Independence Visitor Center in Philadelphia Ticket Sales – Inside Kiosk License Agreement (only provided to select motorized tour operators)

Prepared by Ballard Spahr Andrews & Ingersoll

BSAI DRAFT 8/10/2005

LICENSE AGREEMENT

	THIS LICENSE AGREEMENT	(this "Agreement") is made as of the
day of	, 2005, by and between II	NDEPENDENCE VISITOR CENTER
CORPORAT	ION, a Pennsylvania not-for-profit	corporation qualified under Section 501(c)(3)
of the Internal Revenue Code as a tax-exempt organization ("Licensor"), and		
	, a	("Licensee").

RECITALS:

WHEREAS, the Secretary of the Interior of the United States of America, acting through the Regional Director (the "Regional Director," which term shall include such officials of the National Park Service to whom the Regional Director may delegate responsibility to act), Northeast Region, National Park Service (the "Service") administers the Independence Visitor Center (the "Visitor Center") at 6th and Market Streets in Independence National Historical Park, Philadelphia, Pennsylvania (the "Park") as a unit of the National Park System;

WHEREAS, as a component of the revitalization of Independence Mall (i.e., those blocks within the Park bounded by 5th and 6th Streets, Chestnut and Race Streets, referred to herein as the "Mall"), the Visitor Center was constructed in the block of the Mall bounded by 5th and 6th Streets, Market and Arch Streets ("Block 2") to enable visitors to orient themselves to the Park, the City of Philadelphia (the "City") and regional attractions;

WHEREAS, because the land on which the Visitor Center is constructed is owned by the United States of America and administered by the Service, the Visitor Center is owned by the United Sates of America;

WHEREAS, Public Law 106-131, dated December 7, 1999, authorizes, inter alia, (i) the Secretary of the Interior to enter into operation agreements with Licensor describing the operation of the Visitor Center with the participation of the Service, and (ii) a range of revenue-producing activities in and in association with the Visitor Center;

WHEREAS, pursuant to Public Law 106-131, the Service and Licensor intend to enter into that certain Long Term Agreement, the current draft of which has been provided to and reviewed by Licensee (as amended from time to time, the "Service-Licensor Agreement") which describes the operation, use and maintenance of, inter alia, the Visitor Center by Licensor with the participation of the Service and provides that a primary role of Licensor in operating the Visitor Center is to conduct the revenue producing activities described in the Service-Licensor Agreement toward the goal that the Visitor Center will be economically self-sustaining;

WHEREAS, pursuant to the Service-Licensor Agreement and subject to the terms and conditions thereof, Licensor may engage in activities at the Visitor Center appropriate to the operation of a city and regional visitor center that may include, but are not limited to, providing certain tourist information regarding the City and the greater Philadelphia region and selling merchandise and tickets to visitors to the Visitor Center;

WHEREAS, ______, dated _____, 2005 (the "City Ordinance") amends Title 9 of the Philadelphia Code to add provisions regulating the operation of tour buses and amphibious tour vehicles in the City, including, but not limited to, regulating tour passenger loading zone locations and the solicitation of ticket sales for such tours;

WHEREAS, Licensee operates a tour bus business within the historic district of the City;

WHEREAS, pursuant to the City Ordinance, Licensor desires to grant Licensee, and Licensee desires to obtain from Licensor, a license to enter the Visitor Center and use certain portions thereof to sell tickets to the general public for Licensee's tour bus rides (and ancillary uses related thereto), all as more particularly described in, and subject to the terms of, this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants hereinafter set forth, and intending to be legally bound hereby, the parties agree as follows:

1. <u>Grant of License</u>. Subject to the terms and conditions hereof and the terms and conditions of the Service-Licensor Agreement, Licensor hereby grants to Licensee the license to use certain portions of the Visitor Center (as designated on <u>Exhibit A</u> attached hereto and subject to Licensor's right to change from time to time such designation, the "Licensed Premises") for the Permitted Uses (as hereinafter defined).

Kiosk; Licensee's Property.

- Licensee shall provide, at Licensee's sole cost and expense, a sales kiosk (a) ("Kiosk") within the Licensed Premises which shall be subject to the approval of the Service and Licensor in all respects. Prior to commencing construction of the Kiosk, Licensee shall submit plans and specifications for such construction to Licensor and the Service for their approval (upon such approval being obtained, the "Approved Plans"). Licensee shall complete the Kiosk in accordance with the Approved Plans, in a good and workmanlike manner, in compliance with all Legal Requirements (as hereinafter defined) and free of all construction liens and claims. Licensee, at its sole cost and expense, shall obtain all necessary approvals or permits in connection with or related to the construction of the Kiosk. Licensee shall also provide Licensor with satisfactory evidence of its insurance coverage with respect to the construction of the Kiosk, which shall be on such terms and in such amounts satisfactory to Licensor. All materials used by Licensee for the Kiosk shall be new and of first class quality. All construction work at the Licensed Premises must be performed outside of Normal Operating Hours (as hereinafter defined) and must not unreasonably interfere with Licensor's activities or the normal daily operations of the Visitor Center. While completing such construction work, Licensee shall maintain the Licensed Premises in a clean and orderly condition. Each Kiosk shall include, at Licensee's sole cost and expense, identification signs identifying the Licensed Premises and the name of Licensee, which signs shall be subject to the approval of the Service and Licensor.
- (b) Licensee shall, at its sole cost and expense, provide sufficient quantities of all of the equipment and furnishings necessary to operate at the Licensed Premises

(collectively, "Licensee's Property," which term shall include the Kiosk and the POS System (as hereinafter defined)), which shall be new or in "like-new" condition and in good operating condition and free from liens. In addition, Licensee shall reimburse Licensor for the direct cost to Licensor of providing any utility connections to the Licensed Premises, plus twenty percent (20%) for Licenser's overhead, promptly upon demand therefor. Licensee shall, during the Term and for such further time as Licensee is operating the Licensed Premises, keep all Licensee's Property and other effects of every kind, nature and description of Licensee and of all persons claiming by, through or under Licensee that may be within the Visitor Center at the sole risk and hazard of Licensee, so that if the same shall be lost or damaged by any cause, no part of the loss or damage is to be borne by Licensor, except that Licensor shall in no event be indemnified, held harmless or exonerated from any liability to Licensee or to any other person, for any injury, loss, damage or liability to the extent prohibited by law.

- (c) Licensee shall, at Licensee's sole cost and expense, maintain Licensee's Property in good order and repair at all times during the Term and shall not make any modifications or alternations to the Kiosk or to the identification signs thereon without the prior written consent of Licensor. In addition, Licensee shall not make any installations, alterations or additions to, on, or within the Visitor Center.
- (d) The location of the Kiosk shall be determined by Licensor in its sole discretion. Licensor shall have the right from time to time to designate a new location for the Kiosk.
- Uses until Licensee's Property has been installed in the Licensed Premises in accordance with the terms of this Agreement. Licensee shall use its best efforts to cause Licensee's Property to be installed in the Licensed Premises no later than the Commencement Date and to commence operation of the Licensed Premises for the Permitted Uses on the Commencement Date. Notwithstanding the foregoing, Licensee's failure to commence operation of the Licensed Premises for the Permitted Uses on the Commencement Date shall not prevent or delay the occurrence of the Commencement Date nor delay or postpone the commencement of the License Fee and Office Charges.

3. <u>License Fee and Office Charges.</u>

(a)	Licensee shall pay to Licensor the License Fee described in
Paragraph 3(b) below, withou	it demand, setoff, deduction or counterclaim whatsoever. The
License Fee shall be payable	by Licensee on or before the first day of each calendar month in
advance at Licensor's notice:	address as provided in the Notices section of this Agreement.
except that the License Fee for	or the first partial calendar month of the Term shall be \$
and shall be due on Septembe	er 12, 2005.

(b) The "License Fee" shall	
during the first License Year (prorated for the period	from September 12, 2005 through
September 30, 2005), and for each subsequent Licens	e Year during the Term bereaf the monthly
License Fee shall be increased by an amount equal to:	(I) the percentage that the CPI (ac
hereinafter defined) last published prior to the first da	y of such License Year has increased over

the CPI last published prior to the first day of the preceding License Year, multiplied by (II) the License Fee for the preceding License Year. As used herein, "CPI" shall mean the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the United States Department of Labor for Philadelphia/Wilmington/Atlantic City, all items 1982/1984 = 100. If the publication of the CPI is transferred to any other governmental department or is discontinued or is not available for the applicable month, Licensor and Licensee shall by agreement fix an alternate index or method or month to compute the CPI adjustment but if they cannot agree, the matter shall be settled by arbitration in accordance with the rules of the American Arbitration Association.

With each scheduled monthly payment of the License Fee, Licensee shall also pay to Licensor ___ ____ Dollars (\$___)(as the same may be adjusted from time to time, the "Office Charges"), as the reasonable estimate of the monthly cost to Licensor of Licensee's usage of the copy machine and facsimile machine located in Licensor's offices within the Visitor Center (provided that the Office Charges from the period for the Commencement Date through September 30, 2005 shall be \$ and shall be due on September 12, 2005). In the event Licensor reasonably determines at any time that the estimation of Office Charges as set forth herein is not sufficient to cover Licensee's usage of such machines, Licensor may, at its election and with reasonable notice to Licensee, reasonably increase the amount of Office Charges due hereunder in accordance with such determination. If at any time during the Term, Licensor replaces its copy machine or facsimile machine with a machine equipped with a counter which records usage per individual user, Licensee shall be required to pay for the actual costs to Licensor of Licensee's usage of such machine (per monthly invoice from Licensor) and not the fixed monthly rate set forth in this paragraph. Licensee's payment of such actual costs shall be made by Licensee monthly, in arrears, along with each scheduled monthly payment of the License Fee.

4. <u>Use and Operation.</u>

public during Normal Operating Hours (as hereinafter defined) on each day during the Term that the Visitor Center is open. "Normal Operating Hours," for the purposes hereof, shall mean from 8:30 a.m. to ______p.m. each day of each calendar year during the Term hereof with the exception of New Year's Day, Thanksgiving Day and Christmas Day in each calendar year (unless Licensor elects to open the Visitor Center on such days). Normal Operating Hours may be temporarily extended from time to time (including, but not limited to, during the months of July and August of any calendar year during the Term) by the Service and/or Licensor by prior written notice to Licensee. Licensor may direct Licensee to close the Licensed Premises in the event of inclement weather or other condition as may affect public safety. Licensee acknowledges that the Service may direct Licensor to close the Visitor Center in the event of inclement weather or other condition as may affect public safety and that in such event Licensee shall close the Licensed Premises. Licensee understands and agrees that Licensee shall have no right to enter the Visitor Center or to operate its business at the Licensed Premises on any day or at any time that the Visitor Center is closed to the public.

(b) Licensee shall occupy and use the Licensed Premises solely for the purpose of operating a Kiosk for soliciting and selling tickets to the general public for Licensee's

tour bus rides within the historic district of the City and ancillary activities related thereto (the "Permitted Uses"), and for no other purpose. As used herein, "Permitted Uses" shall include the nonexclusive right of Licensee to use, during Normal Operating Hours, the copy machine and facsimile machine located in Licensor's administrative offices at the Visitor Center, provided that: (i) Licensee's usage of same shall not unreasonably interfere with Licensor's activities or the normal operations of the Visitor Center, and (ii) Licensee shall timely pay the Office Charges associated therewith, in accordance with the terms set forth herein.

(c) Licensee (and Licensee's staff, if applicable) shall:

- (i) engage in solicitation, marketing, and sales activity (including, but not limited to, handing out brochures or other materials) only within the Licensed Premises and not anywhere else inside the Visitor Center or outside the Visitor Center on or in the vicinity of the Visitor Center property (unless Licensor designates otherwise);
- (ii) sell merchandise or other items (excluding Licensee's tour bus tickets) at the Licensed Premises only upon the prior written consent of Licensor;
- Licensee's Property at the Licensed Premises. No safes or similar devices may be attached or otherwise secured to any portion of the Visitor Center without the prior written approval of Licensor. Licensee must obtain the written approval of both Licensor and the Service prior to using a third-party secure transportation service;
- (iv) not permit neon signs or neon lighting to be used anywhere in the Licensed Premises; and
- (v) not permit any service providers (other than those duly authorized by Licensor), including, but not limited to, providers of photography services, to deliver their services at or from the Licensed Premises to visitors at the Visitor Center or to passengers on Licensee's tour buses, or to otherwise operate at or from the Licensed Premises.

5. Term.

(a) The term of this Agreement (the "Term") shall commence on September 12, 2005 (the "Commencement Date") in accordance with the terms hereof and shall expire on September 30, 2008 (the "Expiration Date"), unless sooner terminated or extended as provided herein. If the Term of the Lease is extended pursuant to Paragraph 5(b) below, then the Expiration Date shall be the last day of this Term as extended and the word "Term" shall mean the Term including such extension. For the purposes of this Agreement, "License Year" shall mean (i) each and every consecutive twelve (12) month period during the Term, or (ii) in the event of License expiration or termination, the period between the last complete License Year and said expiration or termination. The first such twelve (12) month period shall commence on the Commencement Date; provided that if the Commencement Date is any day other than the first day of a month, then the first License Year shall be the partial month in which the Commencement Date occurs and the next consecutive twelve (12) months.

- Provided no Event of Default exists hereunder, Licensee shall have the one-time option to extend the Term of this Agreement for two (2) years (the "Extension Term") by giving Licensor written notice (the "Option Notice") at least six (6) calendar months prior to the Expiration Date. If Licensee fails to deliver to Licensor the Option Notice on or before the date that is six (6) calendar months prior to the last Expiration Date, time being of the essence hereunder, the option to extend this Agreement as aforesaid shall terminate and be of no further force and effect and Licensee shall have no further right to extend this Agreement. In addition, if there exists a default by Licensee under this Agreement at the time of Licensee's Option Notice or on the last day of the initial Term hereof, Licensor may, at its sole option, void Licensee's exercise of its option to extend the Term as set forth in this paragraph by sending written notice thereof to Licensee. The Extension Term shall be on all of the same terms and conditions as set forth in this Agreement, except (I) the License Fee for the first License Year of the Extension Term shall equal the License Fee for the last License Year of the initial Term, subject to CPI Adjustment as set forth herein, and (II) the License Fee for the second License Year of the Extension Term shall equal the License Fee for the first License Year of the Extension Term, subject to CPI Adjustment as set forth herein; provided in all cases the License Fee during any License Year of the Extension Term shall not be less than the License Fee of the immediately preceding License Year.
- (c) Notwithstanding anything to the contrary contained herein, Licensor may terminate this Agreement without cause or reason upon thirty (30) days' prior written notice to Licensee. In addition, this Agreement shall automatically terminate upon any termination of the Service-Licensor Agreement.

6. Point-of-Sale Accounting.

- (a) Licensee shall record at the time of sale, in the presence of the customer, all receipts from sales or other transactions in a cash register having a cumulative total which shall be sealed in a manner approved by Licensor, or by using other computerized, point-of-sale equipment, including but not limited to computers and credit card equipment, provided that such equipment and the records produced thereby are adequate to enable the proper computation of Gross Sales (the "POS System"). The POS System shall enable Licensee to produce daily, weekly, monthly and year-to-date reports revealing Gross Sales; the price, quantity and identity of services and/or items sold; and daily, weekly, monthly and year-end comparison reports (against prior days, weeks, months and years) of the same. Licensee shall deliver to Licensor (i) every business day, a statement of Gross Sales for the preceding business day, (ii) on or before the tenth (10) day of each calendar month, a statement of Gross Sales for the preceding calendar month, and (iii) upon request, other POS System reports.
- (b) Licensee shall maintain the POS System in good working and upto-date condition. Licensee's obligation to maintain the POS System shall include the obligation to repair and/or replace equipment in the POS System when necessary to maintain the preceding standards.

7. Personnel.

- Employees. Licensee shall hire, train and supervise sufficient numbers of qualified and competent staff necessary to carry out its duties and obligations under this Agreement. Prior to hiring any on-site staff member, Licensee shall conduct an employee background check. All staff shall be the sole and exclusive employees of Licensee and shall be paid by Licensee, but Licensee shall, with the guidance of both the Service and Licensor (if they so elect), develop written guidelines concerning the code of conduct for Licensee's on-site staff, which guidelines will require, at a minimum, that Licensee's on-site staff conduct themselves at all times in a proper and respectful manner and that Licensee's on-site staff attend customerservice training programs conducted by Licensor (including, but not limited to, a three (3) hour orientation program prior to beginning their employment at the Licensed Premises). Licensee shall remove from, and not allow back into, the Visitor, any employee of Licensee who, in Licensor's reasonable opinion, fails to conduct himself or herself in a proper and respectful manner or otherwise in accordance with the provisions of this Agreement. Licensee shall ensure that two (2) staff members are working at the Licensed Premises at all times during Normal Operating Hours. Licensee shall, within one (1) hour of being notified that an on-site staff member has failed to report for work as scheduled, replace such staff member. Licensor's failure to provide sufficient numbers of staff at the Licensed Premises as required in this paragraph, on three (3) or more occasions during the Term shall constitute an Event of Default hereunder.
- (b) <u>Dress</u>. Licensee shall cause all of Licensee's personnel to wear clean, presentable, conservative apparel, appropriate for staff employed in a first-class visitor center, which shall include collared shirts with the logo of Licensee and long khaki or dress pants all of uniform color and style, as well as nametags or badges visibly displayed so that visitors may easily identify such staff as staff of the Licensee and so that staff of Licensee are easily distinguishable from staff of the Service or staff of Licensor. Licensee shall obtain Licensor's prior written approval of the apparel before distributing any apparel to its staff.
- (c) Taxes and Benefits. In connection with its employment of staff, Licensee shall pay all applicable social security, unemployment, city wage, workmen's compensation or other employment taxes, contributions to insurance plans, and retirement benefits, and shall comply with all federal and state laws and regulations relating to employment, including but not limited to minimum wage, social security, unemployment, insurance and workmen's compensation laws. Without limiting the generality of the foregoing, Licensee shall file all applicable payroll tax returns and pay all applicable payroll taxes in accordance with applicable laws, rules and regulations.
- 8. <u>Visitor Complaints</u>. Licensee shall cause all complaints made orally by visitors to Licensee's staff to be handled by the party receiving such complaint in a professional and courteous manner. Licensee shall cause all written complaints received by Licensee to be handled by the appropriate party based on the subject matter and shall forward a copy of every such complaint to Licensor promptly.
- 9. <u>Trash Removal</u>. Licensee shall be responsible for gathering all trash from the Licensed Premises and storing it for removal in the trash storage area for the Visitor Center as designated by Licensor. Licensee acknowledges that, subject to the terms and

conditions of the Service-Licensor Agreement, the Service is responsible for the collection of trash stored in the trash storage area and removal of the trash therefrom, and that Licensor shall have no responsibility therefor.

of the Service-Licensor Agreement, the Service is responsible for (i) the administration and operation of all exterior portions of the Mall, including, but not limited to, lighting, security, law enforcement and crowd control, and (ii) providing security and law enforcement within the Visitor Center. The Service shall be the sole security and law enforcement authority on the Mall, including but limited to all of its interior and exterior spaces, including but not limited to the Visitor Center, and Licensee shall cooperate with the Service and the Service's security personnel and shall cause its employees to exercise diligence to protect the Licensed Premises, its patrons and its contents, immediately reporting incidents to security personnel and/or police. Licensee acknowledges that Licensor shall have no responsibility hereunder for security within any portion of the Mall, including the Visitor Center.

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11. Insurance.

[TO BE REVIEWED BY IVCC'S INSURANCE CONSULTANT]

- (a) [Licensee shall procure and maintain during the Term, at its sole cost and expense, the following insurance coverages with respect to the operations at the Licensed Premises, on forms and with insurers as Licensor shall approve:
- (i) Comprehensive General Liability Insurance insuring against loss, liability or expense with respect to any bodily injury or death or property damage occurring within or about the Visitor Center and off-premises use of automobiles, as well as contractual liability insurance sufficient to cover Licensee's indemnity obligations under this Agreement, in limits of not less than One Million Dollars (\$1,000,000.00) per person and One Million Dollars (\$1,000,000.00) per occurrence for bodily injury or death and of not less than Five Hundred Thousand Dollars (\$500,000.00) for property damage resulting from one casualty;
- who handles cash with a minimum limit of One Hundred Thousand Dollars (\$100,000.00), and Broad Form Money and Securities Coverage for hold-up and robbery losses inside or outside the Visitor Center in the amount of Ten Thousand Dollars (\$10,000.00) per occurrence;
- (iii) Personal Injury Insurance Coverage, including, without limitation, coverage pertaining to defamation of character, false arrest, detention or imprisonment, malicious prosecution, violation of right of private occupancy, with deletion of the exclusion pertaining to employees, in limits of not less than One Million Dollars (\$1,000,000.00) for injury or loss for any person and Two Million Dollars (\$2,000,000.00) for injury or loss for more than one (1) person;
- (iv) Worker's Compensation and Employer's Liability Insurance covering Licensee's status as employer of its staff with statutory limits of liability;

- (v) Umbrella Liability Insurance covering Licensee's operations in the Licensed Premises with a limit of liability not less than \$1,000,000.00 for each occurrence and \$2,000,000.00 incurred aggregate;
- (vi) Property Insurance covering the full replacement value of Licensee's Property; and

(vii) Business Interruption Insurance.]

The foregoing coverages may be adjusted from time to time by Licensor to reflect requirements of the Service, inflation and/or changes in prudent property management and/or changes in economic conditions.

- (b) Licensee furnished Licensor with binding certificates of insurance (or duplicate policies) prior to the date hereof. The Service, Licensor and the City are and shall continue to be, named as additional insureds on all such policies (except worker's compensation). All policies of insurance and the certificates therefor shall provide for at least thirty (30) days written notice to the Service, Licensor and the City of proposed cancellation, non-renewal, change in the designation of the insureds, or any other material change.
- (c) Licensee hereby waives any and every claim for recovering from Licensor or the Service for any and all loss of or damage to Licensee's Property, which loss or damage is covered by valid and collectible physical damage insurance policies, to the extent that such loss or damage is recoverable under the insurance policies. Inasmuch as this mutual waiver will preclude the assignment of any such claim by subrogation (or otherwise) to an insurance company (or any other person), Licensee agrees to give to each insurance company which has issued, or in the future may issue, policies of physical damage insurance, written notice of the terms of this mutual waiver, and to have such insurance policies properly endorsed, if necessary, to prevent the invalidation of any such insurance coverage by reason of the waiver.

12. Marketing. During the term of this Agreement, Licensee shall:

- (a) Submit to Licensor for its prior written approval any proposed signage or graphics whatsoever to be placed in, on, or about the Kiosk, it being acknowledged by Licensee that Licensee shall not use the name of the Visitor Center without the prior written consent of Licensor, which consent Licensor may withhold in its sole and absolution discretion; and
- (b) Cooperate with Licensor at Licensor's request to advertise and promote Licensee's operations at the Licensed Premises, subject, however, to Licensor's prior written approval of all such advertising or promotion and in accordance with the Trademark License granted herein. Nothing herein shall be deemed to limit Licensor's right to advertise and promote such business (except as may be otherwise expressly provided herein with respect to the Trademark License).

13. Trademark License from Licensee.

- (a) Licensee hereby grants to Licensor a non-exclusive, fully paid up, worldwide, royalty-free license (the "Trademark License") to use Licensee's name, service marks, trademarks, logos and slogans (the "Licensed Marks"), as set forth on Exhibit B attached hereto, in connection with marketing, advertising and promoting Licensor's programs and services.
- (b) Licensor acknowledges that Licensee owns the Licensed Marks, including all of the goodwill associated therewith, and agrees that it will do nothing inconsistent with such ownership and that all use of the Licensed Marks by Licensor shall inure to the benefit of and be on behalf of Licensee. Licensor further agrees that nothing in this Agreement shall give it any right, title or interest in the Licensed Marks other than the right to use the Licensed Marks in accordance with this Agreement, and Licensor further agrees that it will not attack Licensee's title in the Licensed Marks.
- (c) Licensor may use the Licensed Marks on all materials, whether digital, electronic, in print or in any format whatsoever, used to promote, advertise, and market Licensor's programs and services. Each use by Licensor of the Licensed Marks shall be a clear photographic or similar rendering, with the appropriate legend, if any, as prescribed by Licensee. Upon request by Licensee, Licensor shall provide Licensee with samples showing how Licensor plans to use or is using the Licensed Marks.
- (d) Licensee represents and warrants that the Licensed Marks do not infringe any trademark, copyright or other proprietary right of any third party.
- (e) Licensor shall notify Licensee of any incidents of which it becomes aware of infringement or unauthorized use by other parties with respect to the Licensed Marks. Licensee, at its sole discretion, shall take whatever action it deems advisable in connection with such unauthorized use.
- (f) The Term of the Trademark License shall be concurrent with the Term of this Agreement.
- 14. Taxes. Licensee shall be responsible for the filing and payment to the appropriate taxing authorities of all occupation, use and occupancy, sales or other taxes, if any, collected or due from patrons of the Licensed Premises or on account of Licensed Premises operations (but not including any tax which may be levied upon or against the net income or profits of Licensor or any inheritance, estate, franchise or corporate or capital stock tax applicable to Licensor).

15. <u>Licensor Payment; Gross Sales Statements.</u>

In addition to the License Fee and Office Charges payable hereunder, Licensee shall pay to Licensor twelve percent (12%) of all Gross Sales (as hereinafter defined) at the Licensed Premises (the "Licensor Payment"), payable in the following manner:

- For purposes of this Agreement, "Gross Sales" shall include the entire amount of the sales price, whether for cash or otherwise, of all sales of services and merchandise (including gift certificates, if applicable) and all other receipts whatsoever, of all business conducted in or from the Licensed Premises, including deposits not refunded to purchasers, orders taken, although filled elsewhere, sales to employees, and proceeds of business interruption or similar insurance. Unless Licensor has previously consented in writing, no discounts shall be deducted from any actual sale price for any selected category of customer. Each sale upon credit shall be treated as a sale for the full price in the month during which such sale was made. No deduction shall be allowed for uncollected or uncollectible credit card accounts, service charges, finance charges, bank card charges or postage fees. Gross Sales shall not include (I) sums collected and paid out for any sales or direct excise tax imposed by any governmental authority, (II) returns to shippers or manufacturers, if any or (III) cash or credit refunds made upon any sale where the merchandise sold is returned by purchaser and accepted by Licensee. For purposes of this Agreement, "Fiscal Year" shall mean Licensor's fiscal year, which is a one year period commencing on July 1st and expiring on June 30th of the immediately following calendar year.
- (b) On or before the fourth (4th) day of each calendar week, Licensee shall cause Licensor to receive, in an account specified in writing by Licensor, an amount equal to twelve percent (12%) of all Gross Sales at or from the Licensed Premises for the preceding calendar week (each payment, a "Weekly Licensor Payment").
- On or before Monday of each calendar week, Licensee shall deliver to Licensor a statement of daily Gross Sales for each day of the preceding calendar week. Within twenty (20) calendar days after the expiration of each fiscal quarter, or within ninety (90) calendar days after the expiration of each Fiscal Year and expiration or earlier termination of this Agreement, Licensee shall deliver to Licensor a statement of Gross Sales for the preceding fiscal quarter and/or the Fiscal Year to date, as applicable. Each weekly and quarterly Gross Sales statement shall be certified by Licensee to be accurate, and each annual and/or final Gross Sales statement shall be certified to be true and correct by an independent certified public accountant. All such statements shall be in a form and shall be accompanied by such supporting information as is in accordance with generally acceptable accounting procedures. Licensee shall keep at the Licensee's office identified in the notice provisions of this Agreement a complete and accurate set of books and records of Gross Sales and all supporting records such as banking records, cash register tapes, sales slips and other sales records, and all supporting information such as invoices and receipts, all of which shall be preserved for at least three (3) calendar years after the end of the Fiscal Year to which they relate. If Licensor shall inspect, copy and/or audit Licensee's statements for such Fiscal Year, such books, records and evidence shall continue to be preserved until such inspection and/or audit has been concluded. Tax reports may be maintained at places other than the Licensed Premises or Licensee's office identified in the notice provisions of this Agreement, provided Licensor is informed of such location and permitted to inspect the same. Licensee shall maintain all books, accounts and records in accordance with generally accepted accounting principles. The Service, the Licensor and their respective agents may, no more frequently than on a quarterly basis, except after an Event of Default hereunder (after which Event of Default the Service, Licensor and their respective agents may at any reasonable time), inspect, copy and/or audit any or all of Licensee's cash register tapes, sales slips, sales records, invoices and receipts which shall in any manner relate to Gross Sales and at the Service's or

Licensor's request, Licensee shall make all such data available for such examination at reasonable times on a quarterly basis (or at reasonable times as the Service or Licensor shall specify after an Event of Default hereunder). If it is determined by any Gross Sales statement or any inspection audit that any Gross Sales statement was not accurate, one party shall pay to the other party upon demand such sums as may be necessary so that Weekly Licensor Payments totaling twelve percent (12%) of Gross Sales shall have been made to Licensor. If any Weekly Licensor Payment is found to be incorrect to an extent of more than three percent (3%), Licensee shall pay for Licensor's inspection or audit on demand. The rights and obligations of the parties under this subparagraph shall survive expiration or earlier termination of this Agreement.

- Compliance with Law. Licensee shall operate, use and occupy the Licensed Premises in compliance with all applicable laws, ordinances and regulations of the City (including, but not limited to, the City Ordinance) and all applicable laws, statutes, rules, orders and regulations of all other governmental and regulatory authorities or agencies (including, but not limited to, the Americans With Disabilities Act of 1990, as amended and supplemented from time to time) and of all fire rating organizations and insurance underwriters (collectively, the "Legal Requirements"). The foregoing shall include Licensee's obligation to procure, maintain and renew all licenses, permits and other approvals required by law or by any governmental or regulatory agency or authority, fire rating organization or insurance underwriter applicable to or having jurisdiction over the Licensed Premises or in connection with any of the activities in, on or about the Licensed Premises, and operate the Licensed Premises in such manner as to comply with the terms and requirements of any such licenses, and permits and approvals. Licensee shall supply Licensor with a copy of any and all notices that it receives from any governmental authority or agency concerning the Licensed Premises within five (5) business days after receipt thereof by Licensee. Licensee shall notify Licensor promptly of any unusual condition that develops in the course of the operation of the Licensed Premises, such as, but not limited to, fire, flood, breakage, casualty, material damage to property or injury to persons.
- Surrender. On the Expiration Date or upon earlier termination of this Agreement, Licensee shall, at its sole cost or expense, (i) vacate and remove Licensee's Property (including, but not limited to, the Kiosk) from the Visitor Center and restore any damage caused by such removal, (ii) transfer to Licensor or its designee, at the sole option of Licensor, any or all contracts relating to the Licensed Premises, including, without limitation, any union contracts, if such contracts are legally assignable, purchase orders and other agreements, if any (iii) turn over to Licensor or its designee all keys, equipment (other than Licensee's Property not paid for by Licensor), and all reports and records of accounting or inventory pertaining to the operation of the Licensed Premises for the calendar years preceding the Expiration Date or earlier termination of this Agreement, (iv) provide Licensor with a final Gross Sales statement for the Licensed Premises as of the Expiration Date or termination date, (v) turn over to Licensor any Weekly Licensor Payment (or portion thereof) to which Licensor is then entitled, (vi) pay in full all outstanding operating expenses; and (vii) take such further action that Licensor may reasonably request to minimize delay and expense arising from such expiration or termination. The rights and obligations of the parties under this paragraph shall survive the expiration or earlier termination of this Agreement.
- 18. <u>Defaults</u>. Any one or more of the following events shall constitute an "Event of Default" hereunder:

- (a) Licensee ceases to exist, or becomes insolvent or is adjudged bankrupt, or makes an assignment for the benefit of creditors, or if a petition in bankruptcy is filed by or against Licensee on account of its insolvency, or if proceedings are commenced for appointment of a receiver for Licensee, or if proceedings for arrangement, reorganization, or composition of creditors under any law be instituted by or against Licensee, or if the real or personal property of Licensee is sold or levied upon by any sheriff, marshall, or constable, it is recognized that such circumstance could impair Licensee's performance under this Agreement.
- (b) Licensee or any of its employees is involved with theft, misappropriation of monies, misfeasance or the commission of a crime in connection with the operation of the Licensed Premises;
- (c) Licensee violates, breaches or fails to perform any of the terms, covenants and conditions of this Agreement, including, but not limited to, Licensee's failure to maintain sufficient staff (as set forth in Section 7(a) herein) or Licensee's failure to
- (i) pay when due the License Fee, Office Charges, Weekly Licensor Payment or any other sum of money due by Licensee hereunder;
- hours as herein required; or (ii) remain open for business as herein provided during such
- (iii) comply with any of the terms and conditions set forth in Paragraph 16 hereof, relating to compliance with all Legal Requirements;

and with respect to (i) through (iii) above, Licensee fails to remedy Licensee.

- 19. Remedies. Upon the occurrence of an Event of Default, Licensor, without notice to Licensee in any instance (except where expressly provided for below or by applicable law) may do any one or more of the following:
- which are or may be affixed, attached to or otherwise placed upon the Licensee's Property the Term, and apply the proceeds of such sale, first, to the payment of all costs and expenses of conducting the sale or caring for or storing Licensee's Property (including all attorneys' fees), second, toward the payment of any indebtedness, including, but not limited to, indebtedness for any Licensee Fee, Office Charges, or Weekly Licensor Payment, which may be or may become due from Licensee to Licensor, and third, to pay Licensee, on demand, in writing, any surplus remaining after all indebtedness of Licensee to Licensor has been fully paid; and/or
- (b) perform on behalf and at the expense of Licensee, any obligation of Licensee under this Agreement which Licensee has failed to perform and of which Licensor shall have given Licensee written notice and applicable opportunity to cure, the cost of which performance by Licensor, together with interest thereon at the then prime rate (the "Prime Rate") as published in Wall Street Journal or comparable reputable business publication, from the date of such expenditure, shall be payable by Licensee to Licensor upon demand; and/or

- (c) terminate this Agreement and remove Licensee and all other persons and Licensee's Property from the Licensed Premises, without resort to legal process and without Licensor becoming liable for any loss or damage occasioned thereby; and/or
- (d) declare to be immediately due and payable, a sum equal to (I) all License Fees, Office Charges, Weekly Licensor Payments and other charges, costs and expenses due from Licensee to Licensor and in arrears at the time of Licensor's election to accelerate, and (II) the License Fees and Weekly Licensor Payments reserved for the then entire unexpired balance of the Term, discounted to present value at the Prime Rate; and/or
- (e) commence actions for possession or payment as hereinafter provided; and/or
- (f) exercise any other legal or equitable right or remedy which it may have.

All of the remedies hereinbefore given to Licensor and all rights and remedies available to it in law or at equity shall be cumulative and concurrent. No termination of this Agreement or the taking or recovering of the Licensed Premises shall deprive Licensor of any of its remedies or actions against Licensee for any License Fee, Office Charges, or Weekly Licensor Payment due at the time or which, but for Licensee's default hereunder, would be due as if there had been no termination, nor shall the bringing of any action against Licensee for payment of any such sums or breach of covenant or the resort to any other remedy herein be construed as a waiver of any other remedy.

20. CONFESSION OF JUDGMENT.

UPON AN EVENT OF DEFAULT HEREUNDER OR THE EXPIRATION OF THE TERM, FOR THE PURPOSE OF OBTAINING POSSESSION OF THE LICENSED PREMISES, LICENSEE HEREBY AUTHORIZES AND EMPOWERS THE PROTHONOTARY OR ANY ATTORNEY OF ANY COURT OF RECORD IN THE COMMONWEALTH OF PENNSYLVANIA OR ELSEWHERE, AS ATTORNEY FOR LICENSEE AND ALL PERSONS CLAIMING UNDER OR THROUGH LICENSEE, TO APPEAR FOR AND CONFESS JUDGMENT AGAINST LICENSEE FOR POSSESSION OF THE LICENSED PREMISES, AND AGAINST ALL PERSONS CLAIMING UNDER OR THROUGH LICENSEE, IN FAVOR OF LICENSOR, FOR RECOVERY BY LICENSOR OF POSSESSION THEREOF, FOR WHICH THIS AGREEMENT OR A COPY HEREOF VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT; AND THEREUPON A WRIT OF POSSESSION MAY IMMEDIATELY ISSUE FOR POSSESSION OF THE LICENSED PREMISES, WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER AND WITHOUT ANY STAY OF EXECUTION. IF FOR ANY REASON AFTER SUCH ACTION HAS BEEN COMMENCED THE SAME SHALL BE TERMINATED AND THE POSSESSION OF THE LICENSED PREMISES REMAINS IN OR IS RESTORED TO LICENSEE, LICENSOR SHALL HAVE THE RIGHT UPON ANY SUBSEQUENT DEFAULT TO CONFESS JUDGMENT IN ONE OR MORE FURTHER ACTIONS IN THE MANNER AND FORM SET FORTH ABOVE TO RECOVER POSSESSION OF

SAID LICENSED PREMISES FOR SUCH SUBSEQUENT DEFAULT. LICENSEE WAIVES ALL ERRORS IN CONNECTION WITH ANY SUCH CONFESSION OF JUDGMENT. NO SUCH TERMINATION OF THIS AGREEMENT NOR TAKING, NOR RECOVERING POSSESSION OF THE LICENSED PREMISES SHALL DEPRIVE LICENSOR OF ANY REMEDIES OR ACTION AGAINST LICENSEE FOR LICENSE FEES, OFFICE CHARGES, WEEKLY LICENSOR PAYMENTS OR OTHER PAYMENTS HEREUNDER (COLLECTIVELY, "PAYMENTS") OR FOR DAMAGES DUE OR TO BECOME DUE FOR THE BREACH OF ANY CONDITION OR COVENANT HEREIN CONTAINED, NOR SHALL THE BRINGING OF ANY SUCH ACTION FOR SUCH PAYMENTS, OR BREACH OF COVENANT OR CONDITION NOR THE RESORT TO ANY OTHER REMEDY HEREIN PROVIDED FOR THE RECOVERY OF SUCH PAYMENTS OR DAMAGES FOR SUCH BREACH BE CONSTRUED AS A WAIVER OF THE RIGHT TO INSIST UPON THE FORFEITURE AND TO OBTAIN POSSESSION IN THE MANNER HEREIN PROVIDED.

UPON AN EVENT OF DEFAULT HEREUNDER, LICENSEE IRREVOCABLY AUTHORIZES AND EMPOWERS THE PROTHONOTARY OR ANY ATTORNEY OF ANY COURT OF RECORD TO APPEAR FOR LICENSEE IN ANY SUCH COURT AT ANY TIME THEREAFTER TO WAIVE THE ISSUANCE AND SERVICE OF PROCESS AND TO CONFESS AND ENTER JUDGMENT AGAINST LICENSEE AND IN FAVOR OF LICENSOR FOR SUCH AGGREGATE AMOUNT OF PAYMENTS DUE TO LICENSOR AS IS UNPAID UNDER THIS AGREEMENT TOGETHER WITH COSTS AND ATTORNEYS FEES EQUAL TO THE GREATER OF \$5,000 OR FIVE PERCENT (5%) OF SUCH UNPAID AMOUNTS. LICENSEE HEREBY RATIFIES AND CONFIRMS ALL THAT THE ATTORNEY MAY DO BY VIRTUE HEREOF AND WAIVES AND RELEASES ALL ERRORS IN CONNECTION WITH SUCH CONFESSION OF JUDGMENT. IF A COPY OF THIS AGREEMENT SHALL BE PRODUCED IN ANY PROCEEDINGS BROUGHT UPON THE WARRANT OF ATTORNEY CONTAINED IN THIS PARAGRAPH, SUCH COPY SHALL BE CONCLUSIVE EVIDENCE OF SUCH PROTHONOTARY'S AND/OR ATTORNEY'S AUTHORITY TO TAKE THE ACTION SPECIFIED HEREIN AND IT SHALL NOT BE NECESSARY TO PRODUCE THE ORIGINAL INSTRUMENT. THE AUTHORITY GRANTED HEREIN TO CONFESS JUDGMENT AGAINST LICENSEE SHALL NOT BE EXHAUSTED BY ANY EXERCISE THEREOF, BUT MAY BE EXERCISED FROM TIME TO TIME AS OFTEN AS THERE IS OCCASION THEREFOR UNTIL PAYMENT IN FULL OF ALL AMOUNTS DUE UNDER THIS AGREEMENT.

Licensee hereby acknowledges that it has read the confession of judgment provisions contained in this Section 20 and fully understands their contents. Thus, fully and completely understanding the rights which are being given up if it signs this Agreement which contains such confession of judgment provisions, Licensee nevertheless freely, knowingly and voluntarily waives such rights and chooses to sign this Agreement.

____ Initials of Licensee

- Indemnification. Licensee hereby indemnifies and agrees to indemnify and hold harmless the United States of America, the City, the Service, the Licensor, and their respective agents, employees, representatives, officers, partners, affiliates, successors and assigns harmless from and against all costs, liabilities, fines, claims, damages, losses, judgments and expenses arising out of or from (1) any failure of Licensee to comply with the terms and conditions of this Agreement or breach by Licensee of any representation or warranty hereunder, or (2) any negligence or willful misconduct of Licensee or its agents, employees, representatives, contractors and subcontractors, in connection with the operation of the Licensed Premises, except to the extent any of the same results from the negligence or willful misconduct of the United States of America, the City, the Service and/or Licensor, or their respective agents, employees, representatives, contractors and subcontractors or others for whom the United States of America, the City, the Service and/or Licensor are legally responsible. Notwithstanding the foregoing but in furtherance thereof, Licensee shall submit to Licensor upon demand (but in no event later than the fifteenth (15th) day of each calendar month), one hundred percent (100%) of all Gross Sales from the Licensed Premises for the preceding calendar month that were misappropriated or stolen by Licensee's employees, plus one hundred percent (100%) of the value of any items stolen from any area within the Visitor Center by Licensee's employees. The rights and obligations of the parties under this paragraph shall survive the expiration or earlier termination of this Agreement.
- 22. <u>Limitation on Licensor's Liability</u>. No disclosed or undisclosed officers, shareholders, principals, directors, employees, partners, servants or agents of Licensor or any holder of any equity interest in Licensor shall be personally liable for the performance of Licensor's obligations under this Agreement. The liability of Licensor (including any assignee or successor or Licensor) for Licensor's obligations shall be limited to Licensor's interest in the Licensed Premises.
- 23. NO ESTATE CONVEYED. LICENSEE AGREES THAT POSSESSION OF AND TITLE TO THE LICENSED PREMISES IS, AND SHALL REMAIN WITH, LICENSOR AT ALL TIMES AND THAT THIS LICENSE DOES NOT GIVE LICENSEE ANY REAL PROPERTY INTEREST OR ESTATE OF ANY KIND OR EXTENT WHATSOEVER IN THE LICENSED PREMISES OR OTHERWISE IN THE VISITOR CENTER OR ANY RIGHT OF A LESSEE OR TENANT UNDER ANY OF THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, INCLUDING, BUT NOT LIMITED TO, THE LANDLORD AND TENANT ACT OF 1951. LICENSEE ALSO AGREES THAT IT WILL NOT ASSERT IN ANY ACTION THAT IT HAS THE RIGHTS OF A LESSEE OR TENANT. THIS AGREEMENT IS NOT A LEASE. THIS AGREEMENT GRANTS TO LICENSEE ONLY A PERSONAL PRIVILEGE REVOCABLE BY LICENSOR ON THE TERMS SET FORTH HEREIN.
- by either party to the other shall be in writing and shall be deemed effective upon mailing if sent (1) by registered or certified mail, return receipt requested with sufficient postage attached, by overnight delivery service or by hand delivery, at the address hereafter stated for such party, or (2) by telecopier to the number hereafter stated for such party and followed by delivery in the foregoing manner. Either party may, by notice given to the other party in the manner herein

specified, designate a different address or telecopier number for receipt of notices and other communications.

If to Licensor:

Independence Visitor Center Corporation One North Independence Mall West Philadelphia, Pennsylvania 19106 Facsimile: 215-925-6106

Attention: William W. Moore, President

With a copy to:

Ballard, Spahr, Andrews & Ingersoll, LLP 1735 Market Street, 51st Floor Philadelphia, Pennsylvania 19103-7599 Facsimile: 215-864-8999

Attention: Mark S. DePillis, Esquire

If to Licensee:
Attention:

- 25. Licensor Not Bound. Licensee shall not, without Licensor's express prior written approval, enter into any contract, agreement or undertaking of any kind whatsoever which affects the Visitor Center in any manner whatsoever. The terms and provisions of this paragraph are not intended to, nor shall be construed to, directly, indirectly or impliedly confer upon Licensor or upon Licensee or the successor of Licensor or Licensee or any other person, firm, or corporation any duty or obligation of any kind whatsoever other than those which are expressly and specifically elsewhere provided in this Agreement for and during the term of this Agreement.
- Assignment. Neither this Agreement, nor any of Licensee's rights hereunder, may be assigned by Licensee nor may Licensee's interest or rights in this Agreement otherwise pass or be transferred to any other person or entity, without the prior written consent of Licensor which consent Licensor may withhold in its sole and absolute discretion. Any purported assignment without the prior written consent of Licensor shall be void and of no effect. No assignment or purported assignment shall operate to relieve Licensee from any of the duties or obligations under this Agreement. Licensor may assign this Agreement or its rights hereunder, in full or in part, to the Service or to any party succeeding Licensor under the Service-Licensor Agreement without the consent of Licensee. Upon the effective date of such assignment, Licensor shall have no further obligations under this Agreement.

- 27. Entire Agreement. Each of the parties hereto agrees this Agreement has been carefully read and fully understood. Each party agrees and confirms that this Agreement contains the entire agreement of the parties with respect to the management and operation of the Licensed Premises by Licensee and may not be discharged or modified except by a written instrument expressly referring to this Agreement and signed by all the parties hereto or by their successors or assigns.
- 28. **Parties Bound.** Subject to the provisions of <u>Paragraph 26</u> hereof, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
- 29. <u>Headings</u>. Any headings preceding the text of various sections and subsections are inserted herein solely for convenience in reference and shall not constitute a part of the Agreement nor shall they affect any meaning, construction or effect of all or any part thereof.
- 30. <u>Licensor's Approval</u>. Wherever in this Agreement Licensor must give its approval, consent or indicate its satisfaction, such approval, consent and satisfaction shall be determined in Licensor's sole and absolute discretion, unless otherwise indicated, and all such approvals, consents or indications of Licensor's satisfaction must be in writing. No approval, consent or comment or failure to do the same by Licensor in connection with any subject matter shall be construed as a waiver or release of any other right by Licensor nor shall it release or relieve Licensee from all of its duties and obligations under this Agreement.
- 31. <u>Pennsylvania Law</u>. This Agreement shall be construed and enforced under the substantive law of the Commonwealth of Pennsylvania.
- 32. <u>Service-Licensor Agreements</u>. This Agreement and Licensee's rights to operate and administer the Licensed Premises hereunder shall be subject and subordinate to all terms and conditions of the Service-Licensor Agreement and to all amendments, extensions, modifications and replacements thereof, including but not limited to the availability of funds. In the event of conflict between the terms and conditions of the Service-Licensor Agreement and the terms and conditions of this Agreement, the terms and conditions of the Service-Licensor Agreement shall control.
- 33. Independent Contract. Licensee's activities under this Agreement are performed as an independent contractor. Nothing contained herein is intended or shall be deemed or construed to create a co-partnership, joint venture, landlord/tenant or employer/employee relationship between Licensor and Licensee, or to benefit or vest any rights whatsoever in any third party. Licensee shall have no possessory rights to the Visitor Center under any circumstances.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

INDEPENDENCE VISITOR CENTER CORPORATION, a Pennsylvania not-for-profit organization

By: Name Title:	
[LICE	nseej
By: Name: Title:	

EXHIBIT A

LICENSED PREMISES

EXHIBIT B LICENSED MARKS



Kiosk Design and Pricing MALTBIE INC



was a line

Independence Visitor Center Kiosk Pricing

One Unit as Shown

\$22,522.00 each

Two Units as Shown

\$20,270.00 each

Three units as Shown

\$19,594.00 each

On orders of \$20,000.00 or more a deposit of 50% is required.



