

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

FISCAL YEARS	2007	2008	2009	2010	2011
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	(21,000,000)	(22,050,000)	(23,152,500)	(24,310,125)	(25,525,631)
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(21,000,000)</u>	<u>(22,050,000)</u>	<u>(23,152,500)</u>	<u>(24,310,125)</u>	<u>(25,525,631)</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes X No _____
 Budget Account No.: Fund various Department various Unit various Object various
 Reporting Category various

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Approval of this item establishes the contract between Airlines and the County to collect revenues for facilities used. Estimated annual revenue is \$21,000,000 in fiscal year 2007; in the remaining years of the contract revenues are estimated to increase 5% annually.

C. Departmental Fiscal Review: CM Sumner

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

John Dink 8-21-06 OFMB
8/18/06 8-21-06
AM 8/17/06 8/22/06
Ann J. Gaudet 8/22/06 Contract Dev. and Control

B. Legal Sufficiency:
Laura Bube
 Assistant County Attorney

C. Other Department Review:

 Department Director

Background and Justification:

No County or ad valorem dollars are used to support the operation of the airport system. Therefore, the Airline agreement provides for the financial support of the terminal and airfield at PBIA. Under the terms of this agreement, various rental rates and fees are calculated each year based on budgeted revenues, costs, and leased areas. Costs include operation, maintenance, administration, security, fire protection, capital expenditures, and debt service. Any budget variance is settled annually whereby the Airline pays additional fees or the County reimburses Airline for excess fees charged.

Airline revenues fund approximately one third of the Airport System's revenue budget. Terminal rental rates for fiscal year 2007 will range from \$75 per square foot per year to \$19 per square foot per year, depending on the type of space. Landing fees will be \$1.11 per 1000 pounds of landed weight or \$130 per landing.

RESOLUTION NO. R-2006-

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, ADOPTING A NEW STANDARD FORM AIRLINE-AIRPORT USE AND LEASE AGREEMENT; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS DESIGNEE TO EXECUTE A STANDARD FORM AIRLINE-AIRPORT USE AND LEASE AGREEMENT ON BEHALF OF THE BOARD OF COUNTY COMMISSIONERS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS DESIGNEE TO ENTER INTO CERTAIN AMENDMENTS TO THE STANDARD FORM AIRLINE-AIRPORT USE AND LEASE AGREEMENT; REPEALING RESOLUTION NO. R-2005-1121, AS AMENDED BY RESOLUTION NO. R-2005-2444; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Palm Beach County, by and through its Department of Airports, owns and operates the Palm Beach International Airport; and

WHEREAS, the Board of County Commissioners approved a standard form Airline-Airport Use and Lease Agreement to be executed by the County Administrator or his designee on behalf of the Board of County Commissioners pursuant to Resolution No. R-2005-1121, as amended by Resolution No. 2005-2444; and

WHEREAS, the Airline-Airport Use and Lease Agreements entered into pursuant to the aforementioned resolutions will be expiring on September 30, 2006; and

WHEREAS, the delegation to the County Administrator or his designee of the authority to execute the standard form agreements will eliminate delays caused by requiring such items to be brought before the Board of County Commissioners for approval and would therefore be consistent with the goal of the Board of County Commissioners to streamline the agenda process; and

WHEREAS, the Board of County Commissioners desires to authorize the County Administrator or his designee to execute a new standard form Airline-Airport Use and Lease Agreement on behalf of the Board of County Commissioners.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

1. The foregoing recitals are true and correct and are incorporated herein.
2. The Board of County Commissioners hereby: (i) adopts a new standard form Airline-Airport Use and Lease Agreement, in the form attached hereto and incorporated herein as Attachment "A" (the "Airline-Airport Use and Lease Agreement"), and (ii) authorizes the County Administrator or his designee to execute the Airline-Airport Use and Lease Agreement on behalf of the Board of County Commissioners.
3. The County Administrator or his designee is hereby authorized to execute, on behalf of the Board of County Commissioners: (i) amendments to an Airline-Airport Use and Lease Agreement for the purpose of relocating, increasing or decreasing an airline's premises; and (ii) an Airline-Airport Use and Lease Agreement, which includes non-material changes. For purposes of

this Resolution, "non-material changes" mean changes that will not modify any of the substantive terms or conditions of the Airline-Airport Use and Lease Agreement.

4. It is the intention of the Board of County Commissioners that this delegation of signature authority is strictly limited to the parameters set forth herein. In the event there is any material deviation from the approved standard terms and conditions of the Airline-Airport Use and Lease Agreement, which would constitute discretion of the County Administrator or his designee relative thereto, then the approval of the Board of County Commissioners shall be required. The County Administrator's designee for purposes of this Resolution shall include the Director of the Department of Airports.

5. Resolution R-2005-1121, as amended by Resolution No. 2005-2444, is hereby repealed in its entirety; provided, however, the repeal of Resolution R-2005-1121, as amended by Resolution No. R-2005-2444, shall not have any affect on the validity of any agreements entered into pursuant to such resolutions.

6. If any section, sentence, clause, phrase, or word of this Resolution is held invalid or unconstitutional by a Court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portions of this Resolution.

7. This Resolution shall become effective immediately upon adoption.

The foregoing Resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

- COMMISSIONER TONY MASILOTTI, CHAIRMAN -
- COMMISSIONER ADDIE L. GREENE, VICE CHAIRPERSON -
- COMMISSIONER BURT AARONSON -
- COMMISSIONER JEFF KOONS -
- COMMISSIONER KAREN T. MARCUS -
- COMMISSIONER MARY MCCARTY -
- COMMISSIONER WARREN H. NEWELL -

Then the Chair thereupon declared this Resolution duly passed and adopted this ____ day of _____, 20__.

PALM BEACH COUNTY, FLORIDA, BY ITS BOARD OF COUNTY COMMISSIONERS

Sharon R. Bock, Clerk & Comptroller

By: _____
Deputy Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: _____
County Attorney

**AIRLINE-AIRPORT
USE AND LEASE AGREEMENT**

PALM BEACH INTERNATIONAL AIRPORT

Department of Airports
Palm Beach County, Florida

AIRLINE

**AIRLINE-AIRPORT
USE AND LEASE AGREEMENT**

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SCHEDULE OF EXHIBITS

EXHIBIT "A" -- FORM OF ACTIVITY REPORT

EXHIBIT "B" -- EXCLUSIVE USE/PREFERENTIAL USE PREMISES (Terminal Areas)

EXHIBIT "C" -- MAINTENANCE SCHEDULE

EXHIBIT "D" -- PREFERENTIAL USE PREMISES (Aircraft Parking Apron)

EXHIBIT "E" -- RATE AND FEE SCHEDULE

**AIRLINE-AIRPORT USE AND LEASE AGREEMENT
PALM BEACH INTERNATIONAL AIRPORT**

THIS AGREEMENT is made and entered into _____, 20___, by and between Palm Beach County, a political subdivision of the State of Florida ("COUNTY"), and _____, a _____ corporation, having its office and principal place of business at _____ ("AIRLINE").

WITNESSETH:

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

WHEREAS, AIRLINE is engaged in the business of scheduled air transportation for the carriage of persons, property, parcels, cargo, and mail; and

WHEREAS, AIRLINE desires to obtain certain rights, services and privileges in connection with the use of the Airport and its facilities, and COUNTY is willing to grant and lease the same to AIRLINE upon the terms and conditions hereinafter set forth.

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 acknowledge, the parties hereto covenant and agree to the following terms and conditions:

ARTICLE 1
DEFINITIONS

The following words, terms, and phrases wherever used in this Agreement shall have the meanings set forth in this Article. Additional words and phrases used in this Agreement, but not defined herein, shall have the meanings ascribed to them the Bond Resolution:

Activity Report means the reporting form required to be submitted by AIRLINE to the Department each month attached hereto as Exhibit "A". The Department shall have the right to modify the Activity Report from time to time upon thirty (30) days prior written notice to AIRLINE. The modified Activity Report shall automatically become a part of this Agreement, without formal amendment hereto.

Actual Rates has the meaning set forth in Article 7.03.

Affiliated Airline or Affiliated Airlines means an Air Transportation Company that is designated by AIRLINE in accordance with Article 4.10 and that is AIRLINE's: (i) parent company; (ii) sister airline through common ownership with the parent company of AIRLINE; (iii) wholly owned subsidiary; or (iv) such other entity determined by the Department, in its reasonable discretion, to qualify as an Affiliated Airline.

AIRLINE means the Air Transportation Company identified in the preamble of this Agreement, and includes any Affiliated Airlines of AIRLINE.

Agreement means this Airline-Airport Use and Lease Agreement between COUNTY and AIRLINE, as amended and supplemented, and all addenda, schedules and exhibits hereto, which are incorporated herein by this reference. Words such as "herein," "hereafter," "hereof," "hereto," "hereby" and "hereunder," when used with reference to this Agreement, refer to this Agreement as a whole, unless the context otherwise requires.

Air Transportation Company means a Scheduled Air Carrier or non-scheduled air carrier providing carriage by air of passengers, property, parcels, cargo, and mail.

Air Transportation Service(s) means those service(s) and operation(s) provided by AIRLINE at the Airport for the commercial transportation of passengers, property, parcels, cargo and mail by air, including services and operations necessary and incidental thereto.

Aircraft Parking Apron means that portion of the Ramp Area immediately adjacent to the Terminal that is used for the parking of aircraft and the loading and unloading of passengers, property, parcels, cargo and mail.

Airline Premises means those areas leased to or licensed for use by AIRLINE herein, which is comprised of Exclusive Use, Preferential Use, or Joint Use Premises.

Airport means the Palm Beach International Airport located in Palm Beach County, Florida.

Airport Rules and Regulations means the Palm Beach County Airport Rules and Regulations adopted by Resolution No. R-98-220, as now or hereafter amended, and any successor ordinance or resolution regulating activities or operations on the Airport.

Airport System shall have the meaning ascribed to it in the Bond Resolution.

Amortization means the recovery, or repayment, of principal, or net capital costs, and real or imputed interest computed assuming level debt service over a fixed term. For a Capital Expenditure which is not debt financed, annual Amortization charges for such expenditure shall be computed using a reasonable nontaxable financing rate as determined by the Department, and using the economic life for each capital item determined in accordance with generally accepted accounting practices.

Assignment shall have the meaning set forth in Article 13.01.

Bond Resolution means COUNTY Resolution No. R-84-427 authorizing the issuance of the Palm Beach County Airport System Revenue Bonds, adopted by the Board of County Commissioners of Palm Beach County on April 3, 1984, as amended and supplemented, and including any successor bond resolution. The Bond Resolution is hereby incorporated herein by this reference and made a part hereof.

Bonds means any bonds or other financing instrument, other than Subordinated Indebtedness, authenticated and delivered under and pursuant to the Bond Resolution.

Capital Expenditure means an expenditure made to acquire, purchase or construct a single capital item with a useful life of at least three (3) years for the purpose(s) of improving, maintaining or developing the Airport System.

Chargeable Landings means all Revenue Landings by AIRLINE during any period, plus Non-Revenue Landings exceeding ten percent (10%) in number of Revenue Landings during said period.

Commuter Apron means those portions of the Ramp Area immediately adjacent to the Commuter Operating Area that are used for the parking of commuter aircraft and support vehicles, and the loading and unloading of passengers and cargo.

Commuter Operating Area means those parts of the Terminal that are designated by COUNTY for commuter Air Transportation Companies, as defined by the U.S. Department of Transportation.

COUNTY has the meaning set forth in the preamble of this Agreement.

Debt Service means, as of any date of calculation for any period, the amounts to be accrued from Revenues within the Debt Service Account pursuant to the Bond Resolution, during said period for the payment of principal of, interest on, or other fees and amounts associated with, the Bonds, all as determined in accordance with the Bond Resolution.

Debt Service Reserve Requirement means, as of any date of calculation, an amount of money, securities, or Debt Service Reserve Account Insurance Policy equal to the average annual Debt Service with respect to all series of Bonds outstanding, calculated in accordance with the Bond Resolution.

Department means the Palm Beach County Department of Airports and its authorized successor(s).

Department Director means the Director of the Palm Beach County Department of Airport, who shall be considered the County Administrator's designee when acting upon behalf of COUNTY hereunder.

Department of Homeland Security means the United States Department of Homeland Security and any divisions thereof, including, but not limited to, the TSA.

Department of Transportation means the United States Department of Transportation and any divisions thereof, including, but not limited to, the FAA.

Deplaned Passengers means disembarking revenue passengers at the Airport Terminal, who are (i) terminating their air travel; (ii) transferring between airplanes of the same air carrier; or (iii) transferring between airplanes of different air carriers.

Effective Date means that date specified in Article 2.01.

Enplaned Passengers means all revenue passengers boarded at the Airport Terminal and shall include passengers boarding as originating, on-line transfer and off-line transfer.

Environmental Laws means all applicable federal, state and local laws, rules, orders and regulations protecting human health, the environment and/or natural resources, as such laws, rules, orders and regulations are now or hereafter amended, including, without limitation, the Federal Clean Water Act, Safe Drinking Water Act, Clean Air Act, Resource Conservation and Recovery Act and Comprehensive Environmental Response, Compensation and Liability Act of 1980.

Estimated Rates has the meaning set forth in Article 7.03.

Event of Default has the meaning set forth in Article 12.02.

Exclusive Use Premises means the Terminal areas and equipment exclusively leased to AIRLINE, as more particularly described the attached Exhibit "B".

Extended Operations Area has the meaning set forth in Article 4.02.

FAA means the Federal Aviation Administration and its authorized successor(s).

Fiscal Year means the then current annual accounting period of COUNTY for its general accounting purposes which, at the time of entering into this Agreement, is the period of twelve (12) consecutive months ending with the last day of September of each year.

Fuel means any substance (solid, liquid or gaseous) used to operate an aircraft or vehicle engine.

Improvement and Development Fund means the fund created pursuant to the Bond Resolution for the deposit of funds available, as set forth in the Bond Resolution, for any lawful purpose of COUNTY related to the Airport System.

Joint Use Premises means those Terminal areas and equipment assigned to two or more Scheduled Air Carriers, which is comprised of the baggage claim area, common use areas of the concourses (corridors and walkways) and tug drive.

Landing Area means those portions of the Airport provided for the landing, take-off and taxiing of aircraft, including without limitation approach and turning zones, avigation or other easements, runways, taxiways, runway and taxiway lights, and other appurtenances in connection therewith.

Landing Fees has the meaning set forth in the Rate and Fee Schedule.

Legal Requirements has the meaning set forth in Article 19.04.

Lubricants means oil, greases and other similar lubricants.

Lift Device has the meaning set forth in Article 15.01.

Maintenance Schedule means the maintenance schedule attached hereto as Exhibit "C".

Major Maintenance means repair activities other than routine servicing activities normally requiring more than two (2) hours to complete.

Maximum Gross Landed Weight means the maximum gross certificated landing weight, as certified by the FAA and as stated in AIRLINE's Flight Operations Manual, in one thousand pound units, for each aircraft operated by AIRLINE at the Airport.

Non-Revenue Landing means any aircraft landing by AIRLINE at the Airport for a flight for which AIRLINE receives no revenue, and for which said flight was not published in the Official Airline Guide, and includes irregular and occasional ferry, emergency, test, courtesy, inspection, or training landings. Training landings shall include practice approaches.

Operation and Maintenance Expenses means COUNTY's costs for operation, maintenance and repairs of the Airport System and shall include, without limitation, salaries and employee benefits, utility costs, ordinary maintenance, administrative and general expenses, security, and all such other expenses as defined and determined in accordance with the Bond Resolution.

Operation and Maintenance Reserve means an amount equal to one-sixth (1/6) of the amount appropriated in the annual budget for Operation and Maintenance Expenses for the then current Fiscal Year; provided, however, said amount may be reduced by a supplemental resolution in accordance with the Bond Resolution.

Other Indebtedness means any debt incurred by COUNTY for Airport System purposes which is not authenticated and delivered under and pursuant to the Bond Resolution.

Other Debt Service means any principal, interest, premium, if any, or other fees and expenses, either paid or accrued, on Other Indebtedness of COUNTY.

Passenger Facility Charge (PFC) has the meaning ascribed to it in 49 USC 40117, as may be amended or any successor law authorizing similar fees.

PBSO means the Palm Beach County Sheriff's Office.

Person includes a partnership, joint venture, association, corporation, limited liability company, trust or other entity, or, where the context so permits or requires, a natural person.

Preferential Use means the unrestricted, higher and continuous priority of use over all others.

Preferential Use Premises means the Aircraft Parking Apron, holdrooms, loading bridges, and other appurtenant furnishings, fixtures, and equipment assigned to AIRLINE, as more particularly described in the attached Exhibits "B" and "D", and to which AIRLINE shall have the right of Preferential Use.

Proposed Statement of Rates has the meaning set forth in Article 7.02(A).

Public Airport Facilities means the runways, taxiways, public roadways, sidewalks and other facilities and improvements, as may now be in existence or hereinafter constructed, for the use of Persons lawfully using the Airport, including common areas within the Terminal. The term "Public Airport Facilities" shall not be construed as including any areas of the Airport, which are leased or under the contractual control of others.

Ramp Area means the aircraft parking and maneuvering areas adjacent to the Terminal, and shall include within its boundaries all Aircraft Parking Aprons.

Rate and Fee Schedule or Exhibit "E" means the Rate and Fee Schedule attached hereto as Exhibit "E".

Rental Credits has the meaning set forth in Article 8.03(D).

Requesting Airline or Requesting Airlines has the meaning set forth in Article 14.01.

Renewal and Replacement Requirement means the amount expended in the most recently completed fiscal year in the Renewal And Replacement Fund created pursuant to the Bond Resolution for such expenditures, or reserves therefor, as determined in accordance with the Bond Resolution for the then current Fiscal Year.

Revenue Fund means the Palm Beach County Airport System Revenue Fund established pursuant to the Bond Resolution.

Revenue Landing means an aircraft landing by AIRLINE at the Airport in conjunction with a flight for which AIRLINE makes a charge or from which revenue is derived for the transportation by air of persons, property, parcels, cargo or mail; provided, however, Revenue Landing shall not include any landing of an aircraft which, after having taken off from Airport and without making a landing at any

other airport, returns to land at Airport because of meteorological conditions, mechanical or operating causes, or any other reason of emergency or precaution.

Revenues means income and revenue derived by COUNTY in connection with the operation of the Airport System, all as defined, limited and determined in accordance with the Bond Resolution, plus Transfers, as set forth in this Agreement.

Scheduled Air Carrier means an Air Transportation Company performing or desiring to perform, pursuant to published schedules, scheduled non-seasonal commercial Air Transportation Services over specified routes to and from Airport, and holding any and all necessary authority to provide such transportation from all appropriate Federal or State Agencies.

Signatory Airline means (i) a Scheduled Air Carrier that has the right to operate at the Airport pursuant to an agreement with COUNTY substantially similar to this Agreement, which is leasing or has been granted a license to use ticket counter space, office space and at least one (1) gate; or an all-cargo Air Transportation Company that guarantees a minimum of 50,000 annual units of Maximum Gross Landed Weight per each one (1) year period and leases facilities from COUNTY on the Airport pursuant to an agreement for a total term of not less than five (5) years. Notwithstanding the foregoing, a gate shall not be required to be considered Signatory Airline for those Air Transportation Companies solely using the Commuter Operating Area at the Airport.

Statement of Rates has the meaning set forth in Article 7.01(B).

Subordinated Bond Fund means the fund established by Section 402 of the Bond Resolution for the repayment of Subordinated Indebtedness, if any.

Subordinated Debt Service means, as of any date of calculation for any period, the amounts to be accrued from Revenues during said period for the payment of principal of, interest on, or other fees and amounts associated with Subordinated Indebtedness.

Subordinated Indebtedness means any bonds or other evidence of debt referred to in, and complying with the provisions of, Section 413 of the Bond Resolution.

Terminal means the commercial airline terminal facilities at the Airport.

Ticket Facilities means the ticket counters, associated offices, baggage make-up areas and devices, and other appurtenant furnishings and equipment for the sole purpose of ticketing and check-in of air passengers.

Total Passengers means the sum of Enplaned Passengers plus Deplaned Passengers.

Transfer means the amounts, if any, transferred by COUNTY during the current Fiscal Year from funds available in the Improvement and Development Fund at the end of the immediately preceding Fiscal Year, to the Revenue Fund in accordance with the Rate and Fee Schedule. A Transfer shall constitute Revenues in the Fiscal Year in which the Transfer occurs.

TSA means the Transportation Security Administration and its authorized successors.

ARTICLE 2 TERM

2.01 Effective Date. This Agreement shall become effective upon execution by both AIRLINE and COUNTY ("Effective Date").

2.02 Term. The term of this Agreement shall commence on _____, 20__, and shall terminate on September 30, 2011.

ARTICLE 3 PREMISES

3.01 Airline Premises. COUNTY hereby leases to AIRLINE and AIRLINE leases from COUNTY the Exclusive Use Premises for the conduct of AIRLINE's Air Transportation Services at the Airport, and for no other purposes whatsoever. COUNTY hereby grants AIRLINE a non-exclusive

license to use the Joint Use Premises and Preferential Use Premises for the conduct of its Air Transportation Services at the Airport; provided, however, AIRLINE shall have the right of Preferential Use of the Preferential Use Premises. The Department Director may execute, on behalf of COUNTY, amendments to this Agreement from time to time to modify the size and/or location of the Airline Premises.

3.02 Equipment. COUNTY shall provide the following equipment and furnishings for AIRLINE's non-exclusive use in the provision of its Air Transportation Services hereunder:

A. One single-aircraft loading bridge for each of AIRLINE's aircraft parking positions on the Aircraft Parking Apron, excluding the Commuter Apron.

B. Centralized aircraft support systems, including 400 Hertz and cabin air systems, at each of AIRLINE's aircraft parking positions at which a loading bridge is installed.

C. Conveyor systems and devices for baggage make-up and baggage claim activities.

D. Centralized public Flight Information Display System ("FIDS") and Baggage Information Display System ("BIDS").

E. Holdroom finishes and furnishings, including ticket lift shells, carpeting, and chairs, but excluding any other equipment or furnishings required by AIRLINE for its operations hereunder.

3.03 Potable Water. Potable water shall be available at aircraft parking positions.

3.04 Condition of Airline Premises and Airport. AIRLINE expressly acknowledges that it has inspected the Airline Premises, including all finishes, furniture, fixtures and equipment therein, and accepts the same As Is in the condition existing as of the Effective Date, together with all defects, latent and patent, if any. AIRLINE further acknowledges that COUNTY has made no representations or warranties of any nature whatsoever regarding the Airport or the Airline Premises including, without limitation, to the physical and/or environmental condition of the Property, or any improvements located thereon, or the value of the Airline Premises or improvements thereto, their zoning, or the suitability of the Airline Premises, or any improvements thereto, or AIRLINE's legal ability, to use the Airline Premises or Airport for AIRLINE's intended use.

3.05 Commuter Operating Area and Apron. COUNTY shall designate holdroom and loading areas in and about the Terminal, which shall be used by Air Transportation Companies that are operating aircraft which are not compatible with loading bridge operations.

3.06 Federal Inspection Facilities. COUNTY shall designate areas in the Terminal, and/or elsewhere on the Airport to be used by agencies of the United States Government, including, without limitation, the Department of Homeland Security and Department of Transportation, for the inspection of passengers and their baggage, and for the exercise of the responsibilities of said agencies with respect to the movement of persons and property to and from and within the United States.

3.07 Employee Parking. COUNTY shall use reasonable efforts to ensure that parking facilities are sufficient for all of AIRLINE's personnel employed on the Airport.

3.08 Public Address System. COUNTY shall provide and maintain a public address system in the Terminal, which AIRLINE and others similarly authorized by COUNTY shall have the right to use for flight announcements and paging, subject to reasonable rules and regulations established by the Department, as such may be amended from time to time, for the use of the public address system.

3.09 Space Allocations. During the term of this Agreement, COUNTY may re-measure various areas in the Terminal, including those areas included in the Airline Premises, in an effort to more accurately reflect improvements, additions and modifications to the Terminal. In the event the square footage of the Airline Premises identified herein differs from the Airline Premises based on such re-measurement, the parties agree to enter into an amendment to this Agreement to modify the Airline Premises to reflect the actual square footage of the Airline Premises subject to the provisions of this paragraph. In the event the actual square footage of the Airline Premises is determined to be more than the square footage of the Airline Premises identified herein and will result in an increase of more than five percent (5%) of the monthly rentals, fees and charges payable by AIRLINE hereunder, COUNTY agrees that AIRLINE's monthly rentals, fees and charges payable hereunder shall only be increased by

five percent (5%) as a result of such re-measurement for a period of one (1) year commencing on the date of the re-measurement. Upon the expiration of the aforementioned one (1) year period, AIRLINE's monthly rentals, fees and charges payable hereunder shall be based upon the actual square footage of the Airline Premises as determined by the re-measurement. The parties agree that any increase or decrease in the monthly rentals, fees and charges payable hereunder resulting from the re-measurement of the Airline Premises shall not be applied retroactively. The Department Director may execute an amendment to this Agreement on behalf of COUNTY pursuant to this paragraph.

ARTICLE 4 **USE OF AIRPORT AND RELATED FACILITIES**

4.01 Use of the Airport. Subject to the terms and conditions of this Agreement, AIRLINE shall have the non-exclusive right to use the Public Airport Facilities for the conduct of AIRLINE's Air Transportation Services at the Airport in common with other Air Transportation Companies operating at the Airport, which includes the non-exclusive right to: (i) use the Airport's airfield facilities, including, without limitation, runways and taxiways; (ii) the use of the common areas within the Terminal; and (iii) the use of all facilities, improvements that have been provided for common use at the Airport. The rights provided for herein shall be subject to rules and regulations established by COUNTY and the Department and any and all reasonable, nondiscriminatory fees and charges established by COUNTY for such uses.

4.02 Extended Operations. AIRLINE shall only engage in the extended parking, loading and unloading, servicing, repair, storage and maintenance of AIRLINE's aircraft in areas designated by the Department ("Extended Operations Areas"). Use of Extended Operations Areas by AIRLINE shall be subject to availability and to reasonable charges established for the use of such Extended Operations Areas by the Department. AIRLINE shall comply with regulations established by COUNTY and the Department for use of any Extended Operations Areas.

4.03 Disabled Aircraft. AIRLINE shall promptly remove its disabled aircraft from runways, taxiways and Aircraft Parking Apron as soon as proper clearance is obtained from the appropriate governmental authorities, if applicable; provided, however, AIRLINE shall not be required to remove disabled aircraft from the Aircraft Parking Apron included in the Preferential Use Premises unless required by COUNTY pursuant to Article 14. AIRLINE shall only store disabled aircraft in areas designated by the Department and for such length of time as authorized by the Department. Storage of disabled aircraft shall be subject to terms and conditions established by the Department. In the event AIRLINE fails to remove its disabled aircraft as expeditiously as possible, the Department may, in its reasonable discretion, cause the removal of AIRLINE's disabled aircraft; provided, however, the Department shall advise AIRLINE of the Department's intent to remove the disabled aircraft prior to removal. In the event the Department causes AIRLINE's disabled aircraft to be removed, AIRLINE shall pay COUNTY for the material and labor costs of removing the disabled aircraft, plus a twenty-five percent (25%) administrative overhead, which shall be payable within thirty (30) days of the date of COUNTY's invoice therefor.

4.04 Training. AIRLINE may train personnel employed, or to be employed, by AIRLINE and test aircraft and other equipment owned or operated by AIRLINE on the Airport; provided, however such training and testing, including, without limitation, practice approaches, shall be incidental to the use of the Airport by AIRLINE for the provision of its Air Transportation Services. In addition, any training and testing by AIRLINE shall not unreasonably hamper or interfere with the use of the Airport by others.

4.05 Sale of Equipment and Supplies. AIRLINE may sell, dispose of or exchange AIRLINE's aircraft, engines and other equipment and supplies used by AIRLINE in the provision of its Air Transportation Services; provided, however, such activities shall be incidental to the use of the Airport by AIRLINE for the provision of its Air Transportation Services. Except as otherwise authorized herein, AIRLINE shall not sell food or beverages or Fuel and Lubricants.

4.06 Fuel. Subject to the availability of appropriately designated land, AIRLINE may install, operate and maintain storage facilities and related appurtenances on the Airport for Fuel and/or Lubricants under a separate agreement between AIRLINE and COUNTY for the use and occupancy of such land by AIRLINE. All storage facilities shall be subject to all applicable federal, state and local laws and regulations and approval by COUNTY of the plans and specifications therefor, which approval shall not be unreasonably withheld. AIRLINE acknowledges that any agreement for the installation, operation and maintenance of storage facilities pursuant to this paragraph may include, without limitation, additional insurance and indemnification requirements. The Department may authorize

AIRLINE to sell Fuel and/or Lubricants to others on the Airport when a Fuel or Lubricant is of a particular grade desired by others and it is not otherwise available from other tenants, licensees or contractors of COUNTY at the Airport.

4.07 Passenger Transport Services. AIRLINE may provide passenger transport services (carts or wheelchairs) in the Terminal in connection with its Air Transportation Services for the convenience of the public; provided, however any equipment utilized for passenger transport services shall be in compliance with the Department's reasonable rules and specifications for such equipment to ensure public safety and protection of Terminal facilities from damage. COUNTY shall have no obligation to provide or contribute to passenger transport services. AIRLINE may provide passenger transport services pursuant to this paragraph alone or in conjunction with other Scheduled Air Carriers or through a designated porter/sky cap.

4.08 Food Service/Vending Machines.

A. AIRLINE may supply, or cause a third party to supply, food and beverages for consumption of its passengers and crew while in flight or for consumption by its passengers and crew in aircraft grounded at the Airport due to weather, mechanical or other conditions; provided, however, food and beverages shall only be served pursuant to this paragraph in AIRLINE's aircraft or in the Exclusive Use Premises or Preferential Use Premises.

B. AIRLINE may install snack vending machines in the non-public areas of the Exclusive Use Premises for the exclusive use of AIRLINE's employees and agents. The location and type of snack vending machines shall be subject to prior written approval of the Department and all rules, regulations and fees and charges applicable to such activity.

4.09 VIP Room. AIRLINE may operate a special service VIP Room within the Terminal subject to the availability of space in the Terminal for such purpose. Upon AIRLINE's request for a VIP Room and subject to the availability of space in the Terminal for such purpose, the parties shall enter into an amendment to this Agreement to include such space in this Agreement. AIRLINE may, at its sole cost and expense, install, operate and maintain a kitchen or other facilities for the purpose of preparing and/or dispensing food and beverages for consumption in AIRLINE's VIP Room in any area exclusively leased to AIRLINE within the Terminal. Nothing in this paragraph shall be construed to grant AIRLINE the right to maintain or operate a cafeteria, restaurant, bar, cocktail lounge or similar facility in the Terminal for the purpose of selling food or beverages to the public, its employees or passengers.

4.10 Affiliated Airlines. Subject to the terms and conditions of this Agreement, AIRLINE may allow Affiliated Airlines to exercise the rights and privileges afforded to AIRLINE under this Agreement. In the event AIRLINE desires to allow an Affiliated Airline to exercise the rights and privileges under this Agreement afforded to AIRLINE hereunder, AIRLINE may designate the Affiliated Airline as an affiliate of AIRLINE upon written notice to COUNTY, which shall be signed by a representative of AIRLINE having the authority to make such designation on behalf of AIRLINE. AIRLINE shall provide COUNTY with corporate resolution or other similar documentation, which identifies the AIRLINE representatives that are entitled to designate Affiliated Airlines hereunder. AIRLINE shall be responsible for payment of all fees and charges incurred by its Affiliated Airlines hereunder. COUNTY may allow an Affiliated Airline to pay such fees and charges, in whole or in part, separately to COUNTY; provided, however, AIRLINE shall remain liable for any unpaid fees and charges incurred by its Affiliated Airlines until COUNTY receives written notice from AIRLINE that an Affiliated Airline shall no longer be considered an Affiliated Airline of AIRLINE. Except as otherwise provided for herein, Affiliated Airlines shall be required to separately comply with AIRLINE's obligations hereunder, including, but not limited to, those related to the insurance coverages, limits and endorsements. AIRLINE shall cause its Affiliated Airlines to provide the Department with any information or documentation reasonably requested by the Department hereunder related to Affiliated Airlines operations at the Airport. Upon written notice from the Department, AIRLINE shall cause any Affiliated Airline, which fails to comply with the requirements of this Agreement, to cease its operations at the Airport. AIRLINE acknowledges and agrees that AIRLINE shall be responsible for ensuring that any Air Transportation Company operating on or from AIRLINE's Exclusive Use Premises or Preferential Use Premises, which is not a considered an Affiliated Airline of AIRLINE or an Air Transportation being accommodated pursuant to Article 14, has entered into an agreement with COUNTY authorizing its operations on the Airport prior to allowing such Air Transportation Company to operate on or from AIRLINE's Exclusive Use Premises or Preferential Use Premises. 4.11

Limitations, Exclusions and Reservations.

A. Except as otherwise approved by the Department in writing or authorized by an amendment to this Agreement, AIRLINE shall use and occupy the Airline Premises and Airport solely and exclusively for purposes set forth in this Article 4 and shall not use the Airline Premises or Airport for any other use, business or purpose whatsoever. AIRLINE acknowledges that neither the Department nor COUNTY shall have any obligation whatsoever to approve uses not contemplated herein. Furthermore, nothing in this Agreement shall be construed to give AIRLINE any right or permission to sell or provide at the Airport any goods or services to the public, its employees and/or passengers other than Air Transportation Services or to conduct any business separate and apart from the operation of Air Transportation Services. The foregoing prohibition includes, without limitation, trip insurance and the rental of automobiles.

B. COUNTY shall have the right to require any suppliers, firms or other entities providing services to AIRLINE at the Airport to obtain a permit or agreement from COUNTY to conduct such activity at the Airport and to abide by all rules and regulations as may be promulgated by COUNTY or the Department.

C. Nothing in this Agreement shall restrict COUNTY from imposing reasonable charges and fees to any Person, including AIRLINE's suppliers, agents and contractors, for the use of the Airport or any improvements thereto, or for any services provided by COUNTY, when such use of the Airport or improvements thereto or services constitutes the performance of a commercial business at the Airport. Notwithstanding the foregoing, COUNTY shall not impose a charge for surface transportation provided by or for AIRLINE, at its sole cost and expense, for AIRLINE's passengers and/or employees due to flight delays or cancellations.

D. COUNTY shall have the right to charge any Person a reasonable and nondiscriminatory fee for the sale or serving of food and beverages to AIRLINE, its employees or passengers. Notwithstanding the foregoing, in the event AIRLINE maintains a flight kitchen, AIRLINE and its suppliers, providing unprepared food, beverages and supplies for the flight kitchen, shall not be charged a fee for the preparation of food.

E. COUNTY shall have the right to install, or cause to be installed, advertising and other revenue generating devices in the Joint Use Premises and Preferential Use Premises; provided that such installation shall not unreasonably interfere with AIRLINE's operations hereunder and that COUNTY agrees not install advertising or other revenue generating devices within the Joint Use Premises or Preferential Use Premises designed to solely to promote the services of another Air Transportation Company. Nothing in this paragraph shall be construed as precluding COUNTY from installing advertising that promotes the Airport, or informational or directional signage.

F. COUNTY shall have the right to install pay telephones in any part of the Terminal, including Airline Premises; provided, however, AIRLINE shall have the right to install pay telephones in AIRLINE's VIP Rooms, if any, subject to the prior written approval of the Department. All income generated by all pay telephones, including those located within AIRLINE's VIP Rooms, shall be retained by COUNTY as Revenues. COUNTY shall be entitled to reasonable access to the Airline Premises to install or service any pay telephones installed by COUNTY.

G. COUNTY may from time to time temporarily or permanently restrict the use of any roadway at the Airport; provided, however, COUNTY shall use reasonable efforts to provide a reasonably equivalent means of ingress and egress. COUNTY agrees to provide written notice to AIRLINE prior to instituting such restrictions; provided, however, that such notice shall not be required in the event of an emergency or if required by any security agency with jurisdiction, including, without limitation, the Department of Homeland Security, Department of Transportation and PBSO.

H. COUNTY may prohibit the use of the Landing Area and Ramp Area by any aircraft operated or controlled by AIRLINE, which exceeds the design strength or capability of the Landing Area or Ramp Area as set forth in the current Federal Aviation Administration approved Airport Layout Plan or other engineering evaluations performed subsequent to the then current Airport Layout Plan.

I. AIRLINE shall not perform, or cause to be performed, any Major Maintenance of its aircraft and other equipment in or on Airline Premises. AIRLINE agrees that all aircraft maintenance shall be performed in accordance with all local, state and federal laws, including, without limitation, the Florida Building Code and Florida Fire Prevention Code and Life Safety Code, as amended and supplemented. AIRLINE shall not store inoperative or out-of-use aircraft, support and/or other equipment in or on the Airline Premises.

J. AIRLINE and COUNTY shall cooperate in the implementation of positive claim in the baggage claim facilities; provided, however, AIRLINE, shall not be obligated to provide such services unless cost-effective, as reasonably determined by AIRLINE.

K. AIRLINE shall not interfere with, or permit interference with, the effectiveness or accessibility of the drainage, sewerage, water, communications, or fire protection systems or any other part of the utility, electrical, or other systems installed or located at the Airport.

ARTICLE 5 MAINTENANCE AND OPERATION

5.01 Designation of Maintenance Responsibilities. Responsibility for maintenance, cleaning, and operation of facilities and equipment are set forth the Maintenance Schedule. AIRLINE agrees to perform the obligations set forth in the Maintenance Schedule, which are assigned to AIRLINE, and COUNTY agrees to perform the obligations set forth in the Maintenance Schedule, which are assigned to COUNTY.

5.02 COUNTY Obligations.

A. Except as to premises leased to or under the contractual control of others or as otherwise provided for in the Maintenance Schedule, COUNTY shall maintain all Airport facilities in good and adequate condition for their intended use to the extent required by law and the Bond Resolution.

B. Notwithstanding the foregoing, and except as required by the Bond Resolution, COUNTY, in its sole discretion, may abandon facilities, including real property, which are no longer necessary for the proper and adequate operation of the Airport. Nothing in this Agreement shall be deemed to require COUNTY to make any improvements to the Airport, including, without limitation, enlarging the Airport, or making any extensions or additions to the landing areas, runways, or taxiways, or other appurtenances of the Airport.

C. COUNTY shall use good faith efforts to operate the Airport System properly and in a sound efficient and economical manner.

5.03 AIRLINE Obligations.

A. AIRLINE shall at all times operate the Airline Premises, and any improvements or appurtenances thereto, in a sound, efficient and economical manner and, except as provided otherwise in the Maintenance Schedule, shall maintain, preserve and keep same in good repair, working order, and in a neat, orderly, sanitary and presentable condition. AIRLINE shall remove, or cause to be removed, at AIRLINE's sole cost and expense, from the Exclusive Use Premises and Aircraft Parking Aprons all waste, garbage, and rubbish and agrees not to deposit same on any part of Airport; provided, however, that AIRLINE may temporarily store same in appropriate containers in its Exclusive Use Premises or in space designated by the Department in connection with collection for removal. AIRLINE, at its sole cost and expense, shall be responsible for the removal of all oil or other spillages from its Aircraft Parking Aprons.

B. Authorized representative(s) of COUNTY shall have the right to enter upon any premises and facilities of the Airport, including the Airline Premises, at any and all reasonable times for the purpose of inspection, including inspection of all COUNTY-owned equipment for compliance with manufacturer's specifications regarding servicing and preventive maintenance, or for any other purpose incident to the performance of its obligations hereunder or in the exercise of any of its governmental functions. COUNTY shall use its good faith efforts to avoid disruption of AIRLINE's operations and, except in the event of an emergency, AIRLINE shall have the right to have an AIRLINE employee accompany COUNTY's representative(s) when entering the Airline Premises.

C. In the event AIRLINE fails or refuses to perform its obligations under this Article 5, authorized representatives of COUNTY shall have the right to enter the Airline Premises and perform such obligations; provided, however, the Department shall give to AIRLINE notice and opportunity to cure in accordance with Article 12.02(C) prior to the exercise of this right, except in the event or an emergency or immediate safety hazard. In the event of an emergency or immediate safety hazard, COUNTY shall endeavor to give AIRLINE reasonable notice under the circumstances. AIRLINE shall have the right to have an AIRLINE employee accompany COUNTY's authorized representative when

entering the Airline Premises to perform such activities. AIRLINE agrees that it shall pay to COUNTY the direct labor and material costs therefor, plus twenty-five percent (25%) administrative overhead as additional rent. Nothing in this paragraph shall be construed as waiving any other legal remedy COUNTY may have hereunder in the event AIRLINE fails or refuses to perform its obligations under this Article 5.

ARTICLE 6
RENTALS, FEES AND CHARGES

6.01 Payment of Rentals, Fees and Charges. AIRLINE shall pay to COUNTY all rentals, fees and charges set forth in the Rate and Fee Schedule for the rights, licenses and privileges granted hereunder to AIRLINE at rates applicable to Signatory Airlines calculated by COUNTY in accordance with methodologies set forth in the Rate and Fee Schedule and this Agreement.

6.02 Additional Fees and Charges. AIRLINE agrees to pay to COUNTY reasonable and non-discriminatory fees and charges for any other services or facilities provided by COUNTY, which are not specifically provided for in this Agreement, and accepted by AIRLINE. Further, if COUNTY is required by any governmental entity having jurisdiction over the Airport (except COUNTY acting in its proprietary role) to provide any additional services or facilities, AIRLINE shall pay its pro rata share of the costs for the provision of the additional services or facilities.

6.03 Time and Place of Payment.

A. Payments to COUNTY by AIRLINE for the rentals, fees, and charges due hereunder shall be paid in lawful money of the United States of America, by check payable to Palm Beach County, without any deduction, holdback or set off whatsoever, and shall be made at such places as COUNTY may designate in writing to AIRLINE, which as the Effective Date shall be as follows:

Department of Airports
Accounting Section
846 Palm Beach International Airport
West Palm Beach, FL 33406-1470

B. Payment of rentals, fees and charges for the Exclusive Use Premises, Preferential Use Premises, loading bridge charges, centralized aircraft support systems, standby charges, and Terminal equipment surcharges shall be due in advance, without demand or deduction, in equal monthly installments on the first (1st) business day of each month. The rentals, fees and charges set forth in this paragraph shall be deemed delinquent if payment is not received by the first (1st) business day of the month in which they are due.

C. Payment of rentals, fees and charges based upon AIRLINE's monthly activity, including, but not limited to, landing fees, Environmental Operating Fees, Commuter Operating fees and Federal Inspection Facility fees, shall be due as of the date of COUNTY's invoice. The rentals, fees and charges identified in this paragraph shall be delinquent if payment is not received by COUNTY within thirty (30) days of the date of the invoice.

D. Payment of all other rental, fees and charges due hereunder, including, but not limited to, for the Joint Use Premises, centralized aircraft support system usage charges, employee parking charges, maintenance, utility and telephone charges/reimbursements and other miscellaneous charges, shall be due as of the date of COUNTY's invoice. The rentals, fees and charges identified in this paragraph shall be delinquent if payment is not received by COUNTY within thirty (30) days of the date of the invoice.

E. COUNTY agrees to provide AIRLINE with invoice(s) for the rentals, fees and charges set forth in Articles 6.03(B) and 6.03(C); provided, however, the invoice(s): (i) shall be provided for informational purposes only; (ii) shall not excuse AIRLINE from paying such rentals, fees and charges when due in the event COUNTY fails to provide such invoice(s); (iii) shall not be construed as an admission of the validity of the amount invoiced; and (iv) shall not be deemed a waiver of COUNTY's rights hereunder. COUNTY agrees to provide timely notice of any and all payment delinquencies; provided, however, failure to provide notice shall not be deemed to be a waiver of COUNTY's rights hereunder. 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 any and all delinquent payment(s) from the date due until the date payment is received by the Department. This provision shall not preclude COUNTY from terminating this Agreement for AIRLINE's default in the payment of rentals, fees, or charges, or from enforcing any other provisions contained herein or provided by law.

F. Acceptance by COUNTY of any payment from AIRLINE shall not preclude COUNTY from verifying the accuracy of AIRLINE's reports on which AIRLINE's rentals, fees, and charges are based as provided in this Article 6 and shall not be deemed a waiver of any interest penalty due.

6.04 Partial Month Charges. In the event the Effective Date or termination date of AIRLINE's use any of the Airline Premises, or any portion thereof, or the rights, licenses, services or privileges provided hereunder, occurs on any date other than the first (1st) or last day of a calendar month, the applicable rentals, fees and charges for that month shall be paid on a pro rata basis based on the number of days in that month; provided, however, rentals for Joint Use Premises shall be calculated as set forth in the Rate and Fee Schedule.

6.05 Activity Report.

A. No later than the tenth (10th) calendar day after the end of each month, AIRLINE shall electronically file an accurate and complete Activity Report with the Department, which contains the information required therein for the preceding month.

B. In the event AIRLINE fails to provide the Activity Report, within the time period specified herein, or if the data contained in the Activity Report appears to be inaccurate, the Department may, based on previous reports or other information available to the Department, estimate AIRLINE's activity for the preceding month and issue invoices based on the Department's estimation. AIRLINE shall be liable to COUNTY for any deficiencies in payments based upon such estimates. If such estimates result in an overpayment by AIRLINE, COUNTY shall remit, or at COUNTY's option credit, such overpayment to AIRLINE.

6.06 Audit.

A. AIRLINE shall maintain and keep books, ledgers, accounts, or other records, accurately recording the total number of Revenue and Non-Revenue Landings at the Airport, the Maximum Gross Landed Weight of each aircraft, the total number of Enplaned Passengers and Deplaned Passengers, and all other traffic and activity statistics to be recorded or reported hereunder. Such books, ledgers, accounts, and records shall be made available in electronic format or otherwise in Palm Beach County for a period of three (3) years subsequent to the activities reported therein. In the event said books and records are made available in an electronic format, they shall be certified by an officer of AIRLINE.

B. COUNTY or its duly authorized representative(s) may examine any and all such books, ledgers, accounts and records during all reasonable business hours, in AIRLINE's offices or such other place as mutually agreed to between AIRLINE and the Department. Upon COUNTY's written request for examination of such books, ledgers, accounts and records, AIRLINE shall produce such items in Palm Beach County within ten (10) business days or pay all reasonable expenses, including, but not limited to, transportation, food, and lodging for COUNTY's Internal Auditor or his representative(s) to audit said books and records outside Palm Beach County.

C. The cost of an audit, with the exception of the aforementioned transportation, food and lodging expenses, shall be borne by COUNTY; provided however, that the full cost of the audit shall be borne by AIRLINE if either or both of the following conditions exist:

(1) The audit reveals an underpayment of more than five percent (5%) of the fees and charges due hereunder, which are based on AIRLINE's monthly activity, unless such underpayment is the result of a miscalculation by COUNTY of the fees and charges payable; or

(2) AIRLINE has failed to maintain true and complete books, records, accounts, and supportive source documents in accordance with this Article 6.06.

D. Any underpayment of amounts due COUNTY disclosed as a result of an audit, including interest computed from the original due date of each such amount due shall be paid to

COUNTY within thirty (30) calendar days of the date of COUNTY's invoicing therefor. Such payment by AIRLINE shall not abrogate AIRLINE's right to contest the validity of said underpayments. Any valid overpayments made by AIRLINE shall be promptly remitted, or at COUNTY's option, credited to AIRLINE.

6.07 Contract Security.

A. Unless AIRLINE has provided regularly scheduled passenger flights to and from the Airport pursuant to an agreement or agreements with COUNTY for eighteen consecutive (18) months prior to Effective Date without violating such agreement(s), AIRLINE shall provide COUNTY a clean, irrevocable letter of credit, surety bond or other security acceptable to COUNTY ("Contract Security") in an amount equal to the Department's estimate of three (3) months' rentals, fees and charges payable by AIRLINE hereunder, to guarantee the faithful performance by AIRLINE of its obligations under this Agreement and the payment of all rentals, fees and charges due hereunder. The Contract Security shall be provided to COUNTY prior to the Effective Date. AIRLINE shall be obligated to maintain the Contract Security in effect until the expiration of eighteen (18) consecutive months during which AIRLINE commits no act or omission that would constitute a material breach of this Agreement pursuant to the terms and provisions herein. The Contract Security shall be in a form and issued by a company licensed to do business in the State of Florida reasonably acceptable to COUNTY. In the event that any such Contract Security shall be for a period of less than the full period required by this Agreement, or if the Contract Security may be canceled, AIRLINE shall provide a renewal or replacement Contract Security at least sixty (60) days prior to: (i) the date the Contract Security expires, or (ii) to the effective date of cancellation of the Contract Security.

B. If AIRLINE commits an act or omission that would constitute a material breach of this Agreement during the term of this Agreement, COUNTY shall have the right to impose or reimpose the Contract Security requirements of Article 6.07(A) upon AIRLINE by written notice AIRLINE. In such event, AIRLINE shall within ten (10) days from its receipt of such written notice, provide COUNTY with the required Contract Security and shall thereafter maintain such Contract Security in effect until the expiration of a period of eighteen (18) consecutive months during which AIRLINE commits no such new or additional act or omission. COUNTY shall have the right to reimpose the Contract Security requirements of Article 6.07(A) on AIRLINE each time AIRLINE commits such an act or omission that would constitute a material breach of this Agreement during the term of this Agreement. COUNTY's rights under this paragraph shall be in addition to all other rights and remedies available to COUNTY either by law or under the terms and conditions of this Agreement.

C. Notwithstanding any provision of this Agreement to the contrary, failure to maintain Contract Security as required herein shall constitute a material default by AIRLINE and shall be grounds for immediate termination of this Agreement.

6.08 Passenger Facility Charges. COUNTY shall have the right to assess and collect Passenger Facility Charges in accordance with applicable laws and regulations. Proceeds of Passenger Facility Charges shall be used for projects which have been approved through the procedures established by the FAA.

6.09 Services by AIRLINE.

A. In the event that AIRLINE provides services in accordance with the provisions of this Agreement to any other Air Transportation Company and such services would be otherwise available from a concessionaire or licensee of COUNTY, COUNTY shall have the right to charge AIRLINE the same fees and charges, and in the same manner, as would otherwise be paid to COUNTY by the concessionaire(s) or licensee(s); provided that COUNTY shall not have the right to impose such fees and charges upon AIRLINE if such services are provided: (i) in the Airline Premises; (ii) in the Airline Premises of another Signatory Airline; or (iii) in the Commuter Apron or Commuter Operating Area when such services are provided to a commuter carrier whose flights are listed in the Official Airline Guide under AIRLINE's Carrier Designation. Prior to providing such services, AIRLINE shall submit to COUNTY any and all agreements between AIRLINE and such other Air Transportation Company relating to such activities, operations and services at the Airport. Any and all charges for services rendered by AIRLINE shall be reasonable and customary.

B. In the event AIRLINE engages in any activity other than those specified in the foregoing Article 6.09(A) for which concession, permit or other fees are paid to COUNTY by others conducting similar activities, COUNTY shall have the right to charge AIRLINE comparable fees, except as otherwise provided for herein.

C. AIRLINE agrees to pay any fees and charges imposed by COUNTY pursuant to this Article 6.09 in accordance with this Agreement.

6.10 No Further Charges. Except as otherwise provided for in this Agreement, no further rentals, fees, or charges shall be charged against or collected from AIRLINE, its passengers, its shippers and receivers of freight, its suppliers of material, its contractors or furnishers of services, by COUNTY, acting in its capacity as Airport proprietor, not in its governmental capacity, for the premises, facilities, rights, licenses, and privileges granted to AIRLINE in this Agreement.

6.11 Accord and Satisfaction. In the event AIRLINE pays any amount that is less than the amount stipulated to be paid under this Agreement, such payment shall be considered to be made only on account of the stipulated amount. No endorsement or statement on any check or letter shall be deemed an accord and satisfaction. COUNTY may accept any check or payment without prejudice to COUNTY's right to recover the balance due or to pursue any other remedy available to COUNTY pursuant to this Agreement or under the law.

ARTICLE 7 ADJUSTMENT OF RATES FOR RENTALS, FEES, AND CHARGES

7.01 General.

A. Rates for rentals, fees, and charges shall be reviewed annually and adjusted as necessary effective each October 1, throughout the entire term hereof, and at any other time that unaudited Airport financial data indicates that total rentals, fees, and charges payable pursuant to the then current rate schedule, as set forth and calculated in accordance with the attached Rate and Fee Schedule, are reasonably estimated and anticipated by COUNTY to vary by more than ten percent (10%) from the total rentals, fees, and charges that would be payable based upon the use of actual financial data to date for said Fiscal Year. Rates for rentals, fees, and charges shall also be adjusted whenever required by the terms and provisions of the Bond Resolution; provided, however, that AIRLINE's total rentals, fees, and charges payable hereunder shall be allocated to AIRLINE in accordance with this Agreement.

B. Adjustments to rentals, fees, and charges shall apply without the necessity of formal amendment of this Agreement. The Department shall prepare and deliver to AIRLINE a statement showing the calculation of the new rates for rentals, fees, and charges pursuant to the attached Rate and Fee Schedule ("Statement of Rates") in accordance with Article 7.02. The Statement of Rates shall become part of this Agreement without formal amendment hereto upon issuance of the Statement of Rates to AIRLINE.

7.02 Annual Adjustment.

A. On or about July 1 of each Fiscal Year (or approximately ninety (90) days prior to the end of the then current Fiscal Year), COUNTY shall notify AIRLINE of the proposed schedule of rates for rentals, fees and charges ("Proposed Statement of Rates") for the next Fiscal Year. The rates for rentals, fees and charges contained in the Proposed Statement of Rates shall be determined and presented to AIRLINE in substantial conformance with the methodologies set forth in the Rate and Fee Schedule.

B. Within forty-five (45) days after providing the Proposed Statement of Rates to the Signatory Airlines, COUNTY agrees to meet collectively with the Signatory Airlines at a mutually convenient time for the purpose of discussing the Proposed Statement of Rates. COUNTY shall make available to the Signatory Airlines any reasonably requested additional information relating to the Proposed Statement of Rates prior to the meeting. COUNTY agrees to fully consider the comments and recommendations of the Signatory Airlines prior to finalizing the Statement of Rates.

C. After the meeting with the Signatory Airlines pursuant to Article 7.02(B), and prior to the end of the then current Fiscal Year, COUNTY shall deliver the Statement of Rates to AIRLINE in accordance with Article 7.01(B) for the next Fiscal Year.

D. If the annual adjustment of rentals, fees, and charges pursuant to this Article 7 is not completed by COUNTY on or prior to the beginning of a new Fiscal Year, the rentals, fees, and charges then in existence shall continue to be paid by AIRLINE until such adjustment is concluded. Upon the conclusion of such adjustment calculations, any difference(s) between the actual rentals, fees, and charges paid by AIRLINE through the date of said adjustment for the then current Fiscal Year and

the rentals, fees, and charges that would have been paid by AIRLINE during the same period using said adjusted rates, shall be remitted to the party to whom it is due within sixty (60) days of the Department's delivery of the Statement of Rates to AIRLINE.

7.03 Settlement. AIRLINE acknowledges that the rates contained in the Statement of Rates shall be estimated rates ("Estimated Rates"), pending a final audit at the completion of each Fiscal Year of actual costs and revenues included in the calculation of such rates ("Actual Rates"). The Department shall calculate the Actual Rates in accordance with the Rate and Fee Schedule. On or before March 1 of each year, the Department will provide written notice to AIRLINE indicating the difference between Actual Rates and the Estimated Rates for the preceding Fiscal Year. In the event the Actual Rates are greater than the Estimated Rates, the Department will provide AIRLINE an invoice on or before July 1 of each year for amount payable by AIRLINE based on the difference between the Actual Rates and Estimated Rates, which amount shall be due within thirty (30) days of the date of the invoice. Notwithstanding the foregoing, COUNTY will invoice AIRLINE for amounts due under this paragraph in two equal monthly installments if AIRLINE's invoice would exceed five percent (5%) of annual rentals, fees and charges actually paid by AIRLINE for the preceding Fiscal Year. In the event the Actual Rates are less than the Estimated Rates, COUNTY shall pay AIRLINE on or before July 1 of each year for the amount due to AIRLINE for any overpayment to COUNTY hereunder based upon the difference between the Actual Rates and the Estimated Rates. Notwithstanding the foregoing, in the event AIRLINE is past due or delinquent in making any payments to COUNTY hereunder, COUNTY may deduct such amounts from any amount payable by COUNTY to AIRLINE under this paragraph. COUNTY agrees to provide AIRLINE with a copy of the Department's most recent Audited Financial Statements, including the Auditor's opinion thereon, upon receipt of a written request from AIRLINE. The Department shall calculate the Actual Rates in substantial conformance with the methodologies set forth in the Rate and Fee Schedule.

7.04 COUNTY Covenants.

A. COUNTY covenants that for purposes of allocating revenues and expenses that it will include only those charges properly attributable or allocable to the Airport System.

B. COUNTY shall use good faith efforts operate the Airport System in a manner so as to produce revenues from concessionaires, tenants, and other users of the Airport System at levels that would be produced by a reasonably prudent operator of an airport of substantially similar size, use, and activity, with due regard for the interests of the public.

C. COUNTY shall use all Revenues in accordance with the Bond Resolution.

D. COUNTY shall obtain the concurrence of more than fifty percent (50%) of the number of Signatory Airlines paying more than fifty percent (50%) of the total rentals fees and charges for the preceding six (6) months, prior to issuing any new or additional Bonds, Subordinated Indebtedness, or Other Indebtedness to make improvements to or to develop a new general aviation airport; provided, however, no such concurrence shall be required if the resulting new or additional Debt Service, Subordinated Debt Service or Other Debt Service shall be paid from COUNTY funds available for such purposes, and COUNTY calculates Transfers in each year as if no such new or additional Debt Service, Subordinated Debt Service, or Other Debt Service had been incurred for such purposes.

ARTICLE 8
AIRLINE IMPROVEMENTS

8.01 Installation of Signs. AIRLINE, at its sole cost and expense, shall have the right to install identification and informational signs regarding AIRLINE's Air Transportation Services on and in the Terminal. Signs shall be uniform in size, type and location with those of all other Air Transportation Companies operating at the Airport. The number, type, size, design and location of all signs shall be subject to the prior written approval of the Department, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, corporate mark and logo signage installed by AIRLINE on the walls facing the public behind leased ticket counter space and ticket lift shells, if any, shall not be required to be uniform as to type, size and design; provided, however such signage shall be in accordance with any general standards established by the Department and subject to prior written approval of the Department, which approval shall not be unreasonably withheld.

8.02 Installation of Equipment.

A. AIRLINE may install, operate and maintain radio communication (including ARINC), meteorological and aerial navigation equipment and facilities within the Exclusive Use Premises or such other premises leased by AIRLINE for such purposes. All equipment and facilities installed pursuant to this paragraph shall be in compliance with all applicable laws, rules, regulations and orders.

B. AIRLINE may install, operate and maintain communications systems, computer networking systems, teletype, telephone, interphone, message or pneumatic tubes, conveyor systems and power lines, which are reasonably required by AIRLINE for the provision of its Air Transportation Services, in and between the Airline Premises and Terminal within rights of way designated by the Department.

C. AIRLINE may install, operate and maintain the equipment provided for in this Article 8.02 alone or in conjunction with other Air Transportation Companies operating at the Airport pursuant to an agreement with COUNTY. Any equipment installed, operated or maintained by AIRLINE pursuant to this Article 8.02 shall be at AIRLINE's sole cost and expense.

D. AIRLINE shall obtain the prior written approval of the Department prior to installing or modifying any wireless communication system, which approval shall not be unreasonably withheld.

8.03 Installation of Improvements. AIRLINE shall have the right to construct and install improvements to the Airline Premises as AIRLINE reasonably deems to be necessary for the operation of its Air Transportation Services subject to the terms and conditions of this Agreement. AIRLINE shall obtain prior written approval of the Department for any improvements to be constructed or installed in the Airline Premises, including associated plans and specifications and construction schedule(s), prior to construction or installation of the improvements, which approval shall not be unreasonably withheld. Except as otherwise provided for in this Article 8, any improvements constructed or installed by AIRLINE shall be at AIRLINE's sole cost and expense.

A. Any work associated with such construction or installation shall not interfere with the operation of the Airport, Terminal or Ramp Area, or otherwise unreasonably interfere with the permitted activities of other Airport tenants and users. Upon completion of approved improvements and within sixty (60) days of AIRLINE's receipt of a Certificate of Occupancy, a complete set of as-built drawings and a final statement of costs shall be delivered to the Department for the permanent record of COUNTY.

B. Any and all construction or installation shall be: (i) at the sole risk of AIRLINE; (ii) in accordance with all applicable Federal, State and local codes, laws, the construction standards established by the Department, and the approved plans and specifications; and (iii) shall be subject to inspection by COUNTY. At the discretion of the Department, any improvements that are constructed in violation of this Article 8 shall be removed or reconstructed in accordance with the requirements of this Article 8 at AIRLINE's sole cost and expense.

C. Upon completion of improvements made pursuant to this Agreement, the improved space shall be classified by the Department into the appropriate Terminal space type, as set forth in the Rate and Fee Schedule. AIRLINE shall thereafter pay such rentals or fees as apply to the reclassified area.

D. AIRLINE may be eligible for reimbursement of all or a portion of its construction costs for improvements to the Airline Premises through credits against payments due from AIRLINE to COUNTY hereunder ("Rental Credits"), subject to the prior written approval of the Department, which approval may be granted or withheld in the Department's sole and absolute discretion. Rental Credits shall not exceed the actual costs of construction and shall be calculated and credited in a manner acceptable to the Department and AIRLINE. In the event AIRLINE desires to be reimbursed for all or a portion of its construction costs for improvements to the Airline Premises, AIRLINE shall comply with the following requirements:

(1) Prior to the commencement of construction, AIRLINE shall submit a written request to the Department for approval of the proposed improvements with complete plans and specifications for the improvements to be undertaken by AIRLINE. AIRLINE shall indicate in its written request that it desires to be reimbursed for all or a portion of its construction costs through Rental Credits.

(2) Prior to commencement of construction, AIRLINE shall solicit at least three (3) price quotations from qualified construction firms for the construction of the improvements. Unless otherwise approved in advance by the Department, AIRLINE shall select the qualified firm having submitted the lowest quotation for the work as solicited.

(3) Upon completion of construction, AIRLINE shall submit to the Department for its review and approval evidence of the receipt of at least three (3) price quotations for the improvements as completed, full documentation of the bidding process and the construction of the improvements, and one full and complete set of as built drawings of the improvements made.

D. All improvements made by AIRLINE shall be the property of AIRLINE until the expiration or termination of this Agreement, at which time any improvements may, at COUNTY's option become the property of COUNTY; provided, however, any trade fixtures, equipment, signs and other personal property of AIRLINE, which are not permanently affixed to the Airline Premises, shall remain the property of AIRLINE, except as otherwise provided in Article 12.05. Removal of or changes to any improvements constructed by AIRLINE under the terms of this Agreement shall require the prior written approval of the Department.

8.04 Maintenance of Signs, Equipment and Improvements. Any improvements installed or constructed by AIRLINE pursuant to this Article 8 shall be maintained in accordance with the Maintenance Schedule. In the event the type of improvement to be installed or constructed by AIRLINE is not addressed in the Maintenance Schedule, the parties shall enter into an amendment to this Agreement addressing the maintenance responsibilities associated with the improvement.

8.05 Construction Bonds. AIRLINE shall cause all improvements to be constructed to completion in accordance with the approved plans and specifications and that all Persons performing work or providing materials relating to such improvements including, but not limited to, all contractors, subcontractors, laborers, materialmen, suppliers and professionals, are paid in full for such services and materials. AIRLINE, at its sole cost and expense, shall cause to be made, executed and delivered to COUNTY prior to commencement of any improvements to the Airline Premises, a bond, drawn in a form and issued by a company approved by COUNTY, guaranteeing compliance by AIRLINE of its obligations arising under this paragraph. COUNTY shall be named as a dual obligee on the bond(s). In lieu of the bond required by this paragraph, AIRLINE may file with COUNTY an alternative form of security in the form of cash, a money order, a certified check, a cashier's check, a clean irrevocable letter of credit, or a security of a type listed in Part II of Chapter 625, Florida Statutes; provided, however, the form of the security and company issuing such security, if applicable, shall be subject to the prior written approval of the Department, on behalf of COUNTY. Any such alternative form of security shall be for the same purpose and be subject to the same conditions as those applicable to the bond required by this paragraph. Any such alternative form of security may be reduced by AIRLINE during the construction of the improvements, but not more than once per month, in an amount equal to the percentage of completion of the improvements multiplied by the original amount of the security.

8.06 Contractor Requirements. AIRLINE shall require contractors to furnish for the benefit of COUNTY a public construction bond as required under Section 255.05, Florida Statutes, in a form approved by COUNTY. AIRLINE shall require its contractors to name COUNTY as a dual obligee on the bond(s). AIRLINE shall also require contractors to furnish satisfactory evidence of statutory Worker's Compensation insurance, comprehensive general liability insurance, comprehensive auto insurance, and physical damage insurance on a Builder's Risk form with the interest of COUNTY endorsed thereon, in such amounts and in such manner as the Risk Management Department may reasonably require. The Risk Management Department may require additional insurance for any alterations or improvements approved hereunder, in such amounts as the Risk Management Department reasonably determines to be necessary.

8.07 No Liens. AIRLINE covenants and agrees that nothing contained in this Agreement shall be construed as consent by COUNTY to subject the estate of COUNTY to liability under the Construction Lien Law of the State of Florida, it being expressly understood that COUNTY's estate shall not be subject to such liability. AIRLINE shall notify any and all Persons performing work for AIRLINE at the Airline Premises or providing materials relating to any improvements made by AIRLINE to the Airline Premises of this provision of this Agreement. If so requested by COUNTY, AIRLINE shall file a notice satisfactory to COUNTY in the Public Records of Palm Beach County, Florida, stating that COUNTY's interest shall not be subject to liens for improvements made by AIRLINE. In the event that a construction lien is filed against the Airline Premises or other COUNTY property in connection with any work performed by or on behalf of AIRLINE, AIRLINE shall satisfy

such claim, or transfer same to security, within thirty (30) days from the date of filing. In the event that AIRLINE fails to satisfy or transfer such claim within said thirty (30) day period, COUNTY may do so and thereafter charge AIRLINE, and AIRLINE shall promptly pay to COUNTY upon demand, as Additional Rent, all costs incurred by COUNTY in connection with the satisfaction or transfer of such claim, including attorney's fees. Further, AIRLINE agrees to indemnify, defend, and save COUNTY harmless from and against any damage or loss incurred by COUNTY as a result of any such construction lien.

8.08 Title to Improvements. Except as otherwise provided for herein, all fixtures and improvements that are constructed or placed upon the Airport Premises, excluding furnishings, equipment and trade fixtures, shall become the absolute property of COUNTY upon termination or expiration of this Agreement and COUNTY shall have every right, title, and interest therein, free and clear of any liens, mortgages or encumbrances. Notwithstanding the foregoing, all fixtures and improvements that are constructed or placed upon the Airport Premises for which AIRLINE is entitled to receive Rental Credits pursuant to this Article 8, shall become the absolute property of COUNTY upon installation and COUNTY shall have every right, title, and interest therein, free and clear of any liens, mortgages or encumbrances. Upon the request of COUNTY, AIRLINE shall provide COUNTY with a bill of sale or other evidence of the transfer of ownership of improvements pursuant to this Article 8.08 together with evidence satisfactory to COUNTY that the improvements are free from liens, mortgages and other encumbrances. In the event AIRLINE receives Rental Credits for the installation or construction of an improvement pursuant to this Article 8, AIRLINE agrees to assign any warranties applicable to such improvements to COUNTY or require that such warranties be made in favor of COUNTY.

ARTICLE 9 DAMAGE OR DESTRUCTION

9.01 Partial Damage. If any portion of the Airline Premises, or adjacent facilities directly and substantially affecting the use of the Airline Premises, shall be partially damaged by fire or other casualty, but does not render the Airline Premises untenable, as reasonably determined by the Department, the damaged portion of the Airline Premises shall be repaired to usable condition with reasonable diligence by COUNTY, subject to Articles 9.04 through 9.06, with no rental abatement.

9.02 Substantial Damage. If any portion of the Airline Premises, or adjacent facilities directly and substantially affecting the use of the Airline Premises, shall be so extensively damaged by fire or other casualty as to render any portion of the Airline Premises untenable, but capable of being repaired, as reasonably determined by the Department, the untenable portion of the Airline Premises shall be repaired to usable condition with reasonable diligence by COUNTY subject to Articles 9.04 through 9.06 hereinbelow. In such case, rentals, fees, and charges payable hereunder with respect to the untenable portion of the Airline Premises shall be paid up to the time of such damage, and shall thereafter be abated equitably in direct proportion as the part and type of the Airline Premises rendered untenable bears to the total Airline Premises until such time as the untenable portion of the Airline Premises shall be repaired adequately, in the reasonable determination of the Department, for use by AIRLINE. To the extent available, the Department shall provide AIRLINE with alternate facilities to continue its operations while repairs are being completed, at a rental rate not to exceed that provided for herein for space comparable to that portion of the Airline Premises that was rendered untenable.

9.03 Destruction.

A. If any portion of the Airline Premises, or adjacent facilities directly and substantially affecting the use of the Airline Premises, shall be damaged by fire or other casualty, and is so extensively damaged as to render any portion of the Airline Premises incapable of being repaired or utilized, as reasonably determined by the Department, the Department shall notify AIRLINE within a period of ninety (90) days after the date of such damage of its decision whether to reconstruct the damaged Airline Premises or adjacent facilities; provided, however, COUNTY shall be under no obligation to AIRLINE to reconstruct the damaged Airline Premises or adjacent facilities. The rentals payable hereunder with respect to the damaged portion of the Airline Premises shall be paid up to the time of such damage and thereafter shall abate until such time as the reconstructed or replacement Airline Premises, if any, shall be available for use by AIRLINE. Any reconstruction or repairs shall be subject to the provisions of Articles 9.04 through 9.06.

B. In the event COUNTY elects to reconstruct the affected Airline Premises, to the extent alternative space is available, the Department shall provide AIRLINE with alternate space to

continue its operations hereunder while reconstruction is being completed at a rental rate not to exceed that provided for herein for comparable space; provided, however, if COUNTY is not reasonably pursuing reconstruction of the affected Airline Premises within three (3) months after the date of such damage or destruction, AIRLINE shall have the right, upon giving the Department thirty (30) days prior written notice, to add the alternative space to and delete the damaged Airline Premises from the Airline Premises by amendment to this Agreement. The alternative space shall be considered part of the Airline Premises for purposes of this Agreement and this Agreement shall remain in full force and effect.

C. In the event COUNTY elects to not reconstruct the damaged Airline Premises, the Department shall within three (3) months following the date of the damage meet and consult with AIRLINE on ways and means to permanently provide AIRLINE with adequate replacement space for the damaged Airline Premises to the extent such replacement space is available. In the event replacement space is available, AIRLINE shall have the right, upon giving the Department thirty (30) days prior written notice, to add the replacement space to and delete the affected Airline Premises from the Airline Premises by amendment to this Agreement. The replacement space shall be considered part of the Airline Premises for purposes of this Agreement and this Agreement shall remain in full force and effect.

D. In the event the Terminal, Airport or substantially all of the Airline Premises is so extensively damaged to render the Terminal, Airport or Airline Premises incapable of being repaired or utilized, as reasonably determined by the Department, and replacement space is not available, then either party may terminate this Agreement upon thirty (30) days prior written notice to the other party.

E. The Department Director may execute amendments to this Agreement on behalf of COUNTY pursuant to this Article 9.03.

9.04 Damage by AIRLINE. Notwithstanding the foregoing, in the event that the Airline Premises, or any facilities on the Airport, shall be damaged or destroyed due to the willful act, omission, or negligence of AIRLINE or of AIRLINE's agents, employees, officers, representatives, or contractors, there shall be no abatement of rent during the repair or replacement period, and AIRLINE shall not have the option to terminate this Agreement. AIRLINE shall be responsible for the full cost of such restoration and repair if AIRLINE fails to complete the repair or restoration, plus twenty five percent (25%) administrative overhead. Such restoration cost, plus administration costs, shall due and payable within thirty (30) days from the date of COUNTY's invoice. COUNTY shall provide AIRLINE with supporting documentation used to establish the restoration cost with its invoice. In addition, there shall be no abatement of rent during the repair or replacement, and AIRLINE shall not have the option to cancel this Agreement or the right to include any replacement space within the Airline Premises permanently.

9.05 Insurance Proceeds. Upon receipt by AIRLINE of the proceeds of any applicable insurance policy or policies, the proceeds shall be deposited in an escrow account approved by the Department so as to be available to pay for the cost of such repair, replacement or rebuilding. Any insurance proceeds shall be disbursed during construction to pay the costs of such work. If the amount of the insurance proceeds is insufficient to pay the costs of the necessary repair, replacement or rebuilding of such damaged improvements and the damage was caused by AIRLINE, its agents, employees, officers, representatives, or contractors, as set forth in the Article 9.04, AIRLINE shall pay any additional sums required into said escrow account. If the amount of the insurance proceeds is in excess of the costs of repair, replacement or rebuilding, the amount of such excess shall be remitted to AIRLINE.

9.06 COUNTY's Obligation. COUNTY's obligations to repair or reconstruct under the provisions of this Article 9 shall be limited to repairing or reconstructing damaged facilities to substantially the same condition that existed prior to any improvements made by AIRLINE and shall further be limited to the extent of insurance proceeds available to COUNTY for such repair or re-construction except as provided in Article 9.05. AIRLINE agrees that if COUNTY elects to repair or reconstruct as provided in this Article 9, then AIRLINE shall proceed with reasonable diligence, at its sole cost and expense, to reconstruct or replace the improvements installed by AIRLINE in or about the Airline Premises in a manner and in a condition at least equal to that which existed prior to its damage or destruction.

ARTICLE 10
INDEMNIFICATION

AIRLINE shall protect, defend, reimburse, indemnify and hold COUNTY and its elected officers, employees and agents and each of them free and harmless at all times from and against any and all liability, losses, expenses, costs, suits, claims, judgments, fines and damages (including reasonable attorney fees at trial and appellate levels) and causes of action of every kind and character against, or in which COUNTY is named or joined, arising out of this Agreement or AIRLINE's use or occupancy of the Airline Premises or Airport, including, without limitation, those arising by reason of any damage to property or the environment, or bodily injury (including death) incurred or sustained by any party hereto, any agent or employee of any party hereto, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with the condition of the Airline Premises, AIRLINE's acts, omissions or operations hereunder, or the performance, non-performance or purported performance of AIRLINE or any breach of the terms of this Agreement; provided, however, AIRLINE shall not be responsible to COUNTY for damages resulting out of bodily injury (including death) or damages to property which is judicially determined to be attributable to the negligence or willful misconduct of COUNTY its respective agents, servants, employees and officers. AIRLINE 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 AIRLINE's activities or operations or use of the Airline Premises whether or not AIRLINE was negligent or even knowledgeable of any events precipitating a claim or judgment arising as a result of any situation involving said activities. Said indemnification shall be extended to include all deliverers, suppliers, furnishes of material, or anyone acting for, in behalf of, or at the request of AIRLINE. Nothing herein shall be deemed to abrogate AIRLINE's common law or statutory rights to contribution from COUNTY for liability legally established as attributable to COUNTY's negligence. Each party shall give to the other reasonable notice of any such claims or actions. AIRLINE recognizes the broad nature of this indemnification and hold-harmless clause, and acknowledges that COUNTY would not enter into this Agreement without the inclusion of such clause, and voluntarily make 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 the laws of the state of Florida. The obligations arising under this Article 10 shall survive the expiration or termination of this Agreement.

ARTICLE 11
INSURANCE

11.01 Insurance Requirements. In addition to such insurance as may be required by law or regulation, AIRLINE, at its sole cost and expense, shall maintain in full force and effect throughout the term of this Agreement the insurance coverages, limits and endorsements required herein. Neither the requirements contained in this Article 11, nor COUNTY's review or acceptance of insurance, shall in any manner limit or qualify the liabilities and obligations assumed by AIRLINE hereunder.

A. Property, Wind & Flood Insurance. AIRLINE shall maintain Property Insurance in an amount not less than 100% of the total replacement cost of any betterments and improvements made by or on behalf of AIRLINE to the Airline Premises. The settlement clause shall be on a Replacement Cost basis. Coverage shall be written with a Special - Cause of Loss (All-Risk) form and include an endorsement for Ordinance & Law in an amount not less than 25% of the Property Insurance limit. AIRLINE shall maintain Flood Insurance, regardless of the flood zone, in an amount not less than 100% of the total replacement cost of the betterments and improvements made by or on behalf of AIRLINE to the Airline Premises or the maximum amount available from the National Flood Insurance Program, whichever is less. AIRLINE shall maintain Windstorm Insurance, unless included as a covered peril in the Property Insurance, in an amount not less than 100% of the total replacement cost of the betterments and improvements made by or on behalf of AIRLINE to the Airline Premises or the maximum amount available under the Florida Windstorm Underwriting Association, whichever is less. AIRLINE shall cause COUNTY to be endorsed as a "Loss Payee" on the policies. The "Loss Payee" endorsement shall provide coverage on a primary basis and shall read "Palm Beach County Board of County Commissioners, c/o Palm Beach County Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406.

B. Aircraft Liability Insurance. AIRLINE shall maintain Aircraft Liability Insurance with respect of all aircraft owned, leased or operated by AIRLINE for bodily injury (including death) and

property damage liability in a Combined Single Limit Amount of not less than \$25,000,000 per occurrence, including a Passenger Liability sublimit not less than \$1,000,000 per passenger.

C. Business Automobile Liability Insurance. AIRLINE shall maintain Business Automobile Liability Insurance covering all Owned, Hired, and Non-Owned Vehicles used on the Airport in an amount of 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 AIRLINE's operations under this Agreement require vehicle access to the Ramp Area, AIRLINE shall maintain Business Automobile Liability Insurance in an amount not less than \$5,000,000 Combined Single Limit per occurrence for Bodily Injury (including death) and Property Damage Liability. Notwithstanding the foregoing, if the scope and conduct of AIRLINE's operations under this Agreement do not involve the operation, ownership or use of any vehicle, then this requirement shall include automobile liability for Hired & Non-Owned vehicles only. Coverage shall be provided on a primary basis.

D. Commercial General Liability Insurance. AIRLINE shall maintain Commercial General Liability Insurance at limits of not less than \$5,000,000 Combined Single Limit per occurrence for Personal Injury, Bodily Injury (including death) and Property Damage Liability and shall include, but not be limited to, Premises and Operations, Personal Injury, Products-Completed Operations, Contractual and, in the event AIRLINE operates a VIP Room, an endorsement or separate coverage for Liquor Liability shall be maintained. Coverage shall be underwritten by a company or companies, which may be subject to the acceptance of COUNTY, in its reasonable discretion. Coverage shall be provided on a primary basis.

E. Workers Compensation Insurance. AIRLINE shall maintain Workers Compensation Insurance applying to all employees for Statutory Limits in compliance with Chapter 440, Florida Statutes and applicable Federal Laws. Coverage shall include Employers Liability with minimum limits of \$100,000 Each Accident, \$500,000 Disease-Policy Limit, and \$100,000 Disease-Each Employee unless otherwise stated. In the event AIRLINE subcontracts any portion of the work or services under this Agreement to another party, AIRLINE shall be responsible for ensuring its subcontractors maintain Worker's Compensation & Employers Liability Insurance.

F. Storage Tank Pollution Liability. In the event AIRLINE owns, or agrees to be responsible for the use, operation and maintenance of an above-ground or below-ground petroleum storage tank, AIRLINE shall maintain Storage Tank Pollution Liability Insurance, or similar third-party environmental liability, at a minimum limit not less than \$1,000,000 per occurrence combined single limit with a \$2,000,000 annual aggregate providing coverage for damages against, but not limited to, bodily injury, property damage, clean up, corrective action including assessment, remediation and defense costs. In the event the policy includes a self-insured retention or deductible in excess of \$100,000, AIRLINE shall provide a copy of AIRLINE's most recent annual report or audited financial statement to the COUNTY upon COUNTY's request and COUNTY may reject or accept a higher self-insured retention or deductible based on AIRLINE's financial condition.

11.02 Waiver of Subrogation. Except as provided in Article 9.04, COUNTY and AIRLINE hereby mutually waive any and all rights of recovery against the other party arising out of damage or destruction of the Terminal, Airline Premises or any other property from causes included under any property insurance policies to the extent such damage or destruction is covered by the proceeds of such policies but only to the extent that the insurance policies then in force permit such waiver. When required by an insurer, or if a policy condition will not permit an insured to enter into a pre-loss agreement to waive subrogation without an endorsement, AIRLINE shall notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. The foregoing requirements shall not apply to any policy that specifically prohibits such an endorsement or voids coverage if AIRLINE enters into such an agreement on a pre-loss basis.

11.03 Additional Insured. AIRLINE shall endorse COUNTY as an "Additional Insured" on AIRLINE's Commercial General Liability Insurance (including Liquor Liability, if applicable), Aircraft Liability Insurance and Storage Tank Pollution Liability Insurance (if applicable). The "Additional Insured" endorsements shall provide coverage on a primary basis. The "Additional Insured" endorsement shall read: "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents, c/o Palm Beach County Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406".

11.04 Certificate of Insurance. A signed Certificate or Certificates of Insurance, evidencing that required insurance coverage(s) has been procured or maintained by AIRLINE in the types and amount(s) required hereunder, shall be delivered to COUNTY prior to the Effective Date. The Certificate(s) of Insurance shall clearly state that Palm Beach County is an "Additional Insured" as required herein. Certificate(s) of Insurance shall also endeavor to provide thirty (30) days written notice to COUNTY prior to cancellation (ten (10) days for nonpayment of premium) or non-renewal of coverage. Required insurance shall be subject to the review, acceptance, and approval of COUNTY, at its reasonable discretion, as to form and types of coverage. AIRLINE's failure to maintain all insurance policies required herein shall constitute a material default of this Agreement by AIRLINE, entitling COUNTY to exercise any remedies available to it under this Agreement, at law and in equity, including the right to immediately terminate this Agreement.

11.05 Claims-Made Liability.

A. When any of AIRLINE's liability insurance policies is provided under a Claims-Made Liability form, AIRLINE agrees to the following additional special conditions:

1. The Certificate of Insurance issued to COUNTY shall clearly indicate whether the Claims-Made Liability form applies, include the retroactive date of coverage and indicate if the limits are subject to annual aggregate. In the event aggregate limits are applicable, AIRLINE agrees to maintain an aggregate limit not less than three (3) times the per occurrence limit of liability required in Articles 11.01 B. through F. hereinabove.

2. AIRLINE shall purchase a Supplemental Extended Reporting Period providing an additional reporting period of not less than three (3) years in the event a Claims-Made liability policy is canceled, non renewed, switched to an Occurrence Form, renewed with an advanced retroactive date, or any other event triggering the right to purchase a Supplemental Extended reporting Period during the term of this Agreement. All insurance policies required hereunder may be written to include a reasonable deductible or self-insured retention, unless otherwise stated or limited. Limits on said deductible amounts may be subject to review and approval. When requested, AIRLINE shall submit a copy of most recent financial statement in order to justify a particular deductible or self-insured retention amount.

11.06 Self-Insurance. The Department may allow insurance coverage required herein to be provided by AIRLINE's self-insurance plan, subject to prior written approval of COUNTY's Risk Management Department.

11.07 Right to Review. 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. COUNTY may reject any insurer or self-insurance plan providing coverage because of poor financial condition or failure to operate legally. In such event, COUNTY shall provide AIRLINE written notice of such adjusted limits or rejection and AIRLINE shall comply within thirty (30) days of receipt thereof. AIRLINE shall be responsible for any premium revisions as a result of any such reasonable adjustment.

11.08 Invalidation of Policies. AIRLINE shall not knowingly use or permit the use of the Airline Premises for any purpose which would invalidate any policies of insurance, now existing or hereafter written on the Airline Premises or Airport for COUNTY or AIRLINE. In the event AIRLINE's acts or failure to act shall cause cancellation of any policy, then AIRLINE shall immediately, prior to notification by COUNTY, take such action as is necessary to reinstate or replace the required insurance.

11.09 Deductibles, Coinsurance & Self-Insured Retention. AIRLINE shall be fully and solely responsible for any deductible, coinsurance penalty or self-insured retention, including any losses, damages or expenses not covered due to an exhaustion of limits or failure to comply with the policy.

11.10 No Representation of Coverage Adequacy. AIRLINE acknowledges the limits, coverages and endorsements required by this Article 11 are intended to minimize liability for COUNTY. AIRLINE agrees that it will not rely upon the requirements of this Article 11 when assessing the extent or determining appropriate types or limits of insurance coverage to protect AIRLINE against any loss exposures, whether as a result of this Agreement or otherwise.

ARTICLE 12
EXPIRATION OF AGREEMENT, DEFAULTS, REMEDIES AND TERMINATION

12.01 Expiration. This Agreement shall terminate at the end of the term as set forth in Article 2.02, unless terminated earlier in accordance with the provisions of this Agreement.

12.02 Default. The occurrence of any one or more of the following events shall constitute a material default and breach of this Agreement by AIRLINE (an "Event of Default"):

A. The vacating or abandonment of the Airline Premises by AIRLINE, which vacating or abandonment shall continue for a period of ninety (90) days.

B. The failure by AIRLINE to make payment of rent or any other payment required to be made by AIRLINE hereunder, as and when due, where such failure shall continue for a period of fifteen (15) days after written notice thereof from COUNTY to AIRLINE.

C. Except as otherwise provided for herein, the failure by AIRLINE to observe or perform any of the covenants, conditions or provisions of this Agreement to be observed or performed by AIRLINE, where such failure continues for a period of thirty (30) days after written notice thereof from COUNTY to AIRLINE, provided, however, that if the nature of AIRLINE's default is such that more than thirty (30) days are reasonable required for its cure, then AIRLINE shall not be deemed to be in default if AIRLINE commences such cure within such thirty (30) day period and thereafter diligently pursues such cure to completion.

D. To the extent permitted by law, (i) the making by AIRLINE or any guarantor hereof of any general assignment, or general arrangement for the benefit of creditors; (ii) the filing by or against AIRLINE of a petition to have AIRLINE adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy [unless, in the case of a petition filed against AIRLINE, the same is dismissed within sixty (60) days]; (iii) the appointment of a trustee or receiver to take possession of substantially all of AIRLINE's assets located at the Airline Premises or of AIRLINE's interest in this Agreement, where possession is not restored to AIRLINE within thirty (30) days; or (iv) the attachment, execution or other judicial seizures of substantially all of AIRLINE's assets located at the Airline Premises or of AIRLINE's interest in this Agreement, where such seizure is not discharged within thirty (30) days.

E. The discovery by COUNTY that any material information given to COUNTY by AIRLINE relating to this Agreement was false.

12.03 Remedies. In the event of an Event of Default by AIRLINE, COUNTY may at any time thereafter, with or without notice or demand and without limiting any other right or remedy which COUNTY may have under the law by reason of such Event of Default, elect to exercise any one of the following remedies:

A. Declare the entire rent for the balance of the term, or any part thereof, due and payable forthwith, and bring an action for the recovery thereof.

B. Terminate AIRLINE's right to possession of the Airline Premises by any lawful means and reenter and retake possession of the Airline Premises for the account of AIRLINE, in which case the rent and other sums due hereunder shall be accelerated and due in full and AIRLINE shall be liable for the difference between the rent which is stipulated to be paid hereunder plus other sums as described herein and what COUNTY is able to recover from its good faith efforts to relet the Airline Premises, which deficiency shall be paid by AIRLINE. Upon such reletting, all rentals received by COUNTY shall be applied, first to the payment of any indebtedness other than rent due hereunder from AIRLINE; second, to the payment of any costs and expenses of such reletting, which shall include all damages incurred by COUNTY due to AIRLINE's default including, but not limited to, the cost of recovering possession of the Airline Premises including attorney's fees, expenses relating to the renovation or alteration of the Airline Premises and real estate commissions paid by COUNTY relating to the unexpired term of this Agreement; third, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be paid to AIRLINE.

C. Treat this Agreement as terminated and reenter and retake possession of the Airline Premises for the account of COUNTY, thereby terminating any further liability under this Agreement on the part of AIRLINE and COUNTY. Notwithstanding the foregoing, COUNTY shall have a cause of action to recover any rent remaining unpaid when COUNTY retakes possession of the Airline Premises for the account of COUNTY.

D. Stand by and do nothing, holding AIRLINE liable for the rent as it comes due.

E. Pursue any other remedy now or hereafter available to COUNTY under the laws and judicial decisions of the State of Florida.

Notwithstanding the foregoing, in the event AIRLINE breaches any material provision of this Agreement, and at the same time or thereafter renounces this Agreement in its entirety, COUNTY shall have the right to bring an action for its damages. Notwithstanding any provision of this Agreement to the contrary, COUNTY reserves all rights which the laws of the State of Florida confer upon a landlord against a tenant in default.

12.04 Termination by AIRLINE. AIRLINE may terminate this Agreement, if AIRLINE is not in default of this Agreement (including, but not limited to, its payments 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. The issuance by any court of competent jurisdiction of an injunction in any way preventing the use of the Airport for Airport purposes or a substantial part of the Airline Premises, which injunction remains in full force for a period of at least ninety (90) days.

B. The default by COUNTY in the performance of any material covenant or material agreement herein required to be performed by COUNTY and the failure of COUNTY to remedy such default for a period of sixty (60) days after receipt from AIRLINE of written notice to remedy same; provided, however, that no notice of termination, as provided herein, shall be of any force or effect if COUNTY shall have remedied the default prior to receipt of AIRLINE's notice of termination; or in the event the same cannot be cured within such sixty (60) day period and COUNTY has commenced such cure and thereafter diligently pursues the same until completion.

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 a manner which substantially restricts the operation of AIRLINE, for a period of at least ninety (90) days.

12.05 Surrender of Premises. Except as otherwise provided for herein, AIRLINE expressly agrees that it shall immediately surrender the Airline Premises to COUNTY in good and fit condition upon expiration or termination of this Agreement, depreciation and wear from ordinary use for the purpose for which the Airline Premises were leased being excepted. All repairs and obligations for which AIRLINE is responsible shall be completed by the earliest practical date but in no event later than such expiration or termination. In the event AIRLINE shall holdover, refuse, or fail to give up the possession of the Airline Premises at the termination of this Agreement (and following the time period granted for removal of personal property, if any, as may be required by COUNTY pursuant to Article 12.06), AIRLINE shall be liable to COUNTY for any and all damages, and in addition thereto, AIRLINE, shall also be strictly liable to pay to COUNTY during the entire time period of such holdover, the rates and charges applicable to non-Signatory Airlines. AIRLINE shall remove all of its personal property from the Airline Premises in accordance with the requirements of Article 12.06. Any personal property of AIRLINE not so removed shall become the property of COUNTY. The Department may require AIRLINE to return the Airline Premises free and clear of some or all improvements made by AIRLINE under this Agreement, at AIRLINE's sole cost and expense. In such event, the Department shall provide timely notification to AIRLINE of its election to require removal of improvements and, to the extent possible, the Department shall notify AIRLINE at least sixty (60) days prior to the effective date of such termination. AIRLINE shall have sixty (60) days from date of the Department's notice within which to remove such improvements. If AIRLINE fails to remove the improvements, COUNTY may remove same at AIRLINE's sole cost and expense. AIRLINE's obligation to reimburse COUNTY for removal of improvements pursuant to this Article 12.05 shall survive the termination or expiration of this Agreement until COUNTY has received full reimbursement. COUNTY agrees that it shall not require removal of any improvements constructed or installed hereunder in the event AIRLINE enters into a new Airline Use and Lease Agreement with COUNTY, which becomes effective upon the expiration or termination of this Agreement; provided that such improvements are in good condition and

repair and will be located within the Airline Premises of AIRLINE under the new Airline Use and Lease Agreement.

12.06 Removal of Personal Property.

A. AIRLINE shall have the right at any time during the term of this Agreement to remove from the Airport its aircraft, tools, equipment, trade fixtures, and other personal property, title to which is to remain with AIRLINE, and shall remove such aircraft, tools, equipment, trade fixtures, and other personal property upon thirty (30) days following the termination or expiration of this Agreement, subject, however, to any valid lien which COUNTY may have thereon. AIRLINE shall not abandon any property at the Airport without the written consent of the Department. Any property owned by COUNTY that is damaged by or as a result of the removal of property owned by AIRLINE shall be restored by AIRLINE to the condition existing before such damage, at AIRLINE's sole cost and expense. Restoration shall be made within the aforementioned thirty (30) day period. Notwithstanding the foregoing, in the event a new tenant is prepared to lease AIRLINE's vacated space, COUNTY may, at its sole discretion, relieve AIRLINE of its obligation to fully restore the vacated Airline Premises.

B. COUNTY may impose a reasonable rental charge during the aforementioned thirty (30) day period; provided, however, that no charge shall be imposed if AIRLINE removes its property from the Airline Premises and make all repairs within the first ten (10) days of the thirty (30) day period.

C. Any personal property of AIRLINE not removed in accordance with this Article 12.06, at the option of the Department, may be removed and placed in storage by the Department at the sole cost of AIRLINE, or may become the property of COUNTY, all at no cost to COUNTY. In the event COUNTY does not elect to take ownership of the property, it may dispose of same by either public or private sale and retain the proceeds thereof. Any costs of removal and disposition not covered by such proceeds shall be borne by AIRLINE.

12.07 Holdover. In the event AIRLINE holds over in the Airline Premises after the expiration or termination of this Agreement, AIRLINE shall pay to COUNTY, for so long as AIRLINE shall remain in possession thereof, the rates, fees and charges applicable to non-Signatory Airlines operating at the Airport. Prior to acceptance of any payment from AIRLINE by COUNTY during any holdover period, AIRLINE shall be deemed a tenant at sufferance. After acceptance of payment from AIRLINE by COUNTY, AIRLINE shall be deemed to be a month-to-month tenant. The foregoing provisions shall not serve as permission for AIRLINE to holdover, nor serve to extend the term of this Agreement; provided, however, AIRLINE acknowledges and agrees that, AIRLINE shall remain bound to comply with all the provisions of this Agreement during any holdover period until AIRLINE vacates the Airline Premises or enters into a new agreement with COUNTY. AIRLINE shall indemnify and hold COUNTY, its officers, employees and agents harmless from any claims, damages or liabilities arising out of such unauthorized possession by AIRLINE. AIRLINE's obligations under this paragraph shall survive the termination or expiration of this Agreement. Nothing in this paragraph shall be deemed to waive any legal remedies COUNTY may have against AIRLINE and COUNTY shall be entitled to exercise any and all available legal remedies for AIRLINE's failure to surrender the Airline Premises upon the expiration or termination of this Agreement.

ARTICLE 13
ASSIGNMENT, SUBLETTING AND HANDLING AGREEMENTS

13.01 Assignment by AIRLINE. AIRLINE shall not in any manner assign, transfer, mortgage, pledge, encumber, hypothecate or otherwise convey an interest in this Agreement, or any portion of the Airline Premises, without the prior written consent of COUNTY ("Assignment"), which consent shall not be unreasonably delayed or withheld. Notwithstanding the foregoing, the consent of COUNTY shall not be withheld for an Assignment of this Agreement in its entirety where all or substantially all of the assets of AIRLINE are acquired by another entity by reason of a merger or consolidation; provided that the successor entity agrees to assume all obligations of AIRLINE hereunder and to comply with terms and conditions set forth in this Agreement. AIRLINE further agrees to provide COUNTY with such documentation relating to the merger or consolidation of AIRLINE and the successor entity as COUNTY requires in its reasonable discretion.

13.02 Subletting By AIRLINE. AIRLINE shall not sublease the Airline Premises, or any portion thereof, without the prior written consent of the Department. Except in cases of accommodation by

AIRLINE of marketing and alliance partners, the parties agree that the Department may withhold its consent if COUNTY has substantially similar space available that is not leased to or under the contractual control of another or if COUNTY can make such space available for use within a reasonable period of time. In the event the Department gives its consent to such sublease and COUNTY has substantially similar space available that is not leased to or under the contractual control of another or if COUNTY can make such space available for use within a reasonable period of time, AIRLINE shall or cause its sublessee to pay a Per Use Gate Fee to COUNTY for use of AIRLINE's gate. Exclusive or Preferential Use of the Exclusive Use Premises, or any portion thereof, or Preferential Use of the Preferential Use Premises, or any portion thereof, by any Person other than AIRLINE shall be deemed to be a "sublease" for purposes of this Agreement.

13.03 Assignment and Subleasing Documents.

A. In the event AIRLINE requests permission to assign or sublease, the request shall be accompanied by a copy of the proposed agreement. The portion of the Airline Premises to be subleased and the rental to be charged shall be specified for subleases, and the consideration and parties in interest shall be specified in request for Assignment. AIRLINE shall promptly provide any other information reasonably requested by the Department pertaining to the sublease or Assignment. AIRLINE shall deliver a fully executed copy of such agreement to the Department no later than thirty (30) days prior to the occupancy of the Airline Premises, or any portion thereof, by the subtenant or assignee.

B. In the event of a sublease in which the rentals, fees and charges for the subleased premises exceed the rentals, fees and charges payable by AIRLINE for said the subleased premises pursuant to this Agreement, AIRLINE shall pay to COUNTY the excess of the rentals, fees and charges received from the sublessee over that specified to be paid by AIRLINE herein; provided, however, that AIRLINE may charge a reasonable fee for administrative costs in an amount not to exceed twenty five percent (25%) of the specified sublease rental, which fee shall not be considered excess rentals, fees and charges. AIRLINE shall also have the right to charge a reasonable fee to others for the use of AIRLINE's capital equipment and to charge for use of utilities and other services being paid for by AIRLINE.

C. In the event AIRLINE has subleased or seeks to sublease fifty percent (50%) or more of a particular category of space included in the Airline Premises, COUNTY shall have the right to terminate AIRLINE's right to use such space upon thirty (30) days written notice to AIRLINE; provided, however, COUNTY shall also provide AIRLINE the option of reducing the amount of space it subleases to others prior to exercising this right. The parties agree to enter into a written amendment to this Agreement to formally remove such space from the Airline Premises, which amendment may be executed by the Department Director on behalf of COUNTY.

13.04 Handling Agreements. In the event AIRLINE agrees to ground handle any portion of the operations of another Scheduled Air Carrier, AIRLINE shall provide the Department advance written notice of such proposed handling services, including a description of the type and extent of services to be provided. Notwithstanding the foregoing, AIRLINE shall not agree to ground handle another Scheduled Air Carrier without the prior written consent of the Department if such Scheduled Air Carrier does not have a validly executed operating agreement with COUNTY.

13.05 General.

A. No Assignment or sublease agreement shall release AIRLINE from its obligations hereunder, including without limitation the obligation to pay the rentals, fees, and charges provided herein.

B. This Article shall be applicable to subleases, licenses, handling agreements, and any other arrangements by which a third party may obtain any benefits of AIRLINE's rights and privileges hereunder. Notwithstanding the foregoing, subject to the Department's prior written consent, other Air Transportation Companies having prior arrangements with AIRLINE, may use the Airline Premises on a temporary basis pursuant to and in accordance with the provisions of this Article 13.

C. This Article shall be construed to include a prohibition against any assignment, mortgage, pledge, encumbrance or sublease by operation of law, legal process, receivership, bankruptcy or other wise, whether voluntary or involuntary.

ARTICLE 14
AVAILABILITY OF ADEQUATE FACILITIES

14.01 General. From time to time during the term of this Agreement, AIRLINE acknowledges that Air Transportation Companies may wish to initiate or expand service at the Airport ("Requesting Airlines" or "Requesting Airline") and may require use of certain types of Airport space and facilities. AIRLINE further acknowledges that COUNTY may have a need to accommodate the immediate, non-recurring needs of an Air Transportation Company, such as charters, and flights delayed or diverted due to weather or mechanical reasons. In such events, AIRLINE shall use its best efforts to make or, pursuant to Articles 14.02 and 14.03, shall make suitable arrangements to either handle the operations of said Air Transportation Company and/or share its Preferential Use space with said Air Transportation Company.

14.02 Accommodation by AIRLINE. The parties acknowledge and agree that any accommodation agreement made by AIRLINE voluntarily, or pursuant to a directive from COUNTY, shall recognize AIRLINE's right of Preferential Use to the Preferential Use Premises and the necessity that such Requesting Airline's operations be compatible with those of AIRLINE. In determining whether AIRLINE can accommodate a Requesting Airline, AIRLINE may consider its present and planned use of such facilities, its present and planned requirements for other Air Transportation Companies it is then accommodating, the compatibility of the Requesting Airline's proposed operations with its own operations and those of others already using such facilities and the need for labor harmony.

14.03 COUNTY's Right to Require Accommodation.

A. Upon receipt of a request for an accommodation by a Requesting Airline, the Department shall notify in writing all Signatory Airlines of such request and shall, not sooner than fifteen (15) days following such notification, determine whether AIRLINE should accommodate any or all of such Requesting Airline's proposed operations. In making its decision, the Department shall be governed by all pertinent factors, including AIRLINE's present and planned use of such facilities, AIRLINE's present and planned requirements for other Air Transportation Companies AIRLINE is then accommodating, the compatibility of such Requesting Airline's proposed operations with AIRLINE'S own operations and those of others already using such facilities, and the need for labor harmony. In order for such to be considered by COUNTY, AIRLINE's planned uses and requirements shall be documented in writing and presented to the Department. If the Department determines that AIRLINE has the capability to accommodate a Requesting Airline, the Department may direct AIRLINE, in writing, to accommodate the Requesting Airline to the extent of and during those periods the Department deems reasonable and shall provide AIRLINE and the Requesting Airline with a written statement specifying the required terms and conditions of the accommodation, other than rates and charges.

B. Notwithstanding the foregoing, in no event shall these provisions ever be used to displace AIRLINE or alter its scheduled operations in order to accommodate another Air Transportation Company.

14.04 Accommodation of Other Air Transportation Companies.

A. AIRLINE shall cooperate with the Department to accommodate other Air Transportation Companies from time to time, as deemed necessary by the Department, for situations including, but not limited to, the following:

(1) Unscheduled flights, including charters, diversions due to weather and other circumstances not otherwise accommodated or handled by Scheduled Air Carriers having Terminal facilities leased from COUNTY.

(2) Scheduled flights for which the Air Transportation Company has no assigned gate(s) or its assigned gate(s) are occupied at the time its flight arrives.

B. AIRLINE shall not be required to accommodate other Air Transportation Companies pursuant to Article 14.04(A) if all of AIRLINE's gate positions are occupied by AIRLINE's

flights or flights of other Air Transportation Companies already being accommodated or ground handled by AIRLINE at the time of said flight needing to be accommodated; provided, however, the overnight parking of AIRLINE's aircraft at a gate position, or at any other time beginning ninety (90) minutes following the arrival of an aircraft and ending one (1) hour before its scheduled departure shall not be deemed an occupied gate position for the purposes of this Article 14, provided that the Department has designated an alternative parking position for such aircraft.

C. If AIRLINE accommodates another Air Transportation Company pursuant to Article 14.04(A), AIRLINE may charge such Air Transportation Company reasonable rentals, fees, and charges for use of AIRLINE's gate position, not to exceed 125% of AIRLINE's actual costs. Actual costs may include any costs incurred by AIRLINE to move its aircraft from a gate position to accommodate the other Air Transportation Company.

14.05 Accommodation of AIRLINE. AIRLINE shall be entitled to the same rights of accommodation of its needs for use or lease of additional facilities as specified in this Article 14 at any time that AIRLINE requests accommodation or has individual flights needing to be accommodated pursuant to Article 14.04(A) hereinabove.

14.06 Indemnification Obligations. During the period of use of AIRLINE's facilities by an Air Transportation Company at the Department's request or direction pursuant to this Article 14, AIRLINE shall be relieved of its obligations under this Agreement to indemnify and save harmless COUNTY, its officers, directors, employees, or agents with regard to any claim for damages or personal injury arising out of or in connection with the accommodated Air Transportation Company's or Requesting Airline's use of the Airline Premises unless such damage or personal injury is caused by the willful misconduct or negligence of AIRLINE, its officers, directors, employees, agents, or representatives.

14.07 Relocation Expenses. COUNTY, in an effort to best utilize available Terminal facilities, may request AIRLINE to relocate its operations to alternate leasehold areas within the Terminal to allow for new carriers or expanded leasehold areas for existing airlines. Subject to the terms and conditions of this Agreement, and subject to AIRLINE's consent to proposed relocation, AIRLINE shall be eligible for reimbursement of its relocation costs as approved by the Department through Rental Credits. Relocation costs may include moving expenses, construction, signage, rewiring, and other costs incidental to the relocation. Prior to relocation, AIRLINE shall submit a proposal outlining the necessary costs for the relocation, including any plans or specifications for construction, if any. AIRLINE shall use its best efforts to minimize costs. The Department shall retain the right to require competitive quotes for work submitted in the relocation proposal. Upon completion of the relocation, AIRLINE shall submit to the Department for its review and approval complete documentation of costs and competitive quotations.

ARTICLE 15 **MOBILE LIFT DEVICES**

15.01 Mobile Lift Devices. AIRLINE and COUNTY acknowledge that they may be required to enter into an agreement allocating responsibility for meeting the boarding assistance requirements of 14 CFR Part 382 and 49 CFR Part 27, as may be amended. In the event AIRLINE does not provide passenger boarding by level-entry loading bridges, COUNTY shall make available to AIRLINE, on a nonexclusive basis, a mechanical boarding assistance device ("Lift Device") to be used solely for the purpose of loading and unloading passengers from aircraft owned or operated by AIRLINE at the Airport.

15.02 Training. Any person who will be providing boarding assistance to passengers for or on the behalf of AIRLINE shall be trained in the proper use and operation of the Lift Device and shall attend all training sessions as to the proper use of the Lift Device as may be provided by the Department or manufacturer of the Lift Device.

15.03 Maintenance of Lift Device.

A. COUNTY agrees to maintain the Lift Device in proper working condition subject to the terms and conditions of this agreement.

B. AIRLINE shall inspect the Lift Device prior to each use to ensure that the Lift Device is operating properly. If at any time AIRLINE becomes aware of the need for maintenance or repairs to the Lift Device, AIRLINE shall promptly notify the Department in writing of the nature of the maintenance and repairs required and shall refrain from using the Lift Device until such time as the

repairs or maintenance have been completed. AIRLINE's right to use the Lift Device shall be suspended during the period in which repairs or maintenance of the Lift Device is being made.

C. AIRLINE shall promptly notify COUNTY (i) if the Lift Device is damaged in any way while in AIRLINE's possession; or (ii) if the Lift Device is lost or stolen while in AIRLINE's possession. In the event the Lift Device, or any part thereof, is damaged while in the possession of AIRLINE due to the willful misconduct or negligence AIRLINE, its officers, directors, employees, agents, contractors or representatives, AIRLINE shall pay COUNTY on demand for the cost of the repairs to the Lift Device. In the event the Lift Device is destroyed, lost, stolen, damaged beyond repair or otherwise rendered unfit for use while in the possession of AIRLINE due to the willful misconduct or negligence AIRLINE, its officers, directors, employees, agents, contractors or representatives, AIRLINE shall pay COUNTY on demand the replacement value of the Lift Device.

D. AIRLINE acknowledges and agrees that COUNTY may establish, in its discretion, reasonable nondiscriminatory fees and charges for the use and maintenance of the Lift Device.

E. COUNTY and AIRLINE reserve the right to assign all of the obligations to maintain and operate the Lift Device, as provided for in this Agreement, on behalf of COUNTY and AIRLINE, to a provider of ground handling services.

15.04 Disclaimer of Liability. AIRLINE acknowledges that COUNTY is not the manufacturer of the Lift Device or the dealer in similar property and has not made and does not make any representation, warranty or covenant, express or implied, with respect to the condition, quality, durability, suitability or merchantability of the Lift Device. COUNTY shall not be liable to AIRLINE for any loss or damage caused or alleged to be caused directly or indirectly by the Lift Device by any inadequacy thereof or defect therein or by any incident in connection therewith.

ARTICLE 16 **SUBORDINATION AND SAVINGS CLAUSE**

16.01 Subordination.

A. This Agreement and all rights granted to AIRLINE hereunder are expressly subordinated and subject to the lien and provisions of the pledge, transfer, hypothecation, or assignment made by COUNTY in the Bond Resolution, and COUNTY and AIRLINE agree that to the extent permitted by authorizing legislation, the holders of the Bonds or their designated representative may exercise any and all rights of COUNTY hereunder to the extent such possession, enjoyment and exercise are necessary to insure compliance by AIRLINE and COUNTY with the terms and provisions of this Agreement and Bond Resolution.

B. This Agreement and all provisions hereof shall be subject and subordinate to all the terms and conditions of any instruments and documents under which COUNTY acquired the land or improvements thereon, of which the Airline Premises are a part, and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. AIRLINE understands and agrees that this Agreement shall be subordinate to the provisions of any and all existing or future agreements 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 is required as a condition precedent to the spending of federal funds for the development of the Airport.

C. The rights and privileges granted to AIRLINE hereunder, other than those attendant to AIRLINE's operation of its Air Transportation Services, shall not cause COUNTY to be in default with other rights previously granted by COUNTY to fixed base operators, ground transportation companies, and other providers of ground services. Copies of such agreements are available for inspection by AIRLINE at the office of the Department.

ARTICLE 17 **NON-DISCRIMINATION**

17.01 Non-discrimination in Employment. AIRLINE assures that it will comply with pertinent statutes, Executive Orders, and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity conducted with or benefiting from federal assistance. This provision obligates AIRLINE for the

period during which federal assistance is extended to COUNTY for the Airport, except where the federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the provision obligates AIRLINE for the longer of the following periods: (1) the period during which the property is used by COUNTY for a purpose involving the provision of similar services or benefits; or (2) the period during which the county retains ownership or possession of the property. AIRLINE shall include this provision in all subleases and subcontracts.

17.02 Non-discrimination in Benefits and Services. AIRLINE for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that: (1) no person on the grounds of race, creed, color, national origin, sex, sexual orientation, religion, marital status, age or disability shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) in the construction of any improvements on, over, or under the Airline Premises and the furnishing of services thereon, no person on the grounds of race, creed, color, national origin, sex, sexual orientation, religion, marital status, age, or disability shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) AIRLINE shall use the Airline Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations (CFR), Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended. In the event of breach of any of the above non-discrimination covenants, COUNTY shall have the right to terminate this Agreement and to re-enter and repossess the Airline Premises and the facilities thereon, and hold the same as if said Agreement had never been made or issued. This provision shall not be effective until the procedures of Title 49, CFR, Part 21 are followed and completed, including exercise or expiration of appeal rights. AIRLINE, for itself, its successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained or otherwise operated on the Airline Premises for a purpose for which a Department of Transportation (DOT) program or activity is extended or for another purpose involving the provision of similar services or benefits, AIRLINE shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

17.03 Disadvantaged Business Enterprise/Affirmative Action. AIRLINE acknowledges that the provisions of 49 CFR, Part 26, Disadvantaged Business Enterprises (DBE), and 14 CFR, Part 152, Affirmative Action Employment Programs, may be applicable to the activities of AIRLINE under the terms of this Agreement, unless exempted by said regulations, and hereby agrees, if such provisions are applicable, 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 DBE 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, the submission of various reports, and including, if directed by the Department, the contracting of specified percentages of goods and services contracts to Disadvantaged Business Enterprises. Failure to comply with these requirements, if applicable, shall be grounds for default and cancellation of this Agreement. Any cancellation pursuant to this Article 18.02 shall not be effective until the procedures specified in said Federal regulations and such other procedures that are established by COUNTY are completed, including exercise or expiration of any appeal rights.

ARTICLE 18 **NON-EXCLUSIVE RIGHTS**

Notwithstanding anything herein contained, the rights, privileges and licenses granted under this Agreement (except AIRLINE's exclusive right to use the Exclusive Use Premises) are "non-exclusive" and COUNTY reserves the right to grant similar but no greater privileges to other Scheduled Air Carriers.

ARTICLE 19 **GOVERNMENTAL RESTRICTIONS**

19.01 Avigation Rights. 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 Airport, including the Airline Premises, 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 for landing on and taking off from the Airport.

19.02 Height Limitation. AIRLINE expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Airline Premises to such a height so as to comply with Federal Aviation Regulations, Part 77, as such may be amended or superseded from time to time.

19.03 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 COUNTY, as a political subdivision of the State of Florida, or any of public officials of the County of Palm Beach, of the right to assess, levy, and collect any license, personal, intangible, occupation, or other tax of general application which shall be lawfully imposed on the business or property of AIRLINE.

19.04 Governmental Review. AIRLINE acknowledges that this Agreement is subject to review or inspection by the United States government, State of Florida and agencies and departments thereof, including the FAA, to determine satisfactory compliance with state and federal law and/or passenger facility fee and grant assurance requirements (hereinafter collectively referred to as "Legal Requirements"). AIRLINE agrees that this Agreement shall be in full force and effect and binding upon both parties pending such review or inspection; provided, however, that upon such review or inspection the parties agree to modify any of the terms of this Agreement that are determined by the United States government, State of Florida or any agency or department thereof to be in violation of or inconsistent with any Legal Requirements.

19.05 Federal Right to Reclaim. In the event a United States governmental agency shall demand and take over the entire facilities of the Airport or the portion thereof wherein the Airline Premises are located, for public purposes, then this Agreement shall thereupon terminate and COUNTY shall be released and fully discharged from any and all liability hereunder. This Article shall not act or be construed as a waiver of any rights AIRLINE may have against the United States as a result of such taking.

ARTICLE 20 LAWS, REGULATIONS, PERMITS, TAXES AND COMPLIANCE

20.01 General.

A. AIRLINE agrees that throughout the term of this Agreement, AIRLINE shall at all times be and shall remain in full and complete compliance with all applicable federal, state and local laws, statutes, regulations, rules, rulings, orders, ordinances and directives of any kind or nature, as now or hereafter amended, including, without limitation, FAA Advisory Circulars, Airport Rules and Regulations and Environmental Laws.

B. AIRLINE 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 the Airport Rules and Regulations and policies and procedures related to certification of the Airport under Title 14, Part 139 of the Code of Federal Regulations, as now or hereafter amended.

20.02 Permits and Licenses. AIRLINE agrees that it shall, at its sole cost and expense, obtain, maintain current, and fully comply with, any and all permits, licenses and other governmental authorizations, as may be required by law, any federal, state or local governmental entity, or any court of law having jurisdiction over AIRLINE or AIRLINE's operations and activities, for any activity of AIRLINE conducted on the Airline Premises and/or Airport. Upon the written request of the Department, AIRLINE shall provide to Department certified copies of any and all permits and licenses.

20.03 Air and Safety Regulation. AIRLINE 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 AIRLINE resulting from, or in any way related to, the conduct of Air Transportation Services on the Airline Premises. AIRLINE shall procure and maintain such fire prevention and extinguishing devices as required by COUNTY and by law and shall at all times be

familiar and comply with the fire regulations and orders of COUNTY and the fire control agency with jurisdiction at the Airport. AIRLINE agrees that neither AIRLINE nor any employee or contractor or any person working for or on behalf of AIRLINE, shall require any personnel engaged in the performance of AIRLINE's Air Transportation Services 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.

20.04 Assumption of Liability. AIRLINE shall be strictly liable for and hereby expressly assumes all responsibility the cost of all citations, fines, penalties, environmental controls, monitoring, clean up, disposal, restoration and corrective measures resulting from or in any way connected to the improper handling, storage and/or disposal by AIRLINE or its employees, invitees, suppliers of service or materials or contractors of any pollutants or hazardous materials regulated by Environmental Laws. AIRLINE's obligations under this paragraph shall survive the expiration or termination of this Agreement.

20.05 Environmental Indemnification. AIRLINE 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, without limitation, reasonable expenses and attorneys fees, arising from or resulting out of, or in any way caused by, AIRLINE's failure to comply with any and all Environmental Laws. AIRLINE understands that this indemnification is in addition to and is a supplement of AIRLINE's indemnification agreement set forth in Article 10 and that AIRLINE fully understands 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. AIRLINE's obligations under this paragraph shall survive expiration or termination of the Agreement.

20.06 Emergency Coordinator. AIRLINE agrees that an emergency coordinator and phone number shall be furnished to the Department, , COUNTY's 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.

20.07 Security. AIRLINE acknowledges and accepts full responsibility for the security and protection of AIRLINE's Exclusive and Preferential Use Premises and any and all inventory, equipment, and facilities now existing or hereafter placed on or installed in or upon the Airline Premises and for the prevention of unauthorized access to the Airline Premises and expressly agrees to comply with all rules and regulations of COUNTY, PBSO, the Department of Homeland Security and all other governmental entities that now or may hereafter have jurisdiction over security of the Airport. AIRLINE fully understands that the police security protection provided by COUNTY at the Airport is limited to that provided to any other business situated in Palm Beach County by PBSO, and expressly acknowledges that any special security measures deemed necessary or desirable for additional protection of the Airline Premises and improvements constructed thereon shall be the sole responsibility of AIRLINE and shall involve no cost to COUNTY. AIRLINE further expressly acknowledges and accepts responsibility to maintain the security of the airfield from or through the Exclusive Use Premises and Preferential Use Premises to the airfield operations area and hereby agrees to fully comply with all federal, state and local laws, as now or hereafter amended, including, but not limited to, 49 CFR 1540, et seq, and with all rules and regulations of the Department concerning security procedures.

20.08 Payment of Taxes. AIRLINE shall pay any and all taxes and other costs lawfully assessed against its interest in the Airline Premises, the improvements, whether owned by AIRLINE or COUNTY, personal property or its operations under this Agreement including, without limitation, tangible, intangible, sales and ad valorem taxes, general or special assessments. In the event this Agreement or AIRLINE's use of the Airline Premises renders the Airline Premises subject to ad valorem real property taxes or similar impositions imposed by any government entity, AIRLINE shall be responsible for and pay the same prior to delinquency. AIRLINE shall have the right to contest the amount or validity of any tax or assessment payable by it by appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying, or extending AIRLINE'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, AIRLINE 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.

20.09 Compliance by Other Tenants. COUNTY shall, whenever possible, make reasonable efforts to obtain uniform compliance with its rules and regulations; however, COUNTY shall not be liable to AIRLINE for any violation or non-observance of such rules and regulations by any Airport user, tenant, concessionaire or Air Transportation Company or their officers, agents, or employees.

ARTICLE 21
DISCLAIMER OF LIABILITY

COUNTY HEREBY DISCLAIMS, AND AIRLINE 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 AIRLINE, ITS EMPLOYEES, AGENTS, OR INVITEES DURING THE TERM OF THIS AGREEMENT OR ANY EXTENSION THEREOF INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF AIRLINE OR AIRLINE'S BUSINESS INVITEES THAT MIGHT BE LOCATED OR STORED ON THE PREMISES, EXCEPT TO THE EXTENT THAT SUCH LOSS, DAMAGE OR INJURY IS CAUSED BY COUNTY'S 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 LEASING OF THE PREMISES PURSUANT TO THIS AGREEMENT. AIRLINE ACKNOWLEDGES AND AGREES THAT COUNTY SHALL HAVE NO LIABILITY WHATSOEVER AND AIRLINE RELEASES AND AGREES TO HOLD HARMLESS COUNTY FROM ANY AND ALL LIABILITY RELATING TO ANY INFORMATION PROVIDED BY COUNTY. FURTHERMORE, AIRLINE ACKNOWLEDGES AND AGREES THAT ITS USE OF ANY SUCH INFORMATION, WHETHER PREPARED OR PROVIDED BY COUNTY OR OTHERWISE, IN DETERMINING WHETHER TO ENTER INTO THIS AGREEMENT, WAS AT ITS SOLE RISK.

ARTICLE 22
GENERAL PROVISIONS

22.01 Clear Title. COUNTY covenants that at the granting and delivery of this Agreement, it has the right and authority to lease and/or license the same as herein set forth, subject to all matters, exceptions and encumbrances of record of any kind, including easements.

22.02 Relationship of Parties. AIRLINE, or any successor in interest to this Agreement, is and shall be deemed to be an independent contractor and operator and shall be responsible to all parties for its respective acts or omissions, and COUNTY shall in no way be responsible therefor.

22.03 County Not Liable. Except as provided for in this Agreement, COUNTY shall not be under any duty or obligation to AIRLINE to repair or maintain the Airline Premises, nor any portion thereof, or any facilities or equipment constructed thereon. COUNTY shall not be responsible or liable to AIRLINE for any claims for compensation for any losses, damages, or injury sustained by AIRLINE resulting from failure of any water supply, heat, air conditioning, electrical power, or 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, act of God, or state of war, civilian commotion or riot, or any cause beyond the control of COUNTY. COUNTY shall not be liable for any damage to, or loss of said personal property, except to the extent that said damage or loss resulted from the negligence or willful misconduct of COUNTY, its officers, agents or employees.

22.04 Authorized Uses Only. Notwithstanding anything to the contrary herein, AIRLINE shall not use or permit the use of the Airline Premises or the Airport for any illegal or improper purpose or for any purpose which would invalidate any policies of insurance, now existing or hereafter written on the Airline Premises or the Airport for COUNTY or AIRLINE.

22.05 Quiet Enjoyment. COUNTY covenants that so long as AIRLINE timely pays all rentals, fees, and charges due hereunder, and fully and faithfully performs all of its obligations as provided herein, and otherwise is not in default of any of the terms and conditions of this Agreement, AIRLINE

shall peacefully and quietly have, hold and enjoy the Airline Premises, free from any eviction or unauthorized interference by COUNTY, its officers, agents or employees, during the term hereof.

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

22.07 Non-Exclusivity of Remedies. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or inequity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

22.08 No Recording. Neither this Agreement, nor any memorandum or short form hereof, shall be recorded in the Public Records of Palm Beach County, Florida.

22.09 No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer on any person or entity, other than the parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Agreement or to constitute a third party beneficiary of this Agreement.

22.10 Annual Budgetary Funding. This Agreement and all obligations of COUNTY hereunder are subject to and contingent upon annual budgetary funding and appropriations by the Palm Beach County Board of County Commissioners.

22.11 Incorporation by References. Exhibits attached hereto and referenced herein shall be deemed to be incorporated in this Agreement by such reference.

22.12 Operation of Airport. AIRLINE expressly agrees for itself, its subleases, successors and assigns, to prevent any use of the Airline Premises which would interfere with or adversely affect the operation, maintenance or development of the Airport, or otherwise constitute an Airport hazard.

22.13 Agent for Service. It is expressly understood and agreed that if AIRLINE is not a resident of the State of Florida, or is an association or partnership without a member or partner resident of said State, or is a foreign corporation not licensed to do business in Florida, then in any such event, AIRLINE shall appoint an agent within the state of Florida for the purpose of service of process, in any court action between AIRLINE and COUNTY, arising out of or based upon this Agreement. AIRLINE shall immediately notify COUNTY, in writing, of the name and address of said agent. The service shall be made as provided by the laws of the State of Florida for service upon persons or entities having a registered agent in the state of Florida. It is further expressly agreed, covenanted, and stipulated that, as an alternative method of service of process, should AIRLINE fail to appoint said agent, or fail to notify COUNTY of the name and address of said agent as aforesaid, AIRLINE may be personally served with such process out of this State by the registered mailing of such complaint and process to AIRLINE at the address set forth in Article 22.21.

22.14 No Individual Liability. No elected official, member, officer, agent, director, or employee of COUNTY or AIRLINE shall be charged personally, or held contractually liable by or to the other party, under the terms or provisions of this Agreement, or because of any breach thereof, or because of its or their execution or attempted execution.

22.15 Governmental Authority. 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 AIRLINE or its operations. COUNTY's obligations under this Agreement are made in a proprietary capacity rather than in a governmental capacity and such agreements shall not be construed as limiting, prohibiting or eliminating the obligation of the parties to comply with all applicable rules, regulations, ordinances, statutes and laws, nor alter or impair COUNTY's governmental functions, including, without limitation, COUNTY's right to lawfully exercise its regulatory authority over the development of the Airline Premises, nor as enabling, permitting, or creating any cause of action or claim arising out of the lawful exercise of COUNTY's governmental authority.

22.16 Rights Reserved to County. All rights not specifically granted to AIRLINE by this Agreement are reserved to COUNTY.

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

22.18 Venue. To the extent allowed by law, the venue for any action arising from this Agreement shall be in a state court of competent jurisdiction in Palm Beach County, Florida.

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

22.20 Approval by the Department. Whenever this Agreement calls for approval by Department, such approval shall be evidenced by the written approval of the Director or his designee.

22.21 Notices.

A. All notices and elections (collectively, "notices") to be given or delivered by or to any party hereunder, shall be in writing and shall be (as elected by the party giving such notice) hand delivered by messenger, courier service, or alternatively shall be sent by United States Certified Mail with Return Receipt Requested. The effective date of any notice shall be the date of delivery of the notice if by personal delivery, courier services, or if mailed, upon the date which the return receipt is signed or delivery is refused or the notice designated by the postal authorities as non-deliverable, as the case may be. The parties hereby designate the following address as the address to which notices may be delivered, and delivery to such addresses shall constitute binding notice given to such party:

To COUNTY:
Department of Airports
Palm Beach County
846 Palm Beach International Airport
West Palm Beach, Florida 33406-1470

With a copy to:
Palm Beach County Attorney's Office
Attn: Airport Attorney
301 North Olive Avenue, Suite 601
West Palm Beach, Florida 33401

To AIRLINE:

Any party may from time to time change the address to which notice under this Agreement shall be given such party, upon three (3) days prior written notice to the other party.

B. Any information, documentation or reports required to be submitted electronically to the Department hereunder, including, but not limited to the Activity Report, shall be delivered electronically to the Department to such e-mail addresses designated by the Department in writing. The Department may change the e-mail address or form of delivery that the aforementioned information, documentation or reports are required to be delivered to upon ten (10) days prior written notice to AIRLINE.

22.22 Construction. No party shall be considered the author of this Agreement since the parties hereto have participated in extensive negotiations and drafting and redrafting of this document to arrive at a final Agreement. Thus, the terms of this Agreement shall not be strictly construed against one party as opposed to the other party based upon who drafted it. In the event that any section, paragraph, sentence, clause, or provision hereof, shall be held by a court of competent jurisdiction to be invalid, such shall not affect the remaining portions of this Agreement and the same shall remain in full force and effect.

22.23 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.

22.24 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, assigns, and sublessees, if any. This provision shall not constitute a waiver of any conditions against assignment or subletting.

22.25 Excusable Delays. Except as otherwise provided in this Agreement, neither COUNTY nor AIRLINE shall be deemed to be in default hereunder if either party is prevented from performing any of the obligations, other than the payment of rentals, fees, and charges hereunder, by reason of strikes, boycotts, labor disputes, embargoes, shortages of energy or materials, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, or sabotage, or any other circumstances for which it is not responsible or which are not within its control.

22.26 Public Entity Crimes. As provided in Section 287.132-133, Florida Statutes, by entering into this Agreement or performing any work in furtherance hereof, AIRLINE certifies that it and its affiliates, 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 Section 287.133(3)(a), Florida Statutes.

22.27 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. Except as otherwise provided in this Agreement, 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.

22.28 No Broker. AIRLINE represents and warrants that AIRLINE has not dealt with any real estate salesperson, agent, finder or broker in connection with this Agreement and Further agrees to indemnify, defend and hold harmless COUNTY from and against any claims or demands of any such salesperson, agent, finder or broker claiming to have dealt with AIRLINE. The foregoing indemnification shall include all costs, expenses and fees, including reasonable attorney's fees at trial and all appellate levels, expended or incurred in the defense of any such claim or demand.

22.29 Independent Contractor. AIRLINE is and shall be, in the performance of all work services and activities under this Agreement, an independent contractor, and not employee, agent, or servant of COUNTY. All persons engaged by AIRLINE in any of the work or services performed pursuant to this Agreement shall at all times, and in all places, be subject to AIRLINE's sole direction, supervision and control. AIRLINE shall exercise control over the means and manner in which it and its employees perform the work, and in all respects AIRLINE's relationship and the relationship of its employees to COUNTY shall be that of independent contractors and not as employees or agents of COUNTY.

22.30 Survival. Notwithstanding any early termination of this Agreement, the parties shall remain obligated hereunder to perform any duty, covenant or obligation imposed upon the parties hereunder arising prior to the date of such termination.

{Remainder of page intentionally left blank.}

IN WITNESS WHEREOF, COUNTY has caused this Airline-Airport Use and Lease Agreement for Palm Beach International Airport to be signed by the County Administrator or the Department Director, pursuant to the authority granted by the Palm Beach County Board of County Commissioners, and AIRLINE, _____, has caused these presents to be signed in its corporate name by its duly authorized officer, the _____, acting on behalf of AIRLINE, and the seal of AIRLINE to be affixed hereto and attested by the Secretary of AIRLINE, the day and year first written above.

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

PALM BEACH COUNTY, FLORIDA

Witness Signature

By: _____

(typed or printed)

Title: _____

Witness Signature

(typed or printed)

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY**

By: _____
County Attorney

ATTEST:

AIRLINE:

By: _____
Secretary

By: _____

-Typed or Printed Name of Corporate Officer-

Title: _____

(Corporate Seal)

Signed, sealed and delivered in the
presence of two witnesses for AIRLINE

Witness Signature

(typed or printed)

Witness Signature

(typed or printed)

**Palm Beach International Airport
 Monthly Statistical & Fee Report
 Fiscal Year _____**

Airline Name
Month

		Domestic	Int'l	Total
Flight Operations	Depart	-		-
	Arrive	-		-
	Total	-	-	-

		Domestic	Int'l	Total
Passengers	Depart	-		-
	Arrive	-		-
	Total	-	-	-

		Domestic	Int'l	Total
Mail (tons) Two decimal places	Depart	-		-
	Arrive	-		-
	Total	-	-	-

		Domestic	Int'l	Total
Freight (tons) Two decimal places	Depart	-		-
	Arrive	-		-
	Total	-	-	-

Exhibit A

**Palm Beach International Airport
Monthly Statistical & Fee Report
Fiscal Year _____**

Airline Name
Month

FIS Facility - Usage Report

Number of Deplaning Passengers
Requiring Federal Inspection

Fee Per Passenger

FIS FACILITY USAGE FEE

\$ _____

Palm Beach International Airport
Monthly Statistical & Fee Report
Fiscal Year _____

Airline Name
Month

Commuter Operating Area

Number of Enplaning Passengers

* Number of Deplaning Passengers

Total Passengers

Fee Per Passenger

COMMUTER OPERATING AREA USAGE FEE

\$ _____

* Note: Deplaning passengers are calculated by taking the total number of arriving passengers and subtracting those (if any) that deplaned at the FIS facility and which are accounted for on page 4 of this report.

**Monthly Statistical & Fee Report
Palm Beach International Airport
Fiscal Year _____**

Airline Name: _____
Month: _____
PBIA Customer #: _____

<u>Gate</u>	<u>Individual Gate Use</u>
	Number of Aircraft {Parking at Gate} Fee Per Parking _____
	Number of Aircraft {Parking at Gate} Fee Per Parking _____
	Number of Aircraft {Parking at Gate} Fee Per Parking _____
	Number of Aircraft {Parking at Gate} Fee Per Parking _____

GATE FEES: _____

<u>Gate</u>	<u>Overnight Gate Parking</u>
	Number of Aircraft {Overnight Parking at Gate} Fee Per Parking _____
	Number of Aircraft {Overnight Parking at Gate} Fee Per Parking _____
	Number of Aircraft {Overnight Parking at Gate} Fee Per Parking _____
	Number of Aircraft {Overnight Parking at Gate} Fee Per Parking _____

GATE FEES: _____

<u>Overnight Remote Parking</u>
Number of Aircraft {Overnight Remote Parking at Ramp} Fee Per Parking _____

REMOTE FEES: _____

TOTAL FEES:

EXHIBIT "B"
to the Airline-Airport Use and Lease Agreement
Palm Beach International Airport
Leasehold
EXCLUSIVE & PREFERENTIAL USE PREMISES (Terminal Areas)

Page 1 of 3
Dated: as of _____

EXHIBIT "B"
to the Airline-Airport Use and Lease Agreement
Palm Beach International Airport
Leasehold
EXCLUSIVE & PREFERENTIAL USE PREMISES (Terminal Areas)

Page 2 of 3

Dated: as of _____

EXHIBIT "B"
to the Airline-Airport Use and Lease Agreement
Palm Beach International Airport
Leasehold
EXCLUSIVE & PREFERENTIAL USE PREMISES (Terminal Areas)

Page 3 of 3
Dated: as of _____

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

RESPONSIBILITY OF COUNTY AND AIRLINE FOR
MAINTENANCE AND OPERATION OF AIRPORT

Page 1 of 2
Dated: as of _____

A - Airline
C - County

	EXCLUSIVE AIRLINE USE						JOINT AIRLINE USE				AIRLINE PREFERENTIAL USE	
	Ticket Counters	Ticket Offices	V.I. P. Rooms	Bag Make-up	Operations Areas	Commuter Operating Area	Baggage Claim	Concourse Areas	Tug Drives	Unenclosed ⁸ Areas	Hold Rooms	Aircraft Parking Aprons
1. Air Conditioning												
a. Maintenance	C	C	C	N/A	C	C	C	C	N/A	N/A	C	N/A
b. Operation	C	C	C	N/A	C	C	C	C	N/A	N/A	C	N/A
c. Chilled Air Dist.	C	C	C	N/A	C	C	C	C	N/A	N/A	C	N/A
2. Heating												
a. Maintenance	C	C	C	N/A	C	C	C	C	N/A	N/A	C	N/A
b. Operation	C	C	C	N/A	C	C	C	C	N/A	N/A	C	N/A
c. Warm Air Dist.	C	C	C	N/A	C	C	C	C	N/A	N/A	C	N/A
3. Lighting												
a. Bulb & Tube Repl.	C	A	A	A	A	C	C	C	C	C	C	C
b. Maintenance	C	A	A	A	A	C	C	C	C	C	C	C
4. Electrical Maint. ⁶	C	C	C	C	C	C	C	C	C	C	C	C
5. Water - Maint.												
a. Distribution	N/A	C	C	N/A	C	C	C	C	C	C	C	C
b. Fixtures	N/A	A	A	N/A	A	C	C	C	C	C	C	C

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

**RESPONSIBILITY OF COUNTY AND AIRLINE FOR
MAINTENANCE AND OPERATION OF AIRPORT**

Page 2 of 2
Dated: as of _____

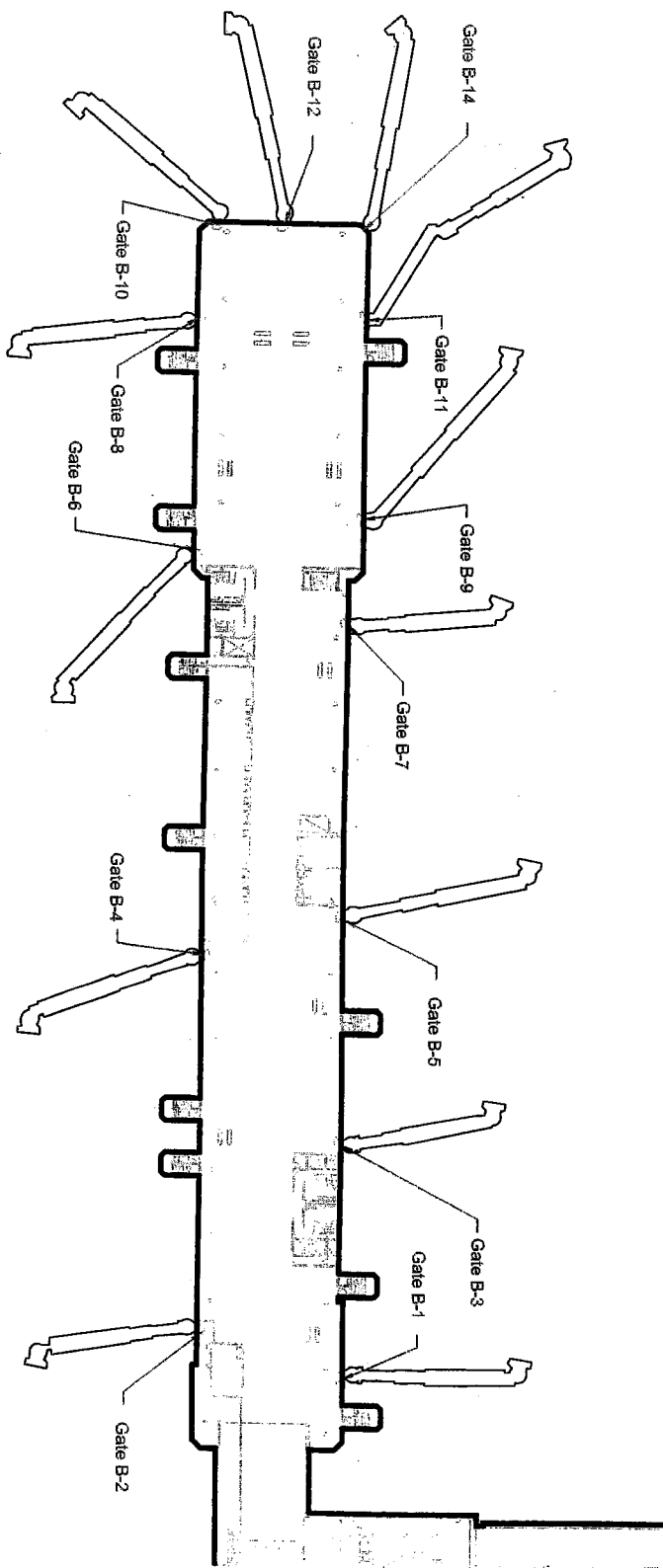
A - Airline
C - County

	EXCLUSIVE AIRLINE USE					JOINT AIRLINE USE					AIRLINE PREFERENTIAL USE	
	Ticket Counters	Ticket Offices	V.I. P. Rooms	Bag Make-up	Operations Areas	Commuter Operating Area	Baggage Claim	Concourse Areas	Tug Drives	Unenclosed ⁸ Areas	Hold Rooms	Aircraft Parking Aprons
6. Sewage & Plumbing												
a. Distribution	N/A	C	C	N/A	C	C	C	C	C	C	N/A	C
b. Fixtures	N/A	A	A	N/A	A	C	C	C	C	C	N/A	C
7. Maintenance												
a. Other than Struct.	A	A	A	A	A	C	C	C	C	A	C	N/A
b. Structure	C	C	C	C	C	C	C	C	C	C	C	C ⁵
c. Exterior	N/A	N/A	C	C	C	C	C	C	C	C	C	N/A
8. Public Address Sys.	C	N/A	N/A	N/A	N/A	C	C	C	N/A	N/A	C	N/A
9. Custodial Service	A	A	A	A	A	C	C	C	C	A	C	A
10. Window Cleaning												
a. Exterior	N/A	N/A	C	N/A	A	C	C	C	C	N/A	C	N/A
b. Interior	A	A	A	N/A	A	C	C	C	C	N/A	C	N/A

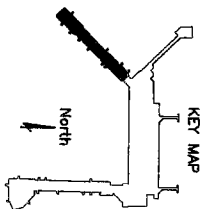
NOTE: All areas not part of AIRLINE's Airline Premises shall be COUNTY's responsibility.

EXHIBIT "D"
to the Airline-Airport Use and Lease Agreement
Palm Beach International Airport
PREFERENTIAL USE PREMISES (Aircraft Parking Apron)

Page 1 of 2
Dated: as of _____



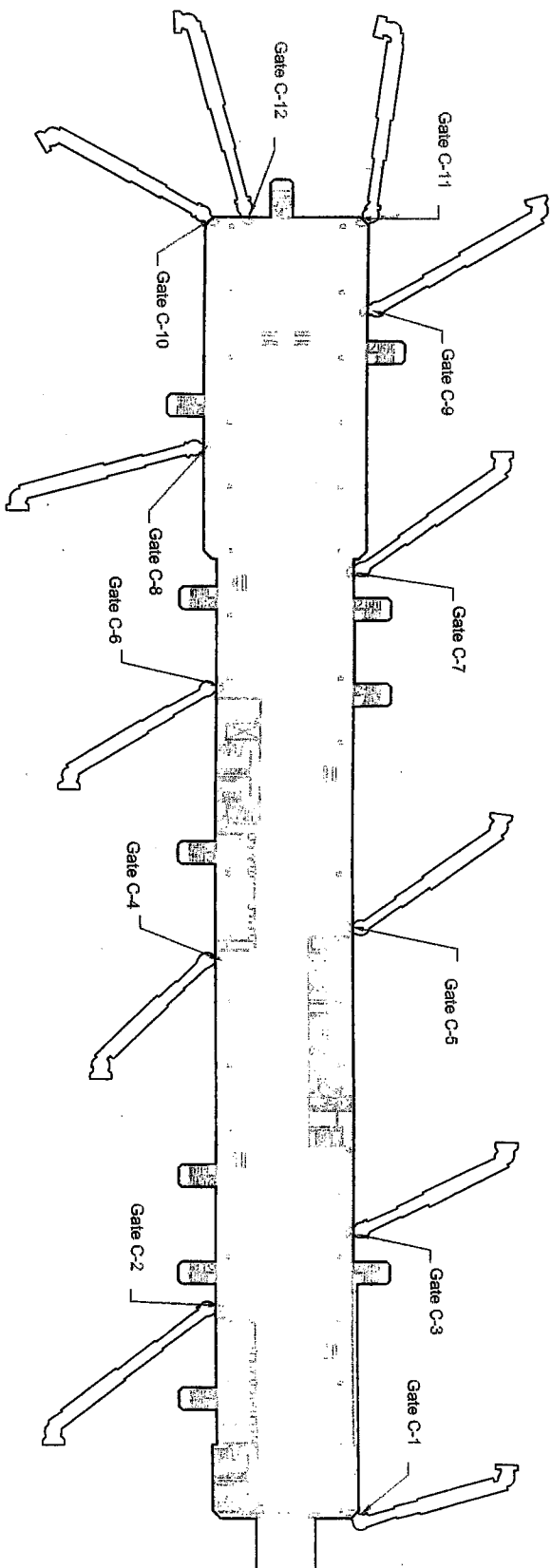
Palm Beach International Airport



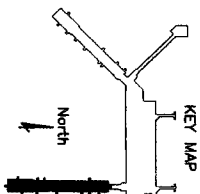
Source: Palm Beach County Department of Airports, April 2006
Prepared by: Ricondo & Associates, Inc., April 2006

Concourse B
Gate Designation

EXHIBIT "D"
to the Airline-Airport Use and Lease Agreement
Palm Beach International Airport
PREFERENTIAL USE PREMISES (Aircraft Parking Apron)
Page 2 of 2
Dated: as of _____



Palm Beach International Airport



Source: Palm Beach County Department of Airports, April 2006
Prepared by: Ricordo & Associates, Inc., April 2006

**Existing Concourse C
Gate Designation**

EXHIBIT "E"
to the Airline-Airport Use
and Lease Agreement for
Palm Beach International Airport
RATE and FEE SCHEDULE
for the period of
October 1, 2006
Through September 30, 2007

1. Average Terminal Rental Rate and Landing Fee Rate. This Exhibit sets forth the method to be used in calculating the average Terminal rental rate and Landing Fee Rate for each rate setting period (generally each Fiscal Year). Average terminal rates shall be calculated by determining the Net Requirement divided by the total amount of budgeted Signatory Airline space for the rate setting period. Landing Fees shall be determined by the Net Requirement divided by the budgeted Maximum Gross Landed Weight for all Signatory Airlines for the rate setting 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 identified above shall be determined by the Department on an annual basis. The space totals identified on Attachment 5 of this Exhibit are for the period of October 1, 2006 through December 30, 2007. On or about each July 1, the Department shall provide the Signatory Airlines with a Summary of Terminal Areas and Aircraft Parking Apron in substantially the form set forth in Attachment 5.

C. Using the space totals from the Summary of Terminal Areas and Aircraft Parking Apron, 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 space. Rates for Types 2 through 5 space shall then be determined by multiplying the Type 1 rate by the relative factors for each type of space.

D. The total rentals for the Joint Use Premises (baggage claim, common use concourse areas (walkways and corridors), and tug drive) will be calculated as the product of the appropriate differential Terminal rental rate for the period multiplied by the square footage area. Each Scheduled Air Carrier's share of rentals due for the Joint Use Premises shall be determined by using a two tier calculation whereby 10% of the total cost is charged equally among Scheduled Carriers and 90% of the cost is allocated among the Scheduled Air Carriers based on their relative share of passenger volume. The appropriate passenger volume for each category of the Joint Use Premises shall be as follows:

- (1) Baggage Claim: Deplaned Passengers
- (2) Concourse: Total Passengers (Deplaned Passengers plus Enplaned Passengers)
- (3) Tug Drive: Enplaned Passengers

The Department reserves the right to exempt minor Scheduled Air Carriers from the standard Joint Use Premises calculations set forth above if the minor Scheduled Air Carrier's passenger volume is expected to be less than one half of one percent. The Department will assess a minor carrier a fee that approximates the Signatory Airlines average cost per passenger.

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

RATE and FEE SCHEDULE
for the period of
October 1, 2006
Through September 30, 2007

3. Aircraft Parking Apron Rate. The Aircraft Parking Apron rate shall be equal to ten percent (10%) of the Landing Fees Total Requirement, reduced by the estimated apron component from per use fees divided by the number of lineal feet of apron licensed for use by the Signatory Airlines.
4. Terminal Equipment Charges.
- A. Charges for Terminal equipment shall be based upon Debt Service and Operating and Maintenance Expenses incurred and payable by COUNTY using the budgeted costs for the rate setting period, and allocable to each item or system.
1. Debt Service and Operation and Maintenance Expenses for all loading bridges, 400 hertz, cabin air conditioning, and holdroom furnishings shall be calculated and combined; the resulting sum of such costs in each period using the budgeted costs for the rate setting period, shall then be divided by the number of loading bridges to determine the charge per loading bridge for the period. Charges for utilities shall be separately metered and charged, where practical.
2. Debt Service Capital and Operation and Maintenance Expenses for the; (a) baggage make-up conveyors and devices (COUNTY-maintained) and (b) baggage claim conveyors and devices (COUNTY-maintained) shall be calculated and charged in accordance with paragraphs (a) and (b) below. Costs shall be disclosed on a per square foot basis.
- (a) Baggage Makeup conveyors and devices. Each Scheduled Air Carrier shall pay for its relative share of costs (including Debt Service and O & M) of their assigned baggage make up conveyors and devices. The relative share of costs shall be determined by the total number of the Scheduled Air Carrier's ticket counter positions divided by total ticket counter positions served by the baggage make up system used by the Scheduled Air Carrier. The relative share percentage is multiplied times the total cost of operating the assigned baggage makeup conveyor/device to determine each Scheduled Air Carrier's prorated cost.
- (b) Baggage claim conveyors and devices. Each Scheduled Air Carrier shall pay its relative share of costs (including Debt Service and Operations and Maintenance Expenses) of the baggage claim system. The relative share of costs shall be calculated using a two tier cost formula where 10% of baggage claim costs will be allocated among the Scheduled Air Carriers and 90% of baggage claim costs will be allocated using the individual Scheduled Air Carrier's share of Deplaned Passengers.
- The Department reserves the right to exempt minor Scheduled Air Carriers from standard two tier 10%/90% calculations set forth above if the minor Schedule Air Carrier's passenger volume is expected to be less than one half of one percent. The Department will charge the minor carrier a fee that approximates the Signatory Airlines' average cost per passenger.
5. Commuter Operating Charge. Any Air Transportation Company using the Commuter Operating Area will be assessed a fee based on Total Passengers (Enplaned Passengers plus Deplaned Passengers), as established by the Department. The Commuter Operating Charge will be established to maximize revenues while maintaining a reasonable cost per passenger for commuter operations. The Commuter Operating Charge covers the use of the Commuter Operating Area, including gate, holdroom seating, and concourse areas in Concourse A and the Commuter Apron. Air Transportation Companies using the Commuter Operating Area will not be assessed the Joint Use Premises fee described in Section 2.D. above or the Aircraft Parking Apron Rate described in Section 3 of this Exhibit.
6. 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 international Deplaned Passengers using the Air Carrier FIS Facility during the period.
7. Per Use Gate Charge. The Per Use Gate Charge for each use of non-assigned gate facilities shall be based on the cost (including Operation and Maintenance Expenses and Debt Service) of loading bridge, aircraft support systems, holdroom furnishings, holdroom area, and parking apron using the budgeted costs for the rate setting period. The Per Use Gate Charge shall be calculated by dividing the cost by an assumed usage of 2.5 times per day. An electric surcharge shall be payable as determined by the Department and may be changed annually.
8. Overnight Aircraft Fee. Storage of an aircraft overnight at a Department passenger loading bridge will be assessed an Overnight Aircraft Fee in addition to any Per Use Gate Charges. Overnight storage at any other designated ramp/apron location will also be charged an Overnight Aircraft Fee. For purposes of this Exhibit, "overnight" generally means a period between the hours of 10 pm and 6 am (not exceeding an 8 hour duration). The Department may waive the Overnight Aircraft Storage Fee if an Air Transportation Company is required to relocate within this time period to accommodate another Air Transportation Company, or for

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Company, or for any other valid reason. The Department also may allow park an aircraft in excess of 8 hours without incurring additional Per Use Gate Charges if no other Air Transportation Company wishes to use the gate.

9. Non-Signatory Charges. Non-Signatory Airlines shall be charged an additional 10% fee on all rates and charges, excluding reimbursable items such as utility assessments. To be considered a Signatory Airline, an Air Transportation Company must: (i) execute an Airport Use and Lease Agreement, with COUNTY and satisfy all applicable requirements including, but not limited to insurance and bonding, and must maintain a minimum Airline Premises consisting of ticket counter, office space and one gate; or (ii) be an all-cargo Air Transportation Company that guarantees a minimum of 50,000 annual units of Maximum Gross Landed Weight per each 1 year period and leases facilities from COUNTY on the Airport pursuant to an agreement for a total term of not less than 5 years. Notwithstanding the foregoing, an Air Transportation Company that solely operates from the Commuter Operating Area is not required to obtain a preferential license to use a gate to be considered a Signatory Airline.

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10. Statement of Rates for the Current Rate-Setting Period, October 1, 2006 through September 30, 2007:

A. Terminal Rental Rates for Signatory Airlines:

<u>Type of Space</u>	<u>Location/Function</u>	<u>Rate Per Square Foot</u>
1	Ticket Counter	\$76.18
2	Ticket Offices and Upper Level Offices; V.I.P. Rooms; Hold Rooms	\$68.56
3	Bag Claim; Concourse Areas	\$60.94
4	Bag Make-up; Curbside Offices, Operation Areas including Baggage Service Offices; Commuter Operating Area	\$53.33
5	Tug Drives	\$19.04

These rates are based upon an average Terminal rental rate of \$57.51 per square foot.

B. Landing Fee Rate for Signatory Airlines: \$1.108 per 1,000 pounds of Maximum Gross Landing Weight.

C. Aircraft Parking Apron Rate: \$251.17 per lineal foot.

D. Terminal Equipment Charges:

(1) Loading Bridges, support systems, and furnishings: \$66,248.75 per gate, plus utility charges.

(2) Equipment/Furnishings Surcharges
 Baggage Make-up Conveyors/Devices \$ 13.08 per square foot
 Baggage Claim Conveyors/Devices \$ 4.79 per square foot

Terminal Equipment Charges do not include cost for non-routine maintenance. Non-routine maintenance will be invoiced on an individual basis based upon specific work performed.

E. Commuter Operating Charge: \$2.00 per each passenger (Enplaned Passengers plus Deplaned Passengers) using the Commuter Operating Area.

F. Federal Inspection Services (FIS) Facility Rate. \$2.13 per international Deplaned Passenger requiring FIS processing.

G. Per Use Gate Charge: \$276 per 90 minute use, or any portion thereof, plus \$25 for electric surcharge. Overnight parking of aircraft will be assessed a separate Overnight Aircraft Fee of \$200 for overnight gate use or \$125 for overnight hardstand storage.

***Non-Signatory Airlines shall pay 110% of the rates set forth above .**

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NOTES TO EXHIBIT E

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 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 below.
3. Direct and Indirect Debt Service: 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. For the purposes of this Agreement, annual debt service costs for the Series 2001, Series 2002, and Series 2006B shall be allocated as follows:

a. Airside	9.71%
b. Terminal	48.24%
c. Ground Transportation	22.28%
d. Other	9.90%
e. Tenant Equipment	9.87%

Annual debt service costs for Series 2006A shall be allocated 100% to the ground transportation cost center.

Indirect Debt Service shall be distributed in accordance with the procedures set forth in Section C below for the distribution of Indirect Operation and Maintenance Expenses.

4. Debt Service 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. Debt Service 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. 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 Debt Service, Debt Service Coverage, Debt Service Reserve Requirement, Operation and Maintenance Reserve Retention and Amortization Charges properly attributable to the Air Carrier FIS Facility located in the Terminal.

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9. 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 is twenty-five percent (25%) of airline catering revenues, one hundred percent (100%) of the holdroom component of the gate per use fees, one hundred percent (100%) of Commuter Operating Area revenues, and one hundred percent (100%) of Air Carrier FIS Facility Revenues.
10. 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.
11. Settlement: The Department will calculate the difference between budgeted Operations and Maintenance Expenses and actual Operations and Maintenance Expenses for Terminal and Airfield cost centers, including the aircraft parking apron. Terminal and Airfield differences will be disclosed to the Signatory Airlines by March 31 of each year, allocated to each Signatory Airline based on each Signatory Airline's Airline Premises and landed weight, respectively. On or about each July 1 of each year, the Department will issue invoices to the Signatory Airlines for amounts due to COUNTY or payments to each Signatory Airlines for amounts due to the Signatory Airline. In the event an individual Signatory Airline's settlement results in an invoice from COUNTY, which exceeds 5% of annual fees and charges actually paid by the Signatory Airline for the preceding period, COUNTY will invoice the Signatory Airline for amounts due in two equal monthly installments.
12. Transfers. Amounts credited to the Transfer Account, as determined in accordance with Attachment 4, shall be credited against the Terminal rentals and landing fees requirements.
13. Average Terminal Rental Rate. Terminal rentals Net Requirement shall be divided by rentable Terminal area to calculate the required Average Terminal Rental Rate.
14. 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.
15. Renewal and Replacement Allowance: Renewal and replacement expenditures shall be shown as a deduction from Transfers pursuant to the following schedule:
- 2007: \$1,600,000
2008: \$1,680,000
2009: \$1,764,000
2010: \$1,852,200
2011: \$1,944,810
16. Total Requirement. Total Requirement shall mean the sum of the following components: Direct Operation and Maintenance Expenses, Direct and Indirect Debt Service, Debt Service Coverage, Debt Service Reserve Requirement, Operation and Maintenance Reserve Retention, and Amortization Charges for capital projects. The Total Requirement will be applicable to Terminal and Airfield cost centers.
17. Adjusted Requirement. Adjusted Requirement shall mean the Total Requirement less Applicable Direct Revenues for the Terminal cost center. The Adjusted Requirement for the Airfield cost center shall mean the Total Requirement less applicable Direct Revenue and 10% of the Total Requirement.
18. Net Requirement. Net Requirement shall mean the Adjusted Requirement less Transfers. In the case of the Terminal cost center, the Adjusted Requirement shall be further reduced to equal the Signatory Airline share only.
19. Transfers. Transfers represent the revenue sharing component of the rate calculations that will be credited against the Terminal and Airfield cost centers for purposes of determining Terminal rental rates and Landing Fees. Using the budgeted totals for the Airport System for the upcoming rate setting period, Transfers shall be calculated by adding the Total Operating Revenues plus Transfers calculated for the preceding Fiscal Year, less: Total Operating and Maintenance Expenses, the required increase in Operation and Maintenance Reserve, Debt Service, Debt Service Reserve, Amortization Charges, Renewal and Replacement [Allowance and Subordinated Debt Service payments. Fifty percent of the Transfer amount (the "Credit") shall be credited to the Signatory Airlines' rates and charges for the upcoming rate setting period as follows: Tenant Equipment Coverage (equal to 25% of the budgeted Tenant Equipment Debt Service), Terminal rentals (equal to 80% of the Credit after deducting Tenant Equipment Coverage) and Landing Fees (equal to 20% of the Credit after deducting Tenant Equipment Coverage).

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- 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 at PBIA.
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 North Palm Beach County General Aviation Airport.
Terminal Equipment	All equipment and furnishings including loading bridges, preconditioned air, 400 HTZ, baggage systems, and holdroom furnishings.

INDIRECT COST CENTERS

Administration/Indirect Operations/Medic	Functions and activities associated with the general Airport Systems administration, certain Indirect Operation, and Medic services.
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. Medic Services costs shall be allocated separately using the administrative cost center allocation methodology.

- 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. For the purposes of this allocation, Administration will include any indirect costs for Operations as well as Medic operations within the Crash/Fire/Rescue cost center.

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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 Operations (also known as Aircraft Rescue and Fire Fighter Operations) 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%

The above allocation listed in C.3. will not include costs associated with Medic operations. These costs will be allocated using the Administration methodology explained in C.1. above.

*Note terms not defined in this Exhibit shall have the meanings ascribed to them in the Agreement.

**Notwithstanding any provision of this Exhibit to the contrary, including use of the term "rentals", AIRLINE acknowledges that the Preferential Use and Joint Use Premises areas of the Airport are licensed for use by Air Transportation Companies at the Airport as opposed to leased. Nothing herein shall be deemed to grant AIRLINE a leasehold interest in such areas.

Attachment to Exhibit "E"
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Rate and Fee Schedule
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Summary of Rate Calculation

	<u>Terminal Rents</u>	<u>Landing Fees</u>
1. Direct Operation and Maintenance	12,157,078	1,668,342
2. Indirect Operation and Maintenance Expense	3,841,944	4,428,327
TOTAL OPERATION AND MAINTENANCE EXPENSE	15,999,022	6,096,669
3. Direct and Indirect Debt Service Charges	5,727,885	1,152,939
4. Debt Service Coverage	1,431,971	288,235
5. Debt Service Reserve Requirement	0	0
6. O & M Reserve Retention	359,686	58,862
7. Amortization Charges for capital projects	943,822	84,018
8 TOTAL REQUIREMENT	24,462,387	7,680,722
LESS:		
9 Ten percent (10%) of Landing Fees Total Requirement (recovered by Aircraft Parking Apron Rate)	-	768,072
10 Applicable Direct Revenue and Reimbursements, as follows:		
a. Airline Catering (25% of total)	45,000	45,000
b. Non-signatory landing fees	-	105,916
c. Airfield Services	-	50,000
d. Aviation fueling	-	900,000
e. Per Use Gate Fee, holdroom component	280,059	-
f. Commuter Concourse Revenue	200,344	-
g. Air Carrier FIS Facility	40,000	-
11 Adjusted Requirement	23,896,984	5,811,734
12 Total Rentable terminal area	329,683	-
13 Average Terminal Rent before Transfers	72.48	-
14 Signatory Airlines Leased Square Footage	234,842	-
15 Adjusted Requirement	17,022,471	-
16 Less Transfers (Revenue Sharing)	3,889,062	972,265
17 Net Requirement	13,133,410	4,839,469
18 Signatory Airlines Leased Square Footage	234,842	-
19 Signatory Landed Weight (1,000 pounds)	-	4,369,593
20 Signatory TerminalRate/Landing Fee	55.92	1.108
21 Non-signatory Terminal Rate/Landing Fee	61.52	1.218
Differential Terminal Rates	Signatory	Non-signatory
Type 1	74.17	81.59
Type 2	66.75	73.43
Type 3	59.34	65.27
Type 4	51.92	57.11
Type 5	18.54	20.40

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Detail of Revenues

	FY 2005 Audited	FY 2006 Re-Estimated	FY 2007 Budgeted
AIRSIDE			
Sig. Airline Landing Fees	5,100,504	4,800,000	4,839,469
Non-sig. Airline landing fees	114,222	114,000	105,916
Apron fees	982,334	700,000	768,072
Airfield services	58,065	50,000	50,000
Aviation Fueling	835,747	900,000	900,000
Miscellaneous Revenues	280,503	493,586	506,000
Sub-Total	7,371,375	7,057,586	7,169,457
TERMINAL			
Airline Terminal Rental	13,828,338	12,350,000	13,133,410
Car Rental Terminal Rents	221,820	195,000	195,000
Food and Beverage Concessions	1,596,433	1,700,000	1,750,000
News and Gift Concessions	2,113,317	2,150,000	2,200,000
Other Concessions	436,770	441,500	440,000
Tenant Equipment Charges	2,277,482	2,300,000	2,400,000
FAR 107/108 Reimbursements	492,482	500,000	0
Commuter Fees			200,000
Non-airline Rents and Misc.	417,988	408,500	411,500
Sub-Total	21,384,630	20,045,000	20,729,910
Terminal F.I.S.	40,116	40,000	40,000
GROUND TRANSPORTATION			
Automobile parking	14,718,885	16,000,000	18,200,000
Ground Rental	558,019	565,000	565,000
On-airport car rental	10,373,459	10,700,000	10,850,000
Off-airport car rental	84,644	88,000	88,000
Taxi/Limo	226,636	230,000	235,000
Miscellaneous Revenues	106,317	60,000	60,000
Sub-Total	26,067,960	27,643,000	29,998,000
AVIATION SERVICES			
Building Rentals	398,978	398,000	398,000
Ground Rentals	1,029,230	1,200,000	1,200,000
Airline Catering	190,514	180,000	180,000
Aircraft Parking	67,933	0	0
Miscellaneous Revenues	79,964	80,300	80,300
Sub-Total	1,766,619	1,858,300	1,858,300
Air Cargo Facility	227,276	225,500	225,500
NON-AVIATION SERVICES			
Building Rentals	1,232,445	1,048,600	750,000
Ground Rentals	(78,701)	120,000	120,000
Miscellaneous Revenues	5,229	5,200	5,200
Sub-Total	1,158,973	1,173,800	875,200
Non-Aviation: Section 6	1,172,029	1,171,500	1,171,500
LANTANA AIRPORT	111,483	115,500	115,500
GLADES AIRPORT	7,493	8,000	8,000
NORTH COUNTY AIRPORT	1,005,356	1,049,000	1,067,000
ADMINISTRATION	1,926,371	1,876,000	1,576,000
Other	47,107	51,900	46,200
TOTAL	62,286,788	62,315,086	64,880,567

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Detail of Operation and Maintenance
Expense and Debt Service

	FY 2005 Audited	FY 2006 Re-Estimated	FY 2007 Budgeted
DIRECT EXPENSES			
Airside	1,350,774	1,524,194	1,668,342
Terminal	9,498,805	10,271,985	12,157,078
Ground Transportation	6,644,419	7,570,704	7,965,224
Aviation	1,025,589	1,168,019	1,276,244
Non-Aviation	508,197	625,206	709,629
GA FIS Facility	38,134	35,616	37,617
Terminal FIS Facility	128,550	155,348	171,662
Lantana Airport	283,590	366,480	392,297
Glades Airport	461,590	518,457	548,722
North County Airport	950,664	1,102,928	1,183,893
Air Cargo Building	86,441	118,848	121,473
Tenant Equipment	925,583	1,092,995	1,045,783
Sub-Total	21,902,337	24,550,780	27,277,966
INDIRECT EXPENSES			
Admin and Ops	6,397,555	6,394,570	7,003,317
Maintenance	2,945,541	3,157,017	3,314,797
Fire Department	5,778,078	5,752,233	6,039,144
Sub-Total	15,121,174	15,303,820	16,357,258
TOTAL EXPENSES	37,023,511	39,854,600	43,635,224
Debt Service-Total			
Airside	1,471,103	1,160,013	1,152,939
Terminal	7,308,547	5,763,031	5,727,885
Ground Transportation	3,375,506	3,934,132	6,063,946
Other	1,499,888	1,182,712	1,175,499
Tenant Equipment	1,495,343	1,179,128	1,171,937
Total Debt Service	15,150,387	13,219,015	15,292,206
Debt Service-signatory Airlines			
Airside	1,471,103	1,160,013	1,152,939
Terminal	7,308,547	5,763,031	5,727,885
Tenant Equipment	1,495,343	1,179,128	1,171,937
Total Debt Service-signatory Airlines	10,274,992	8,102,171	8,052,761

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Deposit to the Transfers Account

	<u>Budgeted FY 2007</u>
Revenues	64,880,567
Prior Year Transfer Carryforward	5,156,109
	<u>70,036,675</u>
LESS:	
O & M Expense	43,635,224
O & M Reserve	630,104
Debt Service	15,292,206
Debt Service Reserve	0
Amortization Charges	1,027,840
R & R Allowance	1,600,000
Subordinated Debt payments	1,250,000
Funds Remaining	<u>6,601,302</u>
Credit to Airlines	3,300,651
Detail of Transfers Account	
Tenant Equipment (Coverage)	292,984
Terminal Rentals	2,406,133
Landing Fees	<u>601,533</u>
Total Transfers	<u><u>3,300,651</u></u>

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Budgeted Terminal Space summary for FY 2007
Dated as of: July 1, 2006

Type of Space	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 Sq. Ft.	Bag Svce Office Sq. Ft.	Operations Area Sq. Ft.	Commuter Operating Area Sq. Ft.	Tug Drive Sq. Ft.	Airline Total Sq. Ft.	Non-Airline Sq. Ft.	Total Sq. Ft.
	(1)*[1]	(2)*[1]	(2)*[1]	(2)**[1]	(3)**[1]	(3)**[1]	(4)*[2]	(4)*[1]	(4)*[1]	(4)*[1]	n/a	(5)**[2]			
AirTran	462.00	879.2		2,714.98			763.4	89.36	0	100.59			5,009.53		5,009.53
American	576.18	1,089.89		2,714.98			1,145.10	90.64	357.00	1,809.59			7,783.38		7,783.38
Continental	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	2,148.00	4,049.24	4,619.00	9,924.73			5,326.36	192.00	805.76	18,002.54			45,067.63		45,067.63
Independence													0.00		0.00
jetBlue	867.49	867.49		2,970.18			2,850.00	192.00	223.24	4,699.22			12,669.62		12,669.62
Northwest	711.26	649.77		2,478.84			1,781.25	93.28	345.63	1,900.00			7,960.03		7,960.03
Southwest	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	665.00	1,554.04		2,714.98			2,078.13	96.00	179.43	450.21			7,737.79		7,737.79
USAirways	1,331.00	2,580.51		4,167.40			4,156.25	280.00	532.75	4,967.31			18,015.22		18,015.22
Unassigned	2,077.57	4,789.53	3,878.96	16,564.66			5,180.70	101.36	0.00	7,095.28			39,688.06		39,688.06
Space Sub-Total	11,346.50	20,643.93	8,497.96	53,486.60			29,109.36	1,369.28	3,385.89	46,118.60			173,958.12		173,958.12
Joint Use Space					30,557.68	38,517.73					4,797.73	26,698.74	100,571.88		100,571.88
Airline Total Space	11,346.50	20,643.93	8,497.96	53,486.60	30,557.68	38,517.73	29,109.36	1,369.28	3,385.89	46,118.60	4,797.73	26,698.74	274,530.00		274,530.00
Concessions/TSA Space														51,772.80	51,772.80
County-Gate B-2				3,379.89										3,379.89	3,379.89
Sub-Total Rentable	11,346.50	20,643.93	8,497.96	56,866.49	30,557.68	38,517.73	29,109.36	1,369.28	3,385.89	46,118.60	4,797.73	26,698.74	274,530.00	55,152.69	329,682.69
Unenclosed Areas														22,876.00	22,876.00
FIS Space														28,170.30	28,170.30
Public Areas														126,376.57	126,376.57
Administration Areas														21,813.23	21,813.23
Mechanical/Utility														45,614.50	45,614.50
Sub-Total Non-rentable														244,850.60	171,991.07
Total Terminal Area	11,346.50	20,643.93	8,497.96	56,866.49	30,557.68	38,517.73	29,109.36	1,369.28					274,530.00	300,003.29	574,533.29

Notes

1. Numbers in parentheses designate type of space for rate setting, see Exhibit E
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.

Attachment to Exhibit "E"
to the Airline-Airport Use and Lease Agreement
Palm Beach County-Department of Airports
Rate and Fee Schedule
for the period October 1, 2006 through September 30, 2007

Budget Summary of Gates and Aircraft Parking Apron
Dated as of: July 1, 2006

	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			1	C-11	1	175
Continental			2	B-4,6	2	350
Delta			4	C-1,2,3,4	4	700
Independence						0
jetBlue	2	B-8,10			2	250
Northwest			1	B-14	1	175
Southwest	2	B-3,5			2	250
United			1	C-10	1	175
USAirways	2	B-7,9	1	B-11	3	425
County			1	B-2	1	175
Unassigned	3	B-1,12, C-8	4	C-5,7,9,12	7	1,075
Sub-Total	9		16		25	3,925
Commuter Apron						660
Total Apron						4,585

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.