

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

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Meeting Date: September 12, 2006	<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Regular
	<input type="checkbox"/> Workshop	<input type="checkbox"/> Public Hearing

Submitted By: Department of Airports

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I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file: Four (4) original contract(s)/agreement(s)/grant(s) for the Department of Airports:

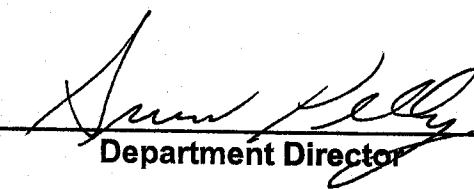
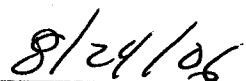
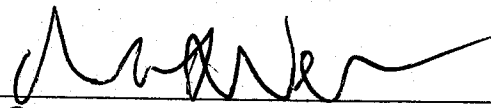
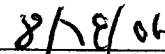
- A) Grant Agreement Number 3-12-0085-045-20065 in the amount of \$3,266,542 to "Replace Terminal Skylight, Repair Exterior Terminal Walls and Repair Terminal Roof Damaged by Hurricane Wilma" at PBIA.
- B) Grant Agreement Number 3-12-0085-046-2006 in the amount of \$2,827,967 to "Conduct an Environmental Impact Statement (EIS) for Runway 9L/27R Extension; Conduct a Benefit Cost Analysis (BCA); and Develop a Stormwater Master Plan" for PBIA.
- C) Grant Agreement Number 3-12-0086-006-2006 in the amount of \$171,399 to "Replace Automated Weather Observation Reporting System" at Palm Beach County Park Airport (Lantana).
- D) General Aeronautical Services Agreement with WFS-PTS LLC at PBIA, effective June 7, 2006.

Summary: Delegation of authority for execution of these standard County contracts/agreements/grants above was approved by the BCC in R-2003-1047, pursuant to PPM No. CW-0-51 and by PPM No. CW-F-064. Countywide (LMB)

Background and Justification: N/A

Attachments: Four (4) Standard Agreements for the Department of Airports

=====

Recommended By:		
	Department Director	Date
Approved By:		
	County Administrator	Date

COPY



GRANT AGREEMENT

U. S. Department
of Transportation
Federal Aviation
Administration

Date of Offer: August 10, 2006

Project Number: 3-12-0085-045-2006
Recipient: Palm Beach County (Herein called Sponsor)
Airport: Palm Beach International Airport

OFFER

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States' share, seventy-five percent (75%) of the allowable costs incurred in accomplishing the project consisting of the following:

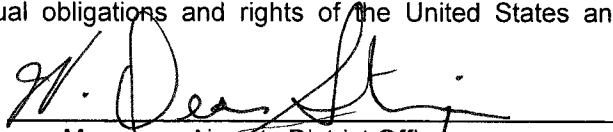
"REPLACE TERMINAL SKYLIGHT, REPAIR EXTERIOR TERMINAL WALLS AND REPAIR TERMINAL ROOF DAMAGED BY HURRICANE WILMA"

as more particularly described in the Project Application dated August 2, 2006.

The maximum obligation of the United States payable under this Offer shall be \$3,266,542 for airport development.

This offer is made in accordance with and for the purpose of carrying out the provisions of Title 49, United States Code, herein called Title 49 U.S.C. Acceptance and execution of this offer shall comprise a Grant Agreement, as provided by Title 49 U.S.C., constituting the contractual obligations and rights of the United States and the Sponsor.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

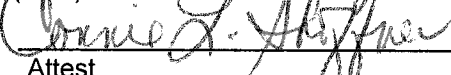

Manager, Airports District Office

ACCEPTANCE

The Sponsor agrees to accomplish the project in compliance with the terms and conditions contained herein and in the document "Terms and Conditions of Accepting Airport Improvement Program Grants" dated March 29, 2005.

Executed this 14th day of August, 2006

(Seal)



Attest




Connie L. Shoffner
MY COMMISSION # DD349315 EXPIRES
October 30, 2008
BONDED THRU TROY FAIN INSURANCE, INC.

Title

PALM BEACH COUNTY

Name of Sponsor

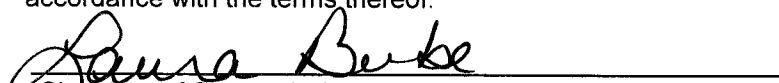

Signature of Sponsor's Designated Official Representative
AIRPORT DIRECTOR

Title

CERTIFICATE OF SPONSOR'S ATTORNEY

I, Laura Beebe, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of State of Florida. Further, I have examined the foregoing Grant Agreement, and the actions taken by said Sponsor relating thereto, and find that the acceptance thereof by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and Title 49 U.S.C. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.


Signature of Sponsor's Attorney

8/16/06
Date

COPY



GRANT AGREEMENT

U. S. Department
of Transportation
Federal Aviation
Administration

COPY

Date of Offer: August 9, 2006

Project Number: 3-12-0085-046-2006

Recipient: Palm Beach County Board of County Commissioners (Herein called Sponsor)

Airport: Palm Beach International Airport

OFFER

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States' share, seventy-five percent (75%) of the allowable costs incurred in accomplishing the projects consisting of the following:

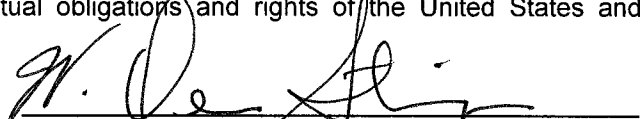
"Conduct an Environmental Impact Statement (EIS) for Runway 9L/27R Extension; Conduct a Benefit Cost Analysis (BCA); and Develop a Stormwater Master Plan"

as more particularly described in the Project Application dated August 2, 2006.

The maximum obligation of the United States payable under this Offer shall be \$2,827,967 for planning.

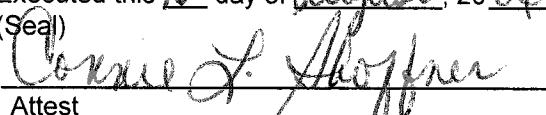
This offer is made in accordance with and for the purpose of carrying out the provisions of Title 49, United States Code, herein called Title 49 U.S.C. Acceptance and execution of this offer shall comprise a Grant Agreement, as provided by Title 49 U.S.C., constituting the contractual obligations and rights of the United States and the Sponsor.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION


Manager, Airports District Office

ACCEPTANCE

The Sponsor agrees to accomplish the project in compliance with the terms and conditions contained herein and in the document "Terms and Conditions of Accepting Airport Improvement Program Grants" dated March 29, 2005.

Executed this 16th day of August, 20 06
(Seal)

Attest

PALM BEACH COUNTY

Name of Sponsor


Signature of Sponsor's Designated Official Representative

AIRPORT DIRECTOR

Title




Connie L. Shoffner
MY COMMISSION # DD349315 EXPIRES
October 30, 2008
BONDED THRU TROY FAIRBANKS

Title

CERTIFICATE OF SPONSOR'S ATTORNEY

I, Laura Beebe, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of State of Florida. Further, I have examined the foregoing Grant Agreement, and the actions taken by said Sponsor relating thereto, and find that the acceptance thereof by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and Title 49 U.S.C. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.


Signature of Sponsor's Attorney

8/16/06
Date

COPY



GRANT AGREEMENT

U. S. Department
of Transportation
Federal Aviation
Administration

COPY

Date of Offer: August 15, 2006

Project Number: 3-12-0086-006-2006
Recipient: Palm Beach County (Herein called Sponsor)
Airport: Palm Beach County Park Airport

OFFER

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States' share, ninety percent(95%) of the allowable costs incurred in accomplishing the project consisting of the following:

"REPLACE AUTOMATED WEATHER OBSERVATION REPORTING SYSTEM "

as more particularly described in the Project Application dated August 2, 2006.

The maximum obligation of the United States payable under this Offer shall be \$171,399 for airport development.

This offer is made in accordance with and for the purpose of carrying out the provisions of Title 49, United States Code, herein called Title 49 U.S.C. Acceptance and execution of this offer shall comprise a Grant Agreement, as provided by Title 49 U.S.C., constituting the contractual obligations and rights of the United States and the Sponsor.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION


Acting Manager , Airports District Office

ACCEPTANCE

The Sponsor agrees to accomplish the project in compliance with the terms and conditions contained herein and in the document "Terms and Conditions of Accepting Airport Improvement Program Grants" dated September 1, 1999.

Executed this 16th day of August, 20 06
(Seal)

Attest

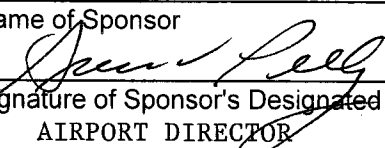
Title



Cornie L. Shoffner
MY COMMISSION # DD349315 EXPIRES
October 30, 2008
BONDED THRU TROY FAIR INSURANCE, INC.

PALM BEACH COUNTY

Name of Sponsor

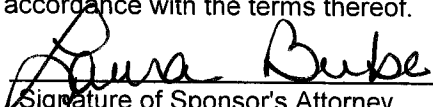

Signature of Sponsor's Designated Official Representative
AIRPORT DIRECTOR

Title

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That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of State of Florida. Further, I have examined the foregoing Grant Agreement, and the actions taken by said Sponsor relating thereto, and find that the acceptance thereof by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and Title 49 U.S.C. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.


Signature of Sponsor's Attorney

8/16/06
Date

COPY

GENERAL AERONAUTICAL SERVICES AGREEMENT

Department of Airports

Palm Beach International Airport

Palm Beach County, Florida

WFS-PTS LLC

Service Provider

GENERAL AERONAUTICAL SERVICES AGREEMENT
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GENERAL AERONAUTICAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into 06/07/2006 by and between PALM BEACH COUNTY, a political subdivision of the State of Florida (hereinafter referred to as the "COUNTY"), and WFS-PTS LLC, having its office and principal place of business at 1925 W. John Carpenter Freeway, Suite 450, Irving, TX 75063, Federal I. D. # X 30-0331507 is (hereinafter referred to as the "SERVICE PROVIDER").

WITNESSETH:

WHEREAS, COUNTY, by and through its Department of Airports (hereinafter referred to as the "Department"), owns and operates Palm Beach International Airport, located in Palm Beach County, Florida (hereinafter referred to as the "Airport"); and

WHEREAS, SERVICE PROVIDER has entered into various Service Agreements with certain air carriers operating at the Airport; and

WHEREAS, SERVICE PROVIDER has indicated a willingness and demonstrated the ability to provide certain general aeronautical support services to the airlines serving the Airport or other Airport tenants on a non-exclusive basis in common with others authorized to do so.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, and for such other good and valuable consideration, the receipt of which the parties hereby expressly acknowledge, the parties hereto covenant and agree to the following terms and condition.

ARTICLE I

TERM OF AGREEMENT

This Agreement shall commence on the 1st day of October, 2005, and shall terminate on the 30th day of September, 2006, and shall automatically be extended on a year-to-year basis (October 1st through September 30th), unless either party hereto, with the Department acting on behalf of the COUNTY, shall advise, by at least ninety (90) days advance written notice, the other party of its desire or intent to amend or terminate this Agreement.

ARTICLE II

PRIVILEGES AND AUTHORIZED SERVICES

2.01 Description of General Privileges, Uses and Rights. COUNTY hereby grants to the SERVICE PROVIDER, the following general privileges, uses and rights, all of which shall be subject to the terms, conditions and covenants hereinafter set forth and all of which shall be non-exclusive on the Airport:

- A. The general use, in common with others, of all public Airport facilities and improvements which are now or may hereafter be connected with or appurtenant to said Airport, (including airfield access) to be used by SERVICE PROVIDER in connection with its operations hereunder. For the purpose of this Agreement "public Airport facilities" shall include all necessary roadways, sidewalks, or other public facilities appurtenant to said Airport, not specifically leased to or under the contractual control of others.
- B. The right of ingress to and egress from the Airport premises over and across public roadways serving the Airport for SERVICE

PROVIDER, its agents and employees, patrons and invitees, suppliers of service and furnishers of material. Said right shall be subject to such laws, rules, regulations and orders as now or may hereafter have application at the Airport.

Nothing herein contained shall be construed to grant to SERVICE PROVIDER the right to use any space or area improved or unimproved which is leased to a third party.

2.02 Authorized Aeronautical Services. COUNTY hereby authorizes the SERVICE PROVIDER to provide, on a non-exclusive basis, under written contract with commercial airlines or Airport tenants serving the Airport and having validly executed agreements with the COUNTY, the following aeronautical support services:

- A. Aircraft Ramp Service
- B. Aircraft and Equipment Maintenance Service
- C. Aircraft Interior Cleaning and Waste Disposal Service
- D. Porter Assistance Service
- E. Baggage Delivery Service
- F. Airline Ticketing and Boarding Service

2.03 Definitions of Services. For purposes of this Agreement, items A through F listed in Article 2.02 hereinabove, shall be defined as follows:

A. Aircraft Ramp Service:

Guiding aircraft in and out of Airport non-exclusive of common-use aircraft loading and unloading positions, designated by the Department; placing in position and operating passenger, baggage and cargo loading and unloading devices, as required for the safe and efficient loading and unloading of passengers, baggage and cargo to and from aircraft; performing such loading and unloading; providing utility services to aircraft; towing aircraft; delivering aircraft cargo, baggage and mail to and from aircraft to locations on the Airport; fueling of aircraft.

B. Aircraft and Equipment Maintenance Service:

Repair and maintenance of aircraft; repair, fueling and maintenance of ramp equipment. Such maintenance service shall be limited to areas approved in advance in writing by the Department.

C. Aircraft Interior Cleaning and Waste Disposal Service:

Providing personnel, equipment and material to clean the interior of Aircraft as specified by contractual agreement with scheduled air carriers.

D. Porter Assistance Service:

Handling and transportation, through the use of porters, of baggage and other articles of the passengers of contracting air carriers or aircraft operators, upon request of the passenger, in public access areas of the Main Terminal Building (Building 1000) and the Port of Entry Building (Building 120), as designated and approved by the Department.

Notwithstanding the foregoing, upon substantial completion of the new Federal Inspection Services (FIS) Facility within the Main Terminal Building, the Authorized Aeronautical Service provided for herein shall be limited to public access areas of the Main Terminal Building (Building 1000) as provided for hereinabove.

E. Baggage Delivery Service:

Handling and transportation between the Airport and the Airline passenger's location of delayed, misplaced, or misrouted baggage or other articles of the passengers of contracting air carriers or aircraft operators.

F. Airline Ticketing and Boarding Service:

The non-exclusive use of ticket counter position(s), baggage make-up areas, baggage claim areas and devices, passenger hold rooms and gate areas, including furnishings and fixtures, passenger loading bridges and all appurtenant equipment typically utilized by commercial air carriers in the processing of passengers, all on a per use basis, for the sole purpose of ticketing, checking-in, boarding and unboarding of air passengers and their baggage.

ARTICLE III

PAYMENTS AND REPORTS

3.01 Service Fee and Facility Usage Charges. For the rights and privileges defined in Article 2.03 A. through E. hereinabove, SERVICE PROVIDER shall pay to COUNTY a Service Fee of seven percent (7%) of all Gross Revenues as defined hereinbelow, derived from the provision of services permitted herein, excluding sales taxes or similar excise taxes paid by SERVICE PROVIDER. For purposes of this Agreement, Gross Revenues shall be defined as all revenues paid or payable to SERVICE PROVIDER for the provision of those certain authorized Aeronautical Services listed in Article 2.03 A. through E. hereinabove. Further, said Gross Revenues shall not include any revenues derived from providing said services to those certain commercial air carriers which are signatory to the appropriate Agreement with the COUNTY, a list of such air carriers as shall be provided to SERVICE PROVIDER by the Department from time to time.

For those certain services as defined in Article 2.03 F. hereinabove, the SERVICE PROVIDER shall pay to the COUNTY reasonable and non-discriminatory fees and facility usage charges as specifically defined in the then current Exhibit "E" to the Airline/Airport Use and Lease Agreement, between COUNTY and those certain air carriers operating at the Airport under the terms and conditions of said Agreement, a copy of said Exhibit "E" attached hereto and made a part hereof.

3.02 Reports. Within fifteen (15) days after the close of each calendar month throughout the term of this Agreement, SERVICE PROVIDER shall submit to the COUNTY, at the office of the Department, in a form and in detail satisfactory to COUNTY, a detailed statement of Gross Revenues derived from services described in Article 2.03 A. through E. hereinabove, including the services rendered, fees charged, and the Service Fees applicable thereto for the preceding calendar month. For services provided pursuant to Article 2.03 F. hereinabove, SERVICE PROVIDER shall submit to COUNTY, at the office of the Department, in a form and detail as prescribed by the Department, a statement of facility usage in connection with services provided. Said facility usage statement, and statement of Gross Revenues shall be accompanied by payment of the amount of Service Fees and facility usage charges reflected therein. Said statements shall be signed by a responsible accounting officer of the SERVICE PROVIDER which shall certify the accuracy of said Gross Revenues and facility usage.

3.03 Unpaid Service Fees. In the event the SERVICE PROVIDER fails to make timely payment of any Service Fees due and payable in accordance with the terms of this Agreement, then interest at the rate established from time to time by the Board of County Commissioners (currently set at one and one-half percent (1 1/2% per month) shall accrue against the delinquent payment(s) from date due until the date payment is received by Department. Notwithstanding the foregoing, COUNTY shall not be prevented from terminating this Agreement for default in the payment of Service Fees or from enforcing any other provisions of this Agreement.

3.04 Audit Requirement. At the close of each of SERVICE PROVIDER's fiscal years during the term of this Agreement or any extensions thereof, SERVICE PROVIDER shall cause an audit to be completed of its accounting transactions relating to its operations under this Agreement for such fiscal year by an independent Certified Public Accountant, not a regular employee of SERVICE PROVIDER, acceptable to COUNTY. A report of each said audit shall be delivered to COUNTY within ninety (90) calendar days of the close of such fiscal year, unless an extension of such time period is approved by the Department, in advance, in writing. The first such audit report shall commence as of the effective date of the term hereof and the last said audit report shall cover through SERVICE PROVIDER's last day of operation pursuant to this Agreement. Any adjustment due will be determined by the parties, and payment remitted to the party to whom it is due within thirty (30) calendar days from receipt and acceptance of said audit report by Department. Delivery of an audit report containing a qualified opinion, an adverse opinion, or a disclaimer of opinion as defined in the Statements on Auditing Standards, or as same may from time to time be amended or superseded, issued by the Auditing Standards Board of the American Institute of Certified Public Accountants, or any successor Board or Agency thereto, shall be deemed to be a material breach of this Agreement.

3.05 Fee Payment and Reporting Address. The SERVICE PROVIDER shall submit all reports and pay all Service Fees required by this Article by mail or in person to:

Palm Beach County Department of Airports
Accounting Section
Building 846
Palm Beach International Airport
West Palm Beach, Florida 33406-1491

3.06 Accounting Records. The SERVICE PROVIDER shall maintain during the entire term of this Agreement all books of account and records customarily used in this type of operation, in accordance with Generally Accepted Accounting Practices (GAAP). COUNTY, at all times, throughout the term of this Agreement and for up to three (3) years following termination, shall have the right to audit and examine during normal working hours all such records and books of account relating to SERVICE PROVIDER's operations hereunder, provided that SERVICE PROVIDER shall not be required to retain such books of account and records for more than three (3) years after the end of each year of this Agreement. Upon COUNTY's request for examination of such books of account and records and should said books of account and records be kept at locations other than the Airport, SERVICE PROVIDER shall arrange for them to be brought to a location convenient to the auditors for the COUNTY in order for the COUNTY to conduct the audits and inspections as set forth in this Article. If, as a result

of said audit, the COUNTY determines that the SERVICE PROVIDER has understated the monthly Service Fees due to COUNTY by five percent (5%) or more, the entire expense to COUNTY of said audit shall be assumed by and be the sole responsibility of the SERVICE PROVIDER. All additional Service Fees due COUNTY and reasonable expenses associated with said audit (if any) shall forthwith be paid by the SERVICE PROVIDER to COUNTY, with interest thereon calculated in accordance with Article 3.03 hereof.

3.07 Contracts With Airlines. Prior to exercising its rights and privileges hereunder, the SERVICE PROVIDER shall provide to Department copies of any and all contracts entered into with commercial airlines serving the Airport, including any modifications and cancellations of same.

ARTICLE IV

OBLIGATIONS OF COUNTY

4.01 Maintenance Responsibility. Except facilities, as may be leased to SERVICE PROVIDER or leased to others by COUNTY, COUNTY shall maintain all public Airport facilities, as defined in Article 2.01 A hereof, in good and adequate condition for their intended use to the extent required by law.

ARTICLE V

OBLIGATIONS OF SERVICE PROVIDER

5.01 Operational Requirements. The SERVICE PROVIDER shall at all times comply with the following requirements:

- A. A copy of this Agreement shall become a part of all service contracts entered into at the Airport by the SERVICE PROVIDER, and shall be attached thereto by the SERVICE PROVIDER so that the other contracting parties are aware of the rights, duties and responsibilities of the SERVICE PROVIDER.
- B. The SERVICE PROVIDER shall at its sole cost and expense maintain all facilities owned or provided by the COUNTY at the Airport for use by the SERVICE PROVIDER in carrying out the services permitted under this Agreement, in a safe and presentable condition consistent with good business practice and in accordance with all applicable laws, regulations and rules of any government agency. SERVICE PROVIDER shall repair all damages to said Airport premises caused by its employees, patrons, invitees, suppliers of service or furnishers of material, or any other persons whomsoever, and all damages caused by or resulting from or in any way arising out of SERVICE PROVIDER's operations thereon. The SERVICE PROVIDER hereby agrees that it shall abide by the decision of the Department with respect to any and all maintenance requirements. Department shall be the sole judge of SERVICE PROVIDER's performance under this Article, as to the quality of maintenance. Upon written notice by the Department to SERVICE PROVIDER, SERVICE PROVIDER shall perform the required maintenance in accordance with the Department's decision. If SERVICE PROVIDER has not made a good faith effort, as determined by the Department, to begin to perform said maintenance within ten (10) days written notice, and to diligently pursue the same to completion, Department shall have the right to perform the necessary maintenance, and SERVICE PROVIDER hereby expressly agrees that it shall fully assume and be liable to Department for payment of the costs therefor. Such maintenance costs shall be due and payable within thirty (30) days from date of Department's billing therefor.
- C. The SERVICE PROVIDER shall not provide the Porter Assistance Service authorized hereunder within the U.S. Customs facilities located at the Port of Entry Building without the specific prior written approval of the Department.

5.02 Service Standards. The SERVICE PROVIDER shall only provide aeronautical services as specifically granted to the SERVICE PROVIDER hereunder which are of a first class manner, consistent with good business practice and at least equal to those provided at comparable commercial airports, and shall at all times observe and comply with the following standards:

- A. The SERVICE PROVIDER shall hire and assign a full-time manager or managers, qualified and experienced in the management and control of the services authorized to be performed herein. Said manager(s) shall be delegated sufficient authority to ensure proper performance of the terms and conditions contained herein. The SERVICE PROVIDER shall also provide at least two twenty-four hour telephone numbers to enable the Department to contact said manager or supervisory personnel whenever necessary. The SERVICE PROVIDER shall be responsible to inform the Department of any change in name and/or number.
- B. The SERVICE PROVIDER shall properly control its employees. Said employees shall present a clean and neat appearance at all times, discharge their duties in a courteous and efficient manner, be suitably uniformed, and wear appropriate identification.
- C. The SERVICE PROVIDER's employees shall at all times be under the control and supervision of the SERVICE PROVIDER, including during slack periods, between job assignments, and during break periods and lunch. Employee breaks shall be taken only in locations approved or designated by the Department in advance in writing.
- D. The SERVICE PROVIDER's employees shall not solicit or request tips or gratuities, directly or indirectly. The SERVICE PROVIDER's employees shall dispose of found property in accordance with approved procedures. The Department reserves the right to withdraw its security pass from any employee of the SERVICE PROVIDER who fails to follow guidelines in this Agreement.
- E. The SERVICE PROVIDER shall obtain and provide to all personnel with authorized access to the airfield operations area and other restricted areas as designated by the Department from time to time, identification badging as required to comply with the security program established by the Department as mandated by Part 107 of the Federal Aviation Regulations and shall furnish the Department with the names and additional pertinent data of such persons. The SERVICE PROVIDER shall furnish the Department with a list of all employee changes on or before the first day of each and every calendar month.
- F. The SERVICE PROVIDER shall properly train all its employees in safe driving procedures in accordance with Department's policy before they are allowed to work on the Airport operating area.
- G. The SERVICE PROVIDER shall not disturb any Airport tenant(s) or user(s).
- H. The SERVICE PROVIDER shall furnish good, prompt and efficient service adequate to meet all the demands for its service at the Airport, and furnish said service on a fair, equal, and non discriminatory basis to all users thereof. The SERVICE PROVIDER shall charge fair, reasonable, and nondiscriminatory prices for each unit of service.

ARTICLE VI

INSURANCE

6.01 Personal Injury and Property Damage Liability Insurance.

- A. Occurrence Form Basis. In addition to such insurance as may be required by law, SERVICE PROVIDER agrees to maintain in full force

and effect throughout the term of this Agreement or any extension thereof, Comprehensive or Commercial General Liability on an Occurrence form basis. Coverage shall be underwritten by a company or companies authorized to conduct business in the state of Florida and shall hold a current Policyholder's Alphabetic and Financial Size Category Rating of not less than A XII according to *Best's Insurance Reports*. Required coverage must have limits of not less than **\$1,000,000** Combined Single Limit each and every occurrence for Personal Injury including Bodily Injury/Death and Property Damage Liability and shall include, but not be limited to, Products-Completed Operations, Contractual and Broad Form Property Damage.

B. Conditions Applicable to 1986 Claims-Made Commercial General Liability Policies or Any Other Policies that Follow a Similar Format. Occurrence form general liability insurance is highly preferred. However, in the event the SERVICE PROVIDER is only able to secure Claims-Made general liability insurance special conditions apply:

1. Any Certificate of Insurance issued to the COUNTY must clearly indicate whether the Claims-Made Commercial General Liability or similar form applies to it. Further, it must indicate if the limits are aggregated. In the event of aggregate limits being applicable, the COUNTY requires that the SERVICE PROVIDER's aggregate amount of insurance be no less than three times the basic limit of liability required above for each accident or occurrence.
2. Should coverage be afforded on a Claims-Made basis, the SERVICE PROVIDER shall be obligated by virtue of this Agreement to maintain insurance coverage in effect with no less limits of liability nor any more restrictive terms and/or conditions for a period of not less than thirty-six (36) months from the termination of this Agreement. The retroactive date shall be no later than the date of inception of this Agreement and shall be maintained for all subsequently required policies.

C. Auto Liability. Automobile Liability covering all Owned, Hired and Non-Owned Vehicles in an amount not less than **\$1,000,000** Combined Single Limit per occurrence for bodily Injury (including death) and Property Damage Liability; provided however, that if the scope and conduct of SERVICE PROVIDER's operations under this Agreement require vehicle access to areas designated for the parking and maneuvering of aircraft (ramp area) said liability insurance shall be in an amount not less than **\$5,000,000.00** Combined Single Limit per occurrence for Bodily Injury (including death) and Property Damage Liability. Notwithstanding the foregoing, if the scope and conduct of SERVICE PROVIDER's operations under this Agreement do not involve the operation, ownership or use of any vehicle, and SERVICE PROVIDER furnishes written notification thereof to the Department, then this requirement shall be waived.

6.02 Insurance Certificate.

A. A signed Certificate or Certificates of Insurance, evidencing that required insurance coverage(s) has been procured by SERVICE PROVIDER in the types and amount(s) required hereunder, shall be transmitted to COUNTY and said Certificate (s) shall clearly state that coverage required by this Agreement has been endorsed to include Palm Beach County, a Political Subdivision of the State of Florida, as an Additional Insured. Said insurance shall support SERVICE PROVIDER's agreement of indemnity set forth in article VIII hereinbelow, shall so state in said Certificate. Further, said Certificate of Insurance shall unequivocally provide thirty (30) days written notice to COUNTY prior to any adverse change, cancellation or non-renewal of

coverage thereunder. Said liability insurance must be acceptable to and approved by COUNTY as to form and types of coverage. In the event that the statutory liability of COUNTY is amended during the term of this Agreement to exceed the above limits, SERVICE PROVIDER shall be required, upon thirty (30) days written notice by county, to provide coverage at least equal to the amended statutory limit of liability of COUNTY. SERVICE PROVIDER's failure to provide such additional coverage shall constitute a default by SERVICE PROVIDER and shall be grounds for automatic termination of this Agreement. Said policy (s) of insurance shall provide that, in the event of bankruptcy or insolvency of SERVICE PROVIDER the insurance company shall not be relieved of any payment claims or fines which may thereafter be levied by any authorized governmental authority for any acts or conditions caused or created by SERVICE PROVIDER or for which SERVICE PROVIDER is in any way responsible or liable.

- B. SERVICE PROVIDER's failure to provide and maintain current any and all Certificate (s) of Insurance required pursuant to this Article VI shall be deemed to be a material default by SERVICE PROVIDER and shall be grounds for automatic termination of this Agreement.

6.03 COUNTY's Right to Review. Notwithstanding the foregoing, COUNTY, by and through its Risk Management Department in cooperation with the Department, reserves the right to periodically review any and all policies of insurance and to reasonably adjust the limits of coverage required hereunder, from time to time throughout the term of this Agreement or any extension thereof. In such event, COUNTY shall provide SERVICE PROVIDER written notice of such adjusted limits and SERVICE PROVIDER shall comply within thirty (30) days of receipt thereof.

ARTICLE VII

RELATIONSHIP OF THE PARTIES

SERVICE PROVIDER is and shall be deemed to be an independent contractor and operator, responsible to all parties for its respective acts or omissions, and COUNTY shall in no way be responsible therefor.

ARTICLE VIII

INDEMNIFICATION

SERVICE PROVIDER agrees to protect, defend, reimburse, indemnify and hold the COUNTY, its agents, employees and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including attorney fees) and causes of action of every kind and character against or from COUNTY by reason of any damage to property or the environment, or bodily injury (including death) incurred or sustained by any party hereto, or of any party acquiring any interest hereunder, any agent or employee of any party hereto or of any party acquiring an interest hereunder, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with the SERVICE PROVIDER's performance under this Agreement, the condition of the Airport premises, the SERVICE PROVIDER's acts, omissions or operations hereunder, or the performance, non-performance or purported performance of the SERVICE PROVIDER or any breach of the terms of this Agreement; provided however the SERVICE PROVIDER shall not be responsible to COUNTY for damages resulting out of bodily injury or damages to

property which the SERVICE PROVIDER can establish as being attributable to the sole negligence of COUNTY, its respective agents, servants, employees and officers. The SERVICE PROVIDER further agrees to hold harmless and indemnify COUNTY for any fines, citations, court judgments, insurance claims, restoration costs or other liability resulting from or in any way arising out of or due to the SERVICE PROVIDER's activities or operations on the Airport, whether or not the SERVICE PROVIDER was negligent or even knowledgeable of any events precipitating a claim or judgement arising as a result of any situation involving said activities. Said indemnification shall be extended to include all deliverers, suppliers, furnishers of material, or anyone acting for or on behalf of, or at the request of SERVICE PROVIDER. The SERVICE PROVIDER recognizes the broad nature of this indemnification and hold harmless clause, and voluntarily makes this covenant and expressly acknowledges the receipt of ten dollars (\$10.00) and such other good and valuable consideration provided by COUNTY in support of this indemnification in accordance with laws of the State of Florida. This clause shall survive the termination of this Agreement.

ARTICLE IX

TERMINATION OF AGREEMENT, CANCELLATION, ASSIGNMENT AND TRANSFER

9.01 Termination. This Agreement shall automatically terminate and expire at the end of the term, as set forth in Article I hereof.

9.02 COUNTY's Right of Cancellation.

A. COUNTY may, to the extent allowed by law, cancel this Agreement by giving SERVICE PROVIDER thirty (30) days advance written notice, to be served as hereinafter provided, upon the happening of any one of the following events:

1. The filing by SERVICE PROVIDER of a voluntary petition for bankruptcy.
2. The institution of proceedings in bankruptcy against SERVICE PROVIDER and adjudication of SERVICE PROVIDER as a bankrupt pursuant to said proceeding.
3. The taking by a Court of jurisdiction of SERVICE PROVIDER and its assets pursuant to proceedings brought under the provision of any federal reorganizational act and said proceeding is not dismissed, discontinued or vacated within thirty (30) days.
4. The appointment of a receiver of SERVICE PROVIDER's assets and the receivership shall not be set aside within thirty (30) days after such appointment.
5. The divestiture of SERVICE PROVIDER's estate herein by operation of law.
6. The abandonment by SERVICE PROVIDER of its business operations thereon.
7. The conduct of any business or performance of any acts not specifically authorized herein and said business or acts do not cease within thirty (30) days of receipt of written notice by COUNTY to cease said business or acts.
8. Default in the performance of any of the covenants and conditions required herein (except Insurance requirements as hereinbefore set

forth; and payment of fees as hereinafter set forth) to be kept and performed by SERVICE PROVIDER and said default is not cured within thirty (30) days of receipt of written notice by COUNTY to do so, or if by reason of the nature of such default, the same cannot be remedied within thirty (30) days following receipt by SERVICE PROVIDER of written demand from COUNTY to do so, SERVICE PROVIDER fails to commence the remedying of such default within said thirty (30) days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof (with SERVICE PROVIDER having the burden of proof to demonstrate (a) that the default cannot be cured within thirty (30) days, and (b) that it is proceeding with diligence to cure said default, and that such default will be cured within a reasonable period of time).

B. In any of the aforesaid events, cancellation shall be effective upon the date specified in COUNTY's written notice to SERVICE PROVIDER, and, upon said date, SERVICE PROVIDER shall be deemed to have no further rights hereunder.

9.03 Cancellation for Default in Payment of Fees. If SERVICE PROVIDER fails to pay the whole or any part of the fees and charges due hereunder for a period of fifteen (15) consecutive calendar days after such payments become due, and continues to fail to pay said amounts in full within ten (10) consecutive calendar days from date of written notice of demand to SERVICE PROVIDER from COUNTY, COUNTY may, at its option, immediately cancel this Agreement, by written notice thereof, and said Agreement shall automatically be terminated as of the date of said written notice.

9.04 Cancellation by SERVICE PROVIDER. SERVICE PROVIDER may cancel this Agreement, if SERVICE PROVIDER is not in default of this Agreement (including, but not limited to, its payment to COUNTY hereunder) by giving COUNTY sixty (60) days advance written notice to be served as hereinafter provided, upon or after the happening of any one of the following events:

- A. Issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport for airport purposes, and the remaining in force of such injunction for a period of at least ninety (90) days.
- B. The default by COUNTY in the performance of any covenant or agreement herein required to be performed by COUNTY and the failure of COUNTY to remedy such default for a period of ninety (90) days after receipt from SERVICE PROVIDER of written notice to remedy same; provided, however, that no notice of cancellation, as provided herein, shall be of any force or effect if COUNTY shall have remedied the default prior to receipt of SERVICE PROVIDER's notice of cancellation.
- C. The lawful assumption by the United States Government or any authorized agency thereof, of the operation, control or use of the Airport and facilities, or any substantial part or parts thereof, in such a manner as to substantially restrict SERVICE PROVIDER, for a period of at least ninety (90) days, from operating thereon.

9.05 Assignment, Transfer and Subcontracting. SERVICE PROVIDER shall not, in any manner, assign, transfer, mortgage, pledge, encumber or otherwise convey an interest in this Agreement, nor contract the services permitted herein or any part thereof, without the prior

written consent of COUNTY in the form of a resolution adopted by the Board of County Commissioners. Such consent can be withheld for any reason or for no reason at all. Any such attempted assignment, transfer or sub-contract without COUNTY approval shall be null and void. In the event COUNTY consents in writing as aforesaid, SERVICE PROVIDER shall have the right to the extent permitted by COUNTY's consent to subcontract or assign all or any portion of the permitted services, provided that any such subcontract or assignment shall be limited to only the same purposes as are permitted under this Agreement. Any such subcontract or assignment shall be subject to the same conditions, obligations and terms as set forth herein and SERVICE PROVIDER shall be fully responsible for the observance by its subcontractors of the terms and covenants contained in this Agreement. Notwithstanding anything herein to the contrary, in the event of an approved subcontract, SERVICE PROVIDER shall remain primarily liable to COUNTY for fulfilling all obligations, terms and conditions of this Agreement, throughout its entire term.

ARTICLE X

SIGNS

No signs, posters, or similar devices shall be erected, displayed, or maintained by SERVICE PROVIDER in the view of the general public in, on or about the Airport premises without the prior written approval of Department. Any such signs not approved shall be immediately removed at the sole cost and expense of SERVICE PROVIDER, upon written notification thereof by Department.

ARTICLE XI

LAWS, REGULATIONS, PERMITS AND TAXES

11.01 General.

A. SERVICE PROVIDER expressly covenants, warrants, guarantees and agrees that throughout the term of this Agreement, SERVICE PROVIDER shall at all times be and shall remain in full and complete compliance with all applicable statutes, regulations, rules, rulings, orders, ordinances and/or directives of any kind or nature without limitation, as same may be amended, of any and/or all Federal, State, Municipal and/or local governmental bodies now or hereafter having jurisdiction over SERVICE PROVIDER, SERVICE PROVIDER's operations conducted under this Agreement on the Airport premises and/or over those persons and entities performing any work or services on behalf of SERVICE PROVIDER or at SERVICE PROVIDER's actual or constructive request. SERVICE PROVIDER further covenants, warrants, guarantees and agrees that it shall comply with all ordinances of COUNTY, including but not limited to the "Rules and Regulations of the Department of Airports," (Ordinance No. 70-1 as amended, and as may be amended), of Palm Beach County, Florida, all operational orders issued thereunder, and any and all other laws, ordinances, regulations, rules and orders of any governmental entity which may be applicable to SERVICE PROVIDER or in any way to SERVICE PROVIDER's business operations under this Agreement as said laws, ordinances, regulations, rules and orders now exist, or are hereafter amended, promulgated or otherwise imposed on SERVICE PROVIDER by law.

B. SERVICE PROVIDER expressly covenants, warrants and agrees that it shall require its appropriate managers, supervisors and employees to attend such training and

instructional programs as the Department may, from time to time require, in connection with policies and procedures related to certification of the Airport under Part 139 of the Federal Aviation Regulations or the Rules and Regulations of the Department.

11.02 Permits and Licenses General. The SERVICE PROVIDER expressly covenants, warrants and agrees that it shall, at its sole cost and expense, be strictly liable and responsible for obtaining, paying for, and maintaining current, and fully complying with, any and all permits, licenses and other governmental authorizations, however designated, as may be required at any time throughout the entire term of this Agreement by any Federal, State, or local governmental entity or any Court of Law having jurisdiction over the SERVICE PROVIDER or the SERVICE PROVIDER's operations and activities, for any activity of the SERVICE PROVIDER conducted on the Airport and for any and all operations conducted by the SERVICE PROVIDER including ensuring that all legal requirements, permits and licenses necessary for or resulting, directly or indirectly, from the SERVICE PROVIDER's operations and activities on the Airport have been obtained and are in full legal compliance. Upon the written request of the Department, the SERVICE PROVIDER shall provide to the Department certified copies of any and all permits and licenses which the Department may request.

11.03 Air and Safety Regulations. The SERVICE PROVIDER covenants warrants, guarantees and agrees that it shall conduct its operations and activities under this Agreement in a safe manner, shall comply with all safety regulations of the Department and with safety standards imposed by applicable Federal, State and local laws and regulations and shall require the observance thereof by all employees, contractors, business invitees and all other persons transacting business with or for the SERVICE PROVIDER resulting from, or in any way related to, the conduct of the SERVICE PROVIDER's business on the Airport. The SERVICE PROVIDER shall procure and maintain such fire prevention and extinguishing devices as required by the COUNTY and shall at all times be familiar and comply with the fire regulations and orders of the COUNTY and the fire control agency with jurisdiction at the Airport, as same may now exist or hereafter come into being. The SERVICE PROVIDER understands that any equipment, vehicles, tanks or improvements now existing or hereinafter placed upon the Airport may not have been cleaned or may contain a residue of volatile or flammable products. The SERVICE PROVIDER agrees, for itself and any employee, contractor or other person working for or on behalf of the SERVICE PROVIDER, to observe due care at all times as required by its knowledge herein and of circumstances. The SERVICE PROVIDER hereby agrees that neither the SERVICE PROVIDER, nor any employee or contractor or any person working for or on behalf of the SERVICE PROVIDER, shall require any personnel engaged in the performance of the SERVICE PROVIDER's operations to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his or her health or safety, as determined by standards adopted pursuant to the Occupational Safety and Health Act of 1970, as same may be amended from time to time, as well as all State and local laws, regulations and orders relative to occupational safety and health.

11.04 Environmental and Natural Resource Laws, Regulations and Permits.

A. Notwithstanding any other provision of the Agreement, and in addition to any and all other Agreement requirements, and any other covenants and warranties of the SERVICE

PROVIDER, the SERVICE PROVIDER hereby expressly covenants, warrants, guarantees and represents to COUNTY, upon which COUNTY expressly relies, that the SERVICE PROVIDER is knowledgeable of any and all Federal, State, regional and local governmental laws, ordinances, regulations, orders and rules, without limitation, that are now or may hereafter come into being, which govern or which in any way, apply to the direct or indirect results and impacts to the environment and natural resources due to, or in any way resulting from, the conduct by the SERVICE PROVIDER of its operations pursuant to or upon the Airport. The SERVICE PROVIDER expressly represents, covenants, warrants, guarantees and agrees that it shall comply with all applicable Federal, State, regional and local laws, regulations and ordinances protecting the environment and natural resources including, but not limited to, the Federal Clean Water Act, Safe Drinking Water Act, Clean Air Act, Resource Conservation Recovery Act, Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("Superfund"), and all rules and regulations promulgated or adopted thereunder as same may from time to time be amended. The SERVICE PROVIDER further expressly represents, covenants, warrants, guarantees and agrees that it shall fully comply with all State and local laws, ordinances, rules and regulations protecting the environment, including, but not limited to, Chapter 376, Florida Statutes and Chapter 403, Florida Statutes as implemented by DER regulations (Chapter 17, Florida Administrative Code) including, but not limited to, specifically Chapters 17-3; 4; 7; 22; 30; 60; 61, Florida Administrative Code.

B. The SERVICE PROVIDER hereby acknowledges and understands that its operations performed pursuant to this Agreement may involve the generation, processing, handling, storing, transporting and disposal of certain hazardous and/or toxic materials which are, or may be, subject to regulation by Federal, State or local laws, ordinances, regulations, rules, orders or other governmental rules and requirements.

C. The SERVICE PROVIDER expressly covenants, warrants, guarantees and represents to COUNTY, upon which COUNTY expressly relies, that the SERVICE PROVIDER is knowledgeable of all such governmental laws and regulations governing hazardous and/or toxic waste, ground water contamination, air and water pollution, oil spills, sanitary and industrial waste, pollutants, cooling water and industrial storm water drainage. The SERVICE PROVIDER further expressly covenants, warrants, guarantees and represents that it is fully qualified to handle and dispose of any all such hazardous and/or toxic waste materials, and all other pollutants and contaminants, in a manner which is both safe and in full compliance with any and all applicable Federal, State and local laws and regulations.

D. The SERVICE PROVIDER hereby expressly assumes and accepts full responsibility and liability for compliance with all such governmental laws and regulations in the handling and disposal of any and all hazardous waste and/or toxic materials, and all pollutants or contaminants of any kind, resulting from or arising out of the SERVICE PROVIDER's operations, and the SERVICE PROVIDER shall, prior to commencement of any such operations pursuant to this Agreement, secure any and all permits, and properly make all necessary notifications as may be required by any and all governmental agencies having jurisdiction over parties or the subject matter hereof. The SERVICE PROVIDER further represents, warrants, guarantees and covenants to COUNTY, upon which COUNTY hereby expressly relies, that the

SERVICE PROVIDER, its employees, agents, contractors, and all persons working for, or on behalf of, the SERVICE PROVIDER have been fully and properly trained in the handling of all such hazardous and toxic waste materials, and other pollutants and contaminants, and that such training, at a minimum, complies with any and all applicable Federal, State and local laws, ordinances, regulations, rulings, orders and standards which are now or are hereinafter promulgated.

E. The SERVICE PROVIDER shall provide to COUNTY satisfactory documentary evidence of all such requisite legal permits and notifications, as hereinabove required and as may be further required, upon request, from time to time by COUNTY.

F. The SERVICE PROVIDER hereby expressly agrees to indemnify and hold COUNTY harmless from and against any and all liability for fines and physical damage to property or injury or death to persons, including reasonable expense and attorneys fees, arising from or resulting out of, or in any way caused by the SERVICE PROVIDER's failure to comply with any and all applicable Federal, State and local laws, ordinances, regulations, rulings, orders and standards, now or hereinafter, promulgated for the purpose of protecting the environment. The SERVICE PROVIDER understands that this indemnification is in addition to and is a supplement of the SERVICE PROVIDER's indemnification agreement set forth in Article VIII of this Agreement and that the SERVICE PROVIDER in full understanding of the broad extent of this indemnification hereby expressly acknowledges that it has received full and adequate consideration from COUNTY to legally support this indemnification agreement. This clause shall survive termination of the Agreement.

G. If the SERVICE PROVIDER is deemed to be a generator of hazardous waste, as defined by State or Federal or local laws, the SERVICE PROVIDER shall obtain an EPA identification number and the appropriate generator permit and shall comply with all requirements imposed upon a generator of hazardous waste including, but not limited to, ensuring that the appropriate transportation and disposal of such materials are conducted in full compliance with the law.

Provisions shall be made by the SERVICE PROVIDER to have an accurate inventory list (including quantities) of all such hazardous, toxic and other contaminated or polluted materials, whether stored, disposed of or recycled, available at all times for inspection at any time by County Officials, including Fire Department Officials, for implementation of proper storage, handling and disposal procedures.

Notification of all hazardous waste activities by the SERVICE PROVIDER shall be made to the Palm Beach County Solid Waste Authority or such other agencies as the COUNTY may from time to time designate, by the SERVICE PROVIDER so that it shall be included as a County Generator of such waste.

The SERVICE PROVIDER agrees that an emergency coordinator and phone number shall be furnished to the Department of Airports, to the Palm Beach County Risk Management Department/Safety Division and to all appropriate Governmental entities having jurisdiction thereof in case of any spill, leak or other emergency situation involving hazardous, toxic, flammable and/or other pollutant/contaminated materials.

H. Violation of any part of the foregoing provisions or disposition by the SERVICE PROVIDER of any sanitary waste, pollutants, contaminants, hazardous waste, toxic waste, industrial cooling waters, sewage or any other materials in violation of the provisions of this section of the Agreement shall be deemed to be a default under this Agreement, and unless cured within ten (10) days of receipt of notice from the COUNTY or, if said default cannot be completely cured within that period, unless SERVICE PROVIDER has commenced curing said default within that time period and uses its best efforts to completely cure said default as expeditiously as possible, shall be deemed to be a material breach as provided for under this Agreement, and shall be grounds for termination of this Agreement, and shall also provide COUNTY grounds for taking whatever other action it may have in addition to termination based upon default as provided for under the Agreement. The SERVICE PROVIDER shall be strictly liable for, and hereby expressly assumes all responsibility for all citations, fines, environmental controls and monitoring, clean-up and disposal, restoration and corrective measures resulting from or in any way connected with the improper use, handling, storage, and/or disposal of all pollutants or contaminated materials, as same are defined by law, by the SERVICE PROVIDER or by the SERVICE PROVIDER's employees, invitees, suppliers of service or furnishers of materials or any other person whomsoever, regardless of whether or not a default notice has been issued and notwithstanding any other obligations imposed upon the SERVICE PROVIDER pursuant to the terms of the Agreement. All such remedies of COUNTY with regard to environmental requirements as set forth herein shall be deemed cumulative in nature and shall survive termination of this Agreement.

11.05 Payment of Taxes. The SERVICE PROVIDER shall pay any and all taxes and other costs as may be lawfully assessed against its interest in the Airport premises, including but not limited to its operations under this Agreement. SERVICE PROVIDER shall have the right to contest the amount or validity of any tax or assessment payable by its appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying, or extending SERVICE PROVIDER's covenants to pay any such tax or assessment, unless the legal proceedings shall operate to prevent the collection of the tax or assessment. Upon termination of such legal proceedings, SERVICE PROVIDER shall pay the amount of any such tax or assessment, or part thereof, as finally determined in such proceedings, the payment of which may have been deferred during the prosecution thereof, together with any costs, fees, interest, penalties, or other liabilities in connection therewith.

ARTICLE XII

DISCLAIMER OF LIABILITY

COUNTY HEREBY DISCLAIMS, AND SERVICE PROVIDER HEREBY RELEASES COUNTY, FROM ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE AND NUISANCE), FOR ANY LOSS, DAMAGE, OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY SERVICE PROVIDER, ITS EMPLOYEES, AGENTS OR INVITEES DURING THE TERM OF THIS AGREEMENT INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF THE SERVICE PROVIDER OR SERVICE PROVIDER'S BUSINESS INVITEES THAT MIGHT BE LOCATED OR STORED ON THE AIRPORT, UNLESS SUCH LOSS, DAMAGE OR INJURY IS CAUSED BY COUNTY'S SOLE NEGLIGENCE. THE PARTIES HERETO EXPRESSLY AGREE THAT UNDER NO CIRCUMSTANCES SHALL COUNTY BE

LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE AND NUISANCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR ANY OTHER DAMAGE RELATED TO THE PROVISION OF SERVICES PERMITTED UNDER THIS AGREEMENT.

ARTICLE XIII

REMEDIES CUMULATIVE

The rights and remedies of parties hereto with respect to any of the terms and conditions of this Agreement shall be cumulative and not exclusive and shall be in addition to all other rights and remedies of the parties.

ARTICLE XIV

GOVERNMENTAL RESTRICTIONS

14.01 Federal Right to Reclaim. In the event a United States governmental agency shall demand and take over either the entire facilities of the Airport or the portion wherein the SERVICE PROVIDER is authorized to operate pursuant to this Agreement, for public purposes, then this Agreement shall thereupon terminate and the COUNTY shall be released and fully discharged from any and all liability hereunder.

14.02 Federal Review. This Agreement is subject to any applicable review by the Federal Aviation Administration to determine satisfactory compliance with federal law, and said Agreement shall be in full force and effect and binding upon both parties pending review and approval by said Federal Aviation Administration not to be in violation of existing laws, regulations or other requirements.

14.03 COUNTY Tax Assessment Right. None of the terms, covenants and conditions of this Agreement shall in any way be construed as a release or waiver on the part of the COUNTY, as a political subdivision of the State of Florida, or any of the public officials of Palm Beach County, of the right to assess, levy and collect any license, personal, intangible, occupation or any other tax which shall be lawfully imposed on the business or property of the SERVICE PROVIDER.

14.04 Right of Flight. COUNTY reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property previously described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft now known or hereafter used, for navigation of or flight in the said airspace and for landing on, taking off from or operating on the Airport.

14.05 Operation of Airport. The SERVICE PROVIDER expressly agrees for itself, its successors and assigns, to prevent any use of Airport property which would interfere with or adversely affect the operation or maintenance of the Airport, or otherwise constitute an Airport hazard.

ARTICLE XV

NO DISCRIMINATION

15.01 Non-discrimination. SERVICE PROVIDER for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree (a) that in the furnishing of services permitted herein, no person on the grounds of race, color, age,

religion, sex or natural origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (b) SERVICE PROVIDER shall operate 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, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. In the event of the breach of any of the foregoing non-discrimination covenants, COUNTY shall have the right to terminate this Agreement and all privileges and rights granted to the SERVICE PROVIDER hereunder. This cancellation provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed including exercise or expiration of appeal rights.

15.02 Minority Business Enterprise/Affirmative Action. The SERVICE PROVIDER acknowledges that the provisions of 49 CFR Part 23, Minority Business Enterprise (MBE), and 14 CFR Part 152, Affirmative Action Employment Programs, may become applicable to the activities of the SERVICE PROVIDER under the terms of this Agreement, unless exempted by said regulations, and hereby agrees at such time to comply with all requirements of the Department, the Federal Aviation Administration and the U.S. Department of Transportation in reference thereto. These requirements may include, but not be limited to, the compliance with MBE and/or Employment Affirmative Action participation goals, the keeping of certain records of good faith compliance efforts, which would be subject to review by the various agencies, and the submission of various reports, and including, if directed by the Department, the contracting of specified percentages of goods and services contracts to Minority Business Enterprises. Failure to comply with these requirements shall be grounds for default and cancellation of this Agreement. Any cancellations pursuant to this Article XV shall not be effective until the procedures specified in said Federal regulations or established by the COUNTY are completed, including exercise or expiration of appeal rights.

ARTICLE XVI

NON-EXCLUSIVE AGREEMENT

The SERVICE PROVIDER expressly understands and agrees that the rights and privileges granted under this Agreement are nonexclusive, and the COUNTY herein reserves the right to grant similar rights and privileges to others at the Airport.

ARTICLE XVII

COUNTY NOT LIABLE

COUNTY shall not be responsible or liable to SERVICE PROVIDER for any claims for compensation or any losses, damages or injury sustained by SERVICE PROVIDER resulting from (a) cessation for any reason of air carrier operations at the Terminal, or (b) diversion of passenger traffic to any other facility. COUNTY shall not be responsible nor liable to the SERVICE PROVIDER for any claims for compensation or any losses, damages, or injury sustained by SERVICE PROVIDER resulting from failure of any water supply, electrical current, sewerage or drainage facility, or caused by natural physical conditions on the Airport, whether on the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tornado, hurricane, act of God or state of

war, civilian commotion or riot, or any cause beyond the control of COUNTY. All personal property placed on or moved onto the Airport shall be at the sole risk of the SERVICE PROVIDER or owner thereof and SERVICE PROVIDER expressly acknowledges and agrees that COUNTY shall not be liable for any damage to or loss of said personal property.

ARTICLE XVIII

AUTHORIZED USES ONLY

Notwithstanding anything to the contrary herein, the SERVICE PROVIDER will not use or permit the use of the Airport premises for any illegal or improper purpose or for any purpose which would invalidate any policies of insurance, now existing or hereafter written on Airport premises for the COUNTY or the SERVICE PROVIDER.

ARTICLE XIX

WAIVERS

The failure of either party to insist on a strict performance of any of the agreements, terms, covenants and conditions hereof shall not be deemed a waiver of any rights or remedies that such party may have for any subsequent breach, default, or non-performance, and such party's right to insist on strict performance of this Agreement shall not be affected by any previous waiver or course of dealing.

ARTICLE XX

SUBORDINATION

20.01 Subordination to Bond Resolution. This Agreement and all rights granted to the SERVICE PROVIDER hereunder are expressly subordinated and subject to the lien and provisions of the pledges, transfer, hypothecation or assignment made by COUNTY in the Bond Resolution, and COUNTY and SERVICE PROVIDER agree that to the extent permitted by authorizing legislation, the holders of the Bonds or their designated representatives shall exercise any and all rights of COUNTY hereunder to the extent such possession, enjoyment and exercise are necessary to ensure compliance by the SERVICE PROVIDER and COUNTY with the terms and provisions of this Agreement and the Bond Resolution.

20.02 Subordination to Federal Agreements. This Agreement shall be subject and subordinate to all the terms and conditions of any instruments and documents under which the COUNTY acquired the land or improvements thereon and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. The SERVICE PROVIDER understands and agrees that this Agreement shall be subordinate to the provisions of any existing or future agreement between COUNTY and the United States of America, or any of its agencies, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal Funds for the development of the Airport.

ARTICLE XXI

CONSENT AND APPROVAL

Nothing in this Agreement shall be construed to waive or limit COUNTY's governmental authority as a political subdivision of the State of Florida to regulate the SERVICE PROVIDER or its operations.

ARTICLE XXII
RIGHTS RESERVED TO THE COUNTY

All rights not specifically granted the SERVICE PROVIDER by this Agreement are reserved to COUNTY.

ARTICLE XXIII
INVALIDITY OF CLAUSES

The invalidity of any portion, article, paragraph, provision, clause or any portion thereof of this Agreement shall have no affect upon the validity of any other part or portion hereof.

ARTICLE XXIV
VENUE

To the extent allowed by law the venue for any action arising from this Agreement shall be in Palm Beach County, Florida.

ARTICLE XXV
GOVERNING LAW

This Agreement shall be governed by and in accordance with the laws of the State of Florida.

ARTICLE XXVI
(Intentionally left blank)

ARTICLE XXVII
INSPECTIONS

The authorized employees and representatives of the COUNTY and any applicable Federal, State, and local governmental entity having jurisdiction hereof shall have the right of access to the Airport premises at all reasonable times for the purposes of inspection for compliance with the provisions of the Agreement and the services permitted herein.

ARTICLE XXVIII
NOTICE

Any notice given under the provisions of this Agreement shall be in writing and shall be delivered personally or sent by certified or registered mail, postage prepaid to:

To COUNTY:

Department of Airports
Palm Beach County
Building 846, Palm Beach International Airport
West Palm Beach, Florida 33406-1491

To SERVICE PROVIDER:

WFS-PTS LLC
1925 W. John Carpenter Freeway, Suite
Irving, TX 75063

or to such other respective addresses as the parties may designate to each other in writing from time to time. Notice by certified or registered mail, shall be deemed given on the date that such notice is deposited in a United States Post Office.

ARTICLE XXIX

PARAGRAPH HEADINGS

The headings of the various articles and sections of this Agreement, and its Table of Contents, are for convenience and ease of reference only, and shall not be construed to define, limit, augment or describe the scope, context or intent of this Agreement or any part or parts of this Agreement.

ARTICLE XXX

BINDING EFFECT

The terms, conditions and covenants of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns, if any. This provision shall not constitute a waiver of any conditions against assignment or transfer.

ARTICLE XXXI

PERFORMANCE

The parties expressly agree that time is of the essence in this Agreement and the failure by the SERVICE PROVIDER to complete performance within the time specified, or within a reasonable time if no time is specified herein, shall, at the option of COUNTY without liability, in addition to any other of COUNTY's rights or remedies, relieve COUNTY of any obligation to accept such performance.

ARTICLE XXXII

PUBLIC ENTITY CRIMES

As provided in F.S. 287.132-133, by entering into this Agreement or performing any work in furtherance hereof, SERVICE PROVIDER certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the thirty-six (36) months immediately preceding the effective date hereof. This notice is required by F.S. 287.133(3)(a).

ARTICLE XXXIII

ENTIRETY OF AGREEMENT

The parties agree that this Agreement sets forth the entire agreement between the parties, and there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Agreement may be added to, modified, superseded or otherwise altered except by written instrument executed by the parties hereto.

(Remainder of page intentionally left blank.)

x

IN WITNESS WHEREOF, the COUNTY has caused this Agreement to be signed by the County Administrator or the Director of the Department of Airports pursuant to the authority granted by said Board, and the SERVICE PROVIDER, WFS-PTS LLC, has caused these presents to be signed in its corporate name by its duly authorized officer, the _____, acting on behalf of said SERVICE PROVIDER, and the seal of said SERVICE PROVIDER to be affixed hereto and attested by the Secretary of said SERVICE PROVIDER, the day and year first written above.

WITNESS:

Coppy [Signature]
[Signature]

PALM BEACH COUNTY, FLORIDA

By: *Sam Peck*
Director - Department of Airports

ATTEST:

By: *[Signature]*
Asst. Secretary

SERVICE PROVIDER:

WFS-PTS LLC

By: *Patrick Priam*
06/07/2006
-Typed Name of Corporate Officer-

Title: *Exec. VP & CFO*

(Corporate Seal)

Signed, sealed and delivered in the presence of two witnesses for SERVICE PROVIDER:

Irving Reed
Witness Signature *Irving Reed*

David B. [Signature] *DAVID CUNNINGHAM*
(typed or printed)

David B. [Signature]
Witness Signature

X
(typed or printed)

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: *Aura Bube*
County Attorney

EXHIBIT "E"
to the Airline-Airport Use
and Lease Agreement for
Palm Beach International Airport

RATES FOR RENTALS, FEES, AND CHARGES
for the period of October 1, 2005,
through September 30, 2006

1. Average Terminal Rental Rate and Landing Fee Rate. Exhibits E-1 through E-5 set forth the method to be used in calculating the average Terminal rental rate and landing fee rate for each period.
2. Differential Terminal Rental Rates.
 - A. Terminal building space shall be classified according to type of space for the purpose of establishing differential rates by location and function as set forth below.

<u>Types of Space</u>	<u>Location/Function</u>	<u>Weighted Value</u>
1	Ticket Counter	1.00
2	Ticket Offices and Upper Level Offices; V.I.P. Rooms; Hold Rooms	0.90
3	Bag Claim; Concourse Areas	0.80
4	Bag Make-up; Curbside Offices; Operation Areas including Baggage Service Office; Commuter Operating Area	0.70
5	Tug Drives	0.25
 - B. The amount of each type of space shall be as set forth in Exhibit "C", as such may be amended from time to time pursuant to this Agreement. A summary of Airline space based upon the current Exhibit "C" is shown in E-4.
 - C. Using the space totals shown in Exhibit E-4, the average Terminal rental rate for the period shall be converted to differential Terminal rental rates.
 - (1) The amount of Type 1 through 5 space shall be weighted by the relative factors set forth in Paragraph 2.A. above, to obtain a weighted equivalent amount of space.
 - (2) The total amount of Signatory Airline Terminal rentals for Type 1 through 5 space shall be next determined as the product of the average Terminal rental rate for the period multiplied by the total amount of Type 1 through 5 Signatory Airline space.
 - (3) Said total amount of Terminal rentals shall then be divided by the weighted equivalent amount of space to determine the rate for Type 1 (premium) space. Rates for Types 2 through 5 space shall then be determined by multiplying the Type 1 (premium) rate by the relative factors for each type of space.
3. Aircraft Parking Apron Rate. The Aircraft Parking Apron rate shall be equal to ten percent (10%) of the Landing Fees Total Requirement divided by the number of lineal feet contained in said Aircraft Parking Apron as determined and set forth in the attached Exhibit "C".
4. Terminal Equipment Charges.
 - A. Charges for Terminal equipment shall be based upon capital, and operating and maintenance costs incurred and payable by COUNTY using the prior fiscal year actual results, and allocable to each item or system.
 - B. Capital, and operating and maintenance costs, if any, for all loading bridges shall be calculated and combined; the resulting sum of such costs in each period using the prior fiscal year actual results shall then be divided by the number of loading bridges to determine the charge per loading bridge for the period.

- C. Charges for the use of the Terminal's centralized aircraft support systems in each period using the prior fiscal year actual results, including 400 Hertz and Cabin Air, shall be determined as set forth in Section 6.04(C).
- D. Capital, and if incurred by COUNTY, operating and maintenance costs for the; (i) baggage make-up conveyors and devices (COUNTY-maintained); (ii) baggage claim conveyors and devices (COUNTY-maintained); and (iii) holdroom furnishings (COUNTY-maintained) shall be calculated and combined as a separate total for each of the three (3) said tenant equipment items. The resulting surps of such costs in each period using the prior fiscal year actual results shall then be converted to a rate per square foot surcharge for each as follows:
- (1) Costs for the baggage make-up conveyors and devices shall be divided by the total amount of baggage make-up area in the Terminal.
 - (2) Costs for the baggage claim conveyors and devices shall be divided by the total amount of baggage claim area in the Terminal.
 - (3) Costs for holdroom furnishings shall be divided by the total amount of holdroom area in the Terminal.
5. Commuter Operating Area Rate. The Commuter Operating Area rate for the period shall be equal to the product of the Type 4 Terminal rental rate for the period multiplied by the total area of the Commuter Operating Area, divided by the estimated Total Passengers of all users of said Commuter Operating Area during the period.
6. Commuter Apron Rate. The Commuter Apron rate for the period shall be equal to the product of the Aircraft Parking Apron rate for the period multiplied by the number of lineal feet contained in said Commuter Apron, divided by the estimated total aircraft seats to be made available on Revenue Landings of all users of said Apron during the period.
7. Federal Inspection Services (FIS) Facility Rate. The FIS facility rate for the period shall be based upon the costs attributable to the Air Carrier FIS Facility divided by estimated total deplaned international passengers using said Facility during the period.
8. CFR 1542 Law Enforcement Officer Rate. The CFR 1542 Law Enforcement Officer rate for the period shall be equal to total COUNTY costs allocable to the provision by COUNTY of Law Enforcement Officers pursuant to CFR 1542, divided by the estimated number of Enplaning Passengers for the period.
9. Per Use Gate Charge. The Charge for each use of Non-Assigned Gate Facilities shall be based on the cost (including O & M and Debt Service) of loading bridge, aircraft support systems, holdroom furnishings, holdroom area, and parking apron from the prior fiscal year actual costs. The rate shall be calculated by dividing the cost by an assumed usage of 4 times per day.
10. Rates for the Current Rate-Setting Period.

- A. Terminal Rental Rates. For the period extending from October 1, 2005 through September 30, 2006, Terminal rental rates shall be as follows:

Type of Space	Location/Function	Rate Per Square Foot
1	Ticket Counter	\$77.95
2	Ticket Offices and Upper Level Offices; V.I.P. Rooms; Hold Rooms	\$70.16
3	Bag Claim; Concourse Areas	\$62.36
4	Bag Make-up; Curbside Offices, Operation Areas including Baggage Service Offices; Commuter Operating Area	\$54.57
5	Tug Drives	\$19.49

These rates are based upon an average Terminal rental rate of \$58.78 per square foot.

- B. Landing Fee Rate. For the period extending from October 1, 2005 through September 30, 2006, the landing fee shall be \$1.147 per 1,000 pounds of Maximum Gross Landing Weight.
- C. Aircraft Parking Apron Rate. For the period extending from October 1, 2005 through September 30, 2006, the Aircraft Parking Apron rate shall be \$199.82 per lineal foot.
- D. Terminal Equipment Charges. For the period extending from October 1, 2005 through September 30, 2006, Terminal equipment charges shall be as follows:
- | | | |
|-----|--------------------------------------|----------------------------------|
| (1) | Loading Bridges | \$31,256.00 per bridge. |
| (2) | Centralized Aircraft Support Systems | |
| | Standby Charge | \$37,077.11 bridge |
| | Usage Charge | As Metered (See Section 6.04.C.) |
| (3) | Equipment/Furnishings Surcharges | |
| | Baggage Make-up Conveyors/Devices | \$ 15.27 per square foot |
| | Baggage Claim Conveyors/Devices | \$ 5.03 per square foot |
| | Holdroom furnishings | \$ 4.25 per square foot |
- Please note that the above Terminal Equipment charges do not include cost for non-routine maintenance. Non-routine maintenance will be invoiced on an individual airline basis based upon specific work performed.
- E. Commuter Operating Area Rate. For the period extending from October 1, 2005 through September 30, 2006, Commuter Operating Area charges for use of the Commuter Operating Area shall be based upon a rate of \$.94 per passenger, (both enplaning and deplaning).
- F. Commuter Apron Rates. For the period extending from October 1, 2005 through September 30, 2006, Commuter Apron charges for use of the Commuter Apron shall be based upon a rate of \$0.56 per available seat.
- G. Federal Inspection Services (FIS) Facility Rate. For the period extending from October 1, 2005 through September 30, 2006, charges for use of the Air Carrier FIS Facility shall be based upon a rate of \$2.13 per deplaned International passenger requiring FIS processing.
- H. CFR 1542 Law Enforcement Officer Rate. For the period extending from October 1, 2005 through September 30, 2006, CFR 1542 Law Enforcement Officer charges shall be based upon a rate of \$0.14 per Enplaned Passenger.
- I. PER USE GATE CHARGE. For the period extending from October 1, 2005 through September 30, 2006, the charge for usage of Non-Assigned Gate Facilities shall be \$246.69 per turnaround. This charge entitles the user access to the following facilities for one turnaround: loading bridge, aircraft support system, holdroom area, holdroom furnishings, apron, and baggage makeup facilities. The user may also procure ticket counter space on a temporary basis for an additional charge of \$14.47 per ticket counter position per turnaround for a total fee of \$261.16. An additional flat fee of \$125 will be assessed for overnight parking of aircraft at a gate position.
- J. Overnight Parking of Aircraft. For the period extending from October 1, 2005 through September 30, 2006, overnight parking of aircraft at a gate position will be charged \$125.00 per night per aircraft. Overnight parking of aircraft in non-gate areas will be charged \$75.00 per night per aircraft. Aircraft parking locations are subject to availability.

FY 2006

Exhibit "E"
to the Airline-Airport Use and Lease Agreement
Palm Beach County-Department of Airports

	Terminal Rents	Landing Fee Fees
1. Direct Operation and Maintenance	10,404,415	1,520,245
2. Indirect Operation and Maintenance Expense	3,436,489	4,223,255
TOTAL OPERATION AND MAINTENANCE EXPENSE	13,840,904	5,743,500
3. Direct and Indirect Capital Charges	7,308,234	1,471,040
4. Capital Charges Coverage	1,827,058	367,760
5. Capital Charges Reserve Requirement	(314)	(63)
6. O & M Reserve Retention	182,474	26,662
7. Amortization Charges for capital project	461,484	84,018
TOTAL REQUIREMENT	23,619,840	7,692,916
LESS:		
8. Concourse Security Reimbursements	500,000	n/a
9. Air Carrier FIS Facility	30,000	n/a
10. Applicable Direct Revenue and Reimbursements	45,000	1,005,000
11. Ten percent (10%) of Landing Fees Total Requirement (Aircraft Parking Apron Rate)	n/a	769,292
12. Estimated Surplus/(Deficit) for FY 2005	(1,136,491)	(64,139)
13. Increase/(Decrease) between Actual Audited and Estimated Surplus/(Deficit) for FY 2004	1,226,090	61,741
Total Requirement	22,955,241	5,921,023
14. Total Rentable	329,677	
15. Average Terminal Rent before Transfers	69.63	
16. Airlines Square Footage	274,525	
17. Adjusted Requirement	19,114,991	
18. Less Transfers (Revenue Sharing)	2,979,340	744,835
19. Net Requirement	16,135,652	5,176,188
20. Airlines Square Footage Landed Weight(1,000 pounds)	274,525	4,513,000
21. TerminalRate/Landing Fee	58.78	1.147
Signatory Landing Fee after Rebate		1.032

NOTES TO EXHIBIT E-1
to the Airline-Airport Use and Lease Agreement
for Palm Beach International Airport

CALCULATION OF RATES FOR TERMINAL
RENTALS, APRON FEES AND LANDING FEES

A. EXPLANATION OF EXHIBIT E-1 LINE ITEMS

1. Direct Operation and Maintenance Expenses. Expenses associated with operation and maintenance of the Airport and directly assignable to the Terminal or Airside cost centers shall be included as Direct Operation and Maintenance Expenses for Terminal Rentals and Landing Fees, respectively.
2. Indirect Operation and Maintenance Expenses. Expenses associated with operation and maintenance of the Airport and assignable to the indirect Airport cost centers shall be allocated to the direct cost centers on the basis of the procedures set forth in Section C of this Exhibit.
3. Direct and Indirect Capital Charges. Debt Service, Subordinated Debt Service, and Other Debt Service directly assignable to the Terminal or Airside cost centers, and allocable Indirect Debt Service, Subordinated Debt Service, and Other Debt Service shall be included in the calculation of Terminal Rentals and Landing Fees. Indirect Debt Service shall be distributed in accordance with the procedures set forth in Section C of this Exhibit for the distribution of Indirect Operation and Maintenance Expenses.
4. Capital Charges Coverage. Twenty-five percent of Direct and Indirect Debt Service and such other amounts as may be required for Subordinated Indebtedness, and/or Other Debt Service, if any, shall be included in the calculation of Terminal Rentals and Landing Fees.
5. Capital Charges Reserve Requirement. Allocable portions of required deposits to the Debt Service Reserve Requirement, calculated based on the Direct and Indirect Debt Service attributed to the Terminal and Airside cost centers shall be included in the calculation of Terminal Rentals and Landing Fees, respectively. Allocable portions of reserve requirements, if any, for Subordinated Debt Service and/or Other Debt Service shall also be included.
6. Operation and Maintenance Reserve Retention. The Airport Operation and Maintenance Reserve requirement shall be one-sixth of the budgeted Operation and Maintenance Expenses for the Fiscal Year for which rates are being determined. The Operation and Maintenance Reserve Retention shall be one-sixth of the change in the budgeted Operation and Maintenance Expenses for the Fiscal Year for which Rates and Charges are being calculated over the estimated Operation and Maintenance Expenses for the preceding Fiscal Year. The Terminal and Airside cost centers shall receive an allocation of the Operation and Maintenance Reserve Retention in proportion to each direct cost center's share of total Operation and Maintenance Expenses for all direct cost centers.
7. Amortization Charges. Amortization charges for Capital Expenditures made to the Airside, including the Ramp Area, and the Terminal, when such Capital Expenditures are paid for with COUNTY funds available for such purposes, including retained surpluses in the Improvement and Development Fund, shall be included in the calculation of Terminal Rentals and Landing Fees.
8. CFR 1542 Reimbursements. Amounts payable by Scheduled Air Carriers for reimbursement of CFR 1542 expenses incurred by COUNTY shall be credited against Terminal rentals Total Requirement.
9. FIS Facility Expenses. FIS Facility Expenses are equal to the sum of Direct Operation and Maintenance Expenses, Indirect Operation and Maintenance Expenses, Direct and Indirect Capital Charges, Capital Charges Coverage, Capital Charges Reserve Requirement, Operation and Maintenance Reserve Retention and Amortization Charges properly attributable to the Air Carrier FIS Facility located in the Terminal.

10. Applicable Direct Revenues. Applicable direct Revenues that shall be credited to the Landing Fees Total Requirement are one hundred percent (100%) of non-signatory airline landing fee revenues, one hundred percent (100%) of airfield services revenues, one hundred percent (100%) of aviation fueling revenues, and twenty-five percent (25%) of airline catering revenues. Applicable direct Revenues that shall be credited against the Terminal rentals Total Requirement are twenty-five percent (25%) of airline catering revenues. Reimbursements to be credited against the Terminal rentals and Landing Fees Total Requirement shall include costs allocable to these rate-setting centers that are directly reimbursed by tenants.
11. Ten Percent of Landing Fees Total Requirement. Ten Percent (10%) of the landing fees Total Requirement is the basis for calculating the Aircraft Parking Apron Rate and is therefore deducted in determining the Landing Fees Adjusted Requirement.
12. Estimated Surplus (Deficit).
 - A. Estimated Terminal Rentals Surplus (Deficit). The estimated surplus (deficit), if any, in Terminal rentals for the then current Fiscal Year, as calculated in accordance with this Exhibit "E", shall be credited against (added to) the Terminal rentals Total Requirement, in developing estimated rates for the next succeeding Fiscal Year. Said estimated surplus (deficit) shall be based upon unaudited actual expense and revenue data then available for the then current Fiscal Year.
 - B. Estimated Landing Fees Surplus (Deficit). The estimated surplus (deficit), if any, in landing fees for the then current Fiscal Year, as calculated in accordance with this Exhibit "E", shall be credited against (added to) the landing fees Total Requirement, in developing estimated rates for the next succeeding Fiscal Year. Said estimated surplus (deficit) shall be based upon unaudited actual expense and revenue data then available for the then current Fiscal Year.
13. Actual Surplus (Deficit).
 - A. Actual Terminal Rentals Surplus (Deficit). The difference, if any, between any estimated surplus (deficit) as set forth in Paragraph 12(A) above, and the actual audited surplus (deficit) for the prior Fiscal Year shall be credited against (added to) the Terminal rentals Total Requirement, in developing estimated rates for the next succeeding Fiscal Year.
 - B. Actual Landing Fees Surplus (Deficit). The difference, if any, between any estimated surplus (deficit), as set forth in Paragraph 12(B) above, and the actual audited surplus (deficit) for the prior Fiscal Year shall be credited against (added to) the landing fees Total Requirement, in developing estimated rates for the next succeeding Fiscal Year.
14. Transfers. Amounts credited to the Transfer Account, as determined in accordance with Exhibit E-5, shall be credited against the Terminal rentals and landing fees requirements.
15. Average Terminal Rental Rate. Terminal rentals Net Requirement shall be divided by rentable Terminal area to calculate the required Average Terminal Rental Rate.
16. Landing Fee Rate. Landing Fees Net Requirement shall be divided by the projected Maximum Gross Landed Weight of all Signatory Airlines to calculate the required Landing Fee Rate.

Signatory airlines will be eligible for an annual landing fee rebate. The annual rebate for AIRLINE shall be calculated as the product of net landing fee revenues for the prior fiscal year times ten percent (10%) times the AIRLINE's relative share of signatory landed weight for the prior fiscal year. For the purposes of the landing fee rebate, net landing fee revenues will be calculated as the sum of signatory and non-signatory landing fee revenues less charges to landing fee revenues for uncollectible write-offs.

- B. AIRPORT COST CENTERS. Airport cost centers used in the determination of rates for rentals, fees and charges shall include, but are not necessarily limited to, the following:

DIRECT COST CENTERS

Airside	Activities and areas provided for the landing, takeoff, and taxiing of aircraft; aircraft parking; approach and clear zones; and aviation easements.
Terminal	The Terminal.
Ground Transportation	Areas designated for employee and public auto parking and rental car operations (excluding rental car ticket counters in the Terminal), and all Airport access roadways.
Non-Aviation	Areas designated for commercial or industrial use.
Aviation	Areas designated for FBO or other aviation use including general aviation aprons.
General Aviation FIS Facility	The FIS building located on the south side of the Airport.
Lantana	All properties and areas associated with Palm Beach County Park (Lantana) Airport.
Glades	All properties and areas associated with Palm Beach County Glades Airport.
North County Airport	All properties and areas associated with the new general aviation airport in North Palm Beach County.
Terminal Equipment	All equipment and furnishings including loading bridges, preconditioned air, 400 HTZ, baggage systems, and holdroom furnishings.

INDIRECT COST CENTERS

Administration	Functions and activities associated with the general Airport Systems administration.
Maintenance	Functions and activities associated with the general maintenance and repair of Airport properties.
Crash/Fire/Rescue Department	Emergency medical services and functions associated with crash, fire and rescue operations at the Airport.

- C. INDIRECT COST CENTER ALLOCATIONS. Expenses for each indirect cost center shall be allocated to the direct cost centers as follows:

1. Expenses for Administration shall be allocated to direct cost centers on the basis of each direct cost center's share of total Operation and Maintenance Expenses for all direct cost centers.
2. Expenses for Maintenance shall be allocated to direct cost centers on the basis of estimated labor costs based on historical data for activity associated with each direct cost center.

3. Expenses for Crash/Fire/Rescue Department shall be allocated to direct cost centers according to the following percentages:

Airside	70.00%
Terminal	4.00
Ground Transportation	3.00
Aviation	12.00
Non-Aviation	4.00
Lantana Airport	3.00
Glades Airport	1.00
North County Airport	<u>3.00</u>
	100.00%

Exhibit E-2
to the Airline-airport Use and Lease Agreement
for Palm Beach International Airport

Detail of Operation and Maintenance
Expense and Debt Service

	FY 2004 Audited	FY 2005 Re-Estimated	FY 2006 Budgeted
DIRECT EXPENSES			
Airside	1,472,333	1,414,384	1,520,245
Terminal	8,561,992	9,701,497	10,404,415
Ground Transportation	6,989,242	6,840,434	7,361,486
Aviation	1,152,578	1,168,195	1,357,170
Non-Aviation	499,045	558,883	658,560
GA FIS Facility	62,698	77,386	77,617
Terminal FIS Facility	109,887	127,204	142,795
Lantana Airport	309,333	342,137	390,724
Glades Airport	595,647	536,082	555,154
North County Airport	1,038,817	1,128,182	1,245,118
Air Cargo Building	68,286	88,760	96,916
Tenant Equipment	1,009,323	1,145,072	1,236,161
Sub-Total	21,869,181	23,128,216	25,046,361
INDIRECT EXPENSES			
Admin and Ops	4,732,302	6,167,749	6,679,605
Maintenance	2,819,292	3,025,693	3,231,291
Fire Department	5,378,847	5,752,233	5,752,233
Sub-Total	12,930,441	14,945,675	15,663,129
TOTAL EXPENSES	34,799,622	38,073,891	40,709,490
CAPITAL CHARGES-Total			
Airside	1,471,151	1,471,103	1,471,040
Terminal	7,308,788	7,308,547	7,308,234
Ground Transportation	3,375,618	3,375,506	3,375,362
Other	1,499,938	1,499,888	1,499,824
Tenant Equipment	1,495,393	1,495,343	1,495,279
TOTAL CAPITAL CHARGES	15,150,888	15,150,388	15,149,738

FY 2006

Exhibit E-3
to the Airline-airport Use and Lease Agreement
for Palm Beach International Airport

Detail of Revenues

	FY 2004 Audited	FY 2005 Re-Estimated	FY 2006 Budgeted
AIRSIDE			
Sig. Airline Landing Fees	4,111,191	5,320,736	5,176,188
10% rebate	(336,490)	(420,736)	(532,074)
Non-sig. Airline landing fees	96,173	90,000	80,000
Apron fees	843,732	800,000	800,000
Airfield services	25,115	32,000	30,000
Aviation Fueling	823,663	850,000	850,000
Miscellaneous Revenues	329,147	218,000	400,000
Sub-Total	5,892,531	6,890,000	6,804,114
TERMINAL			
Airline Terminal Rental	10,844,382	14,250,000	16,135,652
Car Rental Terminal Rents	167,509	175,000	170,000
Food and Beverage Concessions	1,298,999	1,400,000	1,500,000
News and Gift Concessions	2,022,853	2,000,000	2,100,000
Other Concessions	445,575	431,000	440,000
Tenant Equipment Charges	2,177,900	2,200,000	2,200,000
FAR 107/108 Reimbursements	514,820	500,000	500,000
Miscellaneous Revenues	380,137	312,000	312,000
Sub-Total	17,852,175	21,268,000	23,357,652
Terminal F.I.S.	47,200	25,000	30,000
GROUND TRANSPORTATION			
Automobile parking	12,288,977	13,200,000	13,500,000
Ground Rental	565,925	565,000	565,000
On-airport car rental	9,116,417	9,800,000	10,200,000
Off-airport car rental	42,039	40,000	40,000
Taxi/Limo	213,213	215,000	215,000
Grant for lost revenues	0		
Miscellaneous Revenues	93,151	60,010	60,000
Sub-Total	22,319,722	23,880,010	24,580,000
AVIATION SERVICES			
Building Rentals	573,236	464,300	464,300
Ground Rentals	1,067,274	950,000	950,000
Airline Catering	213,378	175,000	180,000
Aircraft Parking	92,763	73,000	0
Miscellaneous Revenues	30,489	15,000	15,000
Sub-Total	1,977,140	1,677,300	1,609,300
Air Cargo Facility	224,682	225,000	230,000
NON-AVIATION SERVICES			
Building Rentals	519,393	353,000	353,000
Ground Rentals	1,141,008	175,000	175,000
Miscellaneous Revenues	9,260	10,000	10,000
Sub-Total	1,669,661	538,000	538,000
Non-Aviation: Section 6	1,064,191	1,097,800	1,157,000
LANTANA AIRPORT	97,037	99,300	99,300
GLADES AIRPORT	232,521	5,237	3,600
NORTH COUNTY AIRPORT	941,039	926,500	995,500
ADMINISTRATION	2,024,732	2,176,000	2,176,000
Other	47,107	51,900	46,200
TOTAL	54,389,738	58,860,047	61,626,666

Exhibit C
 Airline-Airport Use and Lease Agreement-Palm Beach County
 Summary of Terminal and Aircraft Parking Apron
 Dated as of: July 1, 2005

Type of Space	Ticket Counter Linear Feet	Ticket Counter Sq. Ft.	Ticket & Upper Level Offices Sq. Ft.	VIP Rooms Sq. Ft.	Hold Rooms Sq. Ft.	Bag Claim Sq. Ft.	Concourse Areas Sq. Ft.	- Bag Make-Up Sq. Ft.	Curbside Office	Bag Svcs Office	Operations Area	Commuter Operating Area Sq. Ft.	Tug Drive Sq. Ft.	Airline Total Sq. Ft.	Non-Airline Sq. Ft.	Total Sq. Ft.
	(1)*	(2)*	(2)*	(2)**	(3)***	(3)***	(4)*	(4)*	(4)*	(4)*	(4)*	(4)***	(5)***			
AirTran	21.00	482.00	879.2		2,714.98			889.98	89.38	0	888.01			5,921.51		5,921.51
American	34.92	788.24	1,089.89		5,429.96			1,335.94	90.64	357.00	1,809.59			10,881.26		10,881.26
Continental	61.75	1,358.50	2,324.99		5,858.73			4,453.13	144.00	719.90	2,823.92			17,683.17		17,683.17
Delta	114.00	2,508.00	4,734.24	4,819.00	14,197.69			6,218.75	192.00	805.76	22,332.54			55,607.98		55,607.98
Independence	19.92	438.24	172.17		1,362.59			1,781.25	90.64		865.19			4,710.08		4,710.08
JetBlue	22.75	500.50	887.49		1,485.09			1,781.25	98.00	223.24	2,073.93			7,027.50		7,027.50
Northwest	32.33	711.28	849.77		2,478.84			1,781.25	93.28	345.63	1,994.58			8,054.61		8,054.61
Southwest	52.25	1,149.50	1,859.27		3,377.12			1,375.04	90.64	222.18	4,269.94			12,343.69		12,343.69
United	36.38	800.00	1,184.00		2,714.98			2,770.84	98.00	179.43	450.21			8,175.46		8,175.46
USAirways	90.75	1,196.50	2,580.51	2,950.47	6,846.24			3,463.54	280.00	532.75	4,967.31			22,817.32		22,817.32
Unassigned	33.75	1,453.78	4,322.40	928.49	7,220.38			3,258.41	101.38	0.00	3,645.38			20,930.18		20,930.18
Space Sub-Total	519.78	11,346.50	20,643.93	8,497.96	53,486.60			29,109.36	1,363.92	3,385.89	48,118.60			173,952.78		173,952.78
Joint Use Space						30,557.68	38,517.73					4,797.73	28,698.74	100,571.88		100,571.88
Airline Total Space	519.78	11,346.50	20,643.93	8,497.96	53,486.60	30,557.68	38,517.73	29,109.36	1,363.92	3,385.89	48,118.60	4,797.73	28,698.74	274,524.64		274,524.64
Concessions/TSA Space County-Gate B-2					3,379.89									51,772.80		51,772.80
Sub-Total Rentable	519.78	11,346.50	20,643.93	8,497.96	56,866.49	30,557.68	38,517.73	29,109.36	1,363.92	3,385.89	48,118.60	4,797.73	28,698.74	274,524.64	51,772.80	329,677.33
Unenclosed Areas																
FIS Space														22,878.00		22,878.00
Public Areas														28,170.30		28,170.30
Administration Areas														128,376.57		128,376.57
Mechanical/Utility														21,813.23		21,813.23
														45,614.50		45,614.50
Sub-Total Non-rentable														244,850.60		171,991.07
Total Terminal Area	519.78	11,346.50	20,643.93	8,497.96	56,866.49	30,557.68	38,517.73	29,109.36	1,363.92					274,524.64	296,623.40	571,148.04

- Notes
1. Numbers in parentheses designate type of space for rate setting, see Exhibit E-4
 2. Ticket counters, ticket offices, bag make-up and curbside offices are collectively referred to as "Ticket Facilities"
 3. * Indicates Exclusive Use Premises.
 4. ** Indicates Preferential Use Premises.
 5. *** Indicates Joint Use Premises.

Exhibit C

Airline-Airport Use and Lease Agreement-Palm Beach County

Summary of Terminal and Aircraft Parking Apron

Dated as of: July 1, 2005

	Number of Narrow Body Gates	Narrow Body Gate Positions	Number of Wide Body Gates	Wide Body Gate Positions	Total Gate Positions	Total Linear Feet
AirTran			1	C-6	1	175
American			2	C-9,11	2	350
Continental			2	B-4,6	2	350
Delta			6	C-1,2,3,4,5,7	6	1,050
Independence	1	C-8			1	125
JetBlue	1	B-8			1	125
Northwest			1	B-12	1	175
Southwest	2	B-3,5			2	250
United			1	C-10	1	175
USAirways	3	B-7,9,14	1	B-11	4	550
County			1	B-2	1	175
Unassigned	1	B-1	2	B-10; C-12	3	475
Sub-Total	8		17		25	3,975
Commuter Apron						660
Total Apron						4,635

Notes:

1. Each second level gate shall include a jet loader provided by COUNTY.
2. Based on 125 L.F. per narrow body gate, and 175 L.F. per wide body gate, for jet-loader gates.

Exhibit E-5
to the Airline-Airport Use and Lease Agreement
for Palm Beach International Airport
FY 2006

Deposit to the Transfers Account

	Actual FY 2004
Revenues	54,389,738
Prior Year Transfer Carryforward	5,206,499
	<u>59,596,237</u>
LESS:	
O & M Expense	34,799,622
O & M Reserve	399,128
Capital Charges	15,150,888
Capital Charges Reserve	(457,102)
Amortization Charges	545,502
R & R Allowance (see note 1)	<u>962,210</u>
Funds Remaining	<u>8,195,989</u>
Credit to Transfers Account	4,097,994
Credit to County	4,097,994
Detail of Transfers Account	
Tenant Equipment (Coverage)	373,820
Terminal Rentals	2,979,340
Landing Fees	<u>744,835</u>
Total Transfers	<u>4,097,994</u>

Note 1:

A Renewal and Replacement Allowance equal to budgeted net expenditures in the Fiscal Year for which rates and charges are being determined shall be deducted for retention in the Renewal and Replacement Fund; provided, however, the annual amount deducted in calculating credits to the Transfers Account shall not exceed one million dollars (\$1,000,000). The one million dollar amount shall be adjusted annually in accordance with the U.S. Implicit Price Deflator Index. Said adjustments shall use the index value applicable to the October 1, 1988 as the base index with adjustments related to said index to be effective each October 1 thereafter.