - Our IT department provides telecommunications and information technology solutions to our Baltimore staff. Their support ensures that field staff is able to communicate with the network server at world headquarters to access their files, get their e-mails, upload payroll information and daily usage numbers. IT also processes and transmits the monthly activity and financial reports electronically.





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Lockers  
Smarte  
Cart

# smartecarte

Smarte Cart, Inc.  
1455 White Bear Parkway  
St. Paul, MN 55110-1641  
800 838-1126 651 429-3614  
fax 651 426-0927

February 6, 2009

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P O BOX 95000-1517  
PHILADELPHIA PA 19195-1517  
229001

Regarding Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of JANUARY 2009

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$28,024.54        |
| Credit Card Sales               | 17,470.63          |
| Refunds                         | (12.00)            |
| Sales Tax                       | <u>(1,350.09)</u>  |
| Net Sales                       | <u>\$42,133.08</u> |
| <br>                            |                    |
| Commission Base                 | <u>\$14,746.58</u> |
| <br>                            |                    |
| Commission Payable              | \$14,746.57        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$3,546.57</u>  |

Regards,  
Smarte Cart, Inc.

Cheryl R. Meyer  
Senior Accountant

Members of Airport Councils, Council of Airline Industry Council, Airport Councils International, Airport Association of America, International Council of Shopping Centers, International Airports Association, International Franchise Association and Sports and Entertainment Association, International Association of Airports, Airports Association, Airport Zoning and Airport Association, and not for profit association.

March 5, 2009

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA PA 19195-1517  
ZZ9001

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of FEBRUARY 2009.

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$20,249.68        |
| Credit Card Sales               | 12,409.78          |
| Refunds                         | (12.00)            |
| Sales Tax                       | <u>(959.00)</u>    |
| Net Sales                       | <u>\$31,688.46</u> |
| <br>                            |                    |
| Commission Base                 | <u>\$11,090.96</u> |
| <br>                            |                    |
| Commission Payable              | \$11,090.96        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$0.00</u>      |

Regards,  
Smarte Carte, Inc.

*AGA 388*

Mike Ehlers  
Senior Analyst

April 6, 2009

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA PA 19195-1517  
ZZ9001

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of March 2009.

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$17,645.77        |
| Credit Card Sales               | 12,716.01          |
| Refunds                         | (12.00)            |
| Sales Tax                       | <u>(982.67)</u>    |
| Net Sales                       | <u>\$29,367.12</u> |
| <br>                            |                    |
| Commission Base                 | <u>\$10,278.49</u> |
| <br>                            |                    |
| Commission Payable              | \$10,278.49        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$0.00</u>      |

Regards,  
Smarte Carte, Inc.

Mike Ehlers  
Senior Analyst

May 12, 2009

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
 P.O. BOX 95000-5517  
 PHILADELPHIA PA 19195-1517  
 ZZ9001

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
 - PORT AUTHORITY for the month of April 2009.

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$25,582.21        |
| Credit Card Sales               | 17,336.75          |
| Refunds                         | (12.00)            |
| Sales Tax                       | <u>(1,339.75)</u>  |
| Net Sales                       | <u>\$41,567.22</u> |
| Commission Base                 | <u>\$14,548.53</u> |
| Commission Payable              | \$14,548.53        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$3,348.53</u>  |

Regards,  
 Smarte Carta, Inc

Mike Ehlers  
 Senior Analyst

June 8, 2009

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P O BOX 96000-1517  
PHILADELPHIA PA 19195-1517  
ZZ9001

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of JANUARY 2009

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$18,253.80        |
| Credit Card Sales               | 18,934.61          |
| Refunds                         | (12.00)            |
| Sales Tax                       | <u>(1,463.23)</u>  |
| Net Sales                       | <u>\$35,723.18</u> |
| Commission Base                 | <u>\$12,853.11</u> |
| Commission Payable              | \$12,853.11        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$1,653.11</u>  |

*MAY*

Regards,  
Smarte Carte, Inc.

M.ka Ehlers  
Senior Analyst

July 9, 2009

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 99000-1517  
PHILADELPHIA PA 19195-1517  
ZZ9001

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of June 2009.

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$21,271.09        |
| Credit Card Sales               | 21,742.06          |
| Refunds                         | (12.00)            |
| Sales Tax                       | <u>(1,680.18)</u>  |
| Net Sales                       | <u>\$41,320.97</u> |
| <br>                            |                    |
| Commission Base                 | <u>\$14,462.34</u> |
| <br>                            |                    |
| Commission Payable              | \$14,462.34        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$3,262.34</u>  |

Regards,  
Smarte Carte, Inc.

Mike Ehlers  
Senior Analyst

August 10, 2009

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA PA 19195-1517  
ZZ9001

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of July 2009.

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$32,789.32        |
| Credit Card Sales               | 20,184.54          |
| Refunds                         | (12.00)            |
| Sales Tax                       | <u>(1,559.82)</u>  |
| Net Sales                       | <u>\$51,402.04</u> |
| <br>                            |                    |
| Commission Base                 | <u>\$17,990.71</u> |
| <br>                            |                    |
| Commission Payable              | \$17,990.71        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$6,790.71</u>  |

Regards,  
Smarte Cards, Inc.

Mike Ehlers  
Senior Analyst

September 8, 2009

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA PA 19195-1517  
ZZ9001

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of August 2009.

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$42,139.90        |
| Credit Card Sales               | 25,321.13          |
| Refunds                         | (12.00)            |
| Sales Tax                       | <u>(1,956.77)</u>  |
| Net Sales                       | <u>\$65,492.26</u> |
| <br>                            |                    |
| Commission Base                 | <u>\$22,922.29</u> |
| <br>                            |                    |
| Commission Payable              | \$22,922.29        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$11,722.29</u> |

Regards,  
Smarta Carte, Inc.

Mike Ehlers  
Senior Analyst

October 7, 2008

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
 P.O. BOX 95000-1517  
 PHILADELPHIA PA 19195-1517  
 ZZ9001

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
 - PORT AUTHORITY for the month of September 2009.

|                   |                    |
|-------------------|--------------------|
| Cash Sales        | \$29,118.83        |
| Credit Card Sales | 31,097.58          |
| Refunds           | (12.00)            |
| Sales Tax         | <u>(2,534.93)</u>  |
| Net Sales         | <u>\$57,667.47</u> |

|                 |                    |
|-----------------|--------------------|
| Commission Base | <u>\$20,183.62</u> |
|-----------------|--------------------|

|                                 |                   |
|---------------------------------|-------------------|
| Commission Payable              | \$20,183.62       |
| Less Minimum Commission Paid    | <u>11,200.00</u>  |
| Commission Due (Check Enclosed) | <u>\$8,983.62</u> |

Regards,  
 Smarta Carte, Inc.

Mike Ehlers  
 Senior Analyst

November 9, 2009

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
 P O, BOX 95000-1517  
 PHILADELPHIA PA 19195-1517  
 ZZ9001

Regarding: Monthly report of receipts from card rentals for LAGUARDIA AIRPORT  
 - PORT AUTHORITY for the month of October 2009

|                   |                    |
|-------------------|--------------------|
| Cash Sales        | \$18,581.16        |
| Credit Card Sales | 17,329.50          |
| Refunds           | (12.00)            |
| Sales Tax         | <u>(1,412.82)</u>  |
| Net Sales         | <u>\$34,486.04</u> |

|                 |                    |
|-----------------|--------------------|
| Commission Base | <u>\$12,070.11</u> |
|-----------------|--------------------|

|                                 |                  |
|---------------------------------|------------------|
| Commission Payable              | \$12,070.11      |
| Less Minimum Commission Paid    | <u>11,200.00</u> |
| Commission Due (Check Enclosed) | <u>\$870.11</u>  |

Regards,  
 Smarte Carte, Inc.

Mike E. Nave  
 Senior Analyst

December 9, 2009

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA PA 19185-1517  
ZZ9001

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of November 2009

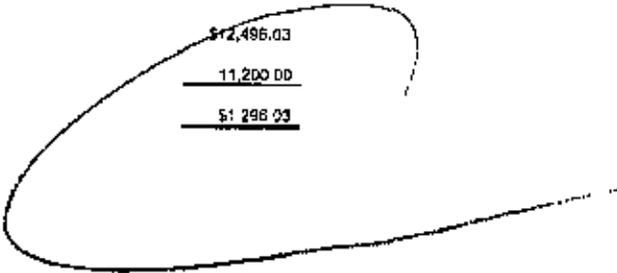
|                   |                    |
|-------------------|--------------------|
| Cash Sales        | 317,172.02         |
| Credit Card Sales | 20,188.80          |
| Refunds           | (12.00)            |
| Sales Tax         | <u>(1,845.68)</u>  |
| Net Sales         | <u>\$35,702.94</u> |

|                 |                    |
|-----------------|--------------------|
| Commission Base | <u>\$12,496.03</u> |
|-----------------|--------------------|

|                                 |                   |
|---------------------------------|-------------------|
| Commission Payable              | \$12,496.03       |
| Less Minimum Commission Paid    | <u>11,200.00</u>  |
| Commission Due (Check Enclosed) | <u>\$1,296.03</u> |

Regards,  
Smarte Carte, Inc

Mike Elyses  
Senior Analyst



January 7, 2010

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P O. BOX 85000-1517  
PHILADELPHIA PA 19195-1517  
ZZ90DT

Regarding Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PDRT AUTHORITY for the month of December 2009.

|                   |                    |
|-------------------|--------------------|
| Cash Sales        | \$27,635.90        |
| Credit Card Sales | 25,561.42          |
| Refunds           | (80.00)            |
| Sales Tax         | <u>(2,083.81)</u>  |
| Net Sales         | <u>\$51,035.51</u> |

|                 |                    |
|-----------------|--------------------|
| Commission Base | <u>\$17,862.43</u> |
|-----------------|--------------------|

|                                 |                   |
|---------------------------------|-------------------|
| Commission Payable              | \$17,862.43       |
| Less Minimum Commission Paid    | <u>17,200.00</u>  |
| Commission Due (Check Enclosed) | <u>\$6,662.43</u> |

Regards,  
Smart Cart, Inc.

Mike Ehlers  
Senior Analyst

February 4, 2010

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
 P.O. BOX 95000-1517  
 PHILADELPHIA PA 19195-1517  
 ZZ9901

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
 - PORT AUTHORITY for the month of JANUARY 2010

|                   |                    |
|-------------------|--------------------|
| Cash Sales        | \$24,189.33        |
| Credit Card Sales | 29,348.61          |
| Refunds           | (40.00)            |
| Sales Tax         | <u>(2,382.37)</u>  |
| Net Sales         | <u>\$51,105.57</u> |

|                 |                    |
|-----------------|--------------------|
| Commission Base | <u>\$17,886.95</u> |
|-----------------|--------------------|

|                    |             |
|--------------------|-------------|
| Commission Payable | \$17,886.95 |
|--------------------|-------------|

|                              |                  |
|------------------------------|------------------|
| Less Minimum Commission Paid | <u>11,200.00</u> |
|------------------------------|------------------|

|                                 |                   |
|---------------------------------|-------------------|
| Commission Due (Check Enclosed) | <u>\$6,686.95</u> |
|---------------------------------|-------------------|

Regards,  
 Smarte Carte, Inc.

Mike Ehlers  
 Senior Analyst

March 8, 2010

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA PA 19195-1517  
229001

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of FEBRUARY 2010.

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$19,982.93        |
| Credit Card Sales               | 22,319.25          |
| Refunds                         | (30.00)            |
| Sales Tax                       | <u>(1,819.35)</u>  |
| Net Sales                       | <u>\$40,452.82</u> |
| <br>                            |                    |
| Commission Base                 | <u>\$14,158.49</u> |
| <br>                            |                    |
| Commission Payable              | \$14,158.49        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$2,958.49</u>  |

Regards,  
Smarte Carts, Inc.

Mike Ehlers  
Senior Analyst

April 8, 2010

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA PA 19195-1517  
ZZ800T

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of MARCH 2010

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$17,472.37        |
| Credit Card Sales               | 19,109.68          |
| Refunds                         | (10.00)            |
| Sales Tax                       | <u>(1,557.73)</u>  |
| Net Sales                       | <u>\$35,014.32</u> |
| Commission Base                 | <u>\$12,255.01</u> |
| Commission Payable              | \$12,255.01        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$1,055.01</u>  |

Regards,  
Smarts Carts, Inc

Mike Ehlers  
Senior Analyst



Regarding Monthly report of receipts from car rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of APRIL 2010.

|                   |                    |
|-------------------|--------------------|
| Cash Sales        | \$22,759.00        |
| Credit Card Sales | 27,757.13          |
| Refunds           | (10,000)           |
| Sales Tax         | (2,362.84)         |
| Net Sales         | <u>\$48,243.49</u> |

|                 |                    |
|-----------------|--------------------|
| Commission Base | <u>\$48,243.49</u> |
|-----------------|--------------------|

|                                 |                   |
|---------------------------------|-------------------|
| Commission Payable              | \$16,885.22       |
| Less Minimum Commission Paid    | <u>11,200.00</u>  |
| Commission Due (Check Enclosed) | <u>\$5,685.22</u> |

Regards,  
Smarie Carre, Inc.

Mike Ehlers  
Senior Analyst

Amount: \$0.00

TRN: 22 SEQ: 22

Page: 3 of 8

PORT AUTHORITY OF NEW YORK & NEW JERSEY  
 P.O. BOX 95000-1517  
 PHILADELPHIA PA 19195-1517  
 229001

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
 - PORT AUTHORITY for the month of MAY 2010.

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$21,220.72        |
| Credit Card Sales               | 20,658.71          |
| Refunds                         | (5.00)             |
| Sales Tax                       | <u>(1,684.00)</u>  |
| Net Sales                       | <u>\$40,190.42</u> |
| <br>                            |                    |
| Commission Base                 | <u>\$14,066.65</u> |
| <br>                            |                    |
| Commission Payable              | \$14,066.65        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$2,866.65</u>  |

PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA, PA 19195-1517  
ZZ9001

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of JUNE 2010.

|                   |                    |
|-------------------|--------------------|
| Cash Sales        | \$25,327.85        |
| Credit Card Sales | 24,735.32          |
| Refunds           | (5.00)             |
| Sales Tax         | (2,018.31)         |
| <b>Net Sales</b>  | <b>\$48,041.86</b> |

Commission Base \$48,041.86

|  |                   |
|--|-------------------|
| Commission Payable                     | \$16,814.66       |
| Less Minimum Commission Paid           | 11,200.00         |
| <b>Commission Due (Check Enclosed)</b> | <b>\$5,614.66</b> |

Regards,  
Sincerely,  
Mike Ebers  
Senior Analyst

Amount: \$0.00

TRN: 17 SEQ: 17

Page: 3 of 8

6/1/2010

August 6, 2010

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 85000-1517  
PHILADELPHIA PA 19195-1517  
228001

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of JULY 2010.

|                   |                    |
|-------------------|--------------------|
| Cash Sales        | \$30,084.28        |
| Credit Card Sales | 24,260.86          |
| Refunds           | (20.00)            |
| Sales Tax         | <u>(1,977.84)</u>  |
| Net Sales         | <u>\$52,347.48</u> |

|                 |                    |
|-----------------|--------------------|
| Commission Base | <u>\$18,321.62</u> |
|-----------------|--------------------|

|                    |             |
|--------------------|-------------|
| Commission Payable | \$18,321.62 |
|--------------------|-------------|

|                              |                  |
|------------------------------|------------------|
| Less Minimum Commission Paid | <u>11,200.00</u> |
|------------------------------|------------------|

|                                 |                   |
|---------------------------------|-------------------|
| Commission Due (Check Enclosed) | <u>\$7,121.62</u> |
|---------------------------------|-------------------|

Regards,  
Smarta Carte Inc.

Mike Ehlers  
Senior Analyst

8/1/2010

September 8, 2010

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA PA 19105-1517  
ZZ3001

Regarding Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of AUGUST 2010.

|                   |                    |
|-------------------|--------------------|
| Cash Sales        | \$38,185.48        |
| Credit Card Sales | 34,824.42          |
| Refunds           | (13.00)            |
| Sales Tax         | <u>(2,846.88)</u>  |
| Net Sales         | <u>\$71,249.02</u> |

|                 |                    |
|-----------------|--------------------|
| Commission Base | <u>\$24,936.81</u> |
|-----------------|--------------------|

|                                 |                    |
|---------------------------------|--------------------|
| Commission Payable              | \$24,936.81        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$13,736.81</u> |

Regards,  
Smarté Carte, Inc.

Mike Ehlers  
Senior Analyst

October 8, 2010

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 66000-1517  
PHILADELPHIA PA 19195-1517  
229001

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of September 2010.

|                   |                    |
|-------------------|--------------------|
| Cash Sales        | \$26,030.13        |
| Credit Card Sales | 24,974.20          |
| Refunds           | (85.00)            |
| Sales Tax         | <u>12,035.78</u>   |
| Net Sales         | <u>\$50,903.55</u> |

|                 |                    |
|-----------------|--------------------|
| Commission Base | <u>\$17,816.24</u> |
|-----------------|--------------------|

|                                 |                   |
|---------------------------------|-------------------|
| Commission Payable              | \$17,816.24       |
| Less Minimum Commission Paid    | <u>11,200.00</u>  |
| Commission Due (Check Enclosed) | <u>\$6,616.24</u> |

Regards,  
Smare Carte, Inc.

Mike Ehlers  
Senior Analyst





January 7, 2011

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA PA 19185-1517  
ZZ9001

Regarding Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of DECEMBER 2010

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$25,733.84        |
| Credit Card Sales               | 25,153.18          |
| Refunds                         | (15.00)            |
| Sales Tax                       | <u>(2,050.37)</u>  |
| Net Sales                       | <u>\$48,821.64</u> |
| Commission Base                 | <u>\$17,087.57</u> |
| Commission Payable              | \$17,087.57        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$5,887.57</u>  |

Regards,  
Smarta Carts, Inc.

Mike Ehlers  
Senior Analyst

February 10, 2011

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P O BOX 95000-1517  
PHILADELPHIA PA 19195-1517  
226001

*ACA 3-8-11*

Regarding Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of January 2011.

|                   |                    |
|-------------------|--------------------|
| Cash Sales        | \$26,331.08        |
| Credit Card Sales | 28,897.87          |
| Refunds           | (20.00)            |
| Sales Tax         | <u>(2,338.32)</u>  |
| Net Sales         | <u>\$52,869.63</u> |

Commission Base \$18,434.37

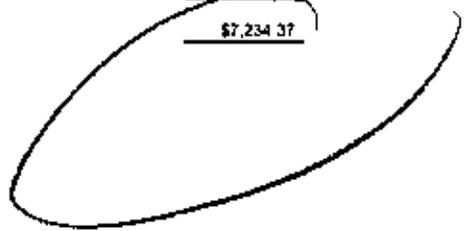
Commission Payable \$18,434.37

Less Minimum Commission Paid 11,200.00

Commission Due (Check Enclosed) \$7,234.37

Regards  
Smarts Carte, Inc

Mike Ehlers  
Senior Analyst



March 8, 2011

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA PA 19195-1517  
229001

Regarding: Monthly report of receipts from carl rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of February 2011.

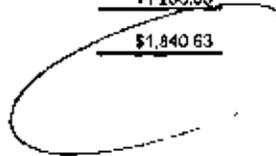
|                   |                    |
|-------------------|--------------------|
| Cash Sales        | \$17,057.55        |
| Credit Card Sales | 22,059.61          |
| Refunds           | (60.00)            |
| Sales Tax         | <u>(1,798.20)</u>  |
| Net Sales         | <u>\$37,258.96</u> |

|                 |                    |
|-----------------|--------------------|
| Commission Base | <u>\$13,040.63</u> |
|-----------------|--------------------|

|                                 |                   |
|---------------------------------|-------------------|
| Commission Payable              | \$13,040.63       |
| Less Minimum Commission Paid    | <u>11,200.00</u>  |
| Commission Due (Check Enclosed) | <u>\$1,840.63</u> |

Regards,  
Smart Carlo, Inc.

Mike Ehlers  
Senior Analyst



April 6, 2011

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA PA 19195-1517  
ZZ9001

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of March 2011.

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$14,815.00        |
| Credit Card Sales               | 18,575.00          |
| Refunds                         | 0.00               |
| Sales Tax                       | <u>(1,514.15)</u>  |
| Net Sales                       | <u>\$31,875.85</u> |
| Commission Base                 | <u>\$11,156.55</u> |
| Commission Payable              | \$11,156.55        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$0.00</u>      |

*AGA 3/8/11*

Regards,  
Smarte Carte, Inc.

Mike Ehlers  
Senior Analyst

May 9, 2011

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P O BOX 95000-1517  
PHILADELPHIA PA 19185-1517  
229001

Regarding Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of April 2011.

|                   |                    |
|-------------------|--------------------|
| Cash Sales        | \$19,965.00        |
| Credit Card Sales | 25,802.50          |
| Refunds           | (41.00)            |
| Sales Tax         | <u>(2,103.30)</u>  |
| Net Sales         | <u>\$43,623.20</u> |

|                 |                    |
|-----------------|--------------------|
| Commission Base | <u>\$15,268.12</u> |
|-----------------|--------------------|

|                    |             |
|--------------------|-------------|
| Commission Payable | \$15,268.12 |
|--------------------|-------------|

|                              |                  |
|------------------------------|------------------|
| Less Minimum Commission Paid | <u>11,200.00</u> |
|------------------------------|------------------|

|                                 |                   |
|---------------------------------|-------------------|
| Commission Due (Check Enclosed) | <u>\$4,068.12</u> |
|---------------------------------|-------------------|

Regards,  
Smarte Carte, Inc.

Mike Ehlers  
Senior Analyst

June 9, 2011

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 85000-1517  
PHILADELPHIA PA 19185-1517  
229001 32304

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of May 2011.

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$23,055.00        |
| Credit Card Sales               | 24,287.50          |
| Refunds                         | (15.00)            |
| Sales Tax                       | <u>(1,978.18)</u>  |
| Net Sales                       | <u>\$45,328.32</u> |
| Commission Base                 | <u>\$15,865.28</u> |
| Commission Payable              | \$15,865.28        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$4,665.28</u>  |

Regards,  
Smarte Carte, Inc

Mike Ehlers  
Senior Analyst

AG-387

July 8, 2011

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA PA 19195-1517  
Van #32304

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of June 2011

|                   |                    |
|-------------------|--------------------|
| Cash Sales        | \$24,285.00        |
| Credit Card Sales | 25,747.50          |
| Refunds           | (25.00)            |
| Sales Tax         | <u>(2,098.82)</u>  |
| Net Sales         | <u>\$47,908.68</u> |

Commission Base \$15,768.04

Commission Payable \$15,768.04

Less Minimum Commission Paid 11,200.00

Commission Due (Check Enclosed) \$5,568.04

Regards,  
Smarta Carta, Inc.

Mike Ehlers  
Senior Analyst

AGA388

August 4, 2011

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95009-1517  
PHILADELPHIA PA 19195-1517  
Van #32304

*AGAZ*

Regarding: Monthly report of receipts from card rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of July 2011.

|                   |                    |
|-------------------|--------------------|
| Cash Sales        | \$30,622.50        |
| Credit Card Sales | 27,159.50          |
| Refunds           | 0.00               |
| Sales Tax         | <u>(2,219.92)</u>  |
| Net Sales         | <u>\$55,568.08</u> |

Commission Base \$19,448.83

Commission Payable \$19,448.83

Less Minimum Commission Paid 11,200.00

Commission Due (Check Enclosed) \$8,248.83

Regards,  
Smarta Carls, Inc.

Mike Ehlers  
Senior Analyst

September 15, 2011

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA, PA, 19195-1517  
Van #32304

9/20

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of August 2011.

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$34,702.60        |
| Credit Card Sales               | 32,516.00          |
| Refunds                         | 0.00               |
| Sales Tax                       | <u>(2,650.46)</u>  |
| Net Sales                       | <u>64,568.14</u>   |
| Commission Base                 | <u>\$22,598.46</u> |
| Commission Payable              | \$22,598.46        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$11,398.46</u> |

Regards,  
Smarta Cards, Inc.

Mike Ehlers  
Senior Analyst

October 4, 2011

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 85000-1517  
PHILADELPHIA PA 19185-1517  
Van #32304

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of September 2011.

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$28,630.00        |
| Credit Card Sales               | 27,042.50          |
| Refunds                         | (11.00)            |
| Sales Tax                       | <u>(2,704.38)</u>  |
| Net Sales                       | <u>\$51,457.12</u> |
| Commission Base                 | <u>\$18,009.99</u> |
| Commission Payable              | \$18,009.99        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$8,809.99</u>  |

Regards,  
Smarts Cards, Inc.

Mike Ehlers  
Senior Analyst

November 2, 2011

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA PA 19195-1517  
Ven #32304

AGA 9.56

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of October 2011.

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$17,452.50        |
| Credit Card Sales               | 18,855.00          |
| Refunds                         | (4.25)             |
| Sales Tax                       | <u>(1,536.97)</u>  |
| Net Sales                       | <u>\$34,766.28</u> |
| Commission Base                 | <u>\$8,691.57</u>  |
| Commission Payable              | \$8,691.57         |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$0.00</u>      |

Regards,  
Smarte Carte, Inc.

Mike Ehlers  
Senior Analyst

December 5, 2011

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA PA 19195-1517  
Ven #32304

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of November 2011.

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$16,990.00        |
| Credit Card Sales               | 19,930.50          |
| Refunds                         | 0.00               |
| Sales Tax                       | <u>(1,624.64)</u>  |
| Net Sales                       | <u>\$35,295.86</u> |
| Commission Base                 | <u>\$8,823.96</u>  |
| Commission Payable              | \$8,823.96         |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$0.00</u>      |

Regards,  
Smarte Carte, Inc.

Mike Ehlers  
Senior Analyst

January 5, 2012

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
P.O. BOX 95000-1517  
PHILADELPHIA PA 19195-1517  
Ven #32304

Regarding: Monthly report of receipts from cart rentals for LAGUARDIA AIRPORT  
- PORT AUTHORITY for the month of December 2011.

|                                 |                    |
|---------------------------------|--------------------|
| Cash Sales                      | \$19,760.00        |
| Credit Card Sales               | 24,295.00          |
| Refunds                         | (20.00)            |
| Sales Tax                       | <u>(1,980.42)</u>  |
| Net Sales                       | <u>\$42,054.58</u> |
| <br>                            |                    |
| Commission Base                 | <u>\$10,513.65</u> |
| <br>                            |                    |
| Commission Payable              | \$10,513.65        |
| Less Minimum Commission Paid    | <u>11,200.00</u>   |
| Commission Due (Check Enclosed) | <u>\$0.00</u>      |

Regards,  
Smarte Carte, Inc.

Mike Ehlers  
Senior Analyst

: For Port Authority Use Only :

: Permit Number: ASA-095 :

**STEWART INTERNATIONAL AIRPORT  
PRIVILEGE PERMIT**

The Port Authority of New York and New Jersey (the "Port Authority") hereby grants to the Permittee named below the described non-exclusive privilege at Stewart International Airport, in the County of Orange and State of New York (the "Facility"), in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** Smarte Carte, Inc., a(n) corporation of the state of Minnesota
2. **PERMITTEE'S ADDRESS:** 4455 White Bear Parkway  
St. Paul, MN 55110
3. **PERMITTEE'S REPRESENTATIVE:** Edward Rudis
4. **PRIVILEGE:** As set forth in Special Endorsement Number 1.
5. **FEES:** As set forth in Special Endorsement Number 3.
6. **EFFECTIVE DATE:** October 1, 2011,
7. **EXPIRATION DATE:** September 30, 2016, unless sooner revoked or terminated as herein provided, and subject to the Extension Option in Special Endorsement 2.
8. **REQUIRED SECURITY DEPOSIT:** As set forth in the Security Agreement (numbered AX-762), as amended, between the Port Authority and Permittee.
9. **INSURANCE REQUIREMENTS:** \$2,000,000.00 minimum limit Commercial General Liability
10. **ENDORSEMENTS:** Special Endorsements, Schedule G, and Schedule A.

Dated: As of October 1, 2011

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

By: [Signature]

Name David Rubin

(Title) Asst. Director  
(Please Print Clearly)

**SMARTE CARTE, INC., Permittee**

By: [Signature]

Name Edward J. Rudis

(Please Print Clearly)

(Title) President

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

cc

RR

## 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. The permission hereby granted shall in any event terminate with the expiration or termination of the Airport Lease, as defined herein.

2. As used in this Permit:

(a) "Airport" shall mean Stewart International Airport, consisting of certain premises identified as "Stewart International Airport" on Exhibit A, and more particularly described in that certain Airport Layout Plan approved by the FAA which is attached to the Airport Lease (as hereinafter defined) as Exhibit X, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the Airport Lease.

(b) "Airport Lease" shall mean, collectively (1) the Agreement of Lease, dated as of September 24, 1999, with respect to the Airport between the State of New York, acting by and through the New York State Department of Transportation as Landlord ("NYSDOT") and SWF Airport Acquisition, Inc. ("SWFAA") as Tenant, identified as contract L10263R, a memorandum of which, dated as of March 30, 2000, was recorded in the Orange County Clerk's Office in Liber 5271 at page 123, (2) as such Agreement of Lease was assigned to the Port Authority with NYSDOT's consent pursuant to an agreement entitled "Assignment, Assumption and Consent between and among NYSDOT, SWFAA and the Port Authority, dated as of October 30, 2007, (3) as such Agreement of Lease was supplemented and amended pursuant to an agreement entitled "Lease Amendment No. 1" between the Port Authority and NYSDOT, and (4) as such Agreement of Lease may hereafter be restated, amended and/or supplemented.

(c) 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.

(d) 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 including claims and demands of NYSDOT against the Port Authority pursuant to the provisions of the Airport Lease.

(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 9 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 4 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: Properties Unit, LaGuardia Airport, Hanger # 7C, 3<sup>rd</sup> Floor, Flushing, NY 11371) 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 LaGuardia 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. Airport Lease Provisions:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the Airport 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 Airport Lease.

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

(i) This Permit is subject and subordinate to the Airport Lease and to any interest superior to that of the Port Authority.

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

(iii) The Permittee shall not do anything that would constitute a default under the Airport Lease or omit to do anything that the Permittee is obligated to do under the terms of this Permit so as to cause there to be a default under the Airport Lease.

(iv) The time limits set forth in the Airport Lease for the giving of notices, making demands, performance of any act, condition or covenant, or the exercise of any right, remedy or option, are changed for the purpose of this Permit, by lengthening or shortening the same in each instance, as appropriate, so that notices may be given, demands made, or any act, condition or covenant performed, or any right, remedy or option hereunder exercised by the Port Authority or Permittee, as the case may be (and each party covenants that it will do so) within three (3) days prior to the expiration of the time limit, taking into account the maximum grace period, if any, relating thereto contained in the Airport Lease. Each party shall promptly deliver to the other party copies of all notices, requests or demands, which relate to the Space or the use or occupancy thereof after receipt of same from NYSDOT.

(v) The Port Authority and the Permittee each agree that, simultaneously with the giving of any notice of default hereunder, they shall deliver a copy of such notice to NYSDOT in accordance with the notice provisions set forth in Article 25 of the Airport Lease. The Permittee further agrees that, anything to the contrary notwithstanding, any notice of default it may deliver to the Port Authority hereunder shall be deemed effective only upon the later to occur of (a) the date such notice would be effective under Section 16 of this

Permit, and (b) the date a copy of such notice is delivered to NYSDOT in accordance with Article 25 of the Airport Lease.

(vi) In accordance with Section 14.03 of the Airport Lease, the Permittee acknowledges and agrees that in the event of any termination of the Airport Lease, NYSDOT shall have the right, but not the obligation, to assume and have the benefit of the Port Authority's interest in this Permit.

(vii) Upon the termination of the Airport Lease, at the option of NYSDOT, the Permittee will attempt to, or enter into a direct permit on identical terms with NYSDOT; provided that neither NYSDOT, nor anyone claiming by, through or under NYSDOT, shall be:

(1) liable for any act or omission of the Port Authority or any prior landlord (including, any then defaulting landlord), except to the extent that such act or omission is continuing;

(2) subject to any offsets or defenses that the Permittee may have against the Port Authority or any prior landlord (including, any then defaulting landlord) except as provided in subparagraphs (4) and (5) of this Section;

(3) bound by any payment that the Permittee might have paid to the Port Authority or any prior landlord (including, any then defaulting landlord), or any other Person of (i) rent or any other charge payable under this Permit for more than three (3) months in advance, or (ii) any security deposit which shall not have been delivered to NYSDOT;

(4) bound by any covenant to undertake or complete any construction of the Improvements, as defined in the Airport Lease, or any portion thereof in which the Space under this Permit is located, provided that the Permittee shall have the right, to the extent set forth in this Permit, to complete any such construction and Improvements, as defined in the Airport Lease, and to offset against the fee hereunder, the reasonable costs incurred by Permittee in connection with such construction;

(5) bound by any obligation to make any payment to the Permittee, provided that if the obligation to make any such payment is set forth in this Permit, the Permittee shall have the right, to the extent set forth in this Permit, to offset against the fee under this Permit, the amount of such payment; or

(6) bound by this Permit or amendment thereto or modification thereof which reduces the fee or other charges payable under this Permit (except to the extent equitably reflecting a reduction in the space covered by this Permit), or shortens the term thereof, or increases the obligations of the Port Authority, made without the written consent of NYSDOT.

(viii) 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.

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) Subject to all of the terms and conditions of this Permit, the Port Authority hereby grants to the Permittee the privilege and the Permittee hereby assumes the obligation, of installing, maintaining and operating self-service airline passenger luggage cart control units (herein sometimes called the "*Machines*"), providing airline passenger luggage carts and in conjunction therewith, operating an airline passenger luggage cart retrieval service (hereinafter the airline passenger luggage cart control units, the airline passenger luggage carts and the retrieval service are sometimes collectively called the "*Service*") to all passengers at the Airport and the Permittee agrees to provide such Service at such locations in and outside the various airline terminals, parking lots and courtyards at the Airport as shall be designated in writing by the Port Authority from time to time and for no other purpose or purposes whatsoever. The price that the Permittee shall charge for each luggage cart provided as a part of the Service shall be Five Dollars (\$5.00) per cart with no refund for returned carts.

(b) (1) Without limiting the generality of the provisions of paragraph (a) of this Special Endorsement No. 1, the Permittee agrees to provide the Service to (i) the arrivals baggage claim area across from the car rentals and baggage belt and (ii) on the departures curb by the shuttle bus drop off.

(2) It is understood and acknowledged by the Permittee that the Permittee hereby agrees to provide luggage carts sufficient to meet the requirements of passengers using each Terminal. The Port Authority makes no representations or warranties as to the location, size, adequacy or suitability of space and facility as may be designated by the Port Authority to be used by the Permittee for the operational and other procedures which the respective terminals may require the Permittee to observe in carrying out its privileges and obligations hereunder.

(3) Without limiting the generality of Term and Condition No. 33 hereof, the Permittee is obligated to apply for and to obtain for itself and its employees all security clearances, consents, passes and approvals which are necessary for its employees to gain access to and serve the terminals.

(c) Without limiting the generality of any of the other provisions of this Permit, the Service shall be provided by the Permittee in accordance with the following:

(1) The Permittee shall update and replenish the cart inventory and replace Machines and accompanying equipment as needed. All Machines, luggage carts and other equipment installed or provided by the Permittee hereunder shall be of the type and specifications set forth in the "*Equipment Schedule*" attached hereto, hereby made a part hereof and marked "*Schedule A*" with all luggage carts having the "*optional braking system*", or as may otherwise be approved in writing by the Port Authority from time to time, and shall at all times must meet the highest standards of appearance and safety.

(2) The Permittee shall provide to its employees on the Airport Port Authority approved uniforms identifying the Permittee's organization, badges identifying its employees, and employee operations and customer service training, at no additional or separate cost to the Port Authority. The employee training program must be submitted to, reviewed and approved by the Port Authority, in writing prior to the training taking place.

(3) The Permittee shall maintain a sufficient and even dispersal of luggage carts throughout the Airport at all times in numbers sufficient to meet customer demand therefor. The total number of luggage carts and the locations of the Machines on the Effective Date shall be as specified in Schedule A, but at no time shall there be less than Sixty (60) luggage carts available for use by the public on the Airport.

(4) The purpose of the Port Authority in extending the permission granted hereby is to have available at the Airport the Service, 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. The Permittee shall maintain the Machines, luggage carts and all other equipment installed or provided by it at the Airport in first-class working order, appearance and condition, making all repairs and replacements necessary therefor and shall keep the Machines well stocked with luggage carts.

(5) The Permittee's employees shall at all times conduct themselves in a professional, helpful and courteous manner to Airport patrons to provide the highest possible levels of customer service at the Airport.

(6) The Permittee recognizes that portions of the Airport where the Permittee's Machines and other equipment may be installed are under lease to third parties (which parties are herein referred to as a "**Terminal Operator**") for their exclusive occupancy and that the Permittee must by independent arrangement with each Terminal Operator acquire the right or rights of access and use necessary for the operation of the Service by the Permittee in such areas and shall make its own arrangements with each Terminal Operator for the supply to its Machines and other equipment of such utilities and services as it may require. Each such arrangement between the Permittee and a Terminal Operator shall be subject to the approval of the Port Authority. The Port Authority makes no representations or warranties as to the 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 between the Port Authority and the Terminal Operator covering such exclusive occupancy and in the event of expiration or earlier termination of any such lease then the privileges granted under this Permit shall terminate with respect to the areas covered by such lease. In the event of any inconsistency between the terms of any such lease and the terms of this Permit the terms of this Permit shall control as between the Permittee and the Port Authority.

(7) The Machines shall dispense only such luggage carts and render such services as are approved in writing by the Port Authority.

(8) The Port Authority and the respective Terminal Operator shall approve the number and location of Machines and other equipment to be installed, maintained and serviced under this Permit and each may in its discretion, from time to time, consent to the inclusion under this Permit of an additional Machine or Machines and other equipment required to provide the Service. The location of each Machine and other equipment covered by this Permit is to be only that approved by the Port Authority and the respective Terminal

Operator. The Port Authority or the respective Terminal Operator shall have the right, from time to time, to redesignate the location or locations of any or all Machines and other equipment covered by this Permit, and the Permittee shall thereupon at its own expense, comply therewith by promptly removing and reinstalling each such Machine and other equipment. The Port Authority shall also have the right, from time to time, to direct that the number of Machines and other equipment covered by this Permit be decreased and the Permittee shall promptly remove the Machines and other equipment as directed.

(9) In the event of relocation or removal the Permittee shall leave the vacated area in the condition required under this Permit in the case of expiration, and all obligations with respect to the vacated area which would have matured on the effective date of expiration of the Permit shall mature as to the vacated area on the required date of relocation or removal. In the event the Permittee fails to immediately transport any of its Machines and other equipment to a newly designated location, or to remove any of its Machines and other equipment, the Port Authority shall have the right to do so at the risk of the Permittee, and the Permittee shall pay the Port Authority the expense thereof on demand. Without limiting the foregoing, the Permittee agrees to take good care of each designated area and to restore the same upon the expiration or revocation of the effective period of the permission granted under this Permit to the condition existing prior to the installation of the Permittee's Machines and other equipment.

(10) (i) Without limiting the provisions of Section 6 of the foregoing Terms and Conditions and in addition thereto, the Permittee agrees that prior to the installation of any Machines and other equipment it shall obtain the written approval of the Port Authority and the respective Terminal Operator as to the design and type thereof as well as the method, time 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 Machines and other equipment and for the removal and relocation thereof. In the event of any such installment or performance without the approval of the Port Authority and the respective Terminal Operator, then upon such notice from the Port Authority or the Terminal Operator, the Permittee shall remove the same or cause the same to be changed to the satisfaction of the Port Authority and the respective Terminal Operator.

(ii) Nothing contained in this Permit shall be or deemed to be consent to, or approval of, the erection of any structures, or the making of any improvements, alterations, modifications, additions, repairs or replacements to the Airport, including without limitation the installation of any Machines at the Airport. The Permittee agrees that no construction or installation, as aforesaid, shall be performed without the prior written approval of the Port Authority and the applicable Terminal Operator, if any, and subject to the terms and conditions of the this Permit and an approved Port Authority Alteration Application.

(11) The Permittee shall post informational and rate signs on the Machines and any other appropriate signage that the Port Authority or the Terminal Operator believes is necessary to provide the Service in accordance herewith. The Permittee shall place in a conspicuous place on each Machine installed and operated pursuant to the permission granted hereunder the name and address of the Permittee, the location of the Machine, or piece

of other equipment, the Permit Number and such other information as the Port Authority may from time to time determine to be necessary.

(12) The Permittee understands and agrees that no reimbursement will be made by the Port Authority to the Permittee for any lost or stolen carts. The collection of lost or stolen carts is the responsibility of the Permittee.

(13) Collections shall be made from the Machines in the manner and at the time 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 Department of the Port Authority.

(14) The Permittee shall promptly handle in a manner satisfactory to the Port Authority all customer complaints including but not limited to those based on a shortage of luggage carts, failure or malfunction of the Machines or other equipment of the Permittee or defective luggage carts rendered therefrom or thereby and the Permittee shall make all suitable refunds, exchanges, credits and allowances in connection therewith. Without limiting the generality of the foregoing, the Permittee shall pay to the Port Authority liquidated damages of in the amount of Fifty Dollars and No Cents (\$50.00) for each instance where (1) the Permittee has failed to replenish a cart dispensing location within fifteen (15) minutes of notification by the Port Authority or a Terminal Operator that there are no carts available in such dispensing location and (2) the Permittee has failed to commence retrieving carts from any location within fifteen (15) minutes of notification by the Port Authority or a Terminal Operator that uncollected carts discarded by airport patrons are congregated in such numbers or in such manner that they are causing an unsightly or unsafe condition.

2. Renewal Option: The Port Authority shall have the right, at its sole discretion, to extend this Agreement for a period of five (5) additional years subsequent to the Expiration Date, such extension period to commence on October 1, 2016 and to expire on September 30, 2021 ("*the Extension Term*"). The Extension Term shall contain the same Terms and Conditions of this Agreement, with the exception that the Percentage Fee (as defined herein) shall be an amount equal to Ten Percent (10%) of all of the Gross Receipts for each Annual Period. In addition, the Permittee shall upgrade and replace the vending systems at the Airport. The Port Authority will advise the Permittee in writing, at least six (6) months prior to the Expiration Date if it elects to exercise its right to extend the term of this Agreement. Upon the exercise of the Port Authority of its option to extend as aforesaid, no execution by either party of any other document or instrument shall be required to effect such extension of the term of this Agreement.

3. Fees:

(a) The following terms shall have the meaning as used herein:

(1) "*Annual Period*" shall mean, as the context requires, the twelve-month period commencing on the Effective Date and each twelve-month period thereafter occurring during the effective period of the permission granted under this Permit, commencing with each anniversary of the Effective Date, provided, however, that the last Annual Period shall

expire in any event on the earliest to occur of the date of expiration, termination or revocation of this Permit.

(2) "*Gross Receipts*" shall mean and include all monies paid or payable to the Permittee for services rendered at or from the Airport and any other revenues of any type arising out of or in connection with the Permittee's operations at the Airport, provided, however, that there shall be excluded from such Gross Receipts the following: (i) any sales taxes imposed by law which are directly payable to the taxing authority by the Permittee and (ii) amounts upon which Gross Receipts fees are payable or exempt from payment to the Port Authority pursuant to other agreements with the Permittee.

(b) Percentage Fee

(1) The Permittee shall pay to the Port Authority a Percentage Fee for each Annual Period in an amount equal to Five Percent (5%) of all of the Gross Receipts for such Annual Period (the "*Percentage Fee*").

(2) The computation of the Percentage Fee for each Annual Period, or a portion of an Annual Period as hereinafter provided, shall be individual to such Annual Period, or such portion of an Annual Period, and without relation to any other Annual Period, or any other portion of any Annual Period.

(3) Notwithstanding Term and Condition 13(a), Gross Receipts shall be reported and the Percentage Fee shall be paid as follows: on the 20th day of the first month following the commencement of each annual period and on the 20th day of each and every month thereafter including the month following the end of each annual period and the month following the expiration of the permission granted hereunder, the Permittee shall render to the Port Authority at a location or locations to be specified by the Port Authority from time to time, a sworn statement showing all Gross receipts arising from the Permittee's operations at the Airport in the preceding month, and also showing its cumulative Gross Receipts from the date of the commencement month and the percentage stated in paragraph (b) of this Special Endorsement applicable thereto.

(4) Upon the termination or revocation of the period of the permission granted hereunder (even if any revocation or termination is stated to have the same effect as expiration), Gross Receipts shall be reported and the Percentage Fee shall be paid within twenty (20) days after the effective date of such termination or revocation, as follows. The Permittee shall render to the Port Authority a sworn statement separately showing of all its cumulative amount of Gross Receipts and the percentages applicable thereto. The payment then due on account of the Percentage Fee for the Annual Period in which the effective date of termination or revocation falls shall be the excess of the Percentage Fee over the total of all Percentage Fee payments previously made for such an Annual Period.

(5) Notwithstanding that the Percentage Fee may have been determined on an annual basis, such determination shall not in any way restrict or impair the Port Authority's right to revoke this Permit upon thirty (30) days' written notice to the Permittee.

(6) Notwithstanding that the Percentage Fee hereunder is measured

by a percentage of Gross Receipts, no partnership relationship or joint venture between the Port Authority and the Permittee is created or intended to be created by this Permit.

(7) Without limiting the requirement for Port Authority approval, if the Permittee conducts any privilege or any portion thereof through the use of a contractor or other third party which is not a Port Authority permittee and where the payments for any of the foregoing are made to such contractor rather than to the Permittee, said payments shall be deemed amounts, monies, revenues, receipts and income paid or payable to the Permittee for purposes of determining the Permittee's Gross Receipts, provided, however, that the foregoing shall not grant or be deemed to grant any right or permission to the Permittee to use an independent contractor or other third party to perform any privilege or portion thereof or the doing of anything hereunder by an independent contractor or other third party.

(8) To the extent that the Permittee has not already done so at the time of execution of this Permit and without limiting the generality of any other term or provision hereof, the Permittee agrees to submit monthly statements of Gross Receipts and to pay, at the time of execution and delivery of this Permit to the Port Authority, all fees and other amounts due under this Permit to the Port Authority for the period from the Effective Date to the time of execution and delivery of this Permit by the Permittee.

(9) The Permittee shall furnish to the Port Authority on or before the twentieth day of July of each calendar year following the Effective Date a statement of all Gross Receipts for the preceding calendar year certified, at the Permittee's expense, by a certified public accountant.

4. Advertising/Public Notices:

(a) *Advertising/Public Notices Placed by the Port Authority*

(i) The Permittee shall have the obligation to accept the installation, placement, maintenance and operation of (x) such airport and other public service announcements and news as the Port Authority may supply or designate and (y) advertising displays, posters, and such other advertising media and public notices as may be directed by the Port Authority (all such airport and other public service announcements and news, and all such advertising displays, posters, advertising media and public notices, being collectively hereafter called "*PA Advertising Items*") on such of the Permittee's machines and luggage carts as are being operated at the Airport pursuant to this Permit. The Permittee shall be responsible for mounting PA Advertising Items on luggage carts at the direction of the Port Authority, at its own cost and expense, and shall not place PA Advertising Items on any Machine or luggage cart without the express direction of the Port Authority; provided, however, that the Permittee shall not be required to place such material in any machine or luggage cart if the Permittee has arranged with a third party for the display of advertising matter in such Machine or luggage cart pursuant to the provisions of subparagraph (a)(ii), below, during the period covered by the Port Authority's notice.

(ii) Without limiting any other item or provision hereof, the Permittee shall impose no charge to the Port Authority, or any contractor or advertising

permittee which has been selected by the Port Authority, to install, place, maintain and operate PA Advertising Items on its behalf, in connection with the display of PA Advertising Items on any Machine or any of the Permittee's luggage carts. Accordingly, the Permittee shall not be entitled to any compensation with PA Advertising Items.

(b) *Advertising Place by Third Parties*

(i) Subject to the terms and provisions of this Permit, the Permittee shall have the right to solicit and/or enter into agreements with third party advertising companies which desire to install, place, maintain and operate advertising displays, posters, and other advertising media on any luggage cart at the Airport that is covered by this Permit (all such third party advertising displays, posters and other advertising media being individually called a "*Third Party Advertising Item*" and collectively called "*Third Party Advertising Items*").

(ii) No Third Party Advertising Item shall be placed, installed or operated by the Permittee in any luggage cart unless the Port Authority has given its prior approval as to the type, size, quality, kind, form, substance and character of the display, poster, exhibit or media, including the content thereof and the operation and maintenance thereof. Once installed, a Third Party Advertising Item must meet the Port Authority's continued approval as to the content thereof and the operation and maintenance thereof. Any Third Party Advertising Item which does not continue to meet with the approval of the Port Authority shall be immediately removed by the Permittee on notice from the Port Authority.

(iii) All arrangements of the Permittee with third parties for the display of advertising matter at the Airport shall be represented by written agreements with such third parties. True and accurate copies of all executed agreements shall be delivered by the Permittee to the Port Authority upon request. Without limiting the foregoing, the Permittee agrees that each such agreement entered into by it shall contain provisions making such agreement subject to all the provisions of this Permit and specifically stating that no party thereto shall obtain thereunder privileges greater than those granted under this permit. All monies paid or payable to or received or receivable by the Permittee for or in connection with any Third Party Advertising Item displayed, shown, exhibited or disseminated by the Permittee, including charges for normal placement, installation, operation, and maintenance thereof, shall be fully set forth in the Permittee's third party agreements.

(iv) In addition to such information and documentation as the Permittee is required to make available pursuant to this Permit, the Permittee agrees from time to time, at the request of the Port Authority, to provide to the Port Authority the following information in a form acceptable to the Port Authority: an updated inventory list and description of all Third Party Advertising Items installed by the Permittee pursuant to the provisions of this Permit, including, without limitation, the number, type and location of the advertising display item, the billings generated by each of the Permittee's advertising accounts at the Airport, and the Permittee's advertising rates with respect to such Third Party Advertising Items. The Permittee shall permit the Port Authority, by its agents, employees, and representatives, to examine and audit the records and books of account of the Permittee in connections with all of the foregoing, it being understood that nothing contained in this

paragraph shall relieve the Permittee of its obligations to provide the documents and information described elsewhere in this permit, or shall be deemed to be a waiver by the Port Authority of any rights to examine any other documents and information relating to the Permittee's operations in connection with this Permit.

(v) All revenues and other compensation derived by the Permittee from Third Party Advertising Items shall be paid and allocated as follows: (x) Permittee may charge third parties at a rate in the range of Twenty-Two Dollars and No Cents (\$22.00) to Thirty Dollars and No Cents (\$30.00) per luggage cart per month and (y) revenues and other compensation derived therefrom shall be paid forty percent (40%) to the Port Authority, thirty percent (30%) to the third party advertising agency which is responsible for the media placement, and the remaining thirty percent (30%) may be retained by the Permittee. Moneys paid or payable to the Port Authority pursuant to this subparagraph shall be made on a monthly basis together with payments of the percentage fee due hereunder, together with monthly statements setting forth the details substantiating such payments, which monthly statements shall include, without limitation, the identity of the third party advertising company which placed the Third Party Advertising Item; the number, type and location of the Third Party Advertising Item; the billings generated by each of the Permittee's advertising accounts at the Airport for the preceding month and cumulatively for the annual period to which such monthly report occurs; and the Permittee's advertising rates with respect to such Third Party Advertising Items.

5. Gifts and Gratuities:

(a) During the term of this Permit, the Permittee shall not offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e, a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Permittee on behalf of the Port Authority, whether or not such duties are related to this Permit or any other Port Authority contract or matter. Any such conduct shall be deemed a material breach of this Permit.

(b) As used herein "*anything of value*" shall include but not be limited to any (i) favors, such as meals, entertainment, transportation (other than that contemplated by the Permit or any other Port Authority contract), etc., which might tend to obligate the Port Authority employee to the Permittee, and (ii) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Permit or any other Port Authority contract.

(c) In addition, during the term of this Permit, the Permittee shall not make an offer of employment or use confidential information in a manner proscribed by the Port Authority's Code of Ethics and Financial Disclosure dated as of April 11, 1996 (a copy of which is available upon request to the Office of the Secretary of the Port Authority).

6. Security Agreement:

The Port Authority and the Permittee have previously entered into a security agreement dated October 1, 2003 and identified by Port Authority No. AX-762, Supplement 1 (the "*Security Agreement*"), covering the deposit of security with the Port Authority. Without limiting the terms and conditions of the Security Agreement, the Permittee understands and agrees that a breach of the Security Agreement by the Permittee shall be and be deemed to be a breach of this Permit by the Permittee permitting the Port Authority to revoke this Permit for cause.

7. Non-Exclusivity:

It is understood that any and all privileges granted hereunder to the Permittee are non-exclusive and shall not be construed to prevent or limit the granting of similar privileges at the Airport to another or others, whether by this form of permit or otherwise, or the securing or otherwise providing for luggage handling services through the contracting of skycaps, porters or other means. Neither the granting to others of rights and privileges similar or greater than the rights and privileges granted hereunder nor the existence of agreements by which similar rights and privileges have been previously granted to others shall constitute or be construed to constitute a violation or breach of the permission herein granted by the Port Authority or relieve the Permittee of any of its obligations hereunder.

8. Miscellaneous:

(a) For the purposes of this Permit, a default by the Permittee in keeping, performing or observing any promise, obligation, term or agreement set forth herein on the part of the Permittee to be kept, performed or observed shall include the following whether or not the time has yet arrived for the keeping, performance or observance of any such promise, obligation, term or agreement:

(i) a statement by the Permittee to any representative of the Port Authority indicating that it cannot or will not keep, perform or observe any one or more of its promises, obligations, terms or agreements under this Permit;

(ii) any act or omission of the Permittee or any other occurrence which makes it impossible at the time that it will be able to keep, perform or observe any one or more of its promises, obligations, terms or agreements under this Permit; or

(iii) any suspension of or failure to proceed with any part of the privileges to be performed by the Permittee which makes it improbable at the time that it will be able to keep, perform or observe any one or more of its promises, obligations, terms or agreements under this Permit.

(b) Nothing contained in this Permit shall constitute or be deemed to constitute permission to the Permittee to park or store equipment or personal property at any location or area at the Airport.

(c) The Permittee shall have no right hereunder to carry on any business or operation at the Airport other than that specifically provided herein.

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

(e) The Permittee, its employees, invitees and others doing business with it shall have no right hereunder to park vehicles within the Airport, except that the Permittee shall have the right to park luggage cart trailers, pick-up trucks and service van trailers for such time as is reasonably necessary for loading and unloading luggage carts and other equipment used by Permittee in providing the Service.

(f) The words "permission" and "privilege" are used interchangeably in this Permit, and except where expressly provided to the contrary, shall mean the privileges granted by this Permit.

(g) The section, paragraph and other headings, if any, in this Permit are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision hereof.

9. No Waiver:

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 then existing or subsequent breach or default thereof.

10. Removal of Property:

(a) All Machines and other personal property placed or installed by the Permittee at the Airport shall remain the property of the Permittee and must be removed within 72 hours after the expiration, revocation, cancellation or termination of the permission hereby granted, whichever shall be earlier.

(b) Any such property remaining at the Airport after the effective date of

such expiration, revocation, cancellation or termination shall be deemed abandoned by the Permittee and may be removed and disposed of by the Port Authority or the Terminal Operator in any manner they so determine in their sole discretion and all the proceeds of any removal or disposition by the Port Authority shall be retained by the Port Authority for its account and all costs and expenses of such removal and disposition shall be paid to the Port Authority by the Permittee when billed and all the proceeds of any removal or disposition by the Terminal Operator shall be retained by the Terminal Operator for its account and all costs and expenses of such removal and disposition shall be paid to the Terminal Operator by the Permittee when billed.

11. Restoration:

The areas of the Airport affected by any removal of a Machine or other personal property of the Permittee shall be restored by the Permittee to the condition existing prior to any installation, including without limitation the removal of any wires, conduits, outlets, ducts and pipes installed by or for the Permittee.

12. Electricity:

In areas under the control of the Port Authority, electricity for the operation of the Machines will be provided by the Port Authority to the Permittee, without charge, through existing conduits, wires and outlets.

13. Prohibited Acts:

(a) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport. In addition to and without limiting Term and Condition No. 38 hereof, any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee and subject to the provisions of Section 8 of the Terms and Conditions hereof, be completely removed and/or remediated by the Permittee at its sole cost and expense. The obligations of the Permittee pursuant to this Special Endorsement No. 13(a) shall survive the expiration, revocation, cancellation or termination of the Permit.

(b) "*Hazardous Substance*" shall herein be defined as any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer, endocrine disruption or reproductive toxicity, petroleum and petroleum products and substances declared to be hazardous or toxic or the removal, containment or restriction of which is required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which is restricted, prohibited, regulated or penalized by any federal, state, county, or municipal or other local statute or law now or at any time hereafter in effect as amended or supplemented and by the regulations adopted and publications promulgated pursuant thereto.

(c) The Permittee shall not dispose of nor permit anyone to dispose of any waste materials (whether liquid or solid) by means of any toilets, sanitary sewers or storm sewers.

(d) The Permittee shall not solicit business on the public areas of the Airport and the use, at any time, of hand or standard megaphones, loudspeakers or any electric, electronic or other amplifying device is hereby expressly prohibited.

(e) The Permittee shall not use any cleaning materials having a harmful or corrosive effect on any part of the Airport.

14. Work and Labor Harmony:

(a) The Permittee shall so plan and conduct its operations as to work in harmony with the operations of others at the Airport and not to delay, endanger or interfere with the operations of others (whether or not specifically mentioned herein), all to the best interest of the Port Authority and the users of the Airport and as may be directed by the General Manager of the Airport.

(b) The Permittee is advised to ascertain whether any on now represented or not represented at the Airport will claim jurisdiction over any aspect of the operations to be performed hereunder, and its attention is directed to Term and Condition No. 39 hereof. Further, the Permittee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(c) The Permittee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(d) The Permittee acknowledges that it is familiar with the general and local conditions prevailing at the Airport and with the all pertinent matters and circumstances which may in any way affect performance of the privileges granted under the Permit.

15. Business Development and Records:

(a) In connection with the exercise of the privileges granted hereunder, the Permittee shall:

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

(2) not divert or cause or allow to be diverted, any business from the

Airport;

(3) maintain, in English and in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation, cancellation or termination thereof, and for a further period extending until the Permittee shall, upon request to the Port Authority, receive written permission from the Port Authority to do otherwise, full and complete records and books of account (including without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, records of daily forms and work schedules) recording all transactions of the Permittee at, through, or in anywise connected with the Airport, including without limitation the Investment Amount, all charges for services made through the Machines, Gross Receipts from each Machine installed and operated by the Permittee at each location and such additional monthly statistics and information that the Port authority may from time to time and at any time require, which records and books of account shall be kept at all times within the Port of New York District;

(4) cause any company which is owned or controlled by the Permittee, or any company which owns or controls the Permittee, if any such company performs services similar to those performed by the Permittee (any such company being hereinafter called an "Affiliate" and all such companies being hereinafter called the "Affiliates") to maintain, in English and in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation, cancellation or termination thereof, and for a further period extending until the Permittee shall, upon request to the Port Authority, receive written permission from the Port Authority to do otherwise, full and complete records and books of account (including without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, and work schedules) recording all transactions of each Affiliate at, through, or in anywise connected with the Airport, which records and books of account shall be kept at all times within the Port of New York District;

(5) permit and/or cause to be permitted in ordinary business hours during the effective period of this Permit, for one (1) year thereafter, and during such further period as is mentioned in the preceding paragraphs (a)(iii) and (a)(iv), the examination and audit by the officers, employees and representatives of the Port Authority of all the records and books of account of the Permittee (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification, determination or calculation of Gross Receipts, all agreements, and all source documents) and all the records and books of account of all Affiliates (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification, determination or calculation of Gross Receipts and all agreements, and all source documents) (all of the foregoing records and books described in this paragraph (a)(v) being hereinafter collectively referred to as the "**Books and Records**") within ten (10) days following any request by the Port Authority from time to time and at any time to examine and audit any Books and Records;

(6) install and use such cash registers, sales slips, invoicing machines and any other equipment or devices, including without limitation computerized

record keeping systems, for recording orders taken, or services rendered, as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of Gross Receipts, and without limiting the generality of the foregoing, for any privilege involving cash sales, install and use cash registers or other electronic cash control equipment that provides for nonresettable totals; and

(7) 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.

(b) (1) Without implying any limitation on the right of the Port Authority to revoke this Permit for cause for breach of any term, condition or provision thereof, including but not limited to, breach of any term, condition or provision of paragraph (a) above, the Permittee understands that the full reporting and disclosure to the Port Authority of all Gross Receipts and the Permittee's compliance with all the provisions of paragraph (a) above are of the utmost importance to the Port Authority in having entered into the percentage fee arrangement under this Permit.

(2) In the event any Books and Records are maintained outside the Port of New York District then, in addition to all, and without limiting any other, rights and remedies of the Port Authority under this Permit or otherwise and in addition to all of the Permittee's other obligations under this Permit, the Port Authority in its sole discretion may (x) require on ten (10) days' notice to the Permittee that any such Books and Records be made available to the Port Authority within the Port of New York District for examination and audit pursuant to paragraph (a)(v) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(v) at the location(s) they are maintained and if such Books and Records are maintained within the contiguous United States the Permittee shall pay to the Port Authority when billed all travel costs and related expenses, as determined by the Port Authority, for Port Authority auditors and other representatives, employees and officers in connection with such examination and audit and if such Books and Records are maintained outside the contiguous United States the Permittee shall pay to the Port Authority when billed all costs and expenses of the Port Authority, as determined by the Port Authority, of such examination and audit, including but not limited to, salaries, benefits, travel costs and related expenses, overhead costs, and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination. Further, in the event that the Permittee has not made any Books and Records which are maintained outside of the Port of New York District available to the Port Authority within the Port of New York District for examination and audit pursuant to paragraph (a)(v) hereof within ten (10) days after the Permittee's receipt of notice from the Port Authority to do so, the Port Authority may estimate the Gross Receipts on any basis that the Port Authority, in its sole discretion, shall deem appropriate, such estimation to be final and binding on the Permittee and the fees based thereon shall be payable to the Port Authority when billed.

(3) In the event of the failure of the Permittee to comply with any of the provisions of paragraph (a) above then, except for the failure of the Permittee to maintain the Books and Records in the Port of New York District which failure is covered by subparagraph (b)(ii) above, in addition to all, and without limiting any other, rights and remedies of the Port

Authority under this Permit or otherwise and in addition to all of the Permittee's other obligations under this Permit the Port Authority may estimate the Gross Receipts on any basis that the Port Authority, in its sole discretion, shall deem appropriate, such estimation to be final and binding on the Permittee and the fees based thereon shall be payable to the Port Authority when billed.

(c) Without implying any limitation on the rights or remedies of the Port Authority under this Permit or otherwise including without limitation the right of the Port Authority to revoke this Permit for cause for breach of any term or provision of paragraphs (a)(iii) or (a)(iv) above and in addition thereto, in the event any of the Books and Records are not maintained in English, then the Permittee shall pay to the Port Authority when billed, all costs and expenses of the Port Authority, as determined by the Port Authority, to translate such Books and Records into English.

(d) The foregoing auditing costs, expenses and amounts of the Port Authority set forth in paragraphs (b) and (c) above shall be deemed fees under this Permit payable to the Port Authority with the same force and effect as the Basic Fee and Percentage Fee and all other fees payable to the Port Authority under this Permit.

16. 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.

17. No Broker: The Permittee represents and warrants that no broker has been concerned in the negotiation or execution of this Permit and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Permittee shall indemnify the Port Authority and save it harmless from any and all claims which have been or which may be made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Permit or in connection with any permission contained herein.

18. Waiver of Trial by Jury. The Permittee hereby waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by the Port Authority against the Permittee in respect of the space in which the Permittee exercises the privilege granted hereunder and/or in any action that may be brought by the Port Authority to recover fees, damages, or other sums due and owing under this Permit.

17. The Port Authority and the Permittee were heretofore parties to Port Authority Permit No. ASA-033, dated as of January 1, 2009, as amended and supplemented. This Permit hereby replaces Permit No. ASA-033. The Permittee shall remain liable for all obligations and liabilities which accrued under Permit No. ASA-033 through the expiration or termination date of Permit No. ASA-033 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.

18. The following Sections of the Terms and Conditions have been deleted: Section 13(c).

\_\_\_\_\_  
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](http://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](http://www.nysucp.net) and the New Jersey UCP at [www.njucep.net](http://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](mailto: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

Schedule A

The attached constitutes "Schedule A," which is hereby made a part hereof.

  
\_\_\_\_\_  
For the Port Authority

Initialed:

  
\_\_\_\_\_  
For the Permittee



Proposal to Install, Maintain and Operate Self-Service Airline Passenger Luggage Cart Control Units at Various Port Authority of New York and New Jersey Airports Via Privilege Permit

## Operations Plan

When your products are pushed, pulled and slammed shut by millions of people, they'd better be reliable and durable. When you consider that we are responsible for keeping our own products operational, it makes sense that they are built to last!

Smarte Carte has a strong reputation as an industry leader and technology pioneer. Our development and introduction of advanced features, such as unattended credit card acceptance, RFID locker rental and automated tracking and reporting of transactions, solidifies our standing in this regard.

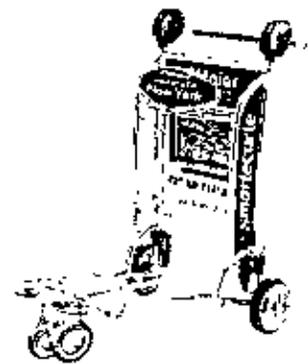


### Proposed Equipment

|            | Model 1110 Worldcarte* | Model 1118 Worldcarte* | Enterprise CMU | Cushman/Taylor Dunn | Hand Tugger/ QwikKarts | Truck & Trailer |
|------------|------------------------|------------------------|----------------|---------------------|------------------------|-----------------|
| JFK        | 7000                   | -                      | 106            | 16                  | 13                     | 3               |
| Newark     | 2500                   | -                      | 44             | 3                   | 8                      | 2               |
| La Guardia | -                      | 700                    | 31             | 2                   | -                      | -               |
| Stewart    | -                      | 60                     | 2              | -                   | -                      | -               |

Airport luggage carts streamline the flow of traffic through your airport. Smarte Carte® airport luggage carts provide travelers with mobility and the assurance that they are in control of their own belongings. This assurance gives travelers the freedom to spend more time and money at retail shops and restaurants.

Designed by the world's most experienced cart operator for today's world-class airports, Worldcarte® is the latest addition to Smarte Carte's family of airport luggage carts. Its sleek, attractive design creates a lasting impression of your airport, while delivering exceptional performance and unparalleled standards for durability. Smarte Carte's airport luggage carts are rented from cart management units strategically placed in high demand areas of the airport, requiring minimal floor space and ensuring that there is a cart available for every traveler who needs one.



Please reference Attachment 1 for detailed product specifications.

# smarte carte®

MAXIMIZE THE EXPERIENCE.

Proposal to Install, Maintain and Operate  
Self-Service Airline Passenger Luggage Cart Control  
Units at Various Port Authority of New York and  
New Jersey Airports Via Privilege Permit

Our advanced cart management units (CMUs) are easy to find and easy to use. Smarte Carte® CMUs keep luggage carts stacked neatly and accessible for travelers.



Our CMUs:

- Accept credit cards (PCI-DSS Compliant acceptance of Master Card, VISA, American Express and Discover)
- Accept cash (\$1, \$5, \$10, \$20 bills)
- Give change
- Offer a reward to customers when they return carts (Stewart International Airport only)

Other features include the automated collection of transaction data, and our computerized management operating system that ensures carts are always available.



Please reference Attachment 1 for detailed product specifications.

- **Manual Labor** – Luggage carts are handled directly by Smarte Carte employees pushing and pulling the luggage carts with ropes. While moving carts with the ropes, a CSA will be limited to 20 carts at any given time.
- **Electric Cushman/Taylor Dunn vehicle** – a single rider vehicle capable of transporting a maximum of 40 luggage carts. The luggage carts are nested together inline and secured using a rope. The line of luggage carts is then hitched to the back of the vehicle using a Smarte Carte designed hitch. Equipped with a complete list of standard features including heavy-duty electronic brakes, forward and reverse safety horn, taillights and an adjustable bucket seat, the Cushman plays an important role in keeping CMUs throughout the airport filled with carts.
- **Hand Tugger/QuickKart** - a powerful, battery-operated cart handling tool that allows staff to quickly and efficiently move luggage carts throughout the airport. Its compact design allows the Tuggers/QuickKart to operate smoothly in tighter spaces compared to larger cart-handling vehicles.
- **Truck & Trailer** – Trucks are state and PANYNJ licensed and approved. Custom designed trailers provide efficient and safe loading and unloading of carts.



Please reference Attachment 1 for detailed product specifications.



Proposal to Install, Maintain and Operate  
Self-Service Airline Passenger Luggage Cart Control  
Units at Various Port Authority of New York and  
New Jersey Airports Via Privilege Permit

**Proposed Equipment Locations**

| JFK International Airport - Total Units 106 |                      |
|---|----------------------|
| CMU #                                       | Terminal / Area      |
| 1-01C                                       | T-1 Customs          |
| 1-02C                                       | T-1 Customs          |
| 1-03C                                       | T-1 Customs          |
| 1-04C                                       | T-1 Customs          |
| 1-30  | T-1 Departures       |
| 1-31  | T-1 Departures       |
| 1-32  | T-1 Departures       |
| 1-33  | T-1 Departures       |
| 1-E-01                                      | T-1 Bag Claim Curb   |
| 2-30  | T-2 Departures       |
| 2-31  | T-2 Departures       |
| 2E-01                                       | T-2 Bag Claim        |
| 2E-03                                       | T-2 Bag Claim        |
| 2F-04                                       | T-2 Bag Claim        |
| 2F-05                                       | T-2 Bag Claim        |
| 3-01C                                       | T-3 Customs          |
| 3-02C                                       | T-3 Customs          |
| 3-03C                                       | T-3 Customs          |
| 3-04C                                       | T-3 Customs          |
| 3-05C                                       | T-3 Customs          |
| 3-06C                                       | T-3 Customs          |
| 3-07C                                       | T-3 Customs          |
| 3-08C                                       | T-3 Customs          |
| 3-09C                                       | T-3 Customs          |
| 3-10C                                       | T-3 Customs          |
| 3-11  | T-3 Bag Claim        |
| 3-30  | T-3 Departures       |
| 3-31  | T-3 Departures       |
| 3-32  | T-3 Departures       |
| 3-33  | T-3 Departures       |
| 3-34  | T-3 Departures       |
| 3D-01                                       | Area D Baggage Claim |
| 3D-02                                       | Area D Baggage Claim |
| 3D-30                                       | Area D Departures    |
| G-60  | T-1 GARAGE PARKING   |
| G-61  | T-1 GARAGE PARKING   |
| G-65  | T-2/3 GARAGE PKG     |
| T1-61                                       | T-1 Parking          |
| T3-62                                       | T-3 Parking Garage   |



Proposal to Install, Maintain and Operate Self-Service Airline Passenger Luggage Cart Control Units at Various Port Authority of New York and New Jersey Airports Via Privilege Permit

| JFK International Airport - Total Units 106 |                        |
|---|------------------------|
| CMU #                                       | Terminal / Area        |
| 4-01C                                       | T-4 Customs            |
| 4-02C                                       | T-4 Customs            |
| 4-03C                                       | T-4 Customs            |
| 4-04C                                       | T-4 Customs            |
| 4-05C                                       | T-4 Customs            |
| 4-06c                                       | T-4 Customs            |
| 4-07C                                       | T-4 Customs            |
| 4-08C                                       | T-4 Customs            |
| 4-09C                                       | T-4 Customs            |
| 4-10C                                       | T-4 Customs            |
| 4-11D                                       | T-4 Domestic Bag Claim |
| 4--30                                       | T-4 Departures         |
| 4--31                                       | T-4 Departures         |
| 4--32                                       | T-4 Departures         |
| 4--33                                       | T-4 Departures         |
| 4--34                                       | T-4 Departures         |
| 4--60                                       | T-4 Parking            |
| 4--61                                       | T-4 Parking            |
| 4--63                                       | T-4 Parking            |
| 4--64                                       | T-4 Parking            |
| 4E-02                                       | T-4 Bag Claim Outside  |
| 5-01  | T-5 Bag Claim          |
| 5-02  | T-5 Bag Claim          |
| 5--03                                       | T-5 Bag Claim          |
| 5--04                                       | T-5 Bag Claim          |
| 5--30                                       | T-5 Departures         |
| 5--31                                       | T-5 Departures         |
| 5--32                                       | T-5 Departures         |
| 5-61  | T-5 Garage             |
| 5--65                                       | T-5 Garage             |
| 7-01C                                       | T-7 CUSTOMS            |
| 7-02C                                       | T-7 CUSTOMS            |
| 7-03C                                       | T-7 CUSTOMS            |
| 7--30                                       | T-7 DEPARTURES         |
| 7--31                                       | T-7 DEPARTURES         |
| T7-65                                       | T-7 Departures         |
| 7D-01                                       | T-7 Domestic Bag Claim |
| 7D-02                                       | T-7 Domestic Bag Claim |
| T7-64                                       | T-7 Parking Garage     |
| 8--01C                                      | T-8 Customs            |
| 8-02C                                       | T-8 Customs            |
| 8--03C                                      | T-8 Customs            |



Proposal to Install, Maintain and Operate  
 Self-Service Airline Passenger Luggage Cart Control  
 Units at Various Port Authority of New York and  
 New Jersey Airports Via Privilege Permit

| JFK International Airport - Total Units 106 |                        |
|---|------------------------|
| CMU #                                       | Terminal / Area        |
| 8-04C                                       | T-8 Customs            |
| 8-05C                                       | T-8 Customs            |
| 8-01D                                       | T-8 Bag Claim Domestic |
| 8-02D                                       | T-8 Bag Claim Domestic |
| 8-30  | T-8 Departures         |
| 8-31  | T-8 Departures         |
| 8-32  | T-8 Departures         |
| T8-10                                       | T-8 Parking Garage     |
| T8-63G                                      | T-8 Parking Garage     |
| HB-01                                       | Howard Beach Station   |
| HB-20                                       | Howard Beach Station   |
| LT-20                                       | Long Term Parking      |
| LF-02                                       | Lefferts Station       |
| LT-02                                       | Long Term Parking      |
| LT-60                                       | Long Term Parking      |
| LT-61                                       | Long Term Parking      |
| LT-62                                       | Long Term Parking      |
| LT-63                                       | Long Term Parking      |
| B3-05                                       | Budget Rent-a-Car      |
| D-31  | Dollar Rent-a-Car      |
| FC-01                                       | Federal Circle         |
| FC-02                                       | Federal Circle         |
| FC-03                                       | Avis Federal Circle    |
| H-62  | Hertz Federal Circle   |
| JM-21                                       | Jamaica Station        |

| Newark Liberty International Airport - Total Units 44 |                   |
|---|-------------------|
| CMU #   | Terminal / Area   |
| A-01  | Bag Claim         |
| A-04  | Bag Claim         |
| A-05  | Departures        |
| A-06  | Bag Claim         |
| A-07  | Bag Claim         |
| A-08  | Bag Claim         |
| A-30  | Enterprise Rental |
| A-31  | Departures        |
| B-01  | Bag Claim         |
| B-02  | Departures        |
| B-03  | Bag Claim         |
| B-06  | Pass Lane Pick Up |
| B-07  | Bag Claim         |
| B-30  | Departures        |



Proposal to Install, Maintain and Operate  
Self-Service Airline Passenger Luggage Cart Control  
Units at Various Port Authority of New York and  
New Jersey Airports Via Privilege Permit

| Newark Liberty International Airport - Total Units 44 |                    |
|---|--------------------|
| CMU #   | Terminal / Area    |
| B-31  | Departures         |
| B-32  | Departures         |
| C-01  | Bag Claim          |
| C-02  | Bag Claim          |
| C-03  | Bag Claim          |
| C-04  | Bag Claim          |
| C-05  | Bag Claim          |
| C-06  | Departures         |
| C-07  | Departures         |
| C-09  | Departures         |
| C-10  | Departures         |
| C-11  | Departures         |
| C-12  | Departures         |
| A-111   | T-A Parking        |
| B-105   | T-B Parking        |
| B-111   | T-B Parking        |
| C-109   | T-C Garage         |
| C-309   | T-C Garage         |
| P-02  | Airtrain STA Lower |
| P-03  | Airtrain STA Lower |
| P-04  | Airtrain STA Lower |
| R-01  | Rail Link -Upper   |
| BC-01   | Customs            |
| BC-02   | Customs            |
| BC-03   | Customs            |
| BC-04   | Customs            |
| BC-05   | Customs            |
| BC-08   | Customs            |
| CC-01   | Customs            |
| CC-03   | Customs            |

| La Guardia Airport - Total Units 31 |                                |
|-------------------------------------|--------------------------------|
| CMU #                               | Terminal / Area                |
| 1-01                                | T-D DELTA Bag Claim            |
| 1-02                                | T-D DELTA Bag Claim            |
| 1-03                                | T-D DELTA Bag Claim            |
| 1-04                                | T-D DELTA Bag Claim            |
| 1-05                                | T-D DELTA Bag Claim            |
| 2-01                                | T-C Bag Claim US AIR SHUTTLE   |
| 2-03                                | T-C Bag Claim US AIR Bag Claim |
| 2-04                                | T-C Bag Claim US AIR           |
| 2-30                                | T-C Departures US AIR          |



Proposal to Install, Maintain and Operate Self-Service Airline Passenger Luggage Cart Control Units at Various Port Authority of New York and New Jersey Airports Via Privilege Permit

| La Guardia Airport - Total Units 31 |  |
|-------------------------------------|--|
| CMU #                               | Terminal / Area                        |
| 2-31                                | T-C Departures US AIR                  |
| 3-01                                | CTB Bag Claim CONTINENTAL              |
| 3-02                                | CTB Bag Claim JETBLUE                  |
| 3-03                                | CTB Bag Claim AIR CANADA               |
| 3-04                                | CTB Bag Claim SPIRIT                   |
| 3-05                                | CTB Bag Claim AIRTRAN                  |
| 3-06                                | CTB Bag Claim UNITED AIRLINES          |
| 3-07                                | CTB Bag Claim UNITED AIRLINES          |
| 3-08                                | CTB Bag Claim AMERICAN EAGLE           |
| 3-09                                | CTB Bag Claim AMERICAN EAGLE           |
| 3-010                               | CTB Bag Claim AMERICAN AIRLINES        |
| 3-011                               | CTB Bag Claim AMERICAN AIRLINES        |
| 3-10                                | CTB Arrivals UNITED AIRLINES CURB SIDE |
| 3-30                                | CTB Departures SPIRIT                  |
| 3-31                                | CTB Departures AIR CANADA              |
| 3-32                                | CTB Departures CONTINENTAL             |
| 3-33                                | CTB Departures UNITED                  |
| 3-34                                | CTB Departures AMERICAN                |
| 3-35                                | CTB Departures AMERICAN AIRLINES       |
| 2-02                                | CTB Parking WEST WING GROUND FLR       |
| 3-60                                | CTB Parking EAST WING CONCOURSE A-B    |
| 3-61                                | CTB Parking WEST WING CONCOURSE C-D    |

| Stewart International Airport - Total Units 2 |                 |
|---|-----------------|
| CMU #   | Terminal / Area |
| 1   | Baggage Claim   |
| 2   | Departures Curb |

### Cart Cleaning & Maintenance Plan

Daily cleaning is performed by all Smarte Carte staff including management. It consists of removing debris from the top of CMUs, removing stickers and tags on CMUs, track and carts and general wipe down of products as needed. Specific cleaning by airport is defined below:

- JFK International and Newark Liberty International Airports- A full time cleaning associate is assigned the specific cleaning tasks which include a complete wipe down of CMUs, track and carts at each location throughout the airport. Each day a specific terminal(s) is targeted based on a rotation. Each week every CMU will receive a complete cleaning. On a quarterly basis, we examine any rust issues and those CMUs or track identified will have rust removed and will be repainted. Certain areas have more weather exposure and thus the process is required more frequently than CMUs located inside. Carts are power washed on an annual basis.
- La Guardia Airport - Cleaning is assigned to cart associates on a daily basis. Each day specific CMUs are targeted based on a rotation. Each week every CMU will receive a complete cleaning. On a quarterly basis,

we examine any rust issues and those CMUs or track identified will have rust removed and will be repainted. Certain areas have more weather exposure and thus the process is required more frequently than CMUs located inside. Carts are power washed on an annual basis.

- Stewart International Airport – Cleaning is performed by our part time manager upon each visit.

Daily repair and maintenance checks are conducted on each CMU at JFK, Newark and La Guardia airports which consists of testing the CMU for all methods of payment including bills, coin and credit card. Carts are examined everyday by all staff and those with equipment issues are set aside and later collected and returned to a general maintenance area for repairs and detail cleaning. Cart moving equipment is inspected daily and any issues are logged and addressed by maintenance staff.

Weekly repair and maintenance checks are conducted by the part time manager at SWF airport. The New York City Manager conducts semi-annual visits to assist with any cart repairs and overall inspection.

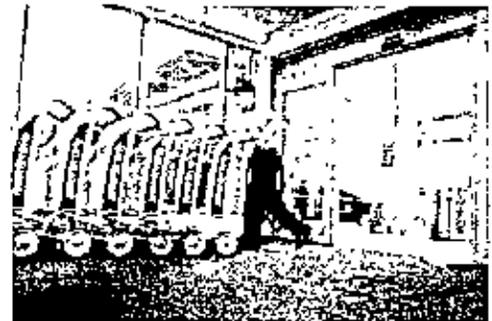
CMUs receive regular preventative maintenance. Based on usage volume, CMUs are scheduled monthly or quarterly. The preventative maintenance includes cleaning and lubricating the mechanical vending plate, cleaning of all internal rollers and mechanical assembly of the bill validator, credit card reader, coin acceptor, and the return end of the track. All aspects of the CMU are tested and signed-off by the technician or manager.

The JFK Terminal 4 conveyor receives monthly preventative maintenance performed by Oxford Airport Technical Services. It includes inspection of motors, bearings, guards, gear box, belts and general lubrication and cleaning.

### Cart Collection Frequency and Restocking Plan

The challenge for a luggage cart service provider is to retrieve the abandoned carts left by thousands of arriving passengers at a peak hour! This is a critical sign of quality in luggage cart service. Only Smarte Carte is in a position to continue to assure the Port Authority the quickest, safest and most efficient cart retrieval program. We accomplish this through:

- Staffing schedules derived from 40+ years of luggage cart management experience.
- Specialized cart handling tools and equipment.
- Proper planning and coordinating with airline terminal managers.
- Trained and motivated employees.
- Monitoring both domestic and international airline schedules.



Finding loose carts is no problem. Anyone who works at the airport can tell you where to find the carts. The objective is to keep up with the thousands of cart users as they abandon their carts once they have reached their destination. This requires the proper planning and scheduling of motivated and trained staff.



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The process for collecting loose carts begins with a well-established staffing and labor plan. The labor plans detail specific work areas within the airport. The labor plans identify and target the heaviest usage areas: baggage claim, ticketing, arrivals hall and concourses. We visually monitor the flow of carts from these areas to the destination locations – baggage recheck, ground transportation and parking lots. The individual terminal supervisors continually analyze the traffic patterns and dispatch customer service associates to their work areas.

From there, customer service associates follow a pattern of consistently sweeping the work area from one end to the other to gather the loose carts promptly. Carts are either directly put into the return end of a CMU, or collected by nesting the carts together in a line. Lines of carts are secured by a rope and then brought to an appropriate CMU or staging area.

Supervisors also sweep the area to pinpoint the locations of loose carts and, using two-way radios or cell phones, direct employees to collect them.

Holding a line of carts secured by ropes is called "staging carts". Carts are staged when CMUs are not present or have no need for additional carts. Carts are also staged near areas of high rental volume, such as customs and baggage claim areas, in order to more quickly replenish carts.

Capture units and lines of carts are normally only staged for very brief periods of time, usually only long enough for the appropriate personnel (Cushman drivers, badged customs employees) to reach the assigned work zone and move the staged carts to the appropriate CMU or customs area. The locations selected for staging loose carts are many and varied, determined by current airport traffic flow.

#### **JFK International Airport - General Balancing Route**

Due to connections and the air train, carts are rented in one terminal and then released by the passenger in another terminal or area of the airport. Generally speaking, the carts will build up in the outer areas or outside of the airport at the various air train stops. A Ford 450 truck is used to transfer the carts back into the terminals, primarily to Terminal 4. Due to connections, carts tend to build in Terminals 1-3, 6 and 7, and then must be returned to Terminal 4. In some instances, a truck must be used as use of public roads is required to get from terminal to terminal. Also, within each terminal, carts tend to build on the ticketing levels and are then required to be returned down to bag claim. Below are the detailed routes for each terminal.

##### **• Terminal 1 (International only - No Domestic) Multiple Carrier**

- **Ticketing** – A walking route where cart associates will collect loose carts starting at the general checkpoint to all gates. They then collect loose carts starting from Korean ticketing to Lufthansa, then again from Korean to Air France side. The Airtrain Station is accessed via skywalk and swept for any loose carts left at the top of escalators and elevators. The Food Court level also is swept for loose carts left by passengers and is accessed via elevators. The carts collected will be returned to units 1-30, 1-31, 1-32, and 1-33. All excess carts will be taken to the far side of the departures curb and staged securely with ropes for pickup by a driver.
- **Arrivals/Customs** – The cart associate collects carts on the curb outside arrivals and in the shuttle/bus/taxi stand area on the outer island. Carts are ultimately staged outside of the AOA by receiving. A maximum of 500 carts can be staged in this area and must be secured with ropes to eliminate shrinkage. A 20 minute lead time must be given to security when access to the SIDA secure tunnel door is required. Three



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staff members are required to bring lines of carts from staging to the AOA, two staff members to move lines of carts via electric tugger to and through the tunnel and another on the secure side to attach to an electric Cushman. Once the carts are attached, a maximum of 45 carts can then be moved approximately 200 yards to the designated door from the ramp side and through a hallway into the customs area. This procedure is necessary up to 9 times over three shifts. A tugger or a QuickKart is used to push the carts to replenish the units inside customs by an Ambassador. Once inside the customs hall, carts are staged and secured on the west side to a maximum of 350 carts. These carts are replenished into customs units as necessary by the ambassadors.

- **Parking Garage Terminals 1, 2, & 3** - This is a four level garage with four CMUs located inside. A driver brings a gas Cushman on the outer roadway and enters the parking area via the toll plaza. Starting on the top level, the driver moves up and down each row of vehicles. When loose carts are identified, they are attached to the line, not to exceed 45 carts. The route then goes down levels consecutively. As the driver passes CMUs, he replaces carts if necessary. Once the driver has a full line of carts, he exits via the toll plaza and drives on the outer roadway entering on arrivals level and drops his load outside at customs staging.
- **Concourse** - An associate will check the concourse weekly and remove any carts brought in by airport tenants. The carts are then returned to the units on the departures curb.
- **Airside Ramp** - This area is checked at least once a week by an associate driving an electric Cushman around the airside ramp of Terminal 1. The carts are picked up, towed by the Cushman and returned to the customs area.
- **Terminal 2 - Delta Domestic**
  - **Ticketing** - A walking route where the cart associate will collect loose carts starting at the TSA checkpoint and moving forward through the ticketing area. Carts are replenished into the ticketing units 2-30 and 2-31 and staged by the outer island to be balanced downstairs to bag claim units by a driver via electric Cushman.
  - **Bag Claim** - A walking route where the cart associate will scan the entire curbside area including the outer roadway. The loose carts are then brought inside arrivals to fill up the units by bag claim E and F.
  - **Concourse** - There are no units on the Terminal 2 concourse, however, an associate regularly checks the concourse to remove any carts and return them to the ticketing units. The secure side of this gate accumulates an unusually large amount of carts due to the connecting walkway from Terminal 3.
- **Terminal 3 - Delta International & Domestic**
  - **Ticketing** - This terminal has three separate ticketing areas (international, domestic, and VIP preferred). All are walking routes where a cart associate is assigned to collect carts from the inside of the terminal by the ticketing counters and outside on the curbs at departures. Attention must be paid to the area inside the roadway loop as this area is prone to carts accumulating for unauthorized use. The carts collected will be returned to ticketing units on the east side (3-30 and 3-31) and ticketing units on the west side (3-33, 3-34 and 3-32). The excess carts will be taken downstairs to the bag claim units via a gas Cushman. A capture unit is on the curb of the east side departures curb that is used to stage until carts are moved.
  - **International Arrivals** - This is the sub-level in the back of the terminal complex with multiple curbs. Carts from all areas of the terminal are staged in front of international arrivals between A and B aisles. There are two capture units by the staging area to secure the carts. Cart associates walk all sides of the area clearing loose carts, paying particular attention to the taxi stand. Carts are then returned to the customs hall.

- **Customs** - Carts are pushed with a Tugger into the designated exit doors leading out of the customs hall. Staff accesses these doors with a PANYNJ swipe card and access code or security guard clearance depending on time of day. The B door is also used to bring in carts into customs but this is permitted only in the mornings. Once inside customs, the Ambassador moves carts manually with a rope and into CMUs.
- **Concourse** - A walking route where the associate will collect the carts from all gates within the loop. All carts on the north side are brought back to the north side units and the carts from the south side are brought to the south side units. Excess carts are brought down to the staging area on arrivals area via a gas Cushman.
- **Area D Departures** - A walking route where the associate will collect the carts from the ticketing counters inside the terminal and return the carts to the units on the departures curb outside. The excess carts are staged with a maximum of 40 carts by the curb for pickup by a Cushman.
- **Arrivals** - An associate collects all the loose carts from the taxi and curbside and refills the two units inside area D. The excess carts are staged by the capture unit located in the middle island by the taxi stand. A regular Cushman route from parking and from Terminal three departures picks up the line of carts and brings them to the staging area of Terminal 3.
- **Terminal 4 – International & Domestic (Multiple Carriers)**
  - **Staging Area** - This is located on the east side of the building and is used to store carts prior to placement into the conveyor system.
  - **Customs** - All carts that go inside the Terminal 4 customs hall must pass through the conveyor system. This process takes a minimum of four staff members to complete. The carts are lined up in front of the conveyor with either a QuickKart or Tugger requiring two staff. One additional staff member must be inside the customs tunnel to insure that only one tunnel door is open at a time, as this is a sterile area. The line of no more than 65 – 80 carts is pushed through the door and seated in the gripper belts of the conveyor. The carts travel on the conveyor approximately 250 ft. where they end at the inside of the second secure door. Once the exterior door is closed after the last cart passes through, an ambassador opens the interior door leading into the customs hall and secures the line of carts to a Tugger and brings them into the back end of the baggage area to be loaded into the CMUs with a Quickkart. There are no additional cart staging areas inside of Terminal 4 customs. Employees can only access the SIDA door at the entrance to the conveyor room with their PANYNJ identification badge swipe and an access code. No personnel are permitted to pass through the conveyor doorways on either side.
  - **Concourse A & B / Airtrain Platform** - These are checked regularly by a walking cart associate. The carts in concourses A and B are brought to a service elevator near concourse A and brought down manually via elevator. A maximum of 15 carts can be transported in this elevator at one time. The carts are staged by a lobby near the service elevator and pushed outside by a Tugger to the Terminal 4 staging area. The train platform and elevator alcoves are checked for carts that are left by passengers.
  - **Ticketing** - A walking route where the cart associate will collect loose carts starting at the Air France ticketing counters and proceeding to all 8 aisles. The carts are staged and lined up at the back of the building behind the TSA stations in lines of up to 25 carts. They are pushed via QuickKart to the perimeter walls of the ticketing area and moved forward to the front of the terminal and brought outside on the curb to replenish the units. All excess carts are taken to the end of the east side curb and put in a capture unit, waiting to be picked up by the gas Cushman. The driver of the Cushman must bring the vehicle around the Terminal 4 garage on the outer roadway and enter the departures ramp with traffic. The carts are attached and the driver must again go around the terminal garage and enter the arrivals ramp with traffic and stages the carts by the Executive Access parking.



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- Domestic Bag Claim & Arrivals general lobby - This is a walking route where the entire arrivals level is swept for loose carts and CMUs in the domestic bag claim hall are replenished. The associate will also walk the curb on the inner roadway collecting carts left by passengers who utilize the bus stand. The walking cart associate will also check the interline for loose carts and the parking lot on the west side of the building.
- Parking Garage / Terminal 4 Lot / Taxi Stand - This garage has five levels and five CMUs. An electric Cushman is kept in the garage and starts the route at the top level. The driver goes in and out of every lane attaching loose carts to the Cushman to a maximum of 40. CMUs in the garage are replenished as necessary. The route continues down consecutive levels until the ground floor. The driver will then work his way through the parking lot ending at the toll plaza exits. Carts are moved across the inner roadways to the terminal staging areas. The taxi stand located on the outer roadway is serviced by the same Cushman driver route.
- **Terminal 5 – Jet Blue Airways**
  - Departures - The cart associate will sweep the inside of the terminal retrieving carts from ticketing areas and security check points and replenishing them into CMUs back outside on the curb. Due to transfers from other terminals, this terminal tends to build in cart number, and excess carts are staged on the lower level. The excess carts are typically sent to Terminal 4. The Airtrain platform and connector are also checked for carts and when collected, are transferred down to the ground level.
  - Arrivals & Taxi Stand - This is a walking route where the associate will travel the entire length of the curb including the far end taxi stand collecting carts. In addition, the associate will sweep the baggage carousels and all areas inside the terminal for loose carts. CMUs are replenished and excess carts are put in the staging area. Additionally, this route includes the PANYNJ parking lot where loose carts accumulate.
  - Concourse - An associate will check the concourse weekly and remove any carts brought in by airport tenants. The carts are then returned to the units by the curbside.
- **Terminal 7 – British Airways, Cathay & United Airlines (International & Domestic)**
  - Staging Area - This is located on the west side of the arrivals curb and is used to store carts prior to transfer into the domestic and international bag claim. Up to 150 carts can be staged outside the SIDA door leading onto the AOA by Gate 4Z.
  - Ticketing - A walking cart associate picks up loose carts starting from Cathay to BA ticketing counters. The carts are staged in the middle of the building and manually brought outside to replenish the units on the curbsides. Both the inner and outer curbs must be walked and carts collected returned to the units. Excess carts are brought down to the staging area by Cushman. The driver takes the outer roadway around the garage and onto the arrivals ramp to the staging area.
  - Domestic Bag Claim - A walking route where the cart associate collects carts on the arrivals curb and islands and returns the carts back inside. Carts are brought into both domestic bag claim and customs through a SIDA secure door outside the terminal. This process takes a minimum of three staff. Two associates outside move a line of carts (not to exceed 40) up to the gate with a QuickKart or Tugger. A third employee on the secure side of the gate backs a Tugger up to the enclosed gate and attaches the line of carts. The line then travels approximately 100 ft. through the enclosed tunnel leading into the terminal via a secure door. The associate accesses this door with a swipe card and pin and travels another 50 ft. through a hallway leading into domestic bag claim.
  - Customs - The process is consistent with the domestic bag claim route, however, the associate would continue past the domestic bag claim to another secure access door that leads into customs.



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- **Terminal 7 Garage and Airtrain Platform** - The garage is two levels with one CMU. An electric Cushman is driven between all lanes of parked cars starting on the top level and working down. The line of carts is permitted to pass between both the inner and outer roadways on the lower level between the terminal and garage. A cart associate must walk the train platform and manually move carts down via elevator five at a time. Carts are then returned to the custom units.
- **Terminal 8 - American Airlines (International & Domestic)**
  - **Departures** - A walking route where the associates are assigned to collect carts from all ticketing counters and security check points. Special attention needs to be paid to this area as skycaps are known to recycle carts for their own financial gain. These carts are secured with ropes and moved manually to the curb to replenish CMUs. Excess carts are brought manually to the farthest end (east side) of the building to be picked up and brought to the staging area on the ground level. This is done via a Ford F450 truck. Only 45 carts can be loaded on the truck at one time. The driver has to follow the outer roadway around the parking garage and up the departures ramp to pick up the load. The route then takes him around the parking garage again and onto the roadway leading to arrivals. The load is dropped and carts are moved to staging via a QuickKart.
  - **Domestic Arrivals** - A walking route where the cart associate sweeps the entire general lobby and domestic baggage carousels. Additionally, the arrivals curb and the taxi/bus/shuttle stand are cleared of all carts left by passengers being picked up by car or ground transportation. These carts are moved via electric Cushman to the staging area or back inside to the bag claim units.
  - **Staging Area** - A designated staging area for all carts is located outside at the Westside of the building under two separate 60ft x 20ft tents. A maximum of 600 carts can be staged here prior to entry into the customs hall. This is also a designated charging station for Tuggers, Cushmans and QuickKarts. Carts to be brought into customs are staged here.
  - **Customs** - Carts going to AA customs all come from the staging area. Two staff members are required to perform this task and access to customs is initiated with swipe cards and pass codes. Carts are pushed with a Tugger or a QuickKart into a 50 ft. hallway a maximum of 45 carts at a time. An associate opens a roll up door leading to the staging area and the carts are brought in. The roll up door on the staging area side is rolled down automatically and another roll up door is opened leading to the customs hall. Only one door at a time can be opened as this is a sterile area. The carts are then pushed by a Tugger or QuickKart and manually placed into the units. CMUs are loaded manually by an ambassador.
- **Federal Circle - Car Rental / Airtrain / Hotel Shuttle** - This area is scanned a minimum of 10 times a day by an associate using a designated Ford F450 truck. Loose carts in front of the hotel shuttle pickup are used to replenish the units at Hertz, Avis, Dollar, and Budget, a unit by the Airtrain and a unit by the hotel shuttle pickup. All excess carts are loaded on the Ford F450 and brought back to the terminals. The driver/associate is in radio contact with all Terminal managers for cart balancing. Additionally, three days a week, a walking cart associate is assigned to the area to continually sweep and stage carts for the driver.
- **Lefferts Station / Long Term Parking / Airtrain** - Access to this parking lot is gained from the Lefferts Blvd. toll plaza. The driver will pass every row of vehicles stopping in an area when there are loose carts. The driver exits the vehicle and gathers the carts manually. A line of carts will be added to the truck not exceeding 45. Additionally, the driver will exit the truck when the train station is checked for loose carts. All loose carts are brought back to the CMU and all excess carts are loaded on the truck for balancing. This is a four mile commute to and from the terminals.
- **Long Term Parking** - A Ford F450 truck is assigned for the long term parking units and the lots are checked approximately 8 times a day. Long term parking is a six mile commute to and from the terminals. The Ford



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F450 truck travels to every aisle of the long term parking lot accumulating loose carts. The driver has to exit the vehicle to check the upper and lower platforms of the Airtrain station. Additionally, once a week for one shift a cart associate is sent out on the train to collect and stage carts for the driver to load

- **Howard Beach – Airtrain to Transit / Long Term Parking** - The two units in this station are included in the regular checks of the Airtrain Ford F450 route. The train station is thoroughly checked for loose carts. All carts are brought back to the units and excess carts are loaded in the truck for balancing.
- **Jamaica Station / Airtrain to Transit** - This station is checked daily. It is a 14 mile commute from the terminals. A Ford F450 driver and cart associate drive to the station and park in the service lot. Both go upstairs and gather loose carts on the platform. The carts are brought down via the service elevators 6 at a time and loaded on the Ford F450 no more than 45 at a time. The carts are brought back to the terminals via the Van Wyck expressway. All carts from this station are brought back to Terminal 4 staging area for distribution.
- **Ramp Side Pickup Procedures** A Ford F450 truck conducts a cart roundup in the ramp once a week. Access to the RVSR (Restricted Vehicle Service Road) is gained at Terminal 8 and the driver works his way to every terminal via the roadway on the AOA. Each terminal has an area where the truck is parked and the driver and a cart associate collect carts brought into the secure area by airport personnel and baggage handlers. All vehicles and personnel on the ramp must be authorized.
- **Cart Roundup**- A quarterly cart roundup is requested by the GM in coordination with the Port Authority. A terminal manager of Smarte Carte is escorted by a Port Authority employee to check and retrieve carts being used illegally by airport vendors. The roundup usually covers the airside ramp beyond the RVSR, cargo areas, baggage storage rooms and other locations where carts are being used by vendors

#### **Newark Liberty International Airport – General Balancing Route**

Due to connections and the air train, excess carts tend to build in Departures at Terminals A, B and C, as well as parking areas. These carts will be balanced via the Ford 450 truck and trailer to either customs area in Terminal B or C. These vehicle routes require the trucks to exit the airport and use outer roadways in order to access the different levels of the different terminals. Cushman's cannot be used as there are no roadways connecting the parking lots to the terminals. Also, within each terminal, carts tend to build on the ticketing levels and are then required to be returned down to bag claim

- **Terminal A**
  - **Ticketing** - A walking route where the cart associate will collect loose carts inside by the ticketing counters and works from one end of the terminal to the next, balancing loose carts into the CMUs on the curb. Attention is paid to alcoves and corners by elevators and ticketing offices for loose carts that have accumulated.
  - **Gate's Level and Airtrain Platform** - Associates walks to the security checkpoints/Gates. The carts collected will be returned to units A 05 & A 31 on the ticketing curb. The excess carts will be taken downstairs to the bag claim units on the freight elevator. No more than 8 carts can be moved on the elevator at one time.
  - **Bag Claim** - A walking route where the cart associate will scan the island near Active Pickup and then proceed to the curbside and check the Taxi Stand. Loose carts are collected and returned inside to the bag claim. Any excess carts are taken to a staging area to be picked up by the Ford 450 and taken to where the carts are needed, Terminal B or C Customs.
  - **Concourse** - There are no units on the A concourse, however, once a week, an associate will check the concourse and remove any carts (brought in by airport personnel) and return them to the ticketing units.



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- **Terminal A Short term Parking Lot** – The Ford 450 is driven up and down each row to collect carts from the parking area. The driver exits the vehicle and accumulates carts and loads the truck with multiple carts. The truck cart capacity is 45 carts. The carts are then taken to the Terminal that is in need of carts, which again requires exiting the airport in order to gain access to the proper terminal road.
- **Terminal A Bus Stop** – A cart associate walks to the Bus Stop at Terminal A to collect loose carts and return them to the CMUs at Terminal A.

• **Terminal B**

- **Ticketing** – A walking route where the cart associate will collect loose carts starting at the front of the Curb outside Door #1 departures and follows through the end of the curb Door #7, then proceeds to each ticketing counter to collect any loose carts. The carts collected will be returned to ticketing units B 30, B 31 & B 32. The excess carts will be taken downstairs onto an elevator, no more than 8 at a time to the Arrivals Level where interline tunnel leads into the customs area. Attention is paid to alcoves and corners by elevators and ticketing offices for loose carts that have accumulated.
- **Gate's Level and Airtrain Platform** – cart associates walk to the security checkpoints to collect any loose carts. The carts collected will be returned to units B 30, B 31 & B 32 on the ticketing curb. The excess carts will be taken downstairs on an elevator to the Arrivals Level where interline tunnel leads into the customs area, also checking CMUs by baggage claim to balance these units.
- **Bag Claim** – A walking route where the cart associate will scan the entire curbside area starting at door #1 near the Taxi Stand through door # 12 and bus area. Loose carts are collected and returned inside the four bag claim units B01 through B03 and B07 (outside door #7). The associate will also walk the level down to British Airways where their ticketing counter and check in is located. From there, the cart associates walks to the Transit Bus/ Shuttle Stand to collect loose carts and fill CMU B06 at the Bus stop.
- **Concourse** – There are no units on the B concourse, however, once a week, an associate will check the concourse and remove any carts (brought in by airport personnel) and return them to the ticketing units.
- **Customs** – Carts are delivered (from the various other routes described above) via the Ford F450 truck to Door #12 on the arrivals level. The vehicle has to be parked horizontally and the load is dropped on the curb. Unloading the truck is a two staff operation in order to maintain safety on the curb.

Carts are pushed up the tunnel with a QuickCart through the interline area and through a roll down gate that is accessed with a key. This is a secure door leading into a sterile area so two staff are needed as only equipment is allowed to pass through this door. The Ambassador receives the line of carts on the other side of the door and fills the staging areas. The Customs area at Terminal B consists of two parts, the North Area and the South Area. The North side has two CMUs (BC04 & BC05) plus a staging area that holds 150 carts. The South side has four CMUs (BC01, BC02, and BC03 & BC08) plus a staging area that holds 220 carts.

- **Terminal B Short Term Parking Lot** – The Ford F450 truck is driven up and down each row to collect carts from the parking area and taken to the Terminal that is in need of carts. The driver exits the vehicle and accumulates carts and loads the truck with multiple carts. No more than 45 carts can be loaded at a time. Also, the Cushman is used here to collect the carts and stage them between Terminal B & C parking lot. The driver is called when there are 45 carts staged to be collected and taken to Terminal C Airside for customs (see route 2 below under Terminal C).
- **Terminal B Bus Stop** – This is located between Terminal A & B. A cart associate walks to the Bus Stand to collect loose carts which are then returned to the CMUs at Terminal B.



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• **Terminal C**

- **Ticketing** – There are two levels of ticketing at Terminal C. International (top level) and Domestic (middle level). Both are walking routes where the cart associate will collect loose carts starting at the front of the curb outside Door #1 Departures and follow through the end of the curb Door #4, then proceeds to the each ticketing counter to collect any loose carts. The carts collected will be returned to ticketing units C 06, C 07 & C 10. The excess carts will be taken downstairs onto an elevator to the Arrivals Level where the interline tunnel (see Route 1 below) leads onto the RVSR. The cart associate proceeds to the Mid – Level curbside to collect loose carts and refill the three CMUs (C 09, C 11 & C 12). Attention is paid to alcoves and corners by elevators and ticketing offices for loose carts that have accumulated.
- **Domestic and International Bag Claim/Arrivals** – A walking route where the cart associate will scan for loose carts starting at the taxi stand, proceeding to the courtesy bus and airport shuttle island, then to the active pickup area. Loose carts are collected and returned inside to the five bag claim units C1 through C5 via a QuickKart. Another associate will scan the door 6 custom hall exit area and baggage recheck where a lot of carts accumulate. Any excess carts collected in the arrivals area, are taken via Quickkart to the tunnel at the RVSR for return to the customs hall (see Route 1 below).
- **Concourse** – There are no units on the C concourse, however, once a week, an associate will check the concourse and remove any carts (brought in by airport personnel) and return them to the ticketing units.
- **Customs** – There are two routes used to bring carts into the customs hall. Both routes lead to the customs hall tunnel, the first via an inside terminal route to the RVSR, the second via exterior airport roads to the RVSR.
  - o Route 1 uses an Arrivals tunnel and a door located near the bag claim area inside the terminal. Excess carts collected from the arrivals and departures levels of Terminal C will use this route. The Arrivals tunnel connects to the RVSR and only equipment can pass through the tunnel. The door next to the tunnel is secure and our staff use this door to access the RVSR. A Cushman is then used on the RVSR to move lines of 45 carts from the Arrivals tunnel to the customs hall tunnel, which is distance of approximately 200 yards.
  - o Route 2 is the most challenging route. All carts collected in Terminal C parking or other areas of the airport that need to be returned to Terminal C customs must use this route. A Ford F450 truck and trailer transport the carts via use of the exterior airport roads. The truck has to circle the airport in order to gain entry to the RVSR at a secure checkpoint. Access is gained by P-4 and the truck drives on the secure roadway to the pick-up and drop off points indicated above. The Ford F450 drops off a load of 45 carts to an area outside the tunnel. The driver guides carts up through the customs hall tunnel with a Quickkart, while an ambassador on the other side takes control of the row of carts coming through the door. This is a two staff operation as this is a sterile area and only equipment can pass through the roll down gate.
  - o Terminal C Custom Hall has two CMUs (CC01 & CC03) each holds 120 carts and a staging area that holds 300 carts.
- **Terminal C Short Term Parking Garage** – The Ford F450 is driven up and down each level to collect carts from the parking garage and taken to the Terminal that is in need of carts. Also, the Cushman is used here with the same procedure of driving up and down the rows adding carts to the line. After the carts are collected, the drivers stage them between Terminal B & C parking lot. The Ford F450 driver is called when there are 45 carts ready to be collected and taken to Terminal C Airside for customs.



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- **Terminal C Bus Stop / Taxi Stand / Arrivals Curb** - The QuickKart is used on the curbside by Door #8 to collect carts and at the Taxi and Bus Island. This area accumulates a lot of carts and a cart associate is assigned a walking route here as well. Carts collected here are returned to the customs hall via route 1.
- **Concourse** - There are no units on the C concourse, however, once a week, an associate will check the gates and remove any carts and return them to the ticketing units.
- **P-1 Parking** - The parking routes are performed with a Ford F450. The driver will proceed on the ground level to collect carts going up and down each row of vehicles. There is no CMU at this location. All carts are returned to the Terminal B or C customs staging areas.
- **P-2 Car Rental / Long Term Parking** - The parking routes are performed with a Ford 450. The driver will proceed on the ground level and cover the entire parking lot. The driver will check unit P 02 for any excess carts. The driver has to exit the vehicle to check the inside of the Car Renter facilities. Carts accumulate inside where passengers pick up their rental cars. All carts are returned to the Terminal B or C customs staging area.
- **P-3 Car Rental / Long Term Parking** - The parking routes are performed with a Ford 450. The driver will proceed on the ground level and cover the entire parking lot. The driver will check unit P 03 for any excess carts. The driver has to exit the vehicle to check the inside of the Car Renter facilities. Carts accumulate inside where passengers pick up their rental cars. The driver accesses the Rental car garage and proceeds to the top level, driving up and down each row. The route proceeds to each of the lower levels and the driver has to exit the vehicle to load the truck when necessary. All carts are returned to the Terminal B or C customs staging area.
- **P-4 Garage Hotel Shuttle / Long Term Parking** - The parking garage has six levels. The Ford F450 driver will go to the top and work their way back down to the ground level driving up and down each row to insure all loose carts are accumulated. The driver will check unit P 04 for any excess carts. All carts are returned to the Terminal C customs staging area.
- **Airtrain Station** - The station pick up is performed with a Ford 450. The truck is parked in the service lot and the driver proceeds to the second floor platform. The driver will check unit R 01 for any excess carts. All carts are brought down five at a time in an elevator, loaded on the truck, and returned to the Terminal B or C customs staging area.
- **Air Side Procedures** - Coordinate access to ramp areas with Port Authority in order to perform the drive through and recover carts. In addition, we will request a Port Authority escort to office areas and storage rooms to recover carts within all three terminals. This occurs twice a year.

#### **La Guardia Airport (LGA) - General Balancing Route**

The Delta and US Air Terminals will increase in cart number throughout the day due to passengers renting carts in bag claim at the Central Terminal and transferring to a departing flight on Delta or US Air. We balance carts via Cushman from the other two terminals back to the Central Terminal. Our cart associates take any excess carts from ticketing levels down to bag claim within the respective terminals.

#### • **Delta Terminal**

- **Ticketing** - A walking route where the cart associate will collect loose carts starting at the south side door on the curb and proceed to north side door at the end of the curb. The associate then proceeds inside to the Northwest and Delta ticketing counters, to the security checkpoint, and then to the area beside the gate. The carts collected will be returned to units on the ticketing curb. The excess carts will be taken



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downstairs to the bag claim units five at a time via an elevator

- **Bag Claim** – A walking route where the cart associate will scan the island near Active Pickup and then proceed to the entire length of the curb outside arrivals including the Taxi Stand. Loose carts are collected and returned inside to the bag claim units (CMUs 1-01, 1-02, 1-03, 1-04, 1-05). The inside of the terminal at bag claim is checked for loose carts and any excess carts are placed into a capture unit on the curb for transport via Cushman to Central Terminal.
- **Parking Lot #5 & #6** – The cart associate drives the Cushman across the outer roadway into the parking lot. Each row is driven and loose carts are attached to the line. Once the lot in front of the terminal is cleared he proceeds to the lot on the side of the terminal and follows the same procedure going up and down each row of cars. The line of carts is pulled onto the arrivals curb and carts are moved into the terminal by hand and balanced into CMUs.
- **US Air Terminal**
  - **Ticketing** – A walking route where the cart associate will collect loose carts on the Departures curb, proceed inside to all the US Air ticketing counters, clear the area by the TSA checkpoint and check the entrance to the gate. The carts collected will be returned to ticketing units 2-30 & 2-31. The excess carts will be taken downstairs to the bag claim units.
  - **Bag Claim** – A walking route where the cart associate will clear the entire curbside area on Arrivals including the taxi pick up. Loose carts are collected and returned inside to bag claim units 2-02, 2-03, 2-04.
  - **Bag Claim US Air Shuttle** – A walking route on the far side of the Arrivals level of the terminal. Carts are cleared by passenger pick-up, on the length of the arrivals curb and at the Taxi Stand. All carts are returned to CMU 2-01 inside in the lobby area.
  - **Parking Lot #3** – The cart associate brings the Cushman from the Delta Terminal over to the lot at US Air and proceeds to go up and down every row of cars starting at the far end and moving forward. The line of carts is pulled onto the arrivals curb and carts are moved into the terminal by hand and balanced into CMUs.
- **Central Terminal**
  - **Ticketing** – A walking route where the cart associate will collect loose carts starting at Gates A & B and proceed to the ticketing counters for Air Canada, Air Tran, Continental, Frontier, Midwest, Jet Blue and Spirit Air. Any loose carts found along the way will be placed in CMUs 3-30, 3-31, and 3-32. The associate proceeds to the TSA checkpoint and gathers loose carts and replenishes the same CMUs on the ticketing curb. Any excess carts are staged outside on the far end of the curb to be taken downstairs via Cushman. The associate then makes his way to Gates C & D, checking the ticketing counters for United, and American Airlines and then on to the TSA checkpoint. Any loose carts are returned to CMUs 3-33, 3-34, 3-35. Any excess carts are taken to the staging area on the curb where they will be balanced down via Cushman.
  - **Bag Claim A & B** – A walking route where the cart associate will collect carts on the curb, outer roadway island and taxi stand and returns them to bag claim units 3-01, 3-02, 3-03, 3-04, 3-05.
  - **Bag Claim C & D** – A walking route where the cart associate collects carts on the curb and taxi stand and returns them back inside bag claim to units 3-06, 3-07, 3-08 & 3-09.
  - **Central Terminal Garage / Lots #1 & #2** – This garage has four levels and two CMUs. The cart associate will drive the Cushman to the top level and work his way up and down each aisle, gathering loose carts. He will drive the Cushman down each level following the same procedure and balance the appropriate

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amount of carts into the garage units 3-60, 3-61. The associate will drive the remaining carts across both the outer and inner roadway to the arrivals curb. The carts are then moved by hand into the arrivals bag claim units.

- **Long Term Parking** – The cart associate will take the Cushman and proceed to drive down each aisle looking for loose carts to clear. Carts collected will be balanced into the units at the terminals.
- **Ramp Side Procedures** - Coordinate access to ramp areas with Port Authority of NY/NJ and Operations at LGA in order to have a Ford 450 drive the AOA and recover carts. In addition, we will request a PANYNJ escort to office areas and storage rooms to recover carts. This occurs on a quarterly basis.



## Stewart International Airport (SWF)-General Balancing Route

- This location has two CMUs with quarter reward. The CMUs self-balance therefore, hourly labor is not required.

## Security Plan

All Smarte Carte airport locations receive a minimum of one operational and financial audit each year, with larger locations receiving at least two audits per year. The operational component of the audit ensures that performance, appearance and safety standards are being met for both our products and our employees. Because managing a luggage cart concession involves the handling of cash, Smarte Carte's internal audit program includes a financial component with meticulous safeguards to secure revenue.

Audits are conducted by area managers and are typically unannounced. Within 30 days of completion of an audit, area managers are required to submit their findings to Smarte Carte's full-time internal auditor at our corporate headquarters. The internal auditor reviews each audit and the issues identified.

In addition, the internal auditor conducts unannounced operational and financial audits throughout the year.

Smarte Carte is committed to maintaining financial data security and the prevention of credit card fraud. All of Smarte Carte's equipment is compliant with Payment Card® Industry Data Security Standards (PCI-DSS). Smarte Carte uses Trustwave's TrustKeeper for annual certification and performs an external monthly scan for vulnerabilities ensuring compliance with configuration requirements of applicable PCI-DSS standards. To aid in further fraud protection, credit card use history is continually analyzed at each CMU for patterns of abuse, suspect cards are placed on a hot list and re-authorized before allowing vend.

CMUs are equipped with insertion type card readers that accept Visa, Master Card, American Express and Discover. Additionally, each CMU is able to accept a Smarte Carte Gold Card that allows for a complementary use. Credit card transactions are pre-authorized using private and secure WIFI, DSL or Cellular Ethernet connectivity to the processing bank. Equipment is tested and monitored daily to ensure correct operation and because connectivity can be lost, CMUs can be placed into a mode of operation that will continue to allow rental and not inconvenience traveling passengers.

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## Customer Service Plan

When you think about what Smarte Carte provides in an airport setting, it really isn't carts. We are the first point of contact for most customers arriving at the airport. It's an opportunity to move – worry free and stress free - from one place to another in the airport. That takes a lot more than just installing carts! The product is SERVICE. Our systems and people are what make Smart Carte the best choice for your airports.

We put ultimate focus on the traveler experience. It's the PEOPLE of Smart Carte that help make the experience for Port Authority visitors! Smarte Carte employs over 200 people serving the four airports, and provides competitive wages and comprehensive benefits including health and dental coverage for our team members.

We are PROUD to be providing jobs in the New York and New Jersey economy!

We place a high value on customer service and customer concerns. Our equipment is the conduit through which we provide that service. To that end, our customer service strategies focus on eliminating potential problems before they happen and quickly resolving any questions, comments, concerns or problems that our customers may have.

Customer service begins with extensive training and solid employee management programs. Smarte Carte's mission is to exceed customer expectations based upon a synergistic combination of people, equipment, and procedures.

- **Customer Service Trained Staff** - All on-site managers, supervisors, customer service associates and home office operations personnel receive extensive customer service training. On-site staff wears our corporate uniform to readily identify them to passengers who would like assistance.

- **Equipment Emergency Contacts**

Smarte Carte designates an emergency contact manager for each shift, and that contact is assigned a specific phone to handle emergency issues. The number is communicated to local Port Authority operations personnel and both airline and terminal managers. Emergency cell phone numbers are provided below:

- JFK International Airport – Designated manager on duty 347-723-7933
- Newark Liberty International Airport – Designated manager on duty 973-332-2271
- La Guardia Airport – GM Henry Ty 347-992-3405
- Stewart International Airport – Carlos Montoya 973-665-4765

- **In addition, Smarte Carte has a 24 hour toll-free telephone line to handle incoming customer service requests.** This toll-free number is clearly displayed on all of our products. Smarte Carte offers a customer service area on our Web site ([www.smartecarte.com](http://www.smartecarte.com)) where customers can provide feedback or suggestions regarding our products and services as well as report issues or request refunds.

- All refund requests are processed promptly. We have a "no-questions-asked, satisfaction guaranteed" policy.
- Our customer service representatives immediately notify the on-duty manager of reported problems so we can respond promptly.
- **Customer Service Data** – The data from every customer service call is recorded and tracked at the home office. This information is used to monitor our performance at every airport and to identify potential opportunities for design modifications to eliminate the most common problems.





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#### Staffing Plan

Smarte Carte is pleased to offer the PANYNJ a project leadership team with a wealth of professional credentials and proven success in designing, installing and managing a luggage cart concession.

- **President & CEO, Ed Rudis**
- **Senior Director of Operations, Kurt Larsen**  
The business development and operations staff assigned to the PANYNJ airports serve as the "chairmen" of the management team to assure compliance with contract terms and complete customer satisfaction. Ongoing communications and face-to-face meetings with the PANYNJ and the individual airports' management staff will ensure clear understanding and agreement on our mutual goals of providing the best service to passengers and airport visitors. They will oversee the planning, implementation, and fine-tuning of Smarte Carte's contractual commitments and service and also oversee the corporate resources needed to design, install and operate our luggage cart service at peak efficiency, effectiveness and professionalism. Please reference Attachment 2 for key operations management resumes.
- **Area Manager, Christopher Baile**
- **City Manager, Manny Aureus**  
Our area and city managers have extensive Smarte Carte knowledge and are strategically located throughout the country so that they are able to respond to issues at any of their locations in a timely manner. The area manager responsible for the PANYNJ airports is based in Newark Liberty International Airport. The City manager is based out of La Guardia Airport. The following is a list of some of the duties of our area managers:
  - Constantly monitor the operational and financial performance of their respective locations.
  - Audit each location for adherence to Smarte Carte equipment and service standards.
  - Counsel, train and develop the skills of our location managers.
  - Act as a secondary contact with airport operations staff to address any issues not resolved by the location manager.
  - Work with airport operations staff to facilitate movement of Smarte Carte equipment to provide the best possible service.

Please reference Attachment 2 for key operations management resumes.

- **Management**  
The location is managed by a General Manager and two Assistant General Managers. The airport is then divided into three zones, and each zone is supervised by Terminal and Assistant Terminal Managers. Please reference Attachment 3 for an organization chart for details by zone.
- **Security & Service Associates (SSAs)**
  - **Function**  
Smarte Carte's SSAs, or more commonly known as "Blue-Chip Ambassadors", work on the departure levels near the curbside units. They assist in the rental process, loading luggage onto carts, general airport directions and deter hustler activity. They are intimate with flight schedules and airline locations



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throughout the airport.

- **Staffing**

SSA staff ranges from approximately 15-20 SSAs which equates to 80 hours a day in the slow periods and 120 during busy periods. We employ both full-time and part-time SSAs.

Shifts by terminal are listed below:

Terminal 1 - Monday - Sunday 1pm - 6pm

Terminal 3 - Monday - Sunday 11am - 6pm

Terminal 4 - Monday - Sunday 6am - 2pm, 2pm - 10pm, 4pm - midnight

Terminal 5 - Monday - Sunday 11am - 6pm

Terminal 8 - Monday - Sunday 11am - 6pm

- **Uniform**

SSAs are provided blue dress shirts, jackets, etc.

• **Ambassadors**

- **Function**

Smarte Carte's ambassadors work in the customs baggage claim. They assist in the rental process, loading luggage onto carts and general airport directions. They are intimate with flight schedules and airline locations throughout the airport. Ambassadors provide change for large bills and exchange foreign currency.

- **Staffing**

Ambassador staff ranges from approximately 15-20 which equates to 80 hours a day in the slow periods and 120 during busy periods. We employ both full-time and part-time ambassadors.

Shifts by terminal are listed below:

Terminal 1 - Monday - Sunday 10am - 11pm

Terminal 3 - Monday - Sunday 6am - 9pm

Terminal 4 - Monday - Sunday 24 hour coverage

Terminal 7 - Monday - Sunday 6am - 12pm

Terminal 8 - Monday - Sunday 9am - 11pm

- **Uniform**

Ambassadors are provided pouches, blue dress shirts, jackets, etc.

• **Airtrain Drivers (ATD)**

- **Function**

Smarte Carte's ATDs work throughout the entire airport. They are responsible for balancing carts from the various air train stops and throughout the terminals. Balancing is required as many passengers rent carts in airport terminals and take them to Federal Circle, Jamaica & Howard Beach station, and long term parking. The carts are then collected via trucks and trailers and then driven back to the terminals. Balancing carts by using the air train is not allowed.



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- **Staffing**  
ATD staff ranges from 170 hours a week in the slow periods and 210 during busy periods.
- **Uniform**  
They are provided polo shirts, hats and jackets.
- Customer Service Associates (CSA's)
  - **Function**  
Smarte Carte customer service associates transport carts from high return areas to high rental areas to ensure carts are always available to customers. They also perform daily cleaning of carts and cart management units. They provide customer service by assisting passengers and maintain good communication with other employees and facility management. They also learn and practice safe work habits assuring safety to self, coworkers, airport property, passengers and visitors.
  - **Staffing**  
We currently have approximately 70 cart associates on staff. We employ both full time and part time associates. They cover shifts 24 hours a day. They are assigned to the various terminals based on flight schedules.
  - **Uniform**  
CSA's are provided polo shirts, hats and jackets.
- Maintenance
  - **Function**  
Ensure CMUs, carts and all cart-moving equipment is working at optimum levels. Perform preventative maintenance, all repairs, detail cleaning and manage part inventory.
  - **Staffing**  
The maintenance staff consists of a maintenance manager, three technicians and three staff members. The maintenance shop is located in Building 14
- Finance
  - **Function**  
Remove, count and record all cash from CMUs, record meter readings and enter all data into the collection data base. Arrange bank deposits and coin orders. Perform daily payment tests on CMUs. Prepare and audit ambassador pouches. Review international currency exchange rates.
  - **Staffing**  
The finance staff consists of a manager and three staff members.



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- Management

The location is managed by a General Manager, three Terminal Managers and three Assistant Terminal Managers. Please reference Attachment 2 for an organization chart for more detail.

- Ambassadors

- **Function**

Smarte Carte ambassadors work in the customs baggage claim areas in Terminals B and C. They assist in the rental process of carts, provide change for passengers and aid in the movement and collection of carts, inside and outside of the customs hall. They are intimate with flight schedules and airline locations throughout the airport and provide passengers with general airport directions.

- **Staffing**

We currently have 7 Ambassadors on staff, working 35 hours a week during slow periods, 40 hours during peak periods. We employ both full-time and part-time ambassadors.

Staffing by terminal is listed below:

Terminal C- Monday- Sunday 4:30 am- 7:30 pm

Terminal B- Monday- Sunday 5:00 am- 12:30 am

- **Uniform**

Ambassadors are provided pouches, gold color polo shirts, jackets, etc.

- Airtrain Drivers

- **Function**

Excess carts tend to build in departures at Terminals A, B and C, as well as all parking areas due to connections and the Airtrain. These carts are balanced via the F 450 truck to either customs area in term B, or C. These vehicle routes require the trucks to exit the airport and use outer roadways in order to access the different levels of the different terminals. Cushman's cannot be used as there are no roadways connecting the parking lots to the terminals. Also, within each terminal, carts tend to build on the ticketing levels and are then required to be returned down to baggage claim. Driver's also need to check all rail link stations as well as long term parking garages, which requires the Ford F450 to drive all levels of the garage to pick up loose carts.

- **Staffing**

Airtrain staff ranges 160 hours a week in slow periods and 200 during busy periods. We currently start the drivers at 4:00 am to 1:00 am; every hour of our operation is staffed with a driver.

- **Uniform**

They are provided polo shirts, hats and jackets



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- Customer Service Associates (CSA's)
  - **Function**  
Smarte Carte customer service associates transport carts from high return area to high rental areas to ensure carts are always available to customers. They perform daily cleaning of carts and cart management units. They provide customer service by assisting customers and maintain good communication with other employees and facility management. They also learn and practice safe work habits assuring safety to self, coworkers, airport property, passengers and visitors.
  - **Staffing**  
We currently have 19 CSA's on staff. We employ both full time and part time associates. They cover shifts from 4:00 am to 1:00 am for a total of 21 hours a day. They are assigned to terminals A, B and C based on flight schedules. They are moved throughout the day as business dictates.
  - **Uniform**  
CSA's are provided polo shirts, hats and jackets
- Maintenance
  - **Function**  
Ensure CMUs, carts and all cart-moving equipment is working at optimum levels. Perform preventative maintenance, all repairs, detail cleaning and manage part inventory.
  - **Staffing**  
The maintenance staff consists of a maintenance manager and three technicians. The maintenance shop is located in the customs hall of Terminal B.
- Finance
  - **Function**  
Remove, count and record all cash from CMUs, record meter readings and enter all data into the collection data base. Arrange bank deposits and coin orders. Perform daily payment tests on CMUs. Prepare and audit ambassador pouches. Review international currency exchange rates.
  - **Staffing**  
The finance staff consists of one finance manager.
- Management

The location is managed by a General Manager, a City Manager and two supervisors. The managers are responsible for all finance and general maintenance work. Any substantial maintenance work is performed by JFK staff. Please reference Attachment 3 for an organization chart for more detail
- Customer Service Associates
  - **Function**  
Smarte Carte customer service associates transport carts from high return area to high rental areas to ensure carts are always available to customers. They also perform daily cleaning of carts and

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cart management units. They provide customer service by assisting customers and maintain good communication with other employees and facility management. They also learn and practice safe work habits assuring safety to self, coworkers, airport property, passengers and visitors.

– **Staffing**

We currently have five cart associates on staff. We employ both full time and part time associates. They cover shifts from 4:00 am to 1:00 am for a total of 21 hours a day. They are assigned to Terminals B, C and D based on flight schedules. They are moved throughout the day as business dictates.

– **Uniform**

CSA's are provided polo shirts, hats and jackets

• **Management**

Stewart International Airport is managed by a part time manager who visits the location twice a week to ensure the carts are balanced between the two units and the equipment is working.

**Home Office Support Center**

One of the integral pieces to the success of any Smarte Carte operation is the home office support center. At the support center, Smarte Carte has a team of 70 individuals whose sole function is to support the staff at each of our locations. From Technical Services staff that provides equipment information and training to Human Resource staff that provide employee support and training, the support center is a critical piece in the effective management of our operations.

Smarte Carte's location managers have the full support of all departments at our home office support center in Saint Paul, Minnesota.





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They are listed below with a description of the roles and responsibilities of each.

- **Accounting / Location Analysis** - Our accounting and location analysis department monitors information on transactions, revenue, usage and service codes. This information is captured through each product's microprocessor. The data is electronically transmitted to our world headquarters on a scheduled basis. Usage and revenue data is also recorded manually to provide reporting system redundancy.

At the end of each month our world headquarters accounting/location analysis department analyzes the monthly performance through the use of our location analysis database. This database processes the monthly reporting data (rents, returns, cash, etc.) and compares actual meter readings with actual bank deposits. We will then provide the PANYNJ a report that lists the total monthly revenue. This commission settlement statement will accompany the monthly payment to the PANYNJ.

In addition, our location analysis database identifies "red flags." This is information that may indicate a problem at the location, including cart loss, theft or possible cart hustling situations. We use this information to track location performance and identify trends.

- **Engineering / Technical Support / Planning** - Smarte Carte is recognized by travelers, airports and competitors as the world leader in designing and managing passenger service solutions for the global marketplace. Our team of engineers, technicians and operation professionals continuously strive to improve our equipment through innovative, customer-focused products and product enhancements.

The advantage of a Smarte Carte management system is that we design and manufacture our own equipment for use at our airport concessions worldwide. Our engineering staff receives input from our field personnel, airports and travelers in order to design the products our customers want that will work efficiently in the airport environment.

Our technical support department provides technical assistance via telephone as well as extensive technical equipment manuals to aid field personnel in troubleshooting equipment problems.

Our staff of planners is responsible for coordinating and executing each installation, ensuring that both product and necessary resources are available to quickly and efficiently install each passenger service operation.

- **Human Resources** - Our corporate human resources department supports the recruitment, screening and hiring process, working directly with local and regional management. The HR department coordinates the advertising placements, screens resumes, conducts telephone interviews, background checks and creates a short list of the most qualified candidates. They also participate in on-site interviews when required.

The HR Department is also responsible for the coordination of benefits and leads the efforts of continuous training for our personnel. In coordination with regional management, HR provides various training manuals and skills assessment testing.

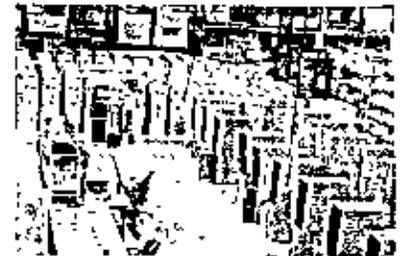




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In addition, Smarte Carte has a designated Human Resources manager located in the Smarte Carte JFK office to handle all employee relations.

- **Marketing/Communications** - Smarte Carte's marketing department is devoted to effectively communicating information about our products and services to your customers, including:
  - **Information Directories:** We suggest that Smarte Carte passenger service locations be included on all information kiosks and/or service directories at the airport and on your web site to assist travelers. We will provide any information or artwork that is needed.
  - **Point-of-Sale:** Smarte Carte's marketing department has developed product point-of-sale signs that are visible from a distance and communicate passenger service availability to travelers. Our products also include step-by-step instructions that make cart rental easy.
  - **Directional Signs/Brochures:** At the airport's request, Smarte Carte's marketing and graphics staff can provide additional signs directing travelers to passenger services and/or brochures that include a diagram of the airport showing Smarte Carte locations and other information about the Smarte Carte service.
  - **Press Releases:** At the airport's request, we can prepare a press release to be sent to all local newspapers, television and radio stations and business publications. The release will focus on the added convenience the Smarte Carte service provides travelers through your airport.
  - **At the local level, we will continue to work with the Port Authority, airlines and terminal managers to position our CMUs in ideal locations to generate the highest level of passenger rents. Our CMUs are equipped with lighted tri-signs that increase visibility to passengers. We provide ambassador service in all customs halls, greeting arriving passengers, directing them to our CMUs and assist in the rental process by providing change and converting foreign currency. At JFK, we implemented the curbside Blue-Chip service where our SSA's greets passengers departing the airport curbside and offer directional assistance as well as promoting the use of our carts. Smarte Carte staff is the first point of contact for most arriving and departing passengers in your airports.**
- **Manufacturing** - Our manufacturing department works hand-in hand with our field location staff, engineering and our technical support department to ensure that product, replacement parts and product upgrades or enhancements are readily available to meet current and future needs.
- **Information Technology** - Our IT department provides telecommunications and information technology solutions to our Baltimore staff. Their support ensures that field staff is able to communicate with the network server at world headquarters to access their files, get their e-mails, upload payroll information and daily usage numbers. IT also processes and transmits the monthly activity and financial reports electronically.



Lockers  
Strollers  
Carts



Smarte Carte, Inc.  
4455 White Birch Parkway  
St. Louis, MO 63110-7641  
P.O. Box 1176, 491 620-1618  
Fax 616-426-0527  
www.smartecarte.com



FEBRUARY 10, 2009

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
ZS88815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of January, 2009

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 440.00 |
| Credit Card Receipts          | 282.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 24.32  |
|                               | -----  |
| Net Sales                     | 697.68 |
|                               | -----  |
| Commission Payable            | 69.77  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 69.77  |
|                               | -----  |

Regards,

SMARTE CARTE, INC.

Cheryl Meyer

Cheryl R. Meyer  
Senior Accountant

MARCH 10, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX, 95000-1517  
PHILADELPHIA PA 191951517  
ZSBB815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of February, 2009

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 301.01 |
| Credit Card Receipts          | 254.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 18.59  |
|                               | -----  |
| Net Sales                     | 573.60 |
|                               | -----  |
| Commission Payable            | 52.14  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 52.14  |
|                               | =====  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

APRIL 10, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2S89815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of March, 2009

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 230.00 |
| Credit Card Receipts          | 213.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 16.91  |
|                               | -----  |
| Net Sales                     | 426.09 |
|                               | =====  |
| Commission Payable            | 42.61  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 42.61  |
|                               | =====  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

MAY 14, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2988815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of April, 2009

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 270.00 |
| Credit Card Receipts          | 195.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 15.40  |
| Net Sales                     | 449.52 |
| -----                         |        |
| Commission Payable            | 44.95  |
| Less: Minimum Commission Paid | 0.00   |
| Balance Due                   | 44.95  |
| -----                         |        |

Regards,

SMARTE CARTE, INC.

Nike Enders  
Senior Accountant

JUNE 10, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2588815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of May, 2009

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 305.00 |
| Credit Card Receipts          | 225.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 17.86  |
|                               | -----  |
| Net Sales                     | 512.14 |
|                               | -----  |
| Commission Payable            | 51.21  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 51.21  |
|                               | -----  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

JULY 14, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
ZS88815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of June, 2009

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 309.00 |
| Credit Card Receipts          | 273.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 21.68  |
|                               | -----  |
| Net Sales                     | 560.32 |
|                               | =====  |
| <br>                          |        |
| Commission Payable            | 56.03  |
| Less: Minimum Commission Paid | 3.00   |
|                               | -----  |
| Balance Due                   | 53.03  |
|                               | =====  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

AUGUST 10, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2988815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of July, 2009

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 150.00 |
| Credit Card Receipts          | 231.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 18.34  |
|                               | -----  |
| Net Sales                     | 362.66 |
|                               | =====  |
| <br>                          |        |
| Commission Payable            | 36.27  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 36.27  |
|                               | =====  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

SEPTEMBER 14, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 19199-1517  
ZS98815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of August, 2009

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 404.00 |
| Credit Card Receipts          | 255.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 20.25  |
| Net Sales                     | 638.75 |
| Commission Payable            | 63.88  |
| Less: Minimum Commission Paid | 0.00   |
| Balance Due                   | 63.88  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

OCTOBER 14, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
ZS88815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of September, 2009

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 229.00 |
| Credit Card Receipts          | 72.00  |
| Refunds                       | 0.00   |
| Sales Tax                     | 5.72   |
|                               | -----  |
| Net Sales                     | 295.28 |
|                               | =====  |
| <br>                          |        |
| Commission Payable            | 29.53  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 29.53  |
|                               | =====  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

NOVEMBER 12, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
ZS88815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of October, 2009

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 234.00 |
| Credit Card Receipts          | 182.00 |
| Fees/Chgs                     | 1.00   |
| Sales Tax                     | 22.14  |
|                               | -----  |
| Net Sales                     | 449.14 |
|                               | =====  |
| Commission Payable            | 37.49  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 37.49  |
|                               | =====  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

DECEMBER 14, 2009

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
ZS88815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of November, 2009

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 279.00 |
| Credit Card Receipts          | 111.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 16.91  |
|                               | -----  |
| Net Sales                     | 478.06 |
|                               | -----  |
|                               |        |
| Commission Payable            | 47.51  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 47.51  |
|                               | -----  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

JANUARY 14, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2888815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of December, 2009

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 215.00 |
| Credit Card Receipts          | 348.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 27.63  |
|                               | -----  |
| Net Sales                     | 222.37 |
|                               | =====  |
| <br>                          |        |
| Commission Payable            | 22.24  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 22.24  |
|                               | =====  |

Regards,  
SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

FEBRUARY 12, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2S88815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of January, 2010

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 242.00 |
| Credit Card Receipts          | 228.00 |
| Refunds                       | 7.00   |
| Sales Tax                     | 18.15  |
| Net Sales                     | 301.95 |
|                               | =====  |
| Commission Payable            | 50.19  |
| Less: Minimum Commission Paid | 0.00   |
| Balance Due                   | 50.19  |
|                               | =====  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

MARCH 12, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2888815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of February, 2010

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 227.00 |
| Credit Card Receipts          | 168.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 13.34  |
|                               | -----  |
| Net Sales                     | 381.66 |
|                               | -----  |
| Commission Payable            | 38.17  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 38.17  |
|                               | =====  |

Regards,

SMARTE CARTE, INC.

Mike Enlers  
Senior Accountant

✓  
APRIL 15, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2S88815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of March, 2010

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 307.00 |
| Credit Card Receipts          | 207.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 16.44  |
|                               | -----  |
| Net Sales                     | 497.56 |
|                               | -----  |
| Commission Payable            | 49.76  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 49.76  |
|                               | =====  |

Regards,

SMARTER CARTE, INC.

Mike Ehlers  
Senior Accountant

Print Selection: Batch Level/Cu  
1.BX: 1517

Business Date: 05/17/2010

MAY 18, 2010

Smart Carte, Inc.  
1651 429-1614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INT'L AIRPORT  
PO BOX 95003-1517  
PHILADELPHIA PA 191951517  
2280013

Regarding: Monthly receipts from card rentals for  
STEWART NY INT'L AIRPORT for the month of April, 2010

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 281.00 |
| Credit Card Receipts          | 241.00 |
| Refunds                       | 5.00   |
| Sales Tax                     | 19.29  |
| Net Sales                     | 504.71 |
| Commission Payable            | 50.47  |
| Less: Minimum Commission Paid | 0.00   |
| Balance Due                   | 50.47  |

Regards,

SMART CARTE, INC.

Mike Ehlers  
Senior Accountant

JUNE 15, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2888815.

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of May, 2010

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 117.00 |
| Credit Card Receipts          | 273.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 21.68  |
|                               | -----  |
| Net Sales                     | 368.32 |
|                               | -----  |
| Commission Payable            | 36.83  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 36.83  |
|                               | =====  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

JULY 7

Smarte  
(651)

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2S88815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of June, 2010

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 0.00   |
| Credit Card Receipts          | 297.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 22.32  |
|                               | -----  |
| Net Sales                     | 274.62 |
|                               | =====  |
| <br>                          |        |
| Commission Payable            | 27.47  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 27.47  |
|                               | =====  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

AUGUST 13, 2010

Swartz Carte, Inc.,  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STENART NY INT'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2488810

Regarding: Monthly receipts from cart rentals for  
STENART NY INT'L AIRPORT for the month of July, 2010

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 150.00 |
| Credit Card Receipts          | 222.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 16.68  |
| Net Sales                     | 388.68 |
| -----                         |        |
| Commission Payable            | 35.53  |
| Less: Minimum Commission Paid | 0.00   |
| Balance Due                   | 35.53  |
| -----                         |        |

Regards,  
SWARTZ CARTE, INC

Mike Enjery  
Senior Accountant

SEPTEMBER 15, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2588815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of August, 2010

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 169.00 |
| Credit Card Receipts          | 231.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 17.36  |
|                               | -----  |
| Net Sales                     | 382.64 |
|                               | =====  |
| Commission Payable            | 38.26  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 38.26  |
|                               | =====  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

OCTOBER 14, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
2588815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of September, 2010

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 363.00 |
| Credit Card Receipts          | 180.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 12.53  |
|                               | -----  |
| Net Sales                     | 529.53 |
|                               | -----  |
| Commission Payable            | 52.95  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 52.95  |
|                               | -----  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

NOVEMBER 15, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
ZS88815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of October, 2010

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 360.00 |
| Credit Card Receipts          | 162.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 12.17  |
|                               | -----  |
| Net Sales                     | 509.98 |
|                               | =====  |
| <br>                          |        |
| Commission Payable            | 50.98  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 50.98  |
|                               | =====  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

DECEMBER 15, 2010

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191961517  
2988815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of November, 2010

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 365.00 |
| Credit Card Receipts          | 276.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 20.74  |
|                               | -----  |
| Net Sales                     | 620.26 |
|                               | =====  |
| <br>                          |        |
| Commission Payable            | 62.03  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 62.03  |
|                               | =====  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

Print Selection: Batch Level/Consolidated View

LBN: 1517

Batch Ref: 2014

Bus:

JANUARY 14, 2011

Smart Carls, Inc.  
(651) 428-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INT'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191991517  
2308815

Regarding: Monthly receipts from car rental for  
STEWART NY INT'L AIRPORT for the month of December, 2010

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 192.00 |
| Credit Card Receipts          | 312.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 23.44  |
| Net Sales                     | 440.56 |
| Commission Payable            | 44.06  |
| Less: Minimum Commission Paid | 0.00   |
| Balance Due                   | 44.06  |

Regards,

SMART CARTE, INC.

Mike Chiles  
Senior Accountant

Amount: \$0.00

TRN: 17 SEQ: 17

Page: 3 of 5

FEBRUARY 15, 2011

Smarte Carte, Inc.  
(651) 429-3614

PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA PA 191951517  
ZS88815

Regarding: Monthly receipts from cart rentals for  
STEWART NY INTN'L AIRPORT for the month of January, 2011

|                               |        |
|-------------------------------|--------|
| Cash Receipts                 | 189.00 |
| Credit Card Receipts          | 267.00 |
| Refunds                       | 0.00   |
| Sales Tax                     | 20.06  |
|                               | -----  |
| Net Sales                     | 435.94 |
|                               | =====  |
| <br>                          |        |
| Commission Payable            | 43.59  |
| Less: Minimum Commission Paid | 0.00   |
|                               | -----  |
| Balance Due                   | 43.59  |
|                               | =====  |

Regards,

SMARTE CARTE, INC.

Mike Ehlers  
Senior Accountant

MARCH 15, 2011

SMARTER CARTE, INC.  
 (651) 429-3614

PORT AUTHORITY OF NY AND NJ  
 STEWART NY INTN'L AIRPORT  
 PO BOX 95000-1517  
 PHILADELPHIA PA 191951517  
 J098815

Regarding: Monthly receipts from cart rentals for  
 STEWART NY INTN'L AIRPORT for the month of February, 2011

|                              |        |
|------------------------------|--------|
| Lease Receipts               | 224.00 |
| Credit Card Receipts         | 177.00 |
| Refunds                      | 0.00   |
| Sales Tax                    | 13.70  |
| Net Sales                    | 401.70 |
| -----                        |        |
| Commission Payable           | 40.17  |
| Less Minimum Commission Paid | 0.00   |
| Balance Due                  | 40.17  |
| -----                        |        |

Regards,  
 SMARTER CARTE, INC.

Mike Ehlers  
 Senior Accountant

|  |  |
|--|--|
| <b>smartecarte</b><br>Smarte Carte, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 55116                       | <b>ST.</b>   |
| For: PORT AUTHORITY OF NY AND NJ<br>STEWART NY INTNL AIRPORT<br>PO BOX 8500-1617<br>PHILADELPHIA, PA 191951517 | Reference No. . . . . CC0NTD1617<br>Vendor No. . . . . 32305<br>Calculation For: March 2011<br>Customer No. . . . . 111366<br>399F - Stewart International Airport<br>Line of Business: Carte US |

REGARDING Monthly receipts from Cart rentals.

|                                 |        |
|---------------------------------|--------|
| Cash Deposit                    | 223.50 |
| Credit Card                     | 249.00 |
| Rebates                         | 0.00   |
| Bills Pay                       | 18.71  |
| Net Income                      | 453.79 |
| Commission Base                 | 453.79 |
| Calculated Commission           | 45.38  |
| Less MAG Pre-paid               | 0.00   |
| Commission Due (Check Enclosed) | 45.38  |

Regards,

Smarte Carte, Inc.  
Finisco Talam

|  |  |
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| <b>smartecarte</b><br>Smart Carte, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 56110                        | <b>STATEMENT</b>   |
| For: PORT AUTHORITY OF NY AND NJ<br>STEWART NY INTL AIRPORT<br>PO BOX 95000-1517<br>PHILADELPHIA, PA 191051517 | Reference No. . . . CCONT04881<br>Vendor No. . . . . 32305<br>Calculation For . . . Apr-2011<br>Customer No. . . . 111366<br>SWF - Stewart International Airport<br>Line of Business . . . Cons US |

REGARDING: Monthly receipts from Carl Hendle

|                                 |        |
|---------------------------------|--------|
| Cash Deposit                    | 220.50 |
| Credit Card                     | 210.00 |
| Refunds                         | -4.75  |
| <u>Sales Tax</u>                | 15.72  |
| Net Income                      | 414.00 |
| Commission Base                 | 414.00 |
| Calculated Commission           | 41.40  |
| Less MAG Pre-paid               | 0.00   |
| Commission Due (Check Employee) | 41.40  |
| Regards,                        |        |

Smart Carte, Inc.  
Finance Team

|   |  |
|---|--|
| <b>smartecarte</b><br>Smartecarte, Inc.<br>4465 White Bear Parkway<br>St Paul, MN 55110                       | <b>STATEMENT</b>   |
| For: PORT AUTHORITY OF NY AND NJ<br>STEWART NY INTL AIRPORT<br>PO BOX 9000-1517<br>PHILADELPHIA, PA 191801517 | Reference No. . . . . CCONT07023<br>Vendor No. . . . . 32305<br>Calculation For: May-2011<br>Customer No. . . . . 111306<br>SWF - Stewart International Airport<br>Line of Business: Cartis US |

REGARDING: Monthly receipts from Cart receipts:

|                                 |        |
|---------------------------------|--------|
| Cash Deposit                    | 296.00 |
| Credit Card                     | 183.00 |
| Rebates                         | 0.00   |
| Sales Tax                       | 13.75  |
| Net Income                      | 466.26 |
| Commission Base                 | 466.26 |
| Calculated Commission           | 46.62  |
| Commission Due (Check Enclosed) | 46.62  |

Regards,

Smartecarte, Inc.  
Finance Team

|   |   |
|---|---|
| <b>smarte Carte</b><br>Smarte Carte, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 55118                       | <b>STATEMENT</b>  |
| For: PORT AUTHORITY OF NY AND NJ<br>STEWART NY INT'L AIRPORT<br>PO BOX 95006-1517<br>PHILADELPHIA, PA 191851517 | Reference No. . . . . CC0NT12618<br>Vester No. . . . . 32305<br>Calculation For: June-2011<br>Customer No. . . . . 111366<br>SWF - Stewart International Airport<br>Line of Business . . . . . Carte LS |

REGARDING: Monthly receipt from Car rentals.

|                                 |        |
|---------------------------------|--------|
| Cash Deposit                    | 295.50 |
| Credit Card                     | 183.00 |
| Refunds                         | -0.50  |
| Bad Debt                        | 13.21  |
| Net Income                      | 484.29 |
| Commission Base                 | 484.29 |
| Calculated Commission           | 48.43  |
| Commission Due (Check Enclosed) | 48.43  |

Regards,

Smarte Carte, Inc.  
Finance Team

Print Selection: Batch Level/Consolidated View

LBN: 1517

Batch Ref: 2016

|   |  |
|---|--|
| <b>smartcarle</b><br>Smarts Carls, Inc.<br>4456 White Bear Parkway<br>St Paul, MN 55116                     | <b>STATEMENT</b>   |
| For: PORT AUTHORITY OF NY AND NJ<br>STEWART INTL AIRPORT<br>PO BOX 38000-1517<br>PHILADELPHIA, PA 191801517 | Reference No. . . . . CCONT15327<br>Vendor No. . . . . 32305<br>Calculation For: July-2011<br>Customer No. . . . . 111386<br>SWF - Stewart International Airport<br>Line of Business: Carls US |

REGARDING: Monthly receipts from Carls rentals.

|                                 |              |
|---------------------------------|--------------|
| Cash Deposit                    | 365.60       |
| Credit Card                     | 213.00       |
| Refunds                         | 0.00         |
| <u>Sales Tax</u>                | <u>20.51</u> |
| Net Income                      | 617.99       |
| Commission Base                 | 617.99       |
| Calculated Commission           | 61.80        |
| Commission Due (Check Enclosed) | 61.80        |

Regards,

Smarts Carls, Inc.  
Finance Team

|  |  |
|--|--|
| <b>smartecarte</b><br>Smarts Cards, Inc.<br>4455 White Bear Parkway<br>St Paul, MN 55110                       | <b>STATEMENT</b>   |
|  | Reference No. . . . . UCONT-8331<br>Vendor No. . . . . 32306<br>Calculation Per . . . . . August-2011<br>Customer No. . . . . 111386<br>SWF - Stewart International Airport<br>Line of Business . . . . . Cards US |
| For: PORT AUTHORITY OF NY AND NJ<br>STEWART NY INTL AIRPORT<br>PO BOX 95000-1517<br>PHILADELPHIA, PA 191851517 |  |

REGARDING Monthly receipts from Card rentals

|                                 |        |
|---------------------------------|--------|
| Cash Deposit                    | 282.00 |
| Credit Card                     | 734.00 |
| Refunds                         | 0.00   |
| Sales Tax                       | 17.38  |
| Net Income                      | 498.42 |
| Commission Base                 | 498.42 |
| Calculated Commission           | 48.84  |
| Commission Due (Check Enclosed) | 48.84  |

Regards,

Smarts Cards, Inc.  
Finance Team

**smartecarte**

Smarte Carte, Inc.  
4455 White Bear Parkway  
St Paul, MN 55110

# STATEMENT

For: PORT AUTHORITY OF NY AND NJ  
STEWART NY INTN'L AIRPORT  
PO BOX 95000-1517  
PHILADELPHIA, PA 191951517

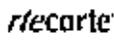
Reference No. . . . CCONT21524  
Vendor No. . . . . 32305  
Calculation For: September-2011  
Customer No. . . . 111366  
SWF - Stewart International Airport  
Line of Business Carts US

REGARDING: Monthly receipts from Cart rentals.

|                                 |              |
|---------------------------------|--------------|
| Cash Deposit                    | 356.00       |
| Credit Card                     | 147.00       |
| Refunds                         | 0.00         |
| <u>Sales Tax</u>                | <u>11.05</u> |
| Net Income                      | 491.95       |
| Commission Base                 | 491.95       |
| Calculated Commission:          | 49.20        |
| Commission Due (Check Enclosed) | 49.20        |

Regards,

Smarte Carte, Inc  
Finance Team

|   |  |
|---|--|
| <br>r/carte, Inc<br>4455 White Bear Parkway<br>St Paul, MN 55110 | <b>STATEMENT</b>   |
|   | Reference No. . . . . CCONT24993<br>Vendor No. . . . . 32305<br>Calculation For: . . . . . October 2011<br>Customer No. . . . . 111305<br>SWF - Stewart International Airport<br>Line of Business . . . . . Cross US |

REGARDING Monthly receipts from Cart rentals.

|                                 |        |
|---------------------------------|--------|
| Cash Deposit                    | 308.75 |
| Gross Cart                      | 267.00 |
| Refunds                         | 3.00   |
| Spine Fee                       | 241.00 |
| Net Income                      | 515.89 |
| Commission Base                 | 515.89 |
| Calculated Commission           | 25.78  |
| Commission Due (Check Enclosed) | 25.78  |

Regards,

Smart Card, Inc  
Finance Team

|   |  |
|---|--|
| <b>Smarte Carte</b><br>Smarte Carte, Inc.<br>4815 White Bear Parkway<br>St Paul, Mn 55110                   | <b>STATEMENT</b>   |
| For: PORT AUTHORITY OF NY AND NJ<br>STEWART INT'L AIRPORT<br>PO BOX 95000 1517<br>PHILADELPHIA PA 191951517 | Reference No. . . . . CC0NT22470<br>Vendor No. . . . . 32005<br>Calculation For: November 2011<br>Customer No. . . . . 111300<br>SWF - Stewart International Airport<br>Line of Business: Cards US |

REGARDING Monthly (Receipts from) Cards/Debits

|                                 |        |
|---------------------------------|--------|
| Cash Deposit                    | 248.50 |
| Credit Card                     | 201.00 |
| Refunds                         | 0.00   |
| Sales Tax                       | 15.19  |
| Net Income                      | 434.40 |
| Commission Base                 | 434.40 |
| Calculated Commission           | 21.72  |
| Commission Due (Check Enclosed) | 21.72  |

Regards,

Smarte Carte, Inc  
Finance Team

Print Statement: Batch Level/Consolidated View

IBN: 1517

Batch Ref: 2025

|   |  |
|---|--|
| <b>smarte Carte</b><br>Smarte Carte, Inc.<br>455 White Bear Parkway<br>St Paul, MN 55119                        | <b>STATEMENT</b>   |
| For: PORT AUTHORITY OF NY AND NJ<br>STEWART NY INT'L AIRPORT<br>PO BOX 85000-1517<br>PHILADELPHIA, PA 191851517 | Reference No. . . . . CC0N130254<br>Vendor No. . . . . 37305<br>Calculation For: December-2011<br>Customer No. . . . . 111388<br>B/P - Stewart International Airport<br>Line of Business: Carte US |

REGARDING Monthly Receipts from Carte (AMBA)

|                                 |              |
|---------------------------------|--------------|
| Cash Deposit                    | 193.75       |
| Credit Card                     | 201.00       |
| Refunds                         | -1.00        |
| <b>SMILELIFE</b>                | <b>33.03</b> |
| Net Income                      | 376.77       |
| Commission Base                 | 376.77       |
| Calculated Commission:          | 18.94        |
| Commission Due (Check Enclosed) | 18.94        |

Regards,

Smarte Carte, Inc  
Finance Team

Amount: \$0.00

TRN: 4 SEQ: 4