



**NORTH COUNTY GENERAL AVIATION AIRPORT  
HANGAR LEASE AGREEMENT**

This Lease, is made and entered into this JUN 14 2007 day of \_\_\_\_\_ 2007, (the "Effective Date") by and between Palm Beach County, a political subdivision of the state of Florida (the "COUNTY"), and Paul Boritzer, whose address is 100 Sunrise Avenue, Apartment 509, Palm Beach, Florida, 33480. ("LESSEE").

**WITNESSETH**

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

**WHEREAS**, COUNTY has certain property at the Airport which is available for lease; and

**WHEREAS**, LESSEE has indicated willingness and demonstrated the ability to lease the Airport property in accordance with the terms and conditions of this Lease.

**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 hereto expressly acknowledge, the parties hereto covenant and agree to the following terms and conditions.

1. Term. The term of this Lease shall be for a period of one (1) year commencing upon the 1<sup>st</sup> day of June, 2007 (the "Commencement Date") and terminating on the 31st day of May, 2008. This Lease shall be automatically renewed at one (1) year intervals thereafter; provided, however, either party may elect to not renew this Lease upon providing no less than thirty (30) days advance written notice to the other party prior to the expiration of the then current term.

2. Premises. COUNTY hereby leases to LESSEE and LESSEE hereby rents from COUNTY that certain hangar identified as unit number 7, Building 11730, containing a total of 1,399 square feet, located at the Airport, all as more particularly described on Exhibit "A", dated August 1, 2003, attached hereto and made a part hereof (the "Premises").

3. Rental. LESSEE shall pay COUNTY as the initial annual rental for the Premises, the sum of Six Thousand Three Hundred Dollars (\$6,300.00), payable in equal monthly installments of Five Hundred Twenty Five Dollars (\$525.00), plus any applicable taxes as may be required by law. Payment of rental by LESSEE to County shall commence on the Commencement Date. Rental shall be payable in advance, without demand and without any deduction, hold back or set off whatsoever, on or before the first day of each and every month throughout the term of this Lease, as adjusted in accordance with the provisions of Section 5 below. If the Commencement Date occurs on a day other than the first day of a month, LESSEE shall pay rent from the Commencement Date to the first day of the following month on a per diem basis [calculated on the basis of a thirty (30) day month], payable in advance on the Commencement Date. Any rent payment due hereunder for any other fractional month shall likewise be calculated and paid on such a per diem basis. Rental payable for each month during any renewal term shall be the monthly rental in effect for the prior year, as adjusted in accordance with the provisions of Section 5 below. Rental shall be made payable to Palm Beach County Board of Commissioners and shall be mailed or hand delivered to the following address:

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

COUNTY may, at any time, elect to hire, utilize, or select an agent(s) to administer this Lease and to collect rent payments on behalf of COUNTY and the Department. COUNTY will provide thirty (30) days written notice to LESSEE prior to any change in payment procedure or the payment addresses. COUNTY may offer alternative methods of payment, including, but not limited to, payment by debit card, credit card, or similar method of payment. If LESSEE selects an alternative method of payment, LESSEE agrees to abide by any terms and conditions promulgated by COUNTY in connection with the abovementioned method of payment. Interest at the rate established from time-to-time by the COUNTY (currently set at one and one-half percent [1-1/2%] per month not to exceed eighteen percent (18%) per annum) shall accrue against the delinquent payment(s) from date due until the date payment is received by the Department. Notwithstanding the foregoing, COUNTY shall not be prevented from terminating this Lease for default in the payment of rentals or from enforcing any other provisions contained herein or implied by law.

4. Payment of Taxes. LESSEE shall pay any and all taxes and other costs lawfully assessed against its leasehold interest in the Premises, its improvements and its operations under this Lease. LESSEE 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 LESSEE'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, LESSEE 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.

5. Adjustment of Rent. The amount of rentals due hereunder may be adjusted from time-to-time by the COUNTY. In such event, LESSEE shall be provided at least ninety (90) days advance written notice prior to the commencement of any new rental rate. Notwithstanding anything to the contrary contained in this Lease, the rental rate shall be maintained at all times to ensure compliance with the provisions Section 710 (rate covenant) of the Palm Beach County Airport System Revenue Bond Resolution, dated April 3, 1984, as amended, and supplemented (the "Bond Resolution"), which is hereby incorporated by reference and made a part hereof.

6. Security Deposit. LESSEE shall pay to COUNTY, prior to the Commencement Date of this Lease, a refundable security deposit, in the form of a certified or cashier's check, in an amount equal to three (3) months rental due hereunder. The security deposit shall be held by the Department and will be refunded to LESSEE upon termination of this Lease provided that LESSEE is not in default of any of the provisions of this Lease; the Premises are left in good and serviceable condition, to be determined in the sole discretion of the Department; all rentals, fees, and taxes due are paid in full by LESSEE; and LESSEE has returned the Airport access card key to the Department. If there is a rental or fee deficiency or if the Premises require maintenance or repair in order to be returned to serviceable condition, the Department may apply the security deposit, or any part thereof, to the deficiency or to costs incurred by COUNTY, plus any applicable administrative overhead.

7. Additional Rent. Any and all sums of money or charges required to be paid by LESSEE under this Lease, other than the annual rent, shall be considered "Additional Rent," whether or not the same is specifically so designated, and COUNTY shall have the same rights to enforce due and timely payment by LESSEE of all Additional Rent as are available to COUNTY with regard to annual rent.

8. Description of Specific Privileges, Uses and Rights. The County hereby grants to LESSEE, the limited right to use the Premises for the following purposes, and for no other purposes whatsoever, all of which shall be subject to the terms, conditions, and covenants set forth in this Lease:

A. LESSEE shall use the Premises to store aircraft which are owned by or leased to LESSEE and registered with the Department in accordance with the provisions of this Lease (the "Registered Aircraft").

FAA Registration No.	<u>N8725U</u>
Make:	<u>Cessna</u>
Model:	<u>172</u>

LESSEE shall promptly register all aircraft being stored within the Premises with the Department. LESSEE shall not use the Premises for any commercial purpose, including, but not limited to, the sale of products or services of any kind, whether or not such transactions are engaged in for a profit. LESSEE shall not store or park aircraft within the Premises, which are not owned or leased by LESSEE and registered with the Department in accordance with the provisions of this Section.

B. LESSEE may perform preventive maintenance on the Registered Aircraft, of the kind and to the extent permitted by Title 14, Part 43.3 Appendix A, paragraph (C) of the Code of Federal Regulations entitled "Preventive Maintenance", as may be amended from time to time. LESSEE shall not perform repairs or maintenance to its Aircraft on any ramp, apron, taxiway, runway or other public area of the Airport.

C. LESSEE agrees that use of the Premises shall be in accordance with federal, state and local laws and regulations including, but not limited to, the Palm Beach County Airport Rules and Regulations, Resolution No. R-98-220, as amended and as may be amended from time to time.

D. LESSEE's aircraft shall not be parked or positioned in such common use areas so as to block, limit or restrict the use of the ramps, aprons or taxiways by other Airport tenants or users.

E. LESSEE may place within the Premises a small desk, workbench, tool cabinet and necessary small hand tools required for work permitted under Section 8(B) above.

F. LESSEE may store parts and accessories within the Premises for the Registered Aircraft; provided, however, storage of any parts, accessories, hulls, or incomplete aircraft, which are not manufactured for use on, or cannot be readily adapted for use on the Registered Aircraft for the Premises is prohibited.

G. LESSEE may park one (1) operable automobile within the Premises, but only while the Registered Aircraft is in use.

- H. LESSEE may install within the Premises one (1) hand-operated winch, and/or one (1) motorized towing vehicle to assist with maneuvering and hanging of aircraft.
- I. LESSEE may store not more than five (5) gallons of flammable fluid within the Premises, provided that any such storage shall be limited to NFPA-approved containers, or unopened original cans.
- J. LESSEE shall not use the Premises to store furniture, boats, recreational vehicles, hang gliders, ultralights, inoperative or unregistered aircraft (except to the extent permitted under Section 8(F) and (G) above), utility trailers, or any other objects unrelated to the purposes for which the Premises have been leased.
- K. LESSEE shall not perform repair service on automobiles or automotive equipment of any kind, other than an authorized motorized towing vehicle, from or at the Premises.
- L. LESSEE shall not perform painting, or "doping" operations of any kind within the Premises and shall not install or use compressors for any purpose; provided, however, LESSEE may use non-electric, non-combustible, air pressure tanks used to inflate aircraft landing gear tires within the Premises.
- M. LESSEE shall install and maintain an appropriate fire extinguisher within the Premises at all times.
- N. Subject to written approval of the Department, LESSEE may be permitted to use approved electrical appliances that have a combined maximum load of 5.0 amps or less. Such electrical appliances shall not be used on a continual basis or while the Registered Aircraft is not within the Premises or while the LESSEE is not actually working within the Premises. It shall be the responsibility of the LESSEE to request and obtain the Department's written approval of the installation and use of approved electrical appliances and failure to do so may result in termination of this Lease or other action deemed appropriate by the Department. In addition to any other remedy or action available to COUNTY, COUNTY shall have, and LESSEE hereby agrees that COUNTY shall have the right to enter onto the Premises and remove therefrom any and all electrical appliances or devices which COUNTY has not approved for installation and use in the Premises. COUNTY shall not be held liable for any such loss or damage suffered by the LESSEE as a result of such action by COUNTY unless such loss or damage results from solely from negligence of COUNTY, its officers, agents, or employees.
- O. LESSEE shall not have open flames or weld within the Premises.
- P. LESSEE shall keep hangar doors closed when the Registered Aircraft is not being stored within the Premises.
- Q. No running water or washing of aircraft shall take place within the Premises, or any other Airport location except the COUNTY approved aircraft wash rack.

9. Description of General Privileges, Uses and Rights. In addition to the specific privileges granted in Section 8 above, COUNTY hereby grants to LESSEE the following general, nonexclusive privileges, uses, and rights on the Airport, all of which shall be subject to the terms, conditions, and covenants set forth in this Lease:

- A. The general use, in common with others, of all public Airport facilities and improvements which are now or may hereafter be connected with or appurtenant to the Airport (including airfield access). For purposes of this Lease, "public Airport facilities" shall include all necessary roadways, sidewalks, or other public facilities appurtenant to the Airport, which are not specifically leased to or under the contractual control of others.
- B. The right of ingress to and egress from the Premises over and across public roadways serving the Airport. Said right shall be subject to such laws, rules, regulations and orders as now or may hereafter have application at the Airport.

Except as expressly set forth in Sections 9 (A) and (B) above, nothing contained in this Lease shall be construed to grant to LESSEE the right to use any space or area improved or unimproved which is leased to a third party, or which COUNTY has not leased herein.

10. Condition of Premises. LESSEE acknowledges that COUNTY has made no representations or warranties of any nature whatsoever regarding the Premises including, without limitation, the physical and/or environmental condition of the Premises, or any improvements located thereon, or the value of such Premises or improvements, or the suitability of the Premises for LESSEE's intended use thereof.

11. Obligations of COUNTY.

A. Condition of Airport. Except as to the Premises and facilities leased to others by COUNTY, COUNTY shall maintain all public Airport facilities in good and adequate condition for their intended use to the extent required by law.

B. Utilities. COUNTY shall provide at no additional cost to LESSEE electrical power within the Premises for lighting and the operation of electrical appliances as approved by the Department pursuant to Section 8 above, if any.

12. Obligations of LESSEE.

A. Maintenance. LESSEE shall, at its sole cost and expense, maintain the Premises in a clean, safe and presentable condition consistent with good business practice, industry standards, and in accordance with all applicable laws, regulations, and rules of any applicable governmental entity. LESSEE shall repair all damages to the Premises and improvements caused by its employees, patrons, invitees, suppliers of services or furnishers of material, or any other persons whomsoever, and all damages caused by or resulting from or in any way arising out of LESSEE's operations thereon or LESSEE's use of the Premises. LESSEE hereby agrees that it shall abide by the decision of the Department with respect to any and all such maintenance or repair. Upon written notice by the Department to LESSEE, LESSEE shall perform the required maintenance or repair in accordance with the Department's decision. If LESSEE has not made a good faith effort, as determined by the Department, to begin to perform the required maintenance or repair within twenty (20) days after written notice and to diligently pursue the same to completion, COUNTY shall have the right to enter the Premises and perform the necessary maintenance or repair, and LESSEE hereby expressly agrees that it shall fully assume and be liable to COUNTY for payment of any costs incurred by COUNTY, plus a twenty-five percent (25%) administrative overhead. Such maintenance or repair cost, plus the administrative cost, shall be due and payable within thirty (30) days from the date of the Department's billing therefore.

B. Security. LESSEE acknowledges and accepts full responsibility for the security and protection of the Premises and any and all of LESSEE's property placed upon the Premises. LESSEE fully understands that the police security protection provided by COUNTY is limited to that provided to any other business situated in Palm Beach County by the Palm Beach County Sheriff's Office, and expressly acknowledges that any special security measures deemed necessary or desirable for additional protection of the Premises and property thereon, shall be the sole responsibility of LESSEE and shall involve no cost to COUNTY. COUNTY shall have the right to review, change, alter, or revise any security policy or procedure at any time based on the COUNTY's responsibility to operate the Airport in a safe and secure manner.

13. Indemnification. LESSEE agrees to protect, defend, reimburse, indemnify and hold COUNTY, its agents, employees and elected officers and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including attorney fees 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 Lease or LESSEE's use or occupancy of the Premises, 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, or of any party acquiring any interest hereunder, any agent or employee of any party hereto or of any party acquiring an interest hereunder, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with LESSEE's acts, omissions or operations hereunder, or the performance, non-performance or purported performance of LESSEE or any breach of the terms of this Lease; provided, however, LESSEE shall not be responsible to COUNTY for damages resulting out of body injury (including death) or damages to property which are judicially determined to be solely attributable to the negligence of COUNTY, its respective agents, servants, employees and officers. LESSEE further agrees to hold harmless and indemnify COUNTY for any fines, citations, court judgments, insurance claims, restoration costs or other liability resulting from or in any way arising out of or due to LESSEE's activities or operations or use of the Premises whether or not LESSEE was negligent or even knowledgeable of any events precipitating a claim or judgment arising as a result of any situation involving said activities. This indemnification shall be extended to include all deliverers, suppliers, furnishers of material, or anyone acting for, on behalf of, or at the request of LESSEE. LESSEE recognizes the broad nature of this indemnification and hold-harmless clause, and acknowledges that COUNTY would not have entered into this Lease without the inclusion of such clause, and voluntarily makes this covenant and expressly acknowledges the receipt of Ten Dollars (\$10.00) and such other good and valuable consideration provided by COUNTY in support of this indemnification. The obligations arising under this Section shall survive the expiration or termination of this Lease.

14. Insurance. Without limiting LESSEE's obligation to indemnify COUNTY, as provided herein, LESSEE shall provide, pay for, and maintain in force at all times during the term of this Lease, a policy of Aircraft/General Liability Insurance to protect against bodily injury liability and property damage in an aggregate amount of not less than Five Hundred Thousand Dollars (\$500,000). If LESSEE will be operating vehicles on the Airport, LESSEE shall provide Automobile Liability Insurance coverage with

minimum limits of One Hundred Thousand Dollars (\$100,000) per person, Three Hundred Thousand Dollars (\$300,000) per accident for bodily injury, and Fifty Thousand Dollars (\$50,000) per accident for property damage. A certificate(s) evidencing all required insurance must be provided to COUNTY prior to the Commencement Date of this Lease and renewal certificates must be provided throughout the term of this Lease. Certificate(s) of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage. COUNTY shall have the right to review and modify insurance requirements of this Lease from time to time, provided that COUNTY gives LESSEE ninety (90) days prior written notice of any such change.

15. Assignment by LESSEE. LESSEE shall not assign an interest in this Lease, or any part thereof, without the prior written consent of the Department, which consent may be granted or withheld at the Department's sole and absolute discretion for any reason or no reason at all. Any attempted assignment without Department approval shall be null and void. In the event the Department provides such consent, LESSEE shall have the right only to the extent permitted by the Department's consent to assign all or any portion of the Premises, provided that any such assignment shall be limited to only the same purposes as are permitted under this Lease. LESSEE is expressly prohibited from subleasing, mortgaging or otherwise encumbering this Lease, or any part thereof. Any such sublease, mortgage or encumbrance shall be considered null and void and will be considered grounds for termination of this Lease.

16. Assignment by COUNTY. COUNTY may freely assign this Lease at any time without the consent of LESSEE, and COUNTY shall be released from all liability and obligation arising under this Lease upon such assignment. In the event of an assignment by COUNTY, LESSEE agrees that it shall recognize COUNTY's assignee as its new landlord under this Lease upon the effective date of such assignment. LESSEE acknowledges and agrees that this Lease shall be subject and subordinate to any future agreement entered into between COUNTY and its assignee related to the Premises, and shall be given only such effect as will not conflict with nor be inconsistent with terms and conditions of such agreement. LESSEE acknowledges and agrees that COUNTY may transfer any security deposit held by COUNTY pursuant to Section 6 above to COUNTY's assignee.

17. Signs and Improvements. No signs, emblems, or advertising shall be placed or erected on or in the Premises, nor shall LESSEE make any alterations, changes or additions to the Premises.

18. Disclaimer of Liability. COUNTY HEREBY DISCLAIMS, AND LESSEE 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 LESSEE, ITS EMPLOYEES, AGENTS OR INVITEES DURING THE TERM OF THIS LEASE OR ANY EXTENSION HEREOF INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF LESSEE OR LESSEE'S INVITEES THAT MIGHT BE LOCATED OR STORED ON THE PREMISES, UNLESS 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 LEASE. LESSEE RELEASES COUNTY FROM ANY AND ALL LIABILITY RELATING TO ANY INFORMATION PROVIDED BY COUNTY RELATING TO THIS LEASE. FURTHERMORE, LESSEE 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 LEASE WAS AT ITS SOLE RISK. THE FOREGOING DISCLAIMER SHALL NOT BE CONSTRUED TO CONSTITUTE AN AGREEMENT BY LESSEE TO INDEMNIFY THE COUNTY FOR THE COUNTY'S NEGLIGENT, WILLFUL OR INTENTIONAL ACTS.

19. Default. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by LESSEE:

- A. The vacating or abandonment of the Premises by LESSEE for a period of more than sixty (60) consecutive, calendar days.
- B. The failure by LESSEE to make payment of rent or any other payment required to be made by LESSEE, as and when due, where such failure shall continue for a period of three (3) days after written notice from the Department to LESSEE.
- C. The failure by LESSEE to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by LESSEE, other than described in paragraph B. above, where such failure shall continue for a period of fifteen (15) days after written notice from the Department; provided, however, that if the nature of LESSEE's default is such that more than fifteen (15) days are reasonably required for its cure, then LESSEE shall not be deemed to be in default if LESSEE has commenced such cure within such fifteen (15) day period and thereafter diligently pursues such cure to completion.
- D. To the extent permitted by law, (i) The making by LESSEE or any guarantor hereof of any general assignment, or general arrangement for the benefit of creditors; (ii) the filing by or against LESSEE of a petition to have LESSEE 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 LESSEE, the same is dismissed within sixty (60) days]; (iii) the appointment of a trustee or receiver to take possession of substantially all of LESSEE's assets located at the Premises or of LESSEE's interest in this Lease, where possession is not restored to LESSEE within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of LESSEE's assets located at the Premises or of LESSEE's interest in this Lease, where such seizure is not discharged within thirty (30) days.

- E. The discovery by COUNTY that any information given to COUNTY by LESSEE relating to this Lease was materially false.

20. Remedies. In the event of any such material default or breach by LESSEE, 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 default or breach, elect to exercise any one of the following remedies:

- A. Declare the entire rent for the balance of the Lease term, or any part thereof, due and payable forthwith, and bring an action for the recovery thereof.
- B. Terminate LESSEE's right to possession of the Premises by any lawful means and reenter and retake possession of the Premises for the account of LESSEE, in which case the rent and other sums due hereunder shall be accelerated and due in full and LESSEE shall be liable for the difference between the rent which is stipulated to be paid hereunder plus other sums as described herein and what LESSEE is able to recover from its good faith efforts to relet the Premises, which deficiency shall be paid by LESSEE. Upon such reletting, all rentals received by COUNTY shall be applied, first to the payment of any indebtedness other than rent due under this Lease from LESSEE; second, to the payment of any costs and expenses of such reletting, which shall include all damages incurred by COUNTY due to LESSEE's default including, but not limited to, the cost of recovering possession of the Premises including attorneys' fees, expenses relating to the renovation or alteration of the Premises, and real estate commissions paid by COUNTY relating to the unexpired term of this Lease; third, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be paid to LESSEE.
- C. Treat this Lease as terminated and reenter and retake possession of the Premises for the account of COUNTY, thereby terminating any further liability under this Lease on the part of LESSEE and COUNTY. Notwithstanding the foregoing, COUNTY shall have a cause of action to recover any rent remaining unpaid when COUNTY retakes possession of the Premises for the account of COUNTY.
- D. Stand by and do nothing, holding LESSEE 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 anything in this Lease to the contrary, upon the occurrence of a material default or breach of this Lease by LESSEE, COUNTY shall have the right to bring an action for damages. COUNTY further reserves all rights which the laws of the State of Florida confer upon a landlord against a Tenant in default.

21. Termination by LESSEE. LESSEE may terminate this Lease, if LESSEE is not in default of this Lease, 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 Premises, which injunction remains in force for a period of at least ninety (90) days.
- B. The default by COUNTY in the performance of any covenant or agreement required to be performed by COUNTY and the failure of COUNTY to remedy such default for a period of ninety (90) days after receipt from LESSEE of written notice to remedy same; provided, however, that no notice of cancellation, as provided herein, shall be of any force or effect if COUNTY shall have remedied the default prior to receipt of LESSEE's notice of termination; or in the event the same cannot be cured within such ninety (90) 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 such a manner as to substantially restrict the operation of LESSEE, for a period of at least ninety (90) days.

In the event of termination as herein provided, the parties shall be relieved of all obligations created hereunder except for those obligations accruing prior to termination of this Lease and those obligations that specifically survive termination of this Lease.

22. Surrender of Premises. LESSEE expressly agrees that it shall immediately surrender the Premises to COUNTY in good and fit condition upon expiration or termination of this Lease, depreciation and wear from ordinary use for the purpose for which the Premises were leased being excepted. All repairs and obligations that LESSEE is responsible for shall be completed by the earliest practical date prior to surrender. In the event LESSEE shall holdover, refuse, or fail to give up the possession of the Premises at the termination of this Lease, LESSEE shall be liable to COUNTY for any and all damages, and in addition thereto, LESSEE shall also be strictly liable to pay to COUNTY during the entire time period of such holdover, double rental, as provided for in section 83.06, Florida Statutes. LESSEE shall remove all of its personal property from the Premises prior to the expiration of this Lease. Any personal property of LESSEE, including, but not limited to aircraft, not removed shall become the property of COUNTY.

23. Inspection. COUNTY, its agents and employees and any applicable Federal, State or local governmental entity having jurisdiction shall have the right to enter the Premises at any time for the purpose of inspecting the Premises for compliance with the provisions of this Lease and/or applicable laws. LESSEE agrees that COUNTY may take such action and to make such repairs or alterations as are, in the sole opinion of the COUNTY, desirable or necessary, and to take such materials into or out of the Premises for the safe and economical accomplishment of said purposes without in any way being deemed guilty of an actual or constructive eviction of the LESSEE.

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

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

26. Notice. Any notice given under the provisions of this Lease shall be in writing and shall be delivered (as elected by the party giving such notice) by hand delivery, courier service, nationally-recognized overnight mail service, or 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 service, or overnight mail, 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 designated the following addresses as the addresses to which notices may be delivered, and delivery to such addresses shall constitute binding notice given to such party:

COUNTY:

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

With a copy to:

Palm Beach County Attorney's Office  
Chief Deputy County Attorney  
301 North Olive Avenue, Suite 601  
West Palm Beach, FL 33401

LESSEE:

Paul Boritzer  
100 Sunrise Ave. Apt. 509  
Palm Beach, FL 33480  
(561) 833-3670

E-mail Address:

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

27. 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 Premises are located, for public purposes for a period in excess of ninety (90) days, either party may terminate this Lease by providing written notice of such termination to the other party and the parties shall thereupon be released and fully discharged from any and all liability hereunder arising after such termination or as a result thereof. This Section shall not act or be construed as a waiver of any rights LESSEE may have against the United States as a result of such taking.



28. Federal Review. LESSEE acknowledges this Lease may be subject to review or inspection by the Federal Aviation Administration to determine satisfactory compliance with Federal law or grant assurances and this Lease shall be in full force and effect and binding upon both parties pending such review or inspection by the Federal Aviation Administration, if applicable; provided, however, that upon such review or inspection all parties hereto agree to modify any of the terms of this Lease which shall be determined by the Federal Aviation Administration to be in violation of existing laws, regulations, grant assurances or other requirements.

29. County Tax Assessment Right. None of the terms, covenants and conditions of this Lease shall in any way be construed as a release or waiver on the part of the COUNTY, as a political subdivision of the State of Florida, or any of the public officials of the County of Palm Beach, of the rights to assess, levy, and collect any ad valorem, non ad valorem, license, personal, intangible, occupation, or other tax which shall be lawfully imposed on the Premises, the business or property of LESSEE.

30. Height Restriction. LESSEE expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Premises to such a height so as to comply with Title 14, Part 77 of the Code of Federal Regulations, as amended and as may be amended from time to time.

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

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

33. Release. LESSEE acknowledges that noise and/or vibration are inherent to the operation of Airport and hereby releases COUNTY from any and all liability relating to the same.

34. Non-discrimination. LESSEE for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree (a) that 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 or denied the use of the Premises, (b) that in the construction of any improvements on, over, or under such Premises and the furnishing of services, 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 (c) that LESSEE shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended from time to time. In the event of the breach of any of the foregoing non-discrimination covenants, COUNTY shall have the right to terminate this Lease and to reenter and repossess said Premises and the facilities hereon, and hold the same as if said Lease had never been made or issued. This cancellation provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed including exercise or expiration of appeal rights.

35. COUNTY not Liable. COUNTY shall not be responsible or liable to LESSEE for any claims for compensation or any losses, damages or injury whatsoever sustained by LESSEE including, without limitation, those resulting from failure of any water supply, heat, air conditioning, electrical current, or sewerage or drainage facility, or caused by natural physical conditions on the Premises, whether on the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tomado, hurricane, act of God or state of war, civilian commotion or riot, or any cause beyond the control of COUNTY. All personal property placed on or moved onto the Premises shall be at the sole risk of LESSEE. COUNTY shall not be liable for any damage or loss of said personal property.

36. Compliance with Laws. Notwithstanding anything to the contrary herein, LESSEE shall not use or permit the use of the 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 Premises or the Airport for COUNTY or LESSEE.

37. Waiver. The failure of COUNTY to insist on a strict performance of any of the agreements, terms, covenants and conditions hereof shall not be deemed a waiver of any rights or remedies that COUNTY may have for any subsequent breach, event of default, or nonperformance, and COUNTY's right to insist on strict performance of this Lease shall not be affected by any previous waiver or course of dealing.

38. Subordination to Bond Resolution. This Lease and all rights granted to LESSEE 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 LESSEE agree that to the extent permitted by authorizing legislation, the holders of the Bonds or their designated representatives shall

exercise any and all rights of COUNTY hereunder to the extent such possession, enjoyment and exercise are necessary to insure compliance by LESSEE and COUNTY with the terms and provisions of this Lease and Bond Resolution.

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

40. Exclusive Rights. Notwithstanding anything contained in this Lease to the contrary, it is expressly understood and agreed that the rights granted under this Lease are nonexclusive, other than the exclusive right of use of the Premises, and that COUNTY may grant similar privileges to another lessee or other lessees on other parts of the Airport.

41. Public Entity Crimes. As provided in sections 287.132-133, Florida Statutes, as may be amended from time to time, by entering into this Lease or performing any work in furtherance hereof, LESSEE certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the thirty-six (36) months immediately preceding the effective date hereof. This notice is required by section 287.133(3)(a), Florida Statutes.

42. Governmental Authority. Nothing in this Lease shall be construed to waive or limit COUNTY's governmental authority as a political subdivision of the State of Florida to regulate LESSEE or its operations.

43. Rights Reserved to the COUNTY. All rights not specifically granted LESSEE by this Lease are reserved to the COUNTY.

44. Invalidity of Clauses. The invalidity of any portion, article, paragraph, provision, clause or any portion thereof of this Lease shall have no effect upon the validity of any other part or portion hereof.

45. Paragraph Headings. The heading of the various articles and sections of this Lease 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 Lease or any part or parts of this Lease.

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

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

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

49. No Broker. LESSEE warrants to COUNTY that no real estate broker or agent has been used or consulted in connection with the transaction contemplated by this Lease and agrees to indemnify and hold COUNTY harmless from all loss, cost, damage or expense (including reasonable attorneys' fees) incurred by COUNTY as a result of any claim arising out of the acts of LESSEE (or others on its behalf) for a commission, finder's fee or similar compensation made by any broker or agent who claims to have dealt with LESSEE.

50. Excusable Delay. Any party in performing under this Lease shall use reasonable efforts to remedy the cause or causes of an excusable delay. Excusable delays are those delays due to force majeure, acts of God, fire, flood, earthquake, explosion, riot, sabotage, windstorm, or labor dispute, and shall toll the time to perform under this Lease.

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

52. Venue and Governing Law. To the extent allowed by law, the venue for any action arising from this Lease shall be in Palm Beach County, Florida. This Lease shall be governed by and in accordance with the laws of the State of Florida.

53. Negotiated Agreement. The parties agree that they have had meaningful discussion and/or negotiation of the provisions, terms and conditions contained in this Lease. Therefore, doubtful or ambiguous provisions, of any, contained in this Lease shall not be construed against the party who physically prepared this Lease.

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

55. Radon. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed Federal and State guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from COUNTY's public health unit.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first written above.

Witnesses:

[Signature]  
Signature

Colleen Hawkins  
Print Name

[Signature]  
Signature

Ann B. Mosberger  
Print Name

BY ITS DIRECTOR OF AIRPORTS

By: [Signature]  
Director

Witnesses:

[Signature]  
Signature

PAMELA WALKER  
Print Name

[Signature]  
Signature

Spencer Kamin  
Print Name

LESSEE:

By: [Signature]  
PAUL BORITZER  
Print Name

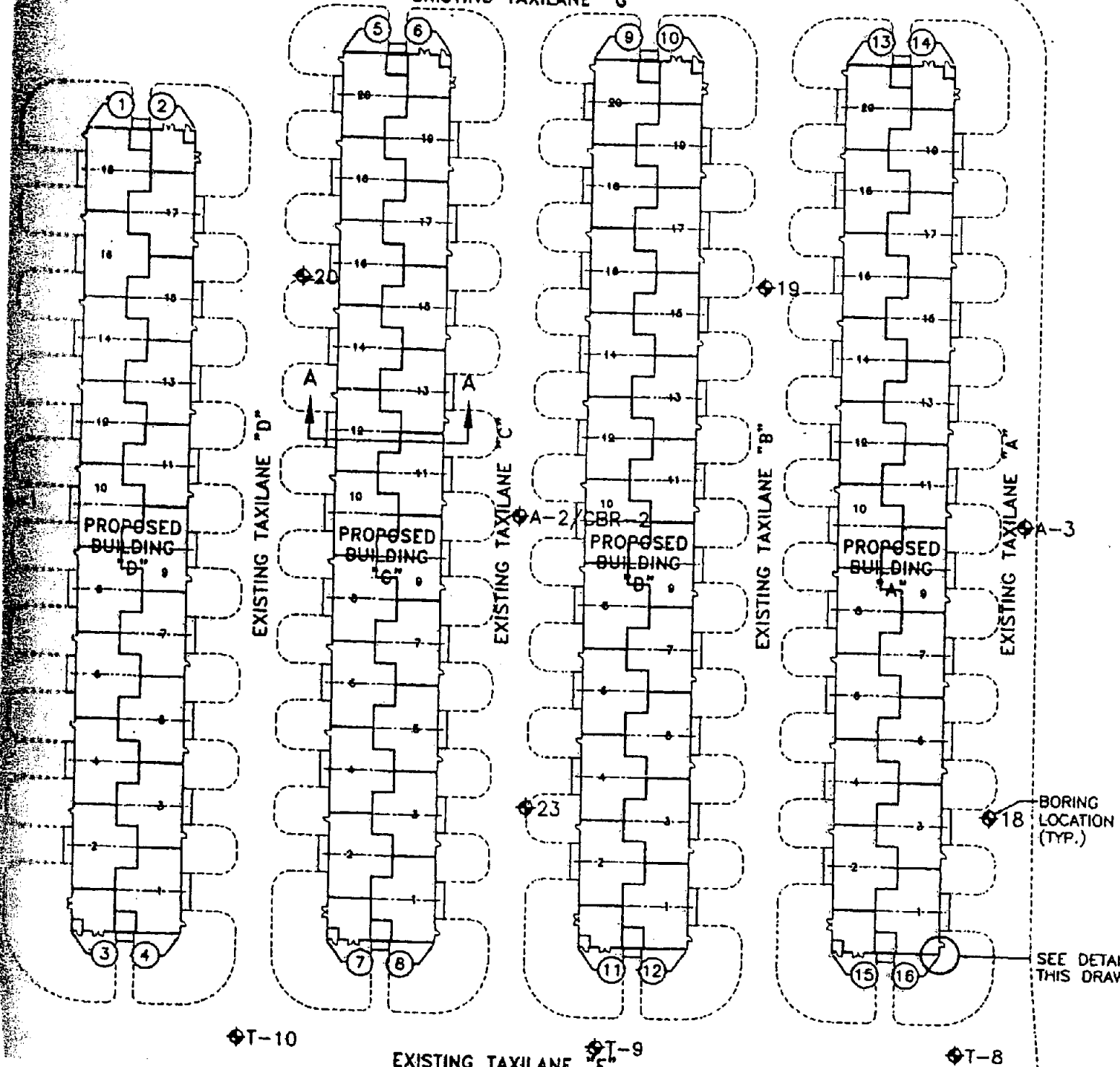
By: \_\_\_\_\_

Print Name

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY:

By: Anne Helgand  
County Attorney

EXISTING TAXILANE "G"

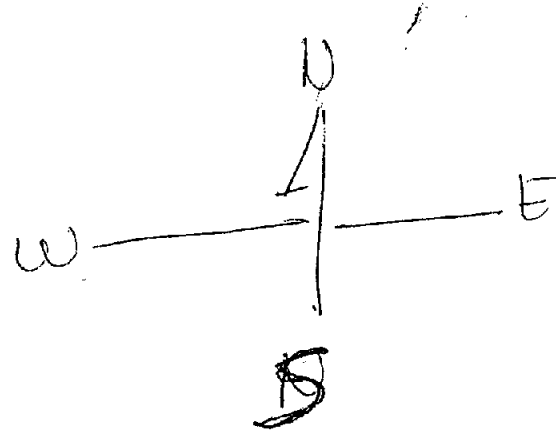


11750

11740

11730

11720



**NORTH COUNTY GENERAL AVIATION AIRPORT  
HANGAR LEASE AGREEMENT**

JUL 17 2007

This Lease, is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, (the "Effective Date") by and between Palm Beach County, a political subdivision of the state of Florida (the "COUNTY"), and Philip M. Gross, whose address is 654 Hemitage Circle, Palm Beach Gardens, Florida 33410 ("LESSEE").

**WITNESSETH**

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

**WHEREAS**, COUNTY has certain property at the Airport which is available for lease; and

**WHEREAS**, LESSEE has indicated willingness and demonstrated the ability to lease the Airport property in accordance with the terms and conditions of this Lease.

**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 hereto expressly acknowledge, the parties hereto covenant and agree to the following terms and conditions.

1. Term. The term of this Lease shall be for a period of one (1) year commencing on the 1st day of July, 2007, (the "Commencement Date") and terminating on the 31st day of June, 2008. This Lease shall be automatically renewed at one (1) year intervals thereafter; provided, however, either party may elect to not renew this Lease upon providing no less than thirty (30) days advance written notice to the other party prior to the expiration of the then current term.

2. Premises. COUNTY hereby leases to LESSEE and LESSEE hereby rents from COUNTY that certain hangar identified as unit number 12, Building 11730, containing a total of 1,399 square feet, located at the Airport, all as more particularly described on Exhibit "A", dated May 1, 1997, attached hereto and made a part hereof (the "Premises").

3. Rental. LESSEE shall pay COUNTY as the initial annual rental for the Premises, the sum of Six Thousand Three Hundred Dollars (\$6,300.00), payable in equal monthly installments of Five Hundred Twenty Five Dollars (\$525.00), plus any applicable taxes as may be required by law. Payment of rental by LESSEE to County shall commence on the Commencement Date. Rental shall be payable in advance, without demand and without any deduction, holdback or set off whatsoever, on or before the first day of each and every month throughout the term of this Lease, as adjusted in accordance with the provisions of Section 5 below. If the Commencement Date occurs on a day other than the first day of a month, LESSEE shall pay rent from the Commencement Date to the first day of the following month on a per diem basis [calculated on the basis of a thirty (30) day month], payable in advance on the Commencement Date. Any rent payment due hereunder for any other fractional month shall likewise be calculated and paid on such a per diem basis. Rental payable for each month during any renewal term shall be the monthly rental in effect for the prior year, as adjusted in accordance with the provisions of Section 5 below. Rental shall be made payable to Palm Beach County Board of Commissioners and shall be mailed or hand delivered to the following address:

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

COUNTY may, at any time, elect to hire, utilize, or select an agent(s) to administer this Lease and to collect rent payments on behalf of COUNTY and the Department. COUNTY will provide thirty (30) days written notice to LESSEE prior to any change in payment procedure or the payment addresses. COUNTY may offer alternative methods of payment, including, but not limited to, payment by debit card, credit card, or similar method of payment. If LESSEE selects an alternative method of payment, LESSEE agrees to abide by any terms and conditions promulgated by COUNTY in connection with the abovementioned method of payment. Interest at the rate established from time-to-time by the COUNTY (currently set at one and one-half percent [1-1/2%] per month not to exceed eighteen percent (18%) per annum) shall accrue against the delinquent payment(s) from date due until the date payment is received by the Department. Notwithstanding the foregoing, COUNTY shall not be prevented from terminating this Lease for default in the payment of rentals or from enforcing any other provisions contained herein or implied by law.

4. Payment of Taxes. LESSEE shall pay any and all taxes and other costs lawfully assessed against its leasehold interest in the Premises, its improvements and its operations under this Lease. LESSEE 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 LESSEE'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, LESSEE 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.

5. Adjustment of Rent. The amount of rentals due hereunder may be adjusted from time-to-time by the COUNTY. In such event, LESSEE shall be provided at least ninety (90) days advance written notice prior to the commencement of any new rental rate. Notwithstanding anything to the contrary contained in this Lease, the rental rate shall be maintained at all times to ensure compliance with the provisions Section 710 (rate covenant) of the Palm Beach County Airport System Revenue Bond Resolution, dated April 3, 1984, as amended, and supplemented (the "Bond Resolution"), which is hereby incorporated by reference and made a part hereof.

6. Security Deposit. LESSEE shall pay to COUNTY, prior to the Effective Date of this Lease, a refundable security deposit, in the form of a certified or cashier's check, in an amount equal to three (3) months rental due hereunder. The security deposit shall be held by the Department and will be refunded to LESSEE upon termination of this Lease provided that LESSEE is not in default of any of the provisions of this Lease; the Premises are left in good and serviceable condition, to be determined in the sole discretion of the Department; all rentals, fees, and taxes due are paid in full by LESSEE; and LESSEE has returned the Airport access card key to the Department. If there is a rental or fee deficiency or if the Premises require maintenance or repair in order to be returned to serviceable condition, the Department may apply the security deposit, or any part thereof, to the deficiency or to costs incurred by COUNTY, plus any applicable administrative overhead.

7. Additional Rent. Any and all sums of money or charges required to be paid by LESSEE under this Lease, other than the annual rent, shall be considered "Additional Rent," whether or not the same is specifically so designated, and COUNTY shall have the same rights to enforce due and timely payment by LESSEE of all Additional Rent as are available to COUNTY with regard to annual rent.

8. Description of Specific Privileges, Uses and Rights. The County hereby grants to LESSEE, the limited right to use the Premises for the following purposes, and for no other purposes whatsoever, all of which shall be subject to the terms, conditions, and covenants set forth in this Lease:

A. LESSEE shall use the Premises to store aircraft which are owned by or leased to LESSEE and registered with the Department in accordance with the provisions of this Lease (the "Registered Aircraft").

FAA Registration No. N5348U

Make: Cessna

Model: 210

LESSEE shall promptly register all aircraft being stored within the Premises with the Department. LESSEE shall not use the Premises for any commercial purpose, including, but not limited to, the sale of products or services of any kind, whether or not such transactions are engaged in for a profit. LESSEE shall not store or park aircraft within the Premises, which are not owned or leased by LESSEE and registered with the Department in accordance with the provisions of this Section.

B. LESSEE may perform preventive maintenance on the Registered Aircraft, of the kind and to the extent permitted by Title 14, Part 43.3 Appendix A, paragraph (C) of the Code of Federal Regulations entitled "Preventive Maintenance", as may be amended from time to time. LESSEE shall not perform repairs or maintenance to its Aircraft on any ramp, apron, taxiway, runway or other public area of the Airport.

C. LESSEE agrees that use of the Premises shall be in accordance with federal, state and local laws and regulations including, but not limited to, the Palm Beach County Airport Rules and Regulations, Resolution No. R-98-220, as amended and as may be amended from time to time.

D. LESSEE's aircraft shall not be parked or positioned in such common use areas so as to block, limit or restrict the use of the ramps, aprons or taxiways by other Airport tenants or users.

E. LESSEE may place within the Premises a small desk, workbench, tool cabinet and necessary small hand tools required for work permitted under Section 8(B) above.

F. LESSEE may store parts and accessories within the Premises for the Registered Aircraft; provided, however, storage of any parts, accessories, hulls, or incomplete aircraft, which are not manufactured for use on, or cannot be readily adapted for use on the Registered Aircraft for the Premises is prohibited.

G. LESSEE may park one (1) operable automobile within the Premises, but only while the Registered Aircraft is in use.

H. LESSEE may install within the Premises one (1) hand-operated winch, and/or one (1) motorized towing vehicle to assist with maneuvering and hanging of aircraft.

I. LESSEE may store not more than five (5) gallons of flammable fluid within the Premises, provided that any such storage shall be limited to NFPA-approved containers, or unopened original cans.

J. LESSEE shall not use the Premises to store furniture, boats, recreational vehicles, hang gliders, ultralights, inoperative or unregistered aircraft (except to the extent permitted under Section 8(F) and (G) above), utility trailers, or any other objects unrelated to the purposes for which the Premises have been leased.

K. LESSEE shall not perform repair service on automobiles or automotive equipment of any kind, other than an authorized motorized towing vehicle, from or at the Premises.

L. LESSEE shall not perform painting, or "doping" operations of any kind within the Premises and shall not install or use compressors for any purpose; provided, however, LESSEE may use non-electric, non-combustible, air pressure tanks used to inflate aircraft landing gear tires within the Premises.

M. LESSEE shall install and maintain an appropriate fire extinguisher within the Premises at all times.

N. Subject to written approval of the Department, LESSEE may be permitted to use approved electrical appliances that have a combined maximum load of 5.0 amps or less. Such electrical appliances shall not be used on a continual basis or while the Registered Aircraft is not within the Premises or while the LESSEE is not actually working within the Premises. It shall be the responsibility of the LESSEE to request and obtain the Department's written approval of the installation and use of approved electrical appliances and failure to do so may result in termination of this Lease or other action deemed appropriate by the Department. In addition to any other remedy or action available to COUNTY, COUNTY shall have, and LESSEE hereby agrees that COUNTY shall have the right to enter onto the Premises and remove therefrom any and all electrical appliances or devices which COUNTY has not approved for installation and use in the Premises. COUNTY shall not be held liable for any such loss or damage suffered by the LESSEE as a result of such action by COUNTY unless such loss or damage results from solely from negligence of COUNTY, its officers, agents, or employees.

O. LESSEE shall not have open flames or weld within the Premises.

P. LESSEE shall keep hangar doors closed when the Registered Aircraft is not being stored within the Premises.

Q. No running water or washing of aircraft shall take place within the Premises, or any other Airport location except the COUNTY approved aircraft wash rack.

9. Description of General Privileges, Uses and Rights. In addition to the specific privileges granted in Section 8 above, COUNTY hereby grants to LESSEE the following general, nonexclusive privileges, uses, and rights on the Airport, all of which shall be subject to the terms, conditions, and covenants set forth in this Lease:

A. The general use, in common with others, of all public Airport facilities and improvements which are now or may hereafter be connected with or appurtenant to the Airport (including airfield access). For purposes of this Lease, "public Airport facilities" shall include all necessary roadways, sidewalks, or other public facilities appurtenant to the Airport, which are not specifically leased to or under the contractual control of others.

B. The right of ingress to and egress from the Premises over and across public roadways serving the Airport. Said right shall be subject to such laws, rules, regulations and orders as now or may hereafter have application at the Airport.

Except as expressly set forth in Sections 9 (A) and (B) above, nothing contained in this Lease shall be construed to grant to LESSEE the right to use any space or area improved or unimproved which is leased to a third party, or which COUNTY has not leased herein.

10. Condition of Premises. LESSEE acknowledges that COUNTY has made no representations or warranties of any nature whatsoever regarding the Premises including, without limitation, the physical and/or environmental condition of the Premises, or any improvements located thereon, or the value of such Premises or improvements, or the suitability of the Premises for LESSEE's intended use thereof.

11. Obligations of COUNTY.

A. Condition of Airport. Except as to the Premises and facilities leased to others by COUNTY, COUNTY shall maintain all public Airport facilities in good and adequate condition for their intended use to the extent required by law.

B. Utilities. COUNTY shall provide at no additional cost to LESSEE electrical power within the Premises for lighting and the operation of electrical appliances as approved by the Department pursuant to Section 8 above, if any.

12. Obligations of LESSEE.

A. Maintenance. LESSEE shall, at its sole cost and expense, maintain the Premises in a clean, safe and presentable condition consistent with good business practice, industry standards, and in accordance with all applicable laws, regulations, and rules of any applicable governmental entity. LESSEE shall repair all damages to the Premises and improvements caused by its employees, patrons, invitees, suppliers of services or furnishers of material, or any other persons whomsoever, and all damages caused by or resulting from or in any way arising out of LESSEE's operations thereon or LESSEE's use of the Premises. LESSEE hereby agrees that it shall abide by the decision of the Department with respect to any and all such maintenance or repair. Upon written notice by the Department to LESSEE, LESSEE shall perform the required maintenance or repair in accordance with the Department's decision. If LESSEE has not made a good faith effort, as determined by the Department, to begin to perform the required maintenance or repair within twenty (20) days after written notice and to diligently pursue the same to completion, COUNTY shall have the right to enter the Premises and perform the necessary maintenance or repair, and LESSEE hereby expressly agrees that it shall fully assume and be liable to COUNTY for payment of any costs incurred by COUNTY, plus a twenty-five percent (25%) administrative overhead. Such maintenance or repair cost, plus the administrative cost, shall be due and payable within thirty (30) days from the date of the Department's billing therefore.

B. Security. LESSEE acknowledges and accepts full responsibility for the security and protection of the Premises and any and all of LESSEE's property placed upon the Premises. LESSEE fully understands that the police security protection provided by COUNTY is limited to that provided to any other business situated in Palm Beach County by the Palm Beach County Sheriff's Office, and expressly acknowledges that any special security measures deemed necessary or desirable for additional protection of the Premises and property thereon, shall be the sole responsibility of LESSEE and shall involve no cost to COUNTY. COUNTY shall have the right to review, change, alter, or revise any security policy or procedure at any time based on the COUNTY's responsibility to operate the Airport in a safe and secure manner.

13. Indemnification. LESSEE agrees to protect, defend, reimburse, indemnify and hold COUNTY, its agents, employees and elected officers and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including attorney fees 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 Lease or LESSEE's use or occupancy of the Premises, 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, or of any party acquiring any interest hereunder, any agent or employee of any party hereto or of any party acquiring an interest hereunder, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with LESSEE's acts, omissions or operations hereunder, or the performance, non-performance or purported performance of LESSEE or any breach of the terms of this Lease; provided, however, LESSEE shall not be responsible to COUNTY for damages resulting out of body injury (including death) or damages to property which are judicially determined to be solely attributable to the negligence of COUNTY, its respective agents, servants, employees and officers. LESSEE further agrees to hold harmless and indemnify COUNTY for any fines, citations, court judgments, insurance claims, restoration costs or other liability resulting from or in any way arising out of or due to LESSEE's activities or operations or use of the Premises whether or not LESSEE was negligent or even knowledgeable of any events precipitating a claim or judgment arising as a result of any situation involving said activities. This indemnification shall be extended to include all deliverers, suppliers, furnishers of material, or anyone acting for, on behalf of, or at the request of LESSEE. LESSEE recognizes the broad nature of this indemnification and hold-harmless clause, and acknowledges that COUNTY would not have entered into this Lease without the inclusion of such clause, and voluntarily makes this covenant and expressly acknowledges the receipt of Ten Dollars (\$10.00) and such other good and valuable consideration provided by COUNTY in support of this indemnification. The obligations arising under this Section shall survive the expiration or termination of this Lease.

14. Insurance. Without limiting LESSEE's obligation to indemnify COUNTY, as provided herein, LESSEE shall provide, pay for, and maintain in force at all times during the term of this Lease, a policy of Aircraft/General Liability Insurance to protect against bodily injury liability and property damage in an aggregate amount of not less than Five Hundred Thousand Dollars (\$500,000). If LESSEE will be



operating vehicles on the Airport, LESSEE shall provide Automobile Liability Insurance coverage with minimum limits of One Hundred Thousand Dollars (\$100,000) per person, Three Hundred Thousand Dollars (\$300,000) per accident for bodily injury, and Fifty Thousand Dollars (\$50,000) per accident for property damage. A certificate(s) evidencing all required insurance must be provided to COUNTY prior to the Effective Date of this Lease and renewal certificates must be provided throughout the term of this Lease. Certificate(s) of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage. COUNTY shall have the right to review and modify insurance requirements of this Lease from time to time, provided that COUNTY gives LESSEE ninety (90) days prior written notice of any such change.

15. Assignment by LESSEE. LESSEE shall not assign an interest in this Lease, or any part thereof, without the prior written consent of the Department, which consent may be granted or withheld at the Department's sole and absolute discretion for any reason or no reason at all. Any attempted assignment without Department approval shall be null and void. In the event the Department provides such consent, LESSEE shall have the right only to the extent permitted by the Department's consent to assign all or any portion of the Premises, provided that any such assignment shall be limited to only the same purposes as are permitted under this Lease. LESSEE is expressly prohibited from subleasing, mortgaging or otherwise encumbering this Lease, or any part thereof. Any such sublease, mortgage or encumbrance shall be considered null and void and will be considered grounds for termination of this Lease.

16. Assignment by COUNTY. COUNTY may freely assign this Lease at any time without the consent of LESSEE, and COUNTY shall be released from all liability and obligation arising under this Lease upon such assignment. In the event of an assignment by COUNTY, LESSEE agrees that it shall recognize COUNTY's assignee as its new landlord under this Lease upon the effective date of such assignment. LESSEE acknowledges and agrees that this Lease shall be subject and subordinate to any future agreement entered into between COUNTY and its assignee related to the Premises, and shall be given only such effect as will not conflict with nor be inconsistent with terms and conditions of such agreement. LESSEE acknowledges and agrees that COUNTY may transfer any security deposit held by COUNTY pursuant to Section 6 above to COUNTY's assignee.

17. Signs and Improvements. No signs, emblems, or advertising shall be placed or erected on or in the Premises, nor shall LESSEE make any alterations, changes or additions to the Premises.

18. Disclaimer of Liability. COUNTY HEREBY DISCLAIMS, AND LESSEE 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 LESSEE, ITS EMPLOYEES, AGENTS OR INVITEES DURING THE TERM OF THIS LEASE OR ANY EXTENSION HEREOF INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF LESSEE OR LESSEE'S INVITEES THAT MIGHT BE LOCATED OR STORED ON THE PREMISES, UNLESS 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 LEASE. LESSEE RELEASES COUNTY FROM ANY AND ALL LIABILITY RELATING TO ANY INFORMATION PROVIDED BY COUNTY RELATING TO THIS LEASE. FURTHERMORE, LESSEE 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 LEASE WAS AT ITS SOLE RISK. THE FOREGOING DISCLAIMER SHALL NOT BE CONSTRUED TO CONSTITUTE AN AGREEMENT BY LESSEE TO INDEMNIFY THE COUNTY FOR THE COUNTY'S NEGLIGENT, WILLFUL OR INTENTIONAL ACTS.

19. Default. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by LESSEE:

- A. The vacating or abandonment of the Premises by LESSEE for a period of more than sixty (60) consecutive, calendar days.
- B. The failure by LESSEE to make payment of rent or any other payment required to be made by LESSEE, as and when due, where such failure shall continue for a period of three (3) days after written notice from the Department to LESSEE.
- C. The failure by LESSEE to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by LESSEE, other than described in paragraph B. above, where such failure shall continue for a period of fifteen (15) days after written notice from the Department; provided, however, that if the nature of LESSEE's default is such that more than fifteen (15) days are reasonably required for its cure, then LESSEE shall not be deemed to be in default if LESSEE has commenced such cure within such fifteen (15) day period and thereafter diligently pursues such cure to completion.
- D. To the extent permitted by law, (i) The making by LESSEE or any guarantor hereof of any general assignment, or general arrangement for the benefit of creditors; (ii)

the filing by or against LESSEE of a petition to have LESSEE 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 LESSEE, the same is dismissed within sixty (60) days]; (iii) the appointment of a trustee or receiver to take possession of substantially all of LESSEE's assets located at the Premises or of LESSEE's interest in this Lease, where possession is not restored to LESSEE within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of LESSEE's assets located at the Premises or of LESSEE's interest in this Lease, where such seizure is not discharged within thirty (30) days.

- E. The discovery by COUNTY that any information given to COUNTY by LESSEE relating to this Lease was materially false.

20. Remedies. In the event of any such material default or breach by LESSEE, 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 default or breach, elect to exercise any one of the following remedies:

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

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

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

D. Stand by and do nothing, holding LESSEE 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 anything in this Lease to the contrary, upon the occurrence of a material default or breach of this Lease by LESSEE, COUNTY shall have the right to bring an action for damages. COUNTY further reserves all rights which the laws of the State of Florida confer upon a landlord against a Tenant in default.

21. Termination by LESSEE. LESSEE may terminate this Lease, if LESSEE is not in default of this Lease, 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 Premises, which injunction remains in force for a period of at least ninety (90) days.
- B. The default by COUNTY in the performance of any covenant or agreement required to be performed by COUNTY and the failure of COUNTY to remedy such default for a period of ninety (90) days after receipt from LESSEE of written notice to remedy same; provided, however, that no notice of cancellation, as provided herein, shall be of any force or effect if COUNTY shall have remedied the default prior to receipt of LESSEE's notice of termination; or in the event the same cannot be cured within such ninety (90) 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 such a manner as to substantially restrict the operation of LESSEE, for a period of at least ninety (90) days.

In the event of termination as herein provided, the parties shall be relieved of all obligations created hereunder except for those obligations accruing prior to termination of this Lease and those obligations that specifically survive termination of this Lease.

22. Surrender of Premises. LESSEE expressly agrees that it shall immediately surrender the Premises to COUNTY in good and fit condition upon expiration or termination of this Lease, depreciation and wear from ordinary use for the purpose for which the Premises were leased being excepted. All repairs and obligations that LESSEE is responsible for shall be completed by the earliest practical date prior to surrender. In the event LESSEE shall holdover, refuse, or fail to give up the possession of the Premises at the termination of this Lease, LESSEE shall be liable to COUNTY for any and all damages, and in addition thereto, LESSEE shall also be strictly liable to pay to COUNTY during the entire time period of such holdover, double rental, as provided for in section 83.06, Florida Statutes. LESSEE shall remove all of its personal property from the Premises prior to the expiration of this Lease. Any personal property of LESSEE, including, but not limited to aircraft, not removed shall become the property of COUNTY.

23. Inspection. COUNTY, its agents and employees and any applicable Federal, State or local governmental entity having jurisdiction shall have the right to enter the Premises at any time for the purpose of inspecting the Premises for compliance with the provisions of this Lease and/or applicable laws. LESSEE agrees that COUNTY may take such action and to make such repairs or alterations as are, in the sole opinion of the COUNTY, desirable or necessary, and to take such materials into or out of the Premises for the safe and economical accomplishment of said purposes without in any way being deemed guilty of an actual or constructive eviction of the LESSEE.

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

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

26. Notice. Any notice given under the provisions of this Lease shall be in writing and shall be delivered (as elected by the party giving such notice) by hand delivery, courier service, nationally-recognized overnight mail service, or 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 service, or overnight mail, 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 designated the following addresses as the addresses to which notices may be delivered, and delivery to such addresses shall constitute binding notice given to such party:

COUNTY:

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

With a copy to:

Palm Beach County Attorney's Office  
Chief Deputy County Attorney  
301 North Olive Avenue, Suite 601  
West Palm Beach, FL 33401

LESSEE:

Philip M. Gross  
654 Hermitage Circle  
Palm Beach Gardens, FL 33410  
(973) 723-0066

E-mail Address: [philipmgross@optonline.net](mailto:philipmgross@optonline.net)

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

27. 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 Premises are located, for public purposes for a period in excess of ninety (90) days, either party may terminate this Lease by providing written notice of such termination to the other party and the parties shall thereupon be released

and fully discharged from any and all liability hereunder arising after such termination or as a result thereof. This Section shall not act or be construed as a waiver of any rights LESSEE may have against the United States as a result of such taking.

28. Federal Review. LESSEE acknowledges this Lease may be subject to review or inspection by the Federal Aviation Administration to determine satisfactory compliance with Federal law or grant assurances and this Lease shall be in full force and effect and binding upon both parties pending such review or inspection by the Federal Aviation Administration, if applicable; provided, however, that upon such review or inspection all parties hereto agree to modify any of the terms of this Lease which shall be determined by the Federal Aviation Administration to be in violation of existing laws, regulations, grant assurances or other requirements.

29. County Tax Assessment Right. None of the terms, covenants and conditions of this Lease shall in any way be construed as a release or waiver on the part of the COUNTY, as a political subdivision of the State of Florida, or any of the public officials of the County of Palm Beach, of the rights to assess, levy, and collect any ad valorem, non ad valorem, license, personal, intangible, occupation, or other tax which shall be lawfully imposed on the Premises, the business or property of LESSEE.

30. Height Restriction. LESSEE expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Premises to such a height so as to comply with Title 14, Part 77 of the Code of Federal Regulations, as amended and as may be amended from time to time.

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

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

33. Release. LESSEE acknowledges that noise and/or vibration are inherent to the operation of Airport and hereby releases COUNTY from any and all liability relating to the same.

34. Non-discrimination. LESSEE for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree (a) that 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 or denied the use of the Premises, (b) that in the construction of any improvements on, over, or under such Premises and the furnishing of services, 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 (c) that LESSEE shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended from time to time. In the event of the breach of any of the foregoing non-discrimination covenants, COUNTY shall have the right to terminate this Lease and to reenter and repossess said Premises and the facilities hereon, and hold the same as if said Lease had never been made or issued. This cancellation provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed including exercise or expiration of appeal rights.

35. COUNTY not Liable. COUNTY shall not be responsible or liable to LESSEE for any claims for compensation or any losses, damages or injury whatsoever sustained by LESSEE including, without limitation, those resulting from failure of any water supply, heat, air conditioning, electrical current, or sewerage or drainage facility, or caused by natural physical conditions on the Premises, whether on the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tornado, hurricane, act of God or state of war, civilian commotion or riot, or any cause beyond the control of COUNTY. All personal property placed on or moved onto the Premises shall be at the sole risk of LESSEE. COUNTY shall not be liable for any damage or loss of said personal property.

36. Compliance with Laws. Notwithstanding anything to the contrary herein, LESSEE shall not use or permit the use of the 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 Premises or the Airport for COUNTY or LESSEE.

37. Waiver. The failure of COUNTY to insist on a strict performance of any of the agreements, terms, covenants and conditions hereof shall not be deemed a waiver of any rights or remedies that COUNTY may have for any subsequent breach, event of default, or nonperformance, and COUNTY's right to insist on strict performance of this Lease shall not be affected by any previous waiver or course of dealing.

38. Subordination to Bond Resolution. This Lease and all rights granted to LESSEE 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 LESSEE agree that to the extent permitted by authorizing legislation, the holders of the Bonds or their designated representatives shall exercise any and all rights of COUNTY hereunder to the extent such possession, enjoyment and exercise are necessary to insure compliance by LESSEE and COUNTY with the terms and provisions of this Lease and Bond Resolution.

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

40. Exclusive Rights. Notwithstanding anything contained in this Lease to the contrary, it is expressly understood and agreed that the rights granted under this Lease are nonexclusive, other than the exclusive right of use of the Premises, and that COUNTY may grant similar privileges to another lessee or other lessees on other parts of the Airport.

41. Public Entity Crimes. As provided in sections 287.132-133, Florida Statutes, as may be amended from time to time, by entering into this Lease or performing any work in furtherance hereof, LESSEE certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the thirty-six (36) months immediately preceding the Effective Date hereof. This notice is required by section 287.133(3)(a), Florida Statutes.

42. Governmental Authority. Nothing in this Lease shall be construed to waive or limit COUNTY's governmental authority as a political subdivision of the State of Florida to regulate LESSEE or its operations.

43. Rights Reserved to the COUNTY. All rights not specifically granted LESSEE by this Lease are reserved to the COUNTY.

44. Invalidity of Clauses. The invalidity of any portion, article, paragraph, provision, clause or any portion thereof of this Lease shall have no effect upon the validity of any other part or portion hereof.

45. Paragraph Headings. The heading of the various articles and sections of this Lease 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 Lease or any part or parts of this Lease.

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

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

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

49. No Broker. LESSEE warrants to COUNTY that no real estate broker or agent has been used or consulted in connection with the transaction contemplated by this Lease and agrees to indemnify and hold COUNTY harmless from all loss, cost, damage or expense (including reasonable attorneys' fees) incurred by COUNTY as a result of any claim arising out of the acts of LESSEE (or others on its behalf) for a commission, finder's fee or similar compensation made by any broker or agent who claims to have dealt with LESSEE.

50. Excusable Delay. Any party in performing under this Lease shall use reasonable efforts to remedy the cause or causes of an excusable delay. Excusable delays are those delays due to force majeure, acts of God, fire, flood, earthquake, explosion, riot, sabotage, windstorm, or labor dispute, and shall toll the time to perform under this Lease.

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

52. Venue and Governing Law. To the extent allowed by law, the venue for any action arising from this Lease shall be in Palm Beach County, Florida. This Lease shall be governed by and in accordance with the laws of the State of Florida.

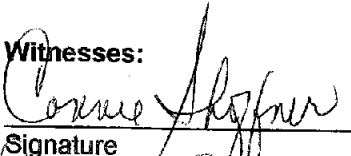
53. Negotiated Agreement. The parties agree that they have had meaningful discussion and/or negotiation of the provisions, terms and conditions contained in this Lease. Therefore, doubtful or ambiguous provisions, of any, contained in this Lease shall not be construed against the party who physically prepared this Lease.

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

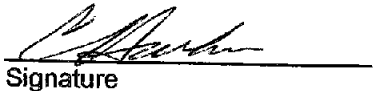
55. Radon. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed Federal and State guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from COUNTY's public health unit.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first written above.

Witnesses:

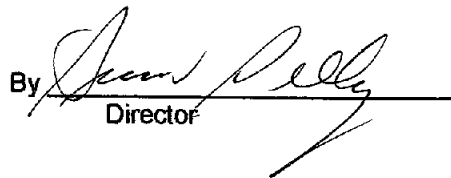
  
Signature

Connie Shoffner  
Print Name

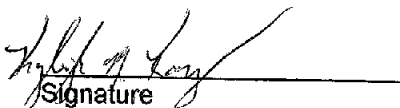
  
Signature

Colleen Hawkins  
Print Name

BY ITS DIRECTOR OF AIRPORTS

By   
Director

Witnesses:

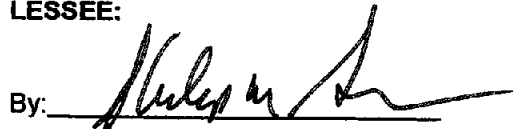
  
Signature

Philip M. GROSS  
Print Name

  
Signature

ALEX PUCCIARIELLO  
Print Name

LESSEE:

By: 

Philip M. Gross  
Print Name

Title: \_\_\_\_\_

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY:

By:   
County Attorney

EXISTING TAXILANE "G"

EXISTING TAXILANE "D"

EXISTING TAXILANE "C"

EXISTING TAXILANE "B"

EXISTING TAXILANE "A"

EXISTING TAXILANE "F"

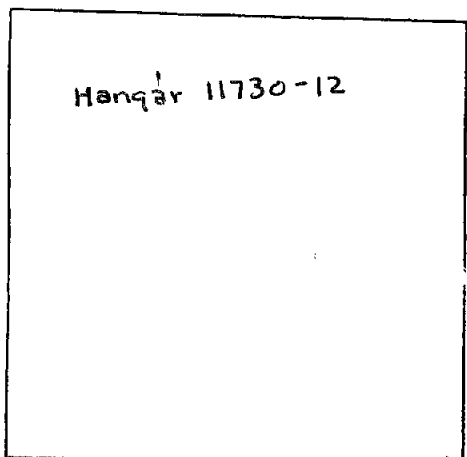
11750

11740

11730

11720

LESSEE



**NORTH COUNTY GENERAL AVIATION AIRPORT  
HANGAR LEASE AGREEMENT**

This Lease, is made and entered into this JUL 10 2007 day of \_\_\_\_\_ 2007, (the "Effective Date") by and between Palm Beach County, a political subdivision of the state of Florida ( the "COUNTY"), and John Sager, whose address is 522 Quail Point, Jupiter, Florida, 33458. ("LESSEE").

**WITNESSETH**

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

**WHEREAS**, COUNTY has certain property at the Airport which is available for lease; and

**WHEREAS**, LESSEE has indicated willingness and demonstrated the ability to lease the Airport property in accordance with the terms and conditions of this Lease.

**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 hereto expressly acknowledge, the parties hereto covenant and agree to the following terms and conditions.

1. **Term.** The term of this Lease shall be for a period of one (1) year commencing upon the 1<sup>st</sup> day of June, 2007 (the "Commencement Date") and terminating on the 31st day of May, 2008. This Lease shall be automatically renewed at one (1) year intervals thereafter; provided, however, either party may elect to not renew this Lease upon providing no less than thirty (30) days advance written notice to the other party prior to the expiration of the then current term.

2. **Premises.** COUNTY hereby leases to LESSEE and LESSEE hereby rents from COUNTY that certain hangar identified as unit number 14, Building 11720, containing a total of 1,399 square feet, located at the Airport, all as more particularly described on Exhibit "A", dated August 1, 2003, attached hereto and made a part hereof (the "Premises").

3. **Rental.** LESSEE shall pay COUNTY as the initial annual rental for the Premises, the sum of Six Thousand Three Hundred Dollars (\$6,300.00), payable in equal monthly installments of Five Hundred Twenty Five Dollars (\$525.00), plus any applicable taxes as may be required by law. Payment of rental by LESSEE to County shall commence on the Commencement Date. Rental shall be payable in advance, without demand and without any deduction, hold back or set off whatsoever, on or before the first day of each and every month throughout the term of this Lease, as adjusted in accordance with the provisions of Section 5 below. If the Commencement Date occurs on a day other than the first day of a month, LESSEE shall pay rent from the Commencement Date to the first day of the following month on a per diem basis [calculated on the basis of a thirty (30) day month], payable in advance on the Commencement Date. Any rent payment due hereunder for any other fractional month shall likewise be calculated and paid on such a per diem basis. Rental payable for each month during any renewal term shall be the monthly rental in effect for the prior year, as adjusted in accordance with the provisions of Section 5 below. Rental shall be made payable to Palm Beach County Board of Commissioners and shall be mailed or hand delivered to the following address:

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

COUNTY may, at any time, elect to hire, utilize, or select an agent(s) to administer this Lease and to collect rent payments on behalf of COUNTY and the Department. COUNTY will provide thirty (30) days written notice to LESSEE prior to any change in payment procedure or the payment addresses. COUNTY may offer alternative methods of payment, including, but not limited to, payment by debit card, credit card, or similar method of payment. If LESSEE selects an alternative method of payment, LESSEE agrees to abide by any terms and conditions promulgated by COUNTY in connection with the abovementioned method of payment. Interest at the rate established from time-to-time by the COUNTY (currently set at one and one-half percent [1-1/2%] per month not to exceed eighteen percent (18%) per annum) shall accrue against the delinquent payment(s) from date due until the date payment is received by the Department. Notwithstanding the foregoing, COUNTY shall not be prevented from terminating this Lease for default in the payment of rentals or from enforcing any other provisions contained herein or implied by law.

4. **Payment of Taxes.** LESSEE shall pay any and all taxes and other costs lawfully assessed against its leasehold interest in the Premises, its improvements and its operations under this Lease. LESSEE 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 LESSEE'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, LESSEE 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.

5. Adjustment of Rent. The amount of rentals due hereunder may be adjusted from time-to-time by the COUNTY. In such event, LESSEE shall be provided at least ninety (90) days advance written notice prior to the commencement of any new rental rate. Notwithstanding anything to the contrary contained in this Lease, the rental rate shall be maintained at all times to ensure compliance with the provisions Section 710 (rate covenant) of the Palm Beach County Airport System Revenue Bond Resolution, dated April 3, 1984, as amended, and supplemented (the "Bond Resolution"), which is hereby incorporated by reference and made a part hereof.

6. Security Deposit. LESSEE shall pay to COUNTY, prior to the Commencement Date of this Lease, a refundable security deposit, in the form of a certified or cashier's check, in an amount equal to three (3) months rental due hereunder. The security deposit shall be held by the Department and will be refunded to LESSEE upon termination of this Lease provided that LESSEE is not in default of any of the provisions of this Lease; the Premises are left in good and serviceable condition, to be determined in the sole discretion of the Department; all rentals, fees, and taxes due are paid in full by LESSEE; and LESSEE has returned the Airport access card key to the Department. If there is a rental or fee deficiency or if the Premises require maintenance or repair in order to be returned to serviceable condition, the Department may apply the security deposit, or any part thereof, to the deficiency or to costs incurred by COUNTY, plus any applicable administrative overhead.

7. Additional Rent. Any and all sums of money or charges required to be paid by LESSEE under this Lease, other than the annual rent, shall be considered "Additional Rent," whether or not the same is specifically so designated, and COUNTY shall have the same rights to enforce due and timely payment by LESSEE of all Additional Rent as are available to COUNTY with regard to annual rent.

8. Description of Specific Privileges, Uses and Rights. The County hereby grants to LESSEE, the limited right to use the Premises for the following purposes, and for no other purposes whatsoever, all of which shall be subject to the terms, conditions, and covenants set forth in this Lease:

A. LESSEE shall use the Premises to store aircraft which are owned by or leased to LESSEE and registered with the Department in accordance with the provisions of this Lease (the "Registered Aircraft").

FAA Registration No. N5778Q

Make: Mooney

Model: \_\_\_\_\_

LESSEE shall promptly register all aircraft being stored within the Premises with the Department. LESSEE shall not use the Premises for any commercial purpose, including, but not limited to, the sale of products or services of any kind, whether or not such transactions are engaged in for a profit. LESSEE shall not store or park aircraft within the Premises, which are not owned or leased by LESSEE and registered with the Department in accordance with the provisions of this Section.

B. LESSEE may perform preventive maintenance on the Registered Aircraft, of the kind and to the extent permitted by Title 14, Part 43.3 Appendix A, paragraph (C) of the Code of Federal Regulations entitled "Preventive Maintenance", as may be amended from time to time. LESSEE shall not perform repairs or maintenance to its Aircraft on any ramp, apron, taxiway, runway or other public area of the Airport.

C. LESSEE agrees that use of the Premises shall be in accordance with federal, state and local laws and regulations including, but not limited to, the Palm Beach County Airport Rules and Regulations, Resolution No. R-98-220, as amended and as may be amended from time to time.

D. LESSEE's aircraft shall not be parked or positioned in such common use areas so as to block, limit or restrict the use of the ramps, aprons or taxiways by other Airport tenants or users.

E. LESSEE may place within the Premises a small desk, workbench, tool cabinet and necessary small hand tools required for work permitted under Section 8(B) above.

F. LESSEE may store parts and accessories within the Premises for the Registered Aircraft; provided, however, storage of any parts, accessories, hulls, or incomplete aircraft, which are not manufactured for use on, or cannot be readily adapted for use on the Registered Aircraft for the Premises is prohibited.

G. LESSEE may park one (1) operable automobile within the Premises, but only while the Registered Aircraft is in use.

H. LESSEE may install within the Premises one (1) hand-operated winch, and/or one (1) motorized towing vehicle to assist with maneuvering and hanging of aircraft.

I. LESSEE may store not more than five (5) gallons of flammable fluid within the Premises, provided that any such storage shall be limited to NFPA-approved containers, or unopened original cans.

J. LESSEE shall not use the Premises to store furniture, boats, recreational vehicles, hang gliders, ultralights, inoperative or unregistered aircraft (except to the extent permitted under Section 8(F) and (G) above), utility trailers, or any other objects unrelated to the purposes for which the Premises have been leased.

K. LESSEE shall not perform repair service on automobiles or automotive equipment of any kind, other than an authorized motorized towing vehicle, from or at the Premises.

L. LESSEE shall not perform painting, or "doping" operations of any kind within the Premises and shall not install or use compressors for any purpose; provided, however, LESSEE may use non-electric, non-combustible, air pressure tanks used to inflate aircraft landing gear tires within the Premises.

M. LESSEE shall install and maintain an appropriate fire extinguisher within the Premises at all times.

N. Subject to written approval of the Department, LESSEE may be permitted to use approved electrical appliances that have a combined maximum load of 5.0 amps or less. Such electrical appliances shall not be used on a continual basis or while the Registered Aircraft is not within the Premises or while the LESSEE is not actually working within the Premises. It shall be the responsibility of the LESSEE to request and obtain the Department's written approval of the installation and use of approved electrical appliances and failure to do so may result in termination of this Lease or other action deemed appropriate by the Department. In addition to any other remedy or action available to COUNTY, COUNTY shall have, and LESSEE hereby agrees that COUNTY shall have the right to enter onto the Premises and remove therefrom any and all electrical appliances or devices which COUNTY has not approved for installation and use in the Premises. COUNTY shall not be held liable for any such loss or damage suffered by the LESSEE as a result of such action by COUNTY unless such loss or damage results from solely from negligence of COUNTY, its officers, agents, or employees.

O. LESSEE shall not have open flames or weld within the Premises.

P. LESSEE shall keep hangar doors closed when the Registered Aircraft is not being stored within the Premises.

Q. No running water or washing of aircraft shall take place within the Premises, or any other Airport location except the COUNTY approved aircraft wash rack.

9. Description of General Privileges, Uses and Rights. In addition to the specific privileges granted in Section 8 above, COUNTY hereby grants to LESSEE the following general, nonexclusive privileges, uses, and rights on the Airport, all of which shall be subject to the terms, conditions, and covenants set forth in this Lease:

A. The general use, in common with others, of all public Airport facilities and improvements which are now or may hereafter be connected with or appurtenant to the Airport (including airfield access). For purposes of this Lease, "public Airport facilities" shall include all necessary roadways, sidewalks, or other public facilities appurtenant to the Airport, which are not specifically leased to or under the contractual control of others.

B. The right of ingress to and egress from the Premises over and across public roadways serving the Airport. Said right shall be subject to such laws, rules, regulations and orders as now or may hereafter have application at the Airport.

Except as expressly set forth in Sections 9 (A) and (B) above, nothing contained in this Lease shall be construed to grant to LESSEE the right to use any space or area improved or unimproved which is leased to a third party, or which COUNTY has not leased herein.

10. Condition of Premises. LESSEE acknowledges that COUNTY has made no representations or warranties of any nature whatsoever regarding the Premises including, without limitation, the physical and/or environmental condition of the Premises, or any improvements located thereon, or the value of such Premises or improvements, or the suitability of the Premises for LESSEE's intended use thereof.

11. Obligations of COUNTY.

A. Condition of Airport. Except as to the Premises and facilities leased to others by COUNTY, COUNTY shall maintain all public Airport facilities in good and adequate condition for their intended use to the extent required by law.

B. Utilities. COUNTY shall provide at no additional cost to LESSEE electrical power within the Premises for lighting and the operation of electrical appliances as approved by the Department pursuant to Section 8 above, if any.

12. Obligations of LESSEE.

A. Maintenance. LESSEE shall, at its sole cost and expense, maintain the Premises in a clean, safe and presentable condition consistent with good business practice, industry standards, and in accordance with all applicable laws, regulations, and rules of any applicable governmental entity. LESSEE shall repair all damages to the Premises and improvements caused by its employees, patrons, invitees, suppliers of services or furnishers of material, or any other persons whomsoever, and all damages caused by or resulting from or in any way arising out of LESSEE's operations thereon or LESSEE's use of the Premises. LESSEE hereby agrees that it shall abide by the decision of the Department with respect to any and all such maintenance or repair. Upon written notice by the Department to LESSEE, LESSEE shall perform the required maintenance or repair in accordance with the Department's decision. If LESSEE has not made a good faith effort, as determined by the Department, to begin to perform the required maintenance or repair within twenty (20) days after written notice and to diligently pursue the same to completion, COUNTY shall have the right to enter the Premises and perform the necessary maintenance or repair, and LESSEE hereby expressly agrees that it shall fully assume and be liable to COUNTY for payment of any costs incurred by COUNTY, plus a twenty-five percent (25%) administrative overhead. Such maintenance or repair cost, plus the administrative cost, shall be due and payable within thirty (30) days from the date of the Department's billing therefore.

B. Security. LESSEE acknowledges and accepts full responsibility for the security and protection of the Premises and any and all of LESSEE's property placed upon the Premises. LESSEE fully understands that the police security protection provided by COUNTY is limited to that provided to any other business situated in Palm Beach County by the Palm Beach County Sheriff's Office, and expressly acknowledges that any special security measures deemed necessary or desirable for additional protection of the Premises and property thereon, shall be the sole responsibility of LESSEE and shall involve no cost to COUNTY. COUNTY shall have the right to review, change, alter, or revise any security policy or procedure at any time based on the COUNTY's responsibility to operate the Airport in a safe and secure manner.

13. Indemnification. LESSEE agrees to protect, defend, reimburse, indemnify and hold COUNTY, its agents, employees and elected officers and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including attorney fees 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 Lease or LESSEE's use or occupancy of the Premises, 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, or of any party acquiring any interest hereunder, any agent or employee of any party hereto or of any party acquiring an interest hereunder, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with LESSEE's acts, omissions or operations hereunder, or the performance, non-performance or purported performance of LESSEE or any breach of the terms of this Lease; provided, however, LESSEE shall not be responsible to COUNTY for damages resulting out of body injury (including death) or damages to property which are judicially determined to be solely attributable to the negligence of COUNTY, its respective agents, servants, employees and officers. LESSEE further agrees to hold harmless and indemnify COUNTY for any fines, citations, court judgments, insurance claims, restoration costs or other liability resulting from or in any way arising out of or due to LESSEE's activities or operations or use of the Premises whether or not LESSEE was negligent or even knowledgeable of any events precipitating a claim or judgment arising as a result of any situation involving said activities. This indemnification shall be extended to include all deliverers, suppliers, furnishers of material, or anyone acting for, on behalf of, or at the request of LESSEE. LESSEE recognizes the broad nature of this indemnification and hold-harmless clause, and acknowledges that COUNTY would not have entered into this Lease without the inclusion of such clause, and voluntarily makes this covenant and expressly acknowledges the receipt of Ten Dollars (\$10.00) and such other good and valuable consideration provided by COUNTY in support of this indemnification. The obligations arising under this Section shall survive the expiration or termination of this Lease.

14. Insurance. Without limiting LESSEE's obligation to indemnify COUNTY, as provided herein, LESSEE shall provide, pay for, and maintain in force at all times during the term of this Lease, a policy of Aircraft/General Liability Insurance to protect against bodily injury liability and property damage in an aggregate amount of not less than Five Hundred Thousand Dollars (\$500,000). If LESSEE will be operating vehicles on the Airport, LESSEE shall provide Automobile Liability Insurance coverage with

minimum limits of One Hundred Thousand Dollars (\$100,000) per person, Three Hundred Thousand Dollars (\$300,000) per accident for bodily injury, and Fifty Thousand Dollars (\$50,000) per accident for property damage. A certificate(s) evidencing all required insurance must be provided to COUNTY prior to the Commencement Date of this Lease and renewal certificates must be provided throughout the term of this Lease. Certificate(s) of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage. COUNTY shall have the right to review and modify insurance requirements of this Lease from time to time, provided that COUNTY gives LESSEE ninety (90) days prior written notice of any such change.

15. Assignment by LESSEE. LESSEE shall not assign an interest in this Lease, or any part thereof, without the prior written consent of the Department, which consent may be granted or withheld at the Department's sole and absolute discretion for any reason or no reason at all. Any attempted assignment without Department approval shall be null and void. In the event the Department provides such consent, LESSEE shall have the right only to the extent permitted by the Department's consent to assign all or any portion of the Premises, provided that any such assignment shall be limited to only the same purposes as are permitted under this Lease. LESSEE is expressly prohibited from subleasing, mortgaging or otherwise encumbering this Lease, or any part thereof. Any such sublease, mortgage or encumbrance shall be considered null and void and will be considered grounds for termination of this Lease.

16. Assignment by COUNTY. COUNTY may freely assign this Lease at any time without the consent of LESSEE, and COUNTY shall be released from all liability and obligation arising under this Lease upon such assignment. In the event of an assignment by COUNTY, LESSEE agrees that it shall recognize COUNTY's assignee as its new landlord under this Lease upon the effective date of such assignment. LESSEE acknowledges and agrees that this Lease shall be subject and subordinate to any future agreement entered into between COUNTY and its assignee related to the Premises, and shall be given only such effect as will not conflict with nor be inconsistent with terms and conditions of such agreement. LESSEE acknowledges and agrees that COUNTY may transfer any security deposit held by COUNTY pursuant to Section 6 above to COUNTY's assignee.

17. Signs and Improvements. No signs, emblems, or advertising shall be placed or erected on or in the Premises, nor shall LESSEE make any alterations, changes or additions to the Premises.

18. Disclaimer of Liability. COUNTY HEREBY DISCLAIMS, AND LESSEE 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 LESSEE, ITS EMPLOYEES, AGENTS OR INVITEES DURING THE TERM OF THIS LEASE OR ANY EXTENSION HEREOF INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF LESSEE OR LESSEE'S INVITEES THAT MIGHT BE LOCATED OR STORED ON THE PREMISES, UNLESS 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 LEASE. LESSEE RELEASES COUNTY FROM ANY AND ALL LIABILITY RELATING TO ANY INFORMATION PROVIDED BY COUNTY RELATING TO THIS LEASE. FURTHERMORE, LESSEE 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 LEASE WAS AT ITS SOLE RISK. THE FOREGOING DISCLAIMER SHALL NOT BE CONSTRUED TO CONSTITUTE AN AGREEMENT BY LESSEE TO INDEMNIFY THE COUNTY FOR THE COUNTY'S NEGLIGENT, WILLFUL OR INTENTIONAL ACTS.

19. Default. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by LESSEE:

- A. The vacating or abandonment of the Premises by LESSEE for a period of more than sixty (60) consecutive, calendar days.
- B. The failure by LESSEE to make payment of rent or any other payment required to be made by LESSEE, as and when due, where such failure shall continue for a period of three (3) days after written notice from the Department to LESSEE.
- C. The failure by LESSEE to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by LESSEE, other than described in paragraph B. above, where such failure shall continue for a period of fifteen (15) days after written notice from the Department; provided, however, that if the nature of LESSEE's default is such that more than fifteen (15) days are reasonably required for its cure, then LESSEE shall not be deemed to be in default if LESSEE has commenced such cure within such fifteen (15) day period and thereafter diligently pursues such cure to completion.
- D. To the extent permitted by law, (i) The making by LESSEE or any guarantor hereof of any general assignment, or general arrangement for the benefit of creditors; (ii) the filing by or against LESSEE of a petition to have LESSEE 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 LESSEE, the same is dismissed within sixty (60) days]; (iii) the appointment of a trustee or receiver to take possession of substantially all of LESSEE's assets located at the Premises or of LESSEE's interest in this Lease, where possession is not restored to LESSEE within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of LESSEE's assets located at the Premises or of LESSEE's interest in this Lease, where such seizure is not discharged within thirty (30) days.

- E. The discovery by COUNTY that any information given to COUNTY by LESSEE relating to this Lease was materially false.

20. Remedies. In the event of any such material default or breach by LESSEE, 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 default or breach, elect to exercise any one of the following remedies:

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

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

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

D. Stand by and do nothing, holding LESSEE 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 anything in this Lease to the contrary, upon the occurrence of a material default or breach of this Lease by LESSEE, COUNTY shall have the right to bring an action for damages. COUNTY further reserves all rights which the laws of the State of Florida confer upon a landlord against a Tenant in default.

21. Termination by LESSEE. LESSEE may terminate this Lease, if LESSEE is not in default of this Lease, 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 Premises, which injunction remains in force for a period of at least ninety (90) days.

B. The default by COUNTY in the performance of any covenant or agreement required to be performed by COUNTY and the failure of COUNTY to remedy such default for a period of ninety (90) days after receipt from LESSEE of written notice to remedy same; provided, however, that no notice of cancellation, as provided herein, shall be of any force or effect if COUNTY shall have remedied the default prior to receipt of LESSEE's notice of termination; or in the event the same cannot be cured within such ninety (90) 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 such a manner as to substantially restrict the operation of LESSEE, for a period of at least ninety (90) days.

In the event of termination as herein provided, the parties shall be relieved of all obligations created hereunder except for those obligations accruing prior to termination of this Lease and those obligations that specifically survive termination of this Lease.

22. Surrender of Premises. LESSEE expressly agrees that it shall immediately surrender the Premises to COUNTY in good and fit condition upon expiration or termination of this Lease, depreciation and wear from ordinary use for the purpose for which the Premises were leased being excepted. All repairs and obligations that LESSEE is responsible for shall be completed by the earliest practical date prior to surrender. In the event LESSEE shall holdover, refuse, or fail to give up the possession of the Premises at the termination of this Lease, LESSEE shall be liable to COUNTY for any and all damages, and in addition thereto, LESSEE shall also be strictly liable to pay to COUNTY during the entire time period of such holdover, double rental, as provided for in section 83.06, Florida Statutes. LESSEE shall remove all of its personal property from the Premises prior to the expiration of this Lease. Any personal property of LESSEE, including, but not limited to aircraft, not removed shall become the property of COUNTY.

23. Inspection. COUNTY, its agents and employees and any applicable Federal, State or local governmental entity having jurisdiction shall have the right to enter the Premises at any time for the purpose of inspecting the Premises for compliance with the provisions of this Lease and/or applicable laws. LESSEE agrees that COUNTY may take such action and to make such repairs or alterations as are, in the sole opinion of the COUNTY, desirable or necessary, and to take such materials into or out of the Premises for the safe and economical accomplishment of said purposes without in any way being deemed guilty of an actual or constructive eviction of the LESSEE.

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

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

26. Notice. Any notice given under the provisions of this Lease shall be in writing and shall be delivered (as elected by the party giving such notice) by hand delivery, courier service, nationally-recognized overnight mail service, or 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 service, or overnight mail, 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 designated the following addresses as the addresses to which notices may be delivered, and delivery to such addresses shall constitute binding notice given to such party:

COUNTY:

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

With a copy to:

Palm Beach County Attorney's Office  
Chief Deputy County Attorney  
301 North Olive Avenue, Suite 601  
West Palm Beach, FL 33401

LESSEE:

John Sager  
522 Quail Point  
Jupiter, Florida 33458  
(561) 746-8917

E-mail Address: jsager5@comcast.net

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

27. 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 Premises are located, for public purposes for a period in excess of ninety (90) days, either party may terminate this Lease by providing written notice of such termination to the other party and the parties shall thereupon be released and fully discharged from any and all liability hereunder arising after such termination or as a result thereof. This Section shall not act or be construed as a waiver of any rights LESSEE may have against the United States as a result of such taking.

28. Federal Review. LESSEE acknowledges this Lease may be subject to review or inspection by the Federal Aviation Administration to determine satisfactory compliance with Federal law or grant assurances and this Lease shall be in full force and effect and binding upon both parties pending such review or inspection by the Federal Aviation Administration, if applicable; provided, however, that upon such review or inspection all parties hereto agree to modify any of the terms of this Lease which shall be determined by the Federal Aviation Administration to be in violation of existing laws, regulations, grant assurances or other requirements.

29. County Tax Assessment Right. None of the terms, covenants and conditions of this Lease shall in any way be construed as a release or waiver on the part of the COUNTY, as a political subdivision of the State of Florida, or any of the public officials of the County of Palm Beach, of the rights to assess, levy, and collect any ad valorem, non ad valorem, license, personal, intangible, occupation, or other tax which shall be lawfully imposed on the Premises, the business or property of LESSEE.

30. Height Restriction. LESSEE expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Premises to such a height so as to comply with Title 14, Part 77 of the Code of Federal Regulations, as amended and as may be amended from time to time.

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

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

33. Release. LESSEE acknowledges that noise and/or vibration are inherent to the operation of Airport and hereby releases COUNTY from any and all liability relating to the same.

34. Non-discrimination. LESSEE for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree (a) that 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 or denied the use of the Premises, (b) that in the construction of any improvements on, over, or under such Premises and the furnishing of services, 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 (c) that LESSEE shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended from time to time. In the event of the breach of any of the foregoing non-discrimination covenants, COUNTY shall have the right to terminate this Lease and to reenter and repossess said Premises and the facilities hereon, and hold the same as if said Lease had never been made or issued. This cancellation provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed including exercise or expiration of appeal rights.

35. COUNTY not Liable. COUNTY shall not be responsible or liable to LESSEE for any claims for compensation or any losses, damages or injury whatsoever sustained by LESSEE including, without limitation, those resulting from failure of any water supply, heat, air conditioning, electrical current, or sewerage or drainage facility, or caused by natural physical conditions on the Premises, whether on the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tornado, hurricane, act of God or state of war, civilian commotion or riot, or any cause beyond the control of COUNTY. All personal property placed on or moved onto the Premises shall be at the sole risk of LESSEE. COUNTY shall not be liable for any damage or loss of said personal property.

36. Compliance with Laws. Notwithstanding anything to the contrary herein, LESSEE shall not use or permit the use of the 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 Premises or the Airport for COUNTY or LESSEE.

37. Waiver. The failure of COUNTY to insist on a strict performance of any of the agreements, terms, covenants and conditions hereof shall not be deemed a waiver of any rights or remedies that COUNTY may have for any subsequent breach, event of default, or nonperformance, and COUNTY's right to insist on strict performance of this Lease shall not be affected by any previous waiver or course of dealing.

38. Subordination to Bond Resolution. This Lease and all rights granted to LESSEE 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 LESSEE agree that to the extent permitted by authorizing legislation, the holders of the Bonds or their designated representatives shall

exercise any and all rights of COUNTY hereunder to the extent such possession, enjoyment and exercise are necessary to insure compliance by LESSEE and COUNTY with the terms and provisions of this Lease and Bond Resolution.

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

40. Exclusive Rights. Notwithstanding anything contained in this Lease to the contrary, it is expressly understood and agreed that the rights granted under this Lease are nonexclusive, other than the exclusive right of use of the Premises, and that COUNTY may grant similar privileges to another lessee or other lessees on other parts of the Airport.

41. Public Entity Crimes. As provided in sections 287.132-133, Florida Statutes, as may be amended from time to time, by entering into this Lease or performing any work in furtherance hereof, LESSEE certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the thirty-six (36) months immediately preceding the effective date hereof. This notice is required by section 287.133(3)(a), Florida Statutes.

42. Governmental Authority. Nothing in this Lease shall be construed to waive or limit COUNTY's governmental authority as a political subdivision of the State of Florida to regulate LESSEE or its operations.

43. Rights Reserved to the COUNTY. All rights not specifically granted LESSEE by this Lease are reserved to the COUNTY.

44. Invalidity of Clauses. The invalidity of any portion, article, paragraph, provision, clause or any portion thereof of this Lease shall have no effect upon the validity of any other part or portion hereof.

45. Paragraph Headings. The heading of the various articles and sections of this Lease 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 Lease or any part or parts of this Lease.

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

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

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

49. No Broker. LESSEE warrants to COUNTY that no real estate broker or agent has been used or consulted in connection with the transaction contemplated by this Lease and agrees to indemnify and hold COUNTY harmless from all loss, cost, damage or expense (including reasonable attorneys' fees) incurred by COUNTY as a result of any claim arising out of the acts of LESSEE (or others on its behalf) for a commission, finder's fee or similar compensation made by any broker or agent who claims to have dealt with LESSEE.

50. Excusable Delay. Any party in performing under this Lease shall use reasonable efforts to remedy the cause or causes of an excusable delay. Excusable delays are those delays due to force majeure, acts of God, fire, flood, earthquake, explosion, riot, sabotage, windstorm, or labor dispute, and shall toll the time to perform under this Lease.

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

52. Venue and Governing Law. To the extent allowed by law, the venue for any action arising from this Lease shall be in Palm Beach County, Florida. This Lease shall be governed by and in accordance with the laws of the State of Florida.

53. Negotiated Agreement. The parties agree that they have had meaningful discussion and/or negotiation of the provisions, terms and conditions contained in this Lease. Therefore, doubtful or ambiguous provisions, of any, contained in this Lease shall not be construed against the party who physically prepared this Lease.



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

55. Radon. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed Federal and State guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from COUNTY's public health unit.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first written above.

Witnesses:

Connie Sheffner  
Signature

Connie Sheffner  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

BY ITS DIRECTOR OF AIRPORTS

By: [Signature]  
Director

Witnesses:

Phyllis Scaringie  
Signature

PHYLLIS SCARINGIE  
Print Name

Doreen Sager  
Signature

Doreen Sager  
Print Name

LESSEE:

By: [Signature]  
Print Name

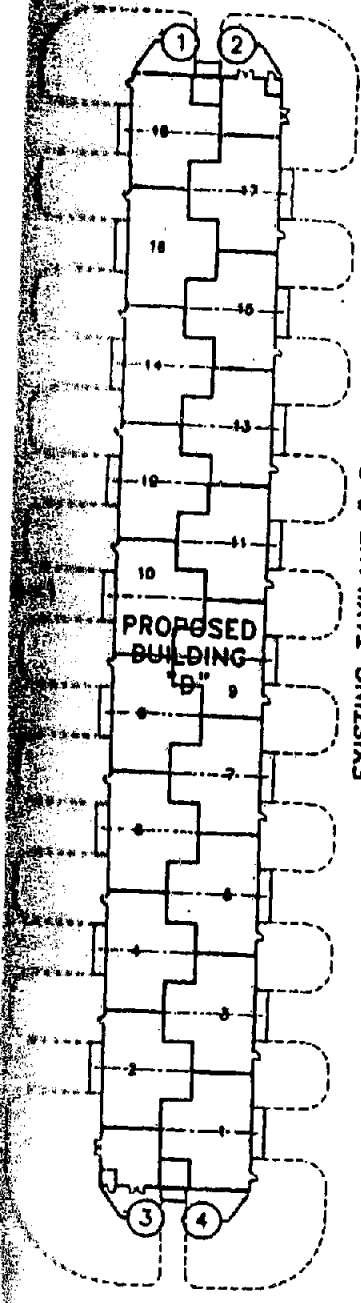
By: \_\_\_\_\_

\_\_\_\_\_  
Print Name

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY:

By: Anne Delmont  
County Attorney

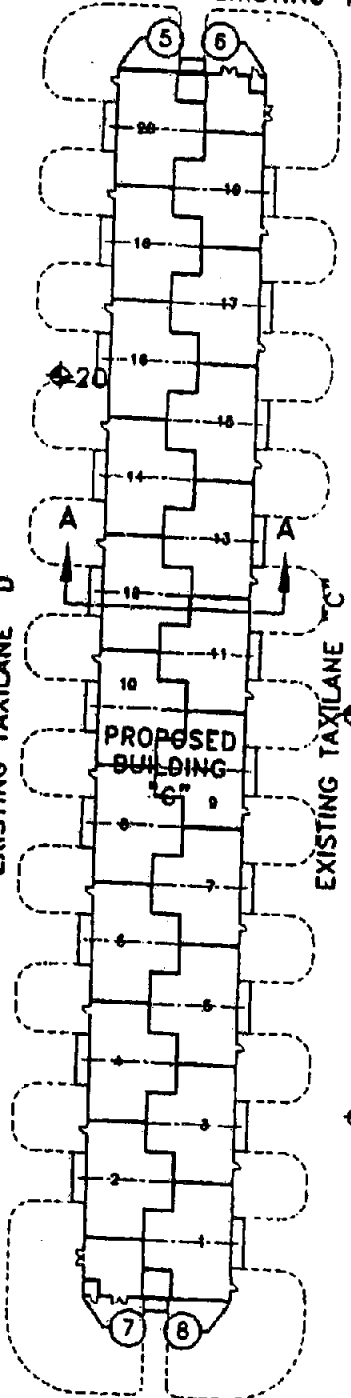
EXISTING TAXILANE "C"



EXISTING TAXILANE "D"

◆T-10

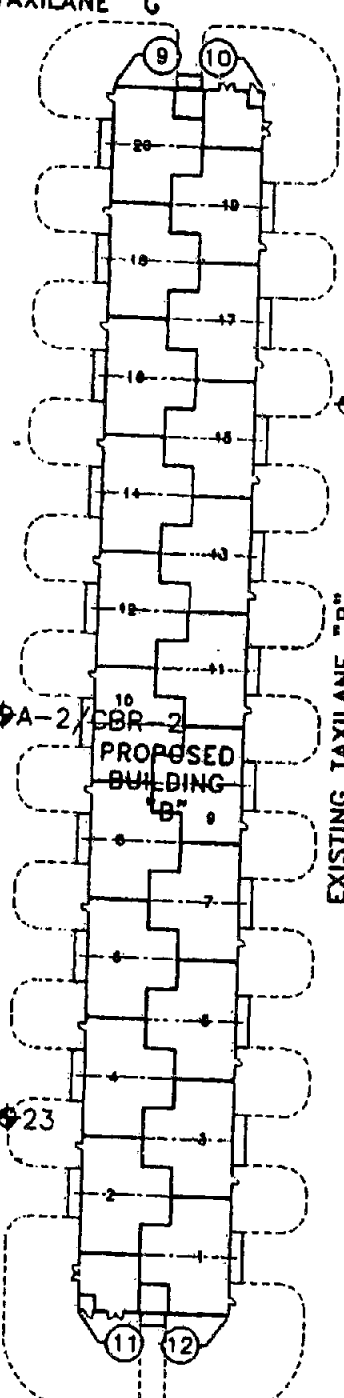
11750



EXISTING TAXILANE "C"

EXISTING TAXILANE "F"

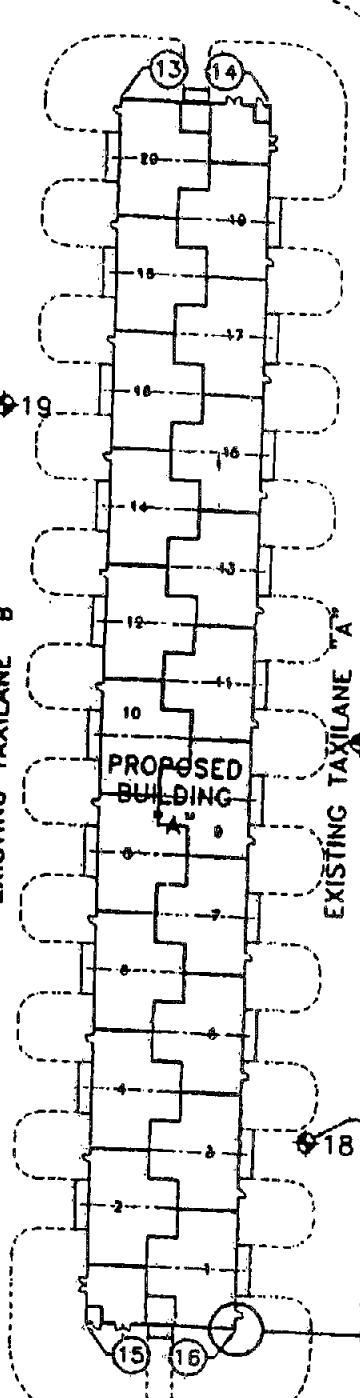
11740



EXISTING TAXILANE "B"

◆T-9

11730



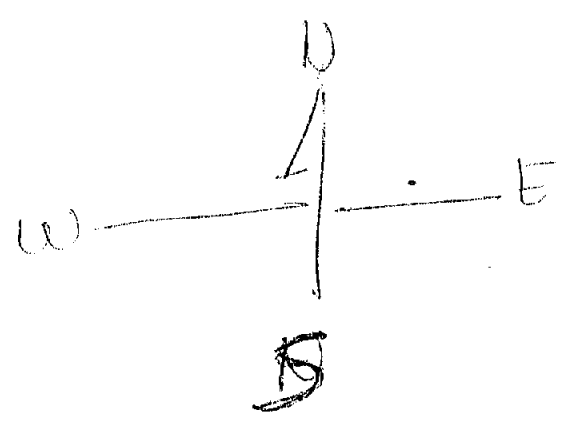
EXISTING TAXILANE "A"

◆T-8

11720

BORING LOCATION (TYP.)

SEE DETAIL THIS DRAWING



**GENERAL AERONAUTICAL SERVICES AGREEMENT**

---

---

**Department of Airports**  
**Palm Beach International Airport**  
**Palm Beach County, Florida**

**Jetstream Ground Services, Inc.**

---

Service Provider

# GENERAL AERONAUTICAL SERVICES AGREEMENT

## TABLE OF CONTENTS

		<u>PAGE</u>
ARTICLE I	<u>TERM OF AGREEMENT</u>	1
ARTICLE II	<u>PRIVILEGES AND AUTHORIZED SERVICES</u>	1
2.01	Description of General Privileges, Uses and Rights	1
2.02	Authorized Aeronautical Services	2
2.03	Definitions of Services	2
ARTICLE III	<u>PAYMENTS AND REPORTS</u>	3
3.01	Service Fee and Facility Usage Charges	3
3.02	Reports	3
3.03	Unpaid Service Fees	4
3.04	Audit Requirement	4
3.05	Fee Payment and Reporting Address	4
3.06	Accounting Records	4
3.07	Contracts with Airlines	5
ARTICLE IV	<u>OBLIGATIONS OF THE COUNTY</u>	5
4.01	Maintenance Responsibility	5
ARTICLE V	<u>OBLIGATIONS OF SERVICE PROVIDER</u>	5
5.01	Operational Requirements	5
5.02	Service Standards	6
ARTICLE VI	<u>INSURANCE</u>	7
6.01	Commercial General Liability, Auto Liability	7
6.02	Insurance Certificate and Conditions	8
6.03	COUNTY's Right to Review	8
ARTICLE VII	<u>RELATIONSHIP OF THE PARTIES</u>	9
ARTICLE VIII	<u>INDEMNIFICATION</u>	9
ARTICLE IX	<u>TERMINATION OF AGREEMENT, CANCELLATION, ASSIGNMENT AND TRANSFER</u>	10
9.01	Termination	10
9.02	COUNTY's Right of Cancellation	10
9.03	Cancellation for Default in Payment of Fees	11
9.04	Cancellation by SERVICE PROVIDER	11
9.05	Assignment, Transfer and Subcontracting	11
ARTICLE X	<u>SIGNS</u>	12
ARTICLE XI	<u>LAWS, REGULATIONS, PERMITS AND TAXES</u>	12
11.01	General	12
11.02	Permits and Licenses General	12
11.03	Air and Safety Regulations	13
11.04	Environmental and Natural Resource Laws, Regulations and Permits	13
11.05	Payment of Taxes	16
ARTICLE XII	<u>DISCLAIMER OF LIABILITY</u>	16
ARTICLE XIII	<u>REMEDIES CUMULATIVE</u>	17

TABLE OF CONTENTS (continued)

	<u>PAGE</u>
ARTICLE XIV <u>GOVERNMENTAL RESTRICTIONS</u>	17
14.01 Federal Right to Reclaim	17
14.02 Federal Review	17
14.03 COUNTY Tax Assessment Right	17
14.04 Right of Flight	17
14.05 Operation of Airport	18
ARTICLE XV <u>NO DISCRIMINATION</u>	18
15.01 Non-discrimination	18
15.02 Minority Business Enterprise/Affirmative Action	18
ARTICLE XVI <u>NON-EXCLUSIVE AGREEMENT</u>	18
ARTICLE XVII <u>COUNTY NOT LIABLE</u>	19
ARTICLE XVIII <u>AUTHORIZED USES ONLY</u>	19
ARTICLE XIX <u>WAIVERS</u>	19
ARTICLE XX <u>SUBORDINATION</u>	19
20.01 Subordination to Bond Resolution	19
20.02 Subordination to Federal Agreements	20
ARTICLE XXI <u>CONSENT AND APPROVAL</u>	20
ARTICLE XXII <u>RIGHTS RESERVED TO THE COUNTY</u>	20
ARTICLE XXIII <u>INVALIDITY OF CLAUSES</u>	20
ARTICLE XXIV <u>VENUE</u>	20
ARTICLE XXV <u>GOVERNING LAW</u>	20
ARTICLE XXVI <u>INTENTIONALLY LEFT BLANK</u>	20
ARTICLE XXVII <u>INSPECTIONS</u>	20
ARTICLE XXVIII <u>NOTICE</u>	21
ARTICLE XXIX <u>PARAGRAPH HEADINGS</u>	21
ARTICLE XXX <u>BINDING EFFECT</u>	21
ARTICLE XXXI <u>PERFORMANCE</u>	21
ARTICLE XXXII <u>PUBLIC ENTITY CRIMES</u>	21
ARTICLE XXXIII <u>ENTIRETY OF AGREEMENT</u>	22

**GENERAL AERONAUTICAL SERVICES AGREEMENT**

---

THIS AGREEMENT is made and entered into JUL 18 2007 by and between PALM BEACH COUNTY, a political subdivision of the State of Florida (hereinafter referred to as the "COUNTY"), and **Jetstream Ground Services, Inc.**, a Florida Corporation having its office and principal place of business at 1306 North Perimeter Road, West Palm Beach, FL 33406, Federal Tax I.D. Number 65-0646137 (hereinafter referred to as the "SERVICE PROVIDER").

**WITNESSETH:**

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

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

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

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

ARTICLE I  
TERM OF AGREEMENT

This Agreement shall commence on the 1st day of April, 2007, and shall terminate on the 30th day of September, 2007, and shall automatically be extended on a year-to-year basis (October 1st through September 30th), unless either party hereto, with the Department acting on behalf of the COUNTY, shall advise, by at least ninety (90) days advance written notice, the other party of its desire or intent to amend or terminate this Agreement.

ARTICLE II  
PRIVILEGES AND AUTHORIZED SERVICES

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

- A. The general use, in common with others, of all public Airport facilities and improvements which are now or may hereafter be connected with or appurtenant to said Airport, (including airfield access) to be used by SERVICE PROVIDER in connection with its operations hereunder. For the purpose of this Agreement "public Airport facilities" shall include all necessary roadways, sidewalks, or other public facilities

appurtenant to said Airport, not specifically leased to or under the contractual control of others.

- B. The right of ingress to and egress from the Airport premises over and across public roadways serving the Airport for SERVICE PROVIDER, its agents and employees, patrons and invitees, suppliers of service and furnishers of material. Said right shall be subject to such laws, rules, regulations and orders as now or may hereafter have application at the Airport.

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

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

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

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

- A. Aircraft Ramp Service:

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

- B. Aircraft and Equipment Maintenance Service:

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

- C. Aircraft Interior Cleaning and Waste Disposal Service:

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

- D. Porter Assistance Service:

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

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

E. **Baggage Delivery Service:**

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

F. **Airline Ticketing and Boarding Service:**

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

ARTICLE III  
PAYMENTS AND REPORTS

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

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

3.02 Reports. Within fifteen (15) days after the close of each calendar month throughout the term of this Agreement, SERVICE PROVIDER shall submit to the COUNTY, at the office of the Department, in a form and in detail satisfactory to COUNTY, a detailed statement of Gross Revenues derived from services described in Article 2.03 A. through E. hereinabove, including the services rendered, fees charged, and the Service Fees applicable thereto for the preceding calendar month. For services provided pursuant to Article 2.03 F. hereinabove, SERVICE PROVIDER shall submit to COUNTY, at the office of the Department, in a form and detail as prescribed by the Department, a statement of



facility usage in connection with services provided. Said facility usage statement, and statement of Gross Revenues shall be accompanied by payment of the amount of Service Fees and facility usage charges reflected therein. Said statements shall be signed by a responsible accounting officer of the SERVICE PROVIDER which shall certify the accuracy of said Gross Revenues and facility usage.

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

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

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

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

3.06 Accounting Records. The SERVICE PROVIDER shall maintain during the entire term of this Agreement all books of account and records customarily used in this type of operation, in accordance with Generally Accepted Accounting Practices (GAAP). COUNTY, at all times, throughout the term of this Agreement and for up to three

(3) years following termination, shall have the right to audit and examine during normal working hours all such records and books of account relating to SERVICE PROVIDER's operations hereunder, provided that SERVICE PROVIDER shall not be required to retain such books of account and records for more than three (3) years after the end of each year of this Agreement. Upon COUNTY's request for examination of such books of account and records and should said books of account and records be kept at locations other than the Airport, SERVICE PROVIDER shall arrange for them to be brought to a location convenient to the auditors for the COUNTY in order for the COUNTY to conduct the audits and inspections as set forth in this Article. If, as a result of said audit, the COUNTY determines that the SERVICE PROVIDER has understated the monthly Service Fees due to COUNTY by five percent (5%) or more, the entire expense to COUNTY of said audit shall be assumed by and be the sole responsibility of the SERVICE PROVIDER. All additional Service Fees due COUNTY and reasonable expenses associated with said audit (if any) shall forthwith be paid by the SERVICE PROVIDER to COUNTY, with interest thereon calculated in accordance with Article 3.03 hereof.

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

#### ARTICLE IV OBLIGATIONS OF COUNTY

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

#### ARTICLE V OBLIGATIONS OF SERVICE PROVIDER

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

- A. A copy of this Agreement shall become a part of all service contracts entered into at the Airport by the SERVICE PROVIDER, and shall be attached thereto by the SERVICE PROVIDER so that the other contracting parties are aware of the rights, duties and responsibilities of the SERVICE PROVIDER.
- B. The SERVICE PROVIDER shall at its sole cost and expense maintain all facilities owned or provided by the COUNTY at the Airport for use by the SERVICE PROVIDER in carrying out the services permitted under this Agreement, in a safe and presentable condition consistent with good business practice and in accordance with all applicable laws, regulations and rules of any government agency. SERVICE PROVIDER shall repair all damages to said Airport premises caused by its employees, patrons, invitees, suppliers of service or furnishers of material, or any other persons whomsoever, and all damages caused by or resulting from or in any way arising out of SERVICE PROVIDER's operations thereon. The SERVICE

PROVIDER hereby agrees that it shall abide by the decision of the Department with respect to any and all maintenance requirements. Department shall be the sole judge of SERVICE PROVIDER's performance under this Article, as to the quality of maintenance. Upon written notice by the Department to SERVICE PROVIDER, SERVICE PROVIDER shall perform the required maintenance in accordance with the Department's decision. If SERVICE PROVIDER has not made a good faith effort, as determined by the Department, to begin to perform said maintenance within ten (10) days written notice, and to diligently pursue the same to completion, Department shall have the right to perform the necessary maintenance, and SERVICE PROVIDER hereby expressly agrees that it shall fully assume and be liable to Department for payment of the costs therefor. Such maintenance costs shall be due and payable within thirty (30) days from date of Department's billing therefor.

- C. The SERVICE PROVIDER shall not provide the Porter Assistance Service authorized hereunder within the U.S. Customs facilities located at the Port of Entry Building without the specific prior written approval of the Department.

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

- A. The SERVICE PROVIDER shall hire and assign a full-time manager or managers, qualified and experienced in the management and control of the services authorized to be performed herein. Said manager(s) shall be delegated sufficient authority to ensure proper performance of the terms and conditions contained herein. The SERVICE PROVIDER shall also provide at least two twenty-four hour telephone numbers to enable the Department to contact said manager or supervisory personnel whenever necessary. The SERVICE PROVIDER shall be responsible to inform the Department of any change in name and/or number.
- B. The SERVICE PROVIDER shall properly control its employees. Said employees shall present a clean and neat appearance at all times, discharge their duties in a courteous and efficient manner, be suitably uniformed, and wear appropriate identification.
- C. The SERVICE PROVIDER's employees shall at all times be under the control and supervision of the SERVICE PROVIDER, including during slack periods, between job assignments, and during break periods and lunch. Employee breaks shall be taken only in locations approved or designated by the Department in advance in writing.
- D. The SERVICE PROVIDER's employees shall not solicit or request tips or gratuities, directly or indirectly. The SERVICE PROVIDER's employees shall dispose of found property in accordance with approved procedures. The Department reserves the right to withdraw its security pass from any employee of the SERVICE PROVIDER who fails to follow guidelines in this Agreement.
- E. The SERVICE PROVIDER shall obtain and provide to all personnel with authorized access to the airfield operations area and other restricted areas as designated by the Department from time to time, identification badging as required to comply with the security program established by the Department as mandated by Part 107 of the Federal Aviation Regulations and shall

furnish the Department with the names and additional pertinent data of such persons. The SERVICE PROVIDER shall furnish the Department with a list of all employee changes on or before the first day of each and every calendar month.

- F. The SERVICE PROVIDER shall properly train all its employees in safe driving procedures in accordance with Department's policy before they are allowed to work on the Airport operating area.
- G. The SERVICE PROVIDER shall not disturb any Airport tenant(s) or user(s).
- H. The SERVICE PROVIDER shall furnish good, prompt and efficient service adequate to meet all the demands for its service at the Airport, and furnish said service on a fair, equal, and non discriminatory basis to all users thereof. The SERVICE PROVIDER shall charge fair, reasonable, and nondiscriminatory prices for each unit of service.

#### ARTICLE VI INSURANCE

##### 6.01 Personal Injury and Property Damage Liability Insurance.

- A. Occurrence Form Basis. In addition to such insurance as may be required by law, SERVICE PROVIDER agrees to maintain in full force and effect throughout the term of this Agreement or any extension thereof, Comprehensive or Commercial General Liability on an Occurrence form basis. Coverage shall be underwritten by a company or companies authorized to conduct business in the state of Florida and shall hold a current Policyholder's Alphabetic and Financial Size Category Rating of not less than A XII according to *Best's Insurance Reports*. Required coverage must have limits of not less than **\$1,000,000** Combined Single Limit each and every occurrence for Personal Injury including Bodily Injury/Death and Property Damage Liability and shall include, but not be limited to, Products-Completed Operations, Contractual and Broad Form Property Damage.
- B. Conditions Applicable to 1986 Claims-Made Commercial General Liability Policies or Any Other Policies that Follow a Similar Format. Occurrence form general liability insurance is highly preferred. However, in the event the SERVICE PROVIDER is only able to secure Claims-Made general liability insurance special conditions apply:
  - 1. Any Certificate of Insurance issued to the COUNTY must clearly indicate whether the Claims-Made Commercial General Liability or similar form applies to it. Further, it must indicate if the limits are aggregated. In the event of aggregate limits being applicable, the COUNTY requires that the SERVICE PROVIDER's aggregate amount of insurance be no less than three times the basic limit of liability required above for each accident or occurrence.
  - 2. Should coverage be afforded on a Claims-Made basis, the SERVICE PROVIDER shall be obligated by virtue of this Agreement to maintain insurance coverage in effect with no less limits of liability nor any more restrictive terms and/or conditions for a period of not less than thirty-six (36) months from the termination of this Agreement. The retroactive date shall be no later than the date of inception

of this Agreement and shall be maintained for all subsequently required policies.

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

6.02 Insurance Certificate.

- A. A signed Certificate or Certificates of Insurance, evidencing that required insurance coverage(s) has been procured by SERVICE PROVIDER in the types and amount(s) required hereunder, shall be transmitted to COUNTY and said Certificate (s) shall clearly state that coverage required by this Agreement has been endorsed to include Palm Beach County, a Political Subdivision of the State of Florida, as an Additional Insured. Said insurance shall support SERVICE PROVIDER's agreement of indemnity set forth in article VIII hereinbelow, shall so state in said Certificate. Further, said Certificate of Insurance shall unequivocally provide thirty (30) days written notice to COUNTY prior to any adverse change, cancellation or non-renewal of coverage thereunder. Said liability insurance must be acceptable to and approved by COUNTY as to form and types of coverage. In the event that the statutory liability of COUNTY is amended during the term of this Agreement to exceed the above limits, SERVICE PROVIDER shall be required, upon thirty (30) days written notice by county, to provide coverage at least equal to the amended statutory limit of liability of COUNTY. SERVICE PROVIDER's failure to provide such additional coverage shall constitute a default by SERVICE PROVIDER and shall be grounds for automatic termination of this Agreement. Said policy (s) of insurance shall provide that, in the event of bankruptcy or insolvency of SERVICE PROVIDER the insurance company shall not be relieved of any payment claims or fines which may thereafter be levied by any authorized governmental authority for any acts or conditions caused or created by SERVICE PROVIDER or for which SERVICE PROVIDER is in any way responsible or liable.
- B. SERVICE PROVIDER's failure to provide and maintain current any and all Certificate (s) of Insurance required pursuant to this Article VI shall be deemed to be a material default by SERVICE PROVIDER and shall be grounds for automatic termination of this Agreement.

6.03 COUNTY's Right to Review. Notwithstanding the foregoing, COUNTY, by and through its Risk Management Department in cooperation with the Department, reserves the right to periodically review any and all policies of insurance and to reasonably adjust the limits of coverage required hereunder, from time to time throughout

the term of this Agreement or any extension thereof. In such event, COUNTY shall provide SERVICE PROVIDER written notice of such adjusted limits and SERVICE PROVIDER shall comply within thirty (30) days of receipt thereof.

ARTICLE VII  
RELATIONSHIP OF THE PARTIES

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

ARTICLE VIII  
INDEMNIFICATION

SERVICE PROVIDER agrees to protect, defend, reimburse, indemnify and hold the COUNTY, its agents, employees and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including attorney fees) and causes of action of every kind and character against or from COUNTY by reason of any damage to property or the environment, or bodily injury (including death) incurred or sustained by any party hereto, or of any party acquiring any interest hereunder, any agent or employee of any party hereto or of any party acquiring an interest hereunder, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with the SERVICE PROVIDER's performance under this Agreement, the condition of the Airport premises, the SERVICE PROVIDER's acts, omissions or operations hereunder, or the performance, non-performance or purported performance of the SERVICE PROVIDER or any breach of the terms of this Agreement; provided however the SERVICE PROVIDER shall not be responsible to COUNTY for damages resulting out of bodily injury or damages to property which the SERVICE PROVIDER can establish as being attributable to the sole negligence of COUNTY, its respective agents, servants, employees and officers. The SERVICE PROVIDER further agrees to hold harmless and indemnify COUNTY for any fines, citations, court judgments, insurance claims, restoration costs or other liability resulting from or in any way arising out of or due to the SERVICE PROVIDER's activities or operations on the Airport, whether or not the SERVICE PROVIDER was negligent or even knowledgeable of any events precipitating a claim or judgement arising as a result of any situation involving said activities. Said indemnification shall be extended to include all deliverers, suppliers, furnishers of material, or anyone acting for or on behalf of, or at the request of SERVICE PROVIDER. The SERVICE PROVIDER recognizes the broad nature of this indemnification and hold harmless clause, and voluntarily makes this covenant and expressly acknowledges the receipt of ten dollars (\$10.00) and such other good and valuable consideration provided by COUNTY in support of this indemnification in accordance with laws of the State of Florida. This clause shall survive the termination of this Agreement.

ARTICLE IX  
TERMINATION OF AGREEMENT, CANCELLATION, ASSIGNMENT AND  
TRANSFER

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

9.02 COUNTY's Right of Cancellation.

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

1. The filing by SERVICE PROVIDER of a voluntary petition for bankruptcy.
2. The institution of proceedings in bankruptcy against SERVICE PROVIDER and adjudication of SERVICE PROVIDER as a bankrupt pursuant to said proceeding.
3. The taking by a Court of jurisdiction of SERVICE PROVIDER and its assets pursuant to proceedings brought under the provision of any federal reorganizational act and said proceeding is not dismissed, discontinued or vacated within thirty (30) days.
4. The appointment of a receiver of SERVICE PROVIDER's assets and the receivership shall not be set aside within thirty (30) days after such appointment.
5. The divestiture of SERVICE PROVIDER's estate herein by operation of law.
6. The abandonment by SERVICE PROVIDER of its business operations thereon.
7. The conduct of any business or performance of any acts not specifically authorized herein and said business or acts do not cease within thirty (30) days of receipt of written notice by COUNTY to cease said business or acts.
8. Default in the performance of any of the covenants and conditions required herein (except Insurance requirements as hereinbefore set forth; and payment of fees as hereinafter set forth) to be kept and performed by SERVICE PROVIDER and said default is not cured within thirty (30) days of receipt of written notice by COUNTY to do so, or if by reason of the nature of such default, the same cannot be remedied within thirty (30) days following receipt by SERVICE PROVIDER of written demand from COUNTY to do so, SERVICE PROVIDER fails to commence the remedying of such default within said thirty (30) days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof (with SERVICE PROVIDER having the burden of proof to demonstrate (a) that the default cannot be cured within thirty (30) days, and (b) that it is proceeding with diligence to cure said default, and that such default will be cured within a reasonable period of time).

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

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

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

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

9.05 Assignment, Transfer and Subcontracting. SERVICE PROVIDER shall not, in any manner, assign, transfer, mortgage, pledge, encumber or otherwise convey an interest in this Agreement, nor contract the services permitted herein or any part thereof, without the prior written consent of COUNTY in the form of a resolution adopted by the Board of County Commissioners. Such consent can be withheld for any reason or for no reason at all. Any such attempted assignment, transfer or sub-contract without COUNTY approval shall be null and void. In the event COUNTY consents in writing as aforesaid, SERVICE PROVIDER shall have the right to the extent permitted by COUNTY's consent to subcontract or assign all or any portion of the permitted services, provided that any such subcontract or assignment shall be limited to only the same purposes as are permitted under this Agreement. Any such subcontract or assignment shall be subject to the same conditions, obligations and terms as set forth herein and SERVICE PROVIDER shall be



fully responsible for the observance by its subcontractors of the terms and covenants contained in this Agreement. Notwithstanding anything herein to the contrary, in the event of an approved subcontract, SERVICE PROVIDER shall remain primarily liable to COUNTY for fulfilling all obligations, terms and conditions of this Agreement, throughout its entire term.

ARTICLE X  
SIGNS

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

ARTICLE XI  
LAWS, REGULATIONS, PERMITS AND TAXES

11.01 General.

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

B. SERVICE PROVIDER expressly covenants, warrants and agrees that it shall require its appropriate managers, supervisors and employees to attend such training and instructional programs as the Department may, from time to time require, in connection with policies and procedures related to certification of the Airport under Part 139 of the Federal Aviation Regulations or the Rules and Regulations of the Department.

11.02 Permits and Licenses General. The SERVICE PROVIDER expressly covenants, warrants and agrees that it shall, at its sole cost and expense, be strictly liable and responsible for obtaining, paying for, and maintaining current, and fully complying

with, any and all permits, licenses and other governmental authorizations, however designated, as may be required at any time throughout the entire term of this Agreement by any Federal, State, or local governmental entity or any Court of Law having jurisdiction over the SERVICE PROVIDER or the SERVICE PROVIDER's operations and activities, for any activity of the SERVICE PROVIDER conducted on the Airport and for any and all operations conducted by the SERVICE PROVIDER including ensuring that all legal requirements, permits and licenses necessary for or resulting, directly or indirectly, from the SERVICE PROVIDER's operations and activities on the Airport have been obtained and are in full legal compliance. Upon the written request of the Department, the SERVICE PROVIDER shall provide to the Department certified copies of any and all permits and licenses which the Department may request.

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

11.04 Environmental and Natural Resource Laws, Regulations and Permits.

A. Notwithstanding any other provision of the Agreement, and in addition to any and all other Agreement requirements, and any other covenants and warranties of the SERVICE PROVIDER, the SERVICE PROVIDER hereby expressly covenants, warrants, guarantees and represents to COUNTY, upon which COUNTY expressly relies, that the SERVICE PROVIDER is knowledgeable of any and all Federal, State, regional and local

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

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

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

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

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

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

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

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

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

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

The SERVICE PROVIDER agrees that an emergency coordinator and phone number shall be furnished to the Department of Airports, to the Palm Beach County Risk Management Department/Safety Division and to all appropriate Governmental entities

having jurisdiction thereof in case of any spill, leak or other emergency situation involving hazardous, toxic, flammable and/or other pollutant/contaminated materials.

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

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

## ARTICLE XII DISCLAIMER OF LIABILITY

COUNTY HEREBY DISCLAIMS, AND SERVICE PROVIDER HEREBY RELEASES COUNTY, FROM ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE AND NUISANCE), FOR ANY LOSS, DAMAGE, OR INJURY OF ANY

NATURE WHATSOEVER SUSTAINED BY SERVICE PROVIDER, ITS EMPLOYEES, AGENTS OR INVITEES DURING THE TERM OF THIS AGREEMENT INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF THE SERVICE PROVIDER OR SERVICE PROVIDER'S BUSINESS INVITEES THAT MIGHT BE LOCATED OR STORED ON THE AIRPORT, UNLESS SUCH LOSS, DAMAGE OR INJURY IS CAUSED BY COUNTY'S SOLE NEGLIGENCE. THE PARTIES HERETO EXPRESSLY AGREE THAT UNDER NO CIRCUMSTANCES SHALL COUNTY BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE AND NUISANCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR ANY OTHER DAMAGE RELATED TO THE PROVISION OF SERVICES PERMITTED UNDER THIS AGREEMENT.

ARTICLE XIII  
REMEDIES CUMULATIVE

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

ARTICLE XIV  
GOVERNMENTAL RESTRICTIONS

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

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

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

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

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

ARTICLE XV  
NO DISCRIMINATION

15.01 Non-discrimination. SERVICE PROVIDER for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree (a) that in the furnishing of services permitted herein, no person on the grounds of race, color, age, religion, sex or natural origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (b) SERVICE PROVIDER shall operate in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. In the event of the breach of any of the foregoing non-discrimination covenants, COUNTY shall have the right to terminate this Agreement and all privileges and rights granted to the SERVICE PROVIDER hereunder. This cancellation provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed including exercise or expiration of appeal rights.

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

ARTICLE XVI  
NON-EXCLUSIVE AGREEMENT

The SERVICE PROVIDER expressly understands and agrees that the rights and

privileges granted under this Agreement are nonexclusive, and the COUNTY herein reserves the right to grant similar rights and privileges to others at the Airport.

ARTICLE XVII  
COUNTY NOT LIABLE

COUNTY shall not be responsible or liable to SERVICE PROVIDER for any claims for compensation or any losses, damages or injury sustained by SERVICE PROVIDER resulting from (a) cessation for any reason of air carrier operations at the Terminal, or (b) diversion of passenger traffic to any other facility. COUNTY shall not be responsible nor liable to the SERVICE PROVIDER for any claims for compensation or any losses, damages, or injury sustained by SERVICE PROVIDER resulting from failure of any water supply, electrical current, sewerage or drainage facility, or caused by natural physical conditions on the Airport, whether on the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tornado, hurricane, act of God or state of war, civilian commotion or riot, or any cause beyond the control of COUNTY. All personal property placed on or moved onto the Airport shall be at the sole risk of the SERVICE PROVIDER or owner thereof and SERVICE PROVIDER expressly acknowledges and agrees that COUNTY shall not be liable for any damage to or loss of said personal property.

ARTICLE XVIII  
AUTHORIZED USES ONLY

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

ARTICLE XIX  
WAIVERS

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

ARTICLE XX  
SUBORDINATION

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



possession, enjoyment and exercise are necessary to ensure compliance by the SERVICE PROVIDER and COUNTY with the terms and provisions of this Agreement and the Bond Resolution.

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

ARTICLE XXI  
CONSENT AND APPROVAL

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

ARTICLE XXII  
RIGHTS RESERVED TO THE COUNTY

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

ARTICLE XXIII  
INVALIDITY OF CLAUSES

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

ARTICLE XXIV  
VENUE

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

ARTICLE XXV  
GOVERNING LAW

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

ARTICLE XXVI  
(Intentionally left blank)

ARTICLE XXVII  
INSPECTIONS

The authorized employees and representatives of the COUNTY and any applicable Federal, State, and local governmental entity having jurisdiction hereof shall have the right

of access to the Airport premises at all reasonable times for the purposes of inspection for compliance with the provisions of the Agreement and the services permitted herein.

ARTICLE XXVIII  
NOTICE

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

To COUNTY:

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

To SERVICE PROVIDER:

Jetstream Ground Services, Inc.  
Attn: President  
1306 North Perimeter Road  
West Palm Beach, FL 33406

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

ARTICLE XXIX  
PARAGRAPH HEADINGS

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

ARTICLE XXX  
BINDING EFFECT

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

ARTICLE XXXI  
PERFORMANCE

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

ARTICLE XXXII  
PUBLIC ENTITY CRIMES

As provided in F.S. 287.132-133, by entering into this Agreement or performing any

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

ARTICLE XXXIII  
ENTIRETY OF AGREEMENT

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

*(Remainder of page intentionally left blank)*

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

WITNESS:

*Connie Spolner*  
Signature  
Connie Spolner  
Name (typed or printed)

*Jeremy Perusse*  
Signature  
Jeremy Perusse  
Name (typed or printed)

**PALM BEACH COUNTY,  
FLORIDA**

By: *James Kelly*  
Title: Director of Airports

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: *Anne Helgert*  
County Attorney

ATTEST:

By: *[Signature]*  
Secretary

SERVICE PROVIDER:  
**Jetstream Ground Services, Inc.**

By: *[Signature]*  
MARK DESVIGNES  
-Typed or Printed Name of Corporate Officer-  
Title: President

(Corporate Seal) *[Signature]*

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

*Windsome Powell*  
Signature  
Windsome Powell  
Name (typed or printed)

*[Signature]*  
Signature  
Maricela Feliciano  
Name (typed or printed)

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.
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 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.

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

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.

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

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

A. Terminal Rental Rates for Signatory Airlines:

Type of Space	Location/Function	Rate Per Square Foot
1	Ticket Counter	\$74.17
2	Ticket Offices and Upper Level Offices; V.I.P. Rooms; Hold Rooms	\$66.75
3	Bag Claim; Concourse Areas	\$59.34
4	Bag Make-up; Curbside Offices, Operation Areas including Baggage Service Offices; Commuter Operating Area	\$51.92
5	Tug Drives	\$18.54

These rates are based upon an average Terminal rental rate of \$55.92 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.



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

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.

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

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 to 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).
- 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:

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

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.
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.

**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. 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	3.00
	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 "B"  
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

Attachment 1

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
<b>TOTAL OPERATION AND MAINTENANCE EXPENSE</b>	<b>15,999,022</b>	<b>6,096,669</b>
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	<u>943,822</u>	<u>34,018</u>
8. <b>TOTAL REQUIREMENT</b>	<b>24,462,387</b>	<b>7,680,722</b>
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	748,000
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	<u>23,896,984</u>	<u>5,811,734</u>
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)	<u>1,889,062</u>	<u>972,265</u>
17. Net Requirement	<u>13,133,410</u>	<u>4,839,469</u>
18. Signatory Airlines Leased Square Footage		
19. Signatory Landed Weight (1,000 pounds)	234,842	4,369,593
20. Signatory Terminal Rate/Landing Fee	55.92	1.108
21. Non-signatory Terminal Rate/Landing Fee	61.52	1.218
<b>Differential Terminal Rates</b>		
Type 1	Signatory	Non-signatory
Type 2	74.17	81.59
Type 3	56.75	73.43
Type 4	59.34	65.27
Type 5	51.92	57.11
	18.54	20.40

Attachment to Exhibit "B"  
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

## Detail of Revenues

	FY 2005 Audited	FY 2006 Re-Estimated	FY 2007 Budgeted
<b>AIRSIDE</b>			
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
<b>TERMINAL</b>			
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
<b>GROUND TRANSPORTATION</b>			
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
<b>AVIATION SERVICES</b>			
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
<b>NON-AVIATION SERVICES</b>			
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
<b>TOTAL</b>	<b>62,286,788</b>	<b>62,315,086</b>	<b>64,880,567</b>

Attachment to Exhibit "B"  
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

Detail of Operation and Maintenance  
Expense and Debt Service

	FY 2005 Audited	FY 2006 Re-Estimated	FY 2007 Budgeted
<b>DIRECT EXPENSES</b>			
Airside			
Terminal	1,350,774	1,524,194	1,668,342
Ground Transportation	9,498,805	10,271,985	12,157,078
Aviation	6,644,419	7,570,704	7,965,224
Non-Aviation	1,025,589	1,168,019	1,276,244
GA FIS Facility	508,197	625,206	709,629
Terminal FIS Facility	38,134	35,616	37,617
Lantana Airport	128,550	155,348	171,662
Glades Airport	283,590	366,480	392,297
North County Airport	461,590	518,457	548,722
Air Cargo Building	950,664	1,102,928	1,183,893
Tenant Equipment	86,441	118,848	121,473
	<u>925,583</u>	<u>1,092,995</u>	<u>1,045,783</u>
Sub-Total	21,902,337	24,550,780	27,277,966
<b>INDIRECT EXPENSES</b>			
Admin and Ops	6,397,555	6,394,570	7,003,317
Maintenance	2,945,941	3,157,017	3,314,797
Fire Department	5,778,078	5,752,233	6,039,144
	<u>15,121,174</u>	<u>15,303,820</u>	<u>16,357,258</u>
Sub-Total	15,121,174	15,303,820	16,357,258
<b>TOTAL EXPENSES</b>	<u>37,023,511</u>	<u>39,854,600</u>	<u>43,635,224</u>
<b>Debt Service-Total</b>			
Airside			
Terminal	1,471,103	1,160,013	1,152,939
Ground Transportation	7,308,547	5,763,031	5,727,885
Other	3,375,506	3,934,132	6,063,946
Tenant Equipment	1,499,888	1,182,712	1,175,499
	<u>1,495,343</u>	<u>1,179,128</u>	<u>1,171,937</u>
Total Debt Service	15,150,387	13,219,015	15,292,206
<b>Debt Service-signatory Airlines</b>			
Airside			
Terminal	1,471,103	1,160,013	1,152,939
Tenant Equipment	7,308,547	5,763,031	5,727,885
	<u>1,495,343</u>	<u>1,179,128</u>	<u>1,171,937</u>
Total Debt Service-signatory Airlines	10,274,992	8,102,171	8,052,761

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

Deposit to the Transfers Account

	Budgeted
	<u>FY 2007</u>
Revenues	<u>64,880,567</u>
Prior Year Transfer Carryforward	<u>5,156,109</u>
	<u>70,036,676</u>
LESS:	
O & M Expense	43,635,224
O & M Reserve	630,104
Debt Service	15,292,206
Debt Service Reserve	0
Amortization Charges	1,027,640
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>
<b>Total Transfers</b>	<u><b>3,300,651</b></u>



Attachment to Exhibit "g"  
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

Attachment 5

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

Type of Space	Ticket Counter Sq. Ft. (1) (1)	Ticket & Upper Level Offices Sq. Ft. (2) (1)	VIP Rooms Sq. Ft. (2) (1)	Hold Rooms Sq. Ft. (2) (1)	Bag Claim Sq. Ft. (3) (1)	Concourse Areas Sq. Ft. (3) (1)	Reg Make-Up Sq. Ft. (4) (2)	Curbside Offices (4) (1)	Bag Svc Office (4) (1)	Operations Area (4) (1)	Commuter Operating Area Sq. Ft. n/a	Taxi Drive Sq. Ft. (6) (2)	Airline Total Sq. Ft.	Non-Airline Sq. Ft.	Total Sq. Ft.
AirTran	462.00	879.2		2,714.98			783.4	89.36	0	100.59					
American	578.18	1,069.89		2,714.98			1,145.10	90.64					5,008.53		5,008.53
Continental	1,368.50	2,324.98		5,858.73			4,453.13	144.00	357.00	1,809.59			7,783.38		7,783.38
Delta	2,148.00	4,049.24	4,619.00	9,924.73			5,326.36	192.00	805.78	18,002.54			17,683.17		17,683.17
Independence													45,067.63		45,067.63
JetBlue	867.49	867.49		2,970.18			2,850.00	192.00	223.24	4,699.22			0.00		0.00
Northwest	711.26	649.77		2,478.54			1,781.25	93.28					12,668.62		12,668.62
Southwest	1,149.50	1,659.27		3,377.12			1,375.04	90.64		1,900.00			7,960.03		7,960.03
United	686.00	1,594.04		2,714.98			2,078.13	96.00	179.43	4,289.94			12,343.69		12,343.69
US Airways	1,331.00	2,580.51		4,187.40			4,158.26	290.00		832.75			7,737.79		7,737.79
Unassigned	2,077.57	4,789.53	3,878.96	16,684.66			5,180.70	101.36	0.00	7,096.28			18,015.22		18,015.22
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									
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	100,571.88		100,571.88
Concessions/TSA Space County-Gate B-2				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	51,772.80	329,882.69
Unenclosed Areas															
FIS Space															
Public Areas														22,876.00	22,876.00
Administration Areas														28,170.30	28,170.30
Mechanical/Utility														126,376.57	126,376.57
Sub-Total Non-rentable														21,813.23	21,813.23
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					244,850.80	45,614.50	171,991.07
													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.

**AIRLINE OPERATING AND LEASE AGREEMENT**

PALM BEACH INTERNATIONAL AIRPORT

---

Department of Airports  
Palm Beach County, Florida

FLYING BOAT, INC.  
d/b/a CHALK'S INTERNATIONAL AIRLINES

---

Airline

AIRLINE OPERATING AND LEASE AGREEMENT

TABLE OF CONTENTS

		<u>PAGE</u>
ARTICLE I	<u>DEFINITIONS</u>	1
1.01	Agreement	1
1.02	Air Transportation Company	1
1.03	Air Transportation Service(s)	1
1.04	Aircraft Parking Apron	1
1.05	Airline Premises	1
1.06	Airport	1
1.07	Bond Resolution	1
1.08	Chargeable Landings	2
1.09	Commuter Apron	2
1.10	Commuter Operating Area	2
1.11	Department	2
1.12	Deplaned Passengers	2
1.13	Effective Date	2
1.14	Enplaned Passengers	2
1.15	Environmental Operating Fee	2
1.16	Exclusive Use Premises	2
1.17	FAA	2
1.18	Fiscal Year	2
1.19	Joint Use Premises	2
1.20	Landing Area	2
1.21	Maximum Gross Landed Weight	2
1.22	Non-Revenue Landing	2
1.23	Non-Signatory Airline	3
1.24	Preferential Use Premises	3
1.25	Ramp Area	3
1.26	Revenue Landing	3
1.27	Scheduled Air Carrier	3
1.28	Terminal	3
1.29	Total Passengers	3
ARTICLE II	<u>TERM</u>	3
ARTICLE III	<u>AIRLINE PREMISES</u>	3
ARTICLE IV	<u>USE OF AIRPORT AND RELATED FACILITIES</u>	3
4.01	Use of the Airport	3
4.02	Exclusions and Reservations	3
ARTICLE V	<u>MAINTENANCE AND OPERATION OF AIRPORT</u>	4
5.01	COUNTY Obligations	4
5.02	AIRLINE Obligations	4
5.03	Designation of Maintenance Responsibility	4
ARTICLE VI	<u>RENTALS, FEES AND CHARGES</u>	4
6.01	Landing Fee Charges	4
6.02	Terminal Rentals	4
6.03	Terminal Equipment Charges	5
6.04	Commuter Operating Area Charges	5
6.05	Commuter Apron Charges	5
6.06	Federal Inspection Services (FIS) Facility Charges	5
6.07	Law Enforcement Officer Fees	5
6.08	Other Charges	5
6.09	Payment	6
6.10	Partial Month Charges	6
6.11	Information to be Supplied by AIRLINE	6
6.12	Audit	7
6.13	Contract Security	7
ARTICLE VII	<u>ADJUSTMENT OF RATES FOR RENTALS, FEES AND CHARGES</u>	8
ARTICLE VIII	<u>AIRLINE IMPROVEMENTS</u>	8
8.01	Right to Install Improvements	8
8.02	Contractor's Insurance	8

TABLE OF CONTENTS (continued)

		<u>PAGE</u>
ARTICLE IX	<u>DAMAGE OR DESTRUCTION</u>	9
9.01	Partial Damage	9
9.02	Substantial Damage	9
9.03	Destruction	9
9.04	Damage by AIRLINE	9
9.05	Insurance Proceeds	10
9.06	COUNTY's Obligation	10
ARTICLE X	<u>INDEMNIFICATION</u>	10
ARTICLE XI	<u>INSURANCE</u>	10
11.01	Policies	10
11.02	Waiver of Subrogation	12
ARTICLE XII	<u>TERMINATION AND CANCELLATION BY COUNTY</u>	12
12.01	Termination	12
12.02	COUNTY's Right of Cancellation	12
12.03	COUNTY'S Right of Re-Entry	13
12.04	Cancellation for Default in Payments	13
ARTICLE XIII	<u>CANCELLATION BY AIRLINE</u>	13
ARTICLE XIV	<u>SURRENDER OF AIRLINE PREMISES</u>	14
14.01	Surrender and Delivery	14
14.02	Removal of Property	14
14.03	Holding Over	14
ARTICLE XV	<u>ASSIGNMENT, SUBLETTING AND HANDLING AGREEMENTS</u>	14
15.01	Assignment by AIRLINE	14
15.02	Subletting by AIRLINE	14
15.03	Assignment and Subleasing Documents	15
15.04	Handling Agreements	15
15.05	General	15
ARTICLE XVI	<u>SUBORDINATION</u>	15
ARTICLE XVII	<u>GOVERNMENT INCLUSION</u>	16
17.01	Non-discrimination	16
17.02	Minority Business Enterprise/Affirmative Action	16
17.03	Rights Non-Exclusive	17
17.04	Avigation Rights	17
17.05	COUNTY Tax Assessment Right	17
ARTICLE XVIII	<u>LAWS, REGULATIONS, PERMITS, TAXES AND COMPLIANCE</u>	17
18.01	Rules and Regulations	17
18.02	Permits and Licenses	18
18.03	Safety and Fire Regulations	18
18.04	Security	18
18.05	Payment of Taxes	18
18.06	Compliance By Other Tenants	18
ARTICLE XIX	<u>GENERAL PROVISIONS</u>	18
19.01	Clear Title	18
19.02	Relationship of Parties	19
19.03	COUNTY Not Liable	19
19.04	Authorized Uses Only	19
19.05	Quiet Enjoyment	19
ARTICLE XX	<u>AGENT FOR SERVICE</u>	19
ARTICLE XXI	<u>NO INDIVIDUAL LIABILITY</u>	19
ARTICLE XXII	<u>WAIVERS</u>	19
ARTICLE XXIII	<u>COUNTY'S GOVERNMENTAL AUTHORITY</u>	19

TABLE OF CONTENTS (continued)

		<u>PAGE</u>
ARTICLE XXIV	<u>RIGHTS RESERVED TO COUNTY</u>	20
ARTICLE XXV	<u>INVALIDITY OF CLAUSES</u>	20
ARTICLE XXVI	<u>VENUE</u>	20
ARTICLE XXVII	<u>GOVERNING LAW</u>	20
ARTICLE XXVIII	<u>BLANK</u>	20
ARTICLE XXIX	<u>APPROVAL BY DEPARTMENT</u>	20
ARTICLE XXX	<u>NOTICES</u>	20
ARTICLE XXXI	<u>CONSTRUCTION AND PARAGRAPH HEADINGS</u>	20
31.01	Construction	20
31.02	Paragraph Headings	20
ARTICLE XXXII	<u>BINDING EFFECT</u>	21
ARTICLE XXXIII	<u>PERFORMANCE</u>	21
ARTICLE XXXIV	<u>FORCE MAJEURE</u>	21
ARTICLE XXXV	<u>PUBLIC ENTITY CRIMES</u>	21
ARTICLE XXXVI	<u>ENTIRETY OF AGREEMENT</u>	21

AIRLINE OPERATING AND LEASE AGREEMENT

THIS AGREEMENT is made and entered into this 19<sup>th</sup> day of MAY 2007, 2007, by and between Palm Beach County, a political subdivision of the State of Florida hereinafter referred to as the "COUNTY"), and Flying Boat, Inc. d/b/a Chalk's International Airlines, having its office and principal place of business at 1000 MacArthur Causeway, Miami, Florida 33132 (hereinafter referred to as the "AIRLINE").

W I T N E S S E T H :

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

WHEREAS, AIRLINE owns and operates aircraft engaged in commercial aviation and hereby desires to obtain certain rights, services, and privileges in connection with the operation of its air transportation business at the Airport and the use and lease of the Airport and its facilities; and

WHEREAS, COUNTY is willing to grant AIRLINE the right to operate at the Airport and in addition is willing to grant certain rights, services, and privileges in connection with its use and occupancy of the Airport and passenger terminal facilities, as a Non-Signatory 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 expressly acknowledge, the parties hereto covenant and agree to the following terms and conditions.

ARTICLE I  
DEFINITIONS

The following words, terms, and phrases wherever used in this Agreement shall for the purposes of this Agreement have the following meanings:

1.01 Agreement means this Airline Operating and Lease Agreement for Palm Beach International Airport between COUNTY and AIRLINE, as the same may be amended or supplemented from time to time.

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

1.03 Air Transportation Service(s) means those service(s) and operation(s) provided by AIRLINE at Airport for the commercial transportation of persons, property, and mail by air.

1.04 Aircraft Parking Apron means that part 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 and mail.

1.05 Airline Premises means those areas leased to AIRLINE herein, comprised of Exclusive Use, Preferential Use, or Joint Use Premises, as defined herein, and designated on Exhibits "B" and "C", attached hereto and made a part hereof.

1.06 Airport means the Palm Beach International Airport owned and operated by Palm Beach County, through the Department of Airports, the boundaries of which are more particularly set forth on Exhibit "A", attached hereto and made a part hereof.

1.07 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 in full by Resolution No. R-84-1659 adopted November 1, 1984; as supplemented by the First and Second Supplemental Resolutions adopted November 1, 1984; as supplemented by the Third

D  
/

Supplemental Resolution adopted November 27, 1984; as supplemented by the Fourth Supplemental Resolution adopted January 29, 1985; and, as the same may from time to time be further amended or supplemented. Said Bond Resolution is incorporated herein by reference, and made a part hereof.

1.08 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.

1.09 Commuter Apron means those parts 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.

1.10 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.

1.11 Department means the Department of Airports of Palm Beach County, Florida, or its authorized successor(s).

1.12 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.

1.13 Effective Date means that date specified in Article II hereinafter.

1.14 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.

1.15 Environmental Operating Fee means the fee(s) assessed to all aircraft operating at the Airport as provided for by Palm Beach County Ordinance 89-29, as instituted by the Palm Beach County Board of County Commissioners, as currently exist and may hereafter be imposed, to provide a mechanism to enforce the Airport's noise curfew, which was designed to reduce noise impacts of aircraft operating at the Airport.

1.16 Exclusive Use Premises means the Terminal areas and equipment exclusively leased to AIRLINE, as set forth on the attached Exhibits "B" and "C", and in Article III herein.

1.17 FAA means the Federal Aviation Administration, or its authorized successor(s).

1.18 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 consecutive calendar months ending with the last day of September of each year.

1.19 Joint Use Premises means those Terminal areas and equipment assigned to two or more Scheduled Air Carriers as set forth on the attached Exhibits "B" and "C", and in Article III herein.

1.20 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.

1.21 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 pounds units, for each aircraft operated by AIRLINE at the Airport.

1.22 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.



(9)  
JW

1.23 Non-Signatory Airline means any Air Transportation Company operating at the Airport which has not entered into an Airline-Airport Use and Lease Agreement with the County.

1.24 Preferential Use Premises means the Aircraft Parking Apron, holdrooms, loading bridges, and other appurtenant furnishings, fixtures, and equipment assigned to AIRLINE as set forth on the attached Exhibits "B" and "C", and in Article III herein, and to which Airline shall have preferential use, defined herein as the unrestricted, higher, and continuous priority over all other users for AIRLINE's Air Transportation Services.

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

1.26 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 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.

1.27 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.

1.28 Terminal means the airline terminal facilities at the Airport as set forth on the attached Exhibit "A".

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

## ARTICLE II

### TERM

This Agreement shall become effective on the 10th day of May, 2007, and shall terminate on the 30th day of September, 2007 and shall automatically be extended on a year-to-year basis (October 1st through September 30th), unless either party hereto, with the Department acting on behalf of the COUNTY, shall advise, by at least thirty (30) days advance written notice, the other party of its desire or intent to amend or terminate this Agreement.

## ARTICLE III

### AIRLINE PREMISES

The Airline Premises hereby leased consist of space in and about the airline terminal building situated on the Airport in Section 31, Township 43 South, Range 43 East, Palm Beach County, Florida, all as particularly described on the attached Exhibits "B", "C" and "E".

The following equipment and furnishings shall be included in AIRLINE's leasehold interests:

- (1) Conveyor systems and devices for baggage make-up and baggage claim activities.
- (2) Centralized public Flight Information Display System ("FIDS") and Baggage Information Display System ("BIDS"). COUNTY shall not have direct access to FIDS-BIDS system inputs.
- (3) Holdroom finishes and furnishings, including ticket lift shells, carpeting, and chairs, but excluding other equipment required by AIRLINE for its operations hereunder.

## ARTICLE IV

### USE OF AIRPORT AND RELATED FACILITIES

4.01 Use of the Airport. AIRLINE shall be entitled to the use of the Airport, in common with others so authorized, together with all facilities, equipment, improvements, and services which have been or may hereafter be provided at or in connection with the Airport for common use.

4.02 Exclusions and Reservations. The rights granted to AIRLINE herein shall permit AIRLINE to perform such functions as are necessary or incidental to the operation of its Air Transportation Services.

Nothing herein shall be deemed to give AIRLINE any right or permission to

(2)

sell or provide at the Airport any goods or services to the public or to its employees and passengers, other than Air Transportation Service, or to conduct any business separate and apart from the operation of said Air Transportation Services. Such prohibition includes, without limiting the generality of the foregoing, trip insurance and the rental of automobiles.

#### ARTICLE V

##### MAINTENANCE AND OPERATION OF AIRPORT

5.01 COUNTY Obligations. Except as to premises leased to others or as otherwise provided for in the attached Exhibit "D", 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.

5.02 AIRLINE Obligations.

A. AIRLINE shall at all times operate its Airline Premises in a sound, efficient and economical manner and, except as provided otherwise in Exhibit "D", shall maintain, preserve and keep same, with the appurtenances and every part and parcel thereof, 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 AIRLINE's 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 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 when such spillages result from the fueling or servicing of AIRLINE's aircraft.

B. Authorized representative(s) of COUNTY shall have the right to enter upon any premises and facilities of the Airport, including 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 best 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 AIRLINE's Airline Premises.

C. Should AIRLINE fail or refuse to perform its obligations hereunder, Department shall have the right to enter the Airline Premises and perform such activities; provided, however, Department shall give to AIRLINE reasonable advance written notice of non-compliance and, except in the event of an emergency, a reasonable time to effect compliance prior to the exercise of this right. AIRLINE shall have the right to have an AIRLINE employee accompany Department when entering AIRLINE's 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.

5.03 Designation of Maintenance Responsibility. Responsibility for maintenance, cleaning, and operation of facilities and equipment shall be as set forth in Exhibit "D", attached hereto and made a part hereof.

#### ARTICLE VI

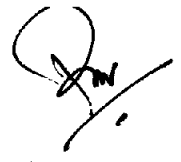
##### RENTALS, FEES AND CHARGES

AIRLINE shall pay COUNTY rentals for the use of Airline Premises, and fees and charges for the equipment and other rights, licenses, and privileges granted hereunder throughout the entire term of this Agreement at the rates calculated in accordance with Exhibit "E", attached hereto and made a part hereof, and shall file periodic reports as specified herein.

6.01 Landing Fee Charges. AIRLINE's landing fee charges for each month shall be determined as the product of the landing fee rate for the period, calculated in accordance with the attached Exhibit "E", and AIRLINE's landed weight for the month. AIRLINE's landed weight for the month shall be determined as the sum of the products obtained by multiplying the Maximum Gross Landing Weight of each type of AIRLINE's aircraft by the number of Chargeable Landings of each said aircraft during the month.

6.02 Terminal Rentals. AIRLINE's Terminal rentals in each period shall be the sum of AIRLINE's rentals for Exclusive Use, Preferential Use, and Joint Use Premises.

A. AIRLINE's rentals for Exclusive Use Premises and Preferential Use Premises in each period shall be calculated as the product of the appropriate differential Terminal rental rates for the period and the



amount of each type of Terminal space assigned for AIRLINE's Exclusive or Preferential Use, pursuant to the attached Exhibits "B" and "C".

B. Total rentals for Joint Use Premises in each period shall be calculated as the product of the appropriate differential Terminal rental rates for the period and the amount of each category and area of Joint Use Premises, and said total rentals shall be payable in equal monthly installments. AIRLINE's share of the total rentals due each month for Joint Use Premises (other than for use of the Commuter Operating Area) shall be determined as follows:

One Hundred percent (100%) of total rentals due and payable each month for each baggage claim area of Joint Use Premises shall be charged to the Scheduled Air Carriers using each said baggage claim area. Ten percent (10%) of said monthly rentals shall be prorated equally among the Scheduled Air Carriers using the particular baggage claim area for which total rentals are being allocated. The remaining total rentals due and payable each month for each said baggage claim area shall be allocated among the Scheduled Air Carriers using said area, based on the ratio of each such Scheduled Air Carrier's Deplaned Passengers to the total of all such Scheduled Air Carriers' Deplaned Passengers for the month two (2) months prior to the calendar month for which such charges are being determined.

6.03 Terminal Equipment Charges. Capital, operating, and maintenance costs incurred and payable by COUNTY for the baggage claim and make-up conveyors and devices, shall be added as a surcharge to the appropriate differential Terminal rental rates applicable to the spaces leased to, or used by, AIRLINE in which said equipment is located. The monthly payments due therefor shall be payable in the same manner as Terminal rentals for areas in which said equipment is located.

6.04 Commuter Operating Area Charges. Scheduled Air Carriers utilizing the Commuter Operating Area in the Terminal shall pay monthly use fees for said Commuter Operating Area calculated as the product of the Commuter Operating Area rate for the period calculated in accordance with the attached Exhibit "E" and the Scheduled Air Carrier's Total Passengers using said facility during each month.

6.05 Commuter Apron Charges. Scheduled Air Carriers utilizing the Commuter Apron shall pay monthly use fees for said Apron, calculated as the product of the Commuter Apron rate for the period, calculated in accordance with the attached Exhibit "E", and the Scheduled Air Carrier's total available seats landed at the Airport each month.

6.06 Federal Inspection Services (FIS) Facility Charges. Scheduled Air Carriers requiring FIS services shall pay monthly FIS facility charges calculated as the product of the FIS facility rate for the period, calculated in accordance with the attached Exhibit "E", and the number of deplaned international passengers served by the Scheduled Air Carrier during each month, utilizing the FIS facility.

6.07 Law Enforcement Officer Fees. AIRLINE shall pay monthly charges for law enforcement officers provided by COUNTY pursuant to FAR Parts 107 and 108. Said charges shall be calculated as the product of the law enforcement officer cost rate for the period, calculated in accordance with the attached Exhibit "E", and the number of Enplaned Passengers served by AIRLINE during the month.

6.08 Other Charges. Other charges payable by AIRLINE, in addition to those specified elsewhere in this Agreement, shall be as follows:

A. Employee Parking Charges. AIRLINE may elect to pay for the parking for its employees. In such event AIRLINE shall pay to COUNTY such charges as have been reasonably established by COUNTY for the use of employee parking areas. Said charges shall not exceed COUNTY's actual costs for the provision of an employees' parking lot.

B. Miscellaneous. AIRLINE agrees to remit to COUNTY reasonable and non-discriminatory fees and charges for any other services or facilities provided by COUNTY 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 prorata share of the costs for the provision of said additional services or facilities.

C. Metered Charges. To the extent any facilities or services utilized by AIRLINE are separately metered, AIRLINE shall pay such charges for usage metered at AIRLINE's Airline Premises.

(4/11)

6.09 Payment. AIRLINE payments to COUNTY for the rentals, fees, and charges due hereunder shall be paid in lawful money of the United States of America, by check payable to the Palm Beach County, without set off, and shall be made at such places as COUNTY may designate, which at the Effective Date of this Agreement shall be as follows:

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

B. Rentals for AIRLINE's (i) Exclusive Use Premises; (ii) Preferential Use Premises; (iii) Terminal equipment surcharges shall be due in advance without demand in equal monthly installments on the first (1st) business day of each month. Said rentals and charges shall be deemed delinquent if payment is not received by the first (1st) business day of the month in which they are due. COUNTY agrees to provide invoices to AIRLINE for said rentals and charges solely for the purpose of AIRLINE's information and documentation; provided, however, the provision of said invoice shall not be deemed a waiver of any of COUNTY's rights hereunder.

C. Payment for rentals, fees and charges based upon AIRLINE's monthly activity, including but not limited to (i) landing fees; (ii) law enforcement officer fees; (iii) Commuter Operating Area and Apron fees; (iv) Environmental Operating Fees; and (iv) Federal Inspection Facility fees, shall be due without demand or invoicing on the tenth (10th) day following the month in which said activity occurred. Said rentals, fees, and charges shall be deemed delinquent if payment is not received by the twentieth (20th) day following the month in which the activity occurred. COUNTY agrees to provide invoices to AIRLINE for said rentals, fees, and charges solely for the purpose of AIRLINE's information and documentation; provided, however, said invoice shall not be deemed to be an affirmation of the validity of the amount so invoiced, and further, shall not be deemed a waiver of any of COUNTY's rights hereunder.

D. Payment for other fees and charges due hereunder, including, but not limited to (i) rentals for Joint Use Premises; (ii) employee parking charges; (iii) maintenance, utility and telephone charges/reimbursements; and (iv) other miscellaneous charges, shall be due as of the date of COUNTY's invoice. Said fees and charges shall be deemed delinquent if payment is not received within thirty (30) days of the date of invoice.

E. COUNTY agrees to provide timely notice of any and all payment delinquencies; provided, however, 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. COUNTY agrees that said interest rate shall not be adjusted more often than annually. This provision shall not preclude COUNTY from terminating this Agreement as provided for herein for default in the payment of rentals, fees, or charges, or from enforcing any other provisions contained herein or provided by law.

F. The acceptance by COUNTY of any AIRLINE payment 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 and shall not be deemed a waiver of interest penalty due, if any.

6.10 Partial Month Charges. In the event the effective or termination date with respect to any of the particular premises, facilities, rights, licenses, services, or privileges as herein provided falls on any date other than the first or last day of a calendar month, the applicable rentals, fees, and charges for that month shall be paid for said month on a prorata basis according to the number of days during which said particular premises, facilities, rights, licenses, services, or privileges were enjoyed during that month; provided, however, rentals for Joint Use Premises shall be calculated as set forth in Paragraph 6.02 (B) hereinabove.

6.11 Information to be Supplied by AIRLINE.

A. Not later than the first (1st) business day following the ninth (9th) calendar day after the end of each calendar month, AIRLINE shall file with Department written reports on forms provided by Department for activity conducted by AIRLINE at the Airport during said month.

B. In the event AIRLINE fails to provide the written report(s) specified in Paragraph 6.11 (A) hereinabove, within the time specified

(2)

herein, or if the data set forth on said written report(s) submitted to Department appears to be inaccurate, the Department may, based on previous reports or other information available to Department, estimate AIRLINE's activity for the previous month and issue invoices based thereon. 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.

6.12 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, total number of passengers enplaned and deplaned at the Airport, and all other traffic and activity statistics to be recorded or reported hereunder. Such books, ledgers, accounts, and records shall be made available in Palm Beach County for a period of three (3) years subsequent to the activities reported therein.

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 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 said audit, with the exception of the aforementioned transportation, food and lodging expenses, shall be borne by COUNTY; provided however, that the full cost of said 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 which are based on monthly activity, due hereunder, as determined by said audit;

(2) AIRLINE has failed to maintain true and complete books, records, accounts, and supportive source documents in accordance with Section 6.11 hereinabove.

D. Any underpayment of amounts due COUNTY disclosed as a result of said audit, including interest computed from the original due date of each such amount due shall be paid to COUNTY within thirty (30) consecutive 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.

6.13 Contract Security.

A. Prior to the commencement of operations by AIRLINE, AIRLINE shall provide COUNTY, and shall keep in full force and effect throughout the entire term of this Agreement, 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. Such Contract Security shall guarantee the faithful performance by AIRLINE of its obligations under this Agreement and the payment of all rentals, fees, and charges due hereunder. In addition, said Contract Security shall be in such form and with such company licensed to do business in the State of Florida as shall be 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 such Contract Security may be cancelled, AIRLINE shall provide a renewal or replacement Contract Security for the period following the expiration or cancellation of such Contract Security previously provided at least sixty (60) days prior to the date on which such previous Contract Security expires or at least sixty (60) days prior to the effective date of such cancellation.

B. Department shall have the right to adjust the amount of said Contract Security at any time, by increments of no less than Five Thousand Dollars (\$5,000.00), when AIRLINE's total payments due the COUNTY exceeds the current total Contract Security amount. In such event, AIRLINE shall submit such adjusted Contract Security within thirty (30) days of receipt of Department's notice thereof.

(Jm)

C. 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.

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

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 schedules as set forth and calculated in accord with the attached Exhibit "E" 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.

Adjustments to rentals, fees, and charges shall apply without the necessity of formal amendment of this Agreement. A statement showing the calculation of the new rates for rentals, fees, and charges pursuant to the attached Exhibit "E" shall be prepared by the Department and transmitted to AIRLINE. Upon issuance to AIRLINE by Department, said statement shall then be deemed part of this Agreement.

ARTICLE VIII  
AIRLINE IMPROVEMENTS

8.01 Right to Install Improvements. AIRLINE shall have, as provided for herein, the right to construct and install, at its sole cost and expense, improvements in its Exclusive Use Premises as AIRLINE deems to be necessary for the operation of its Air Transportation Service; provided, however, that the improvement, its plans, specifications, location and construction schedule shall be approved by the Department in writing prior to the commencement of any and all such construction or installation.

A. AIRLINE shall not do any act, or fail to do any act which shall cause a lien to be placed upon the Airline Premises. Notwithstanding the foregoing, Department, in its reasonable discretion, may require a Payment Bond with AIRLINE's contractor or contractors, if any, as principal, in a sum equal to the full amount of the construction contract awarded. Said Payment Bond shall guarantee payment of all wages for labor and services engaged, and of all bills for materials, supplies, and equipment used in the performance of said construction contract. Any work associated with such construction or installation shall not interfere with the operation of the Terminal or Ramp Area, or otherwise unreasonably interfere with the permitted activities of other Terminal tenants and users. Upon completion of approved construction 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 at the sole risk of AIRLINE; shall be in accordance with all applicable State and local codes and laws, and the plans and specifications approved for same; and shall be subject to inspection by COUNTY. At the direction of Department, any improvements not completed as aforesaid shall be reconstructed at AIRLINE's sole cost and expense.

C. All improvements made by AIRLINE shall be and remain the property of AIRLINE until the expiration of the term of this Agreement, as set forth in Article II, or such earlier termination as provided for herein, at which time said improvements shall at the option of COUNTY become the property of COUNTY; provided, however, that any trade fixtures, equipment, signs, and other personal property of AIRLINE not permanently affixed to Airline Premises shall remain the property of AIRLINE unless otherwise dictated according to the provisions of Article XIV of this Agreement. Any removal of or changes to improvements constructed by AIRLINE under the terms of this Agreement shall require the prior written approval of Department.

8.02 Contractor's Insurance. AIRLINE shall require contractors to furnish satisfactory evidence of statutory Worker's Compensation insurance, comprehensive general liability insurance, comprehensive automobile 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 COUNTY may reasonably require. COUNTY may

(2)

require additional insurance for any alterations or improvements approved hereunder, in such amounts as COUNTY reasonably determines to be necessary.

ARTICLE IX  
DAMAGE OR DESTRUCTION

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

9.02 Substantial Damage. If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be so extensively damaged by fire, or other casualty, as to render any portion of said Airline Premises untenable, but capable of being repaired, as reasonably determined by Department, the same shall be repaired to usable condition with due diligence by COUNTY subject to Sections 9.04 through 9.06 hereinbelow. In such case, rentals, fees, and charges payable hereunder with respect to AIRLINE's affected 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 total Airline Premises until such time as affected Airline Premises shall be repaired adequately, in the reasonable determination of the Department, for use by AIRLINE. 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 comparable space, of AIRLINE's affected Airline Premises.

9.03 Destruction.

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

B. In the event COUNTY elects to reconstruct affected Airline Premises, Department shall provide AIRLINE with alternate facilities to continue its operation while reconstruction is being completed, at a rental rate not to exceed that provided for herein for comparable space; provided, however, if such damaged space shall not be reconstructed, or if COUNTY is not diligently pursuing such reconstruction within three (3) months after the date of such damage or destruction, AIRLINE shall have the right, upon giving Department thirty (30) days advance written notice, to add the replacement space and delete the affected Airline Premises from the premises leased in this Agreement. This Agreement shall remain in full force and effect with respect to the resulting redefined Airline Premises.

C. In the event COUNTY elects to not reconstruct affected Airline Premises, Department shall within three (3) months following the date of said damage meet and consult with AIRLINE on ways and means to permanently provide AIRLINE with adequate replacement space for the affected Airline Premises; provided, however, AIRLINE shall have the right, upon giving Department thirty (30) days advance written notice, to add the replacement space and delete the affected Airline Premises from the premises leased in this Agreement. This Agreement shall remain in full force and effect with respect to the remainder of said Airline Premises.

9.04 Damage by AIRLINE. Notwithstanding the foregoing, in the event that 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 (acting within the course or scope of their employment) officers, representatives, or contractors, there shall be no abatement of rent during the repair or replacement period, and AIRLINE shall have no option to cancel this Agreement.

(2)

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 COUNTY so as to be available to pay for the cost of such repair, replacement or rebuilding. Such proceeds shall be disbursed during construction to pay the costs of such work. If the amount of such insurance proceeds is insufficient to pay the costs of the necessary repair, replacement or rebuilding of such damaged improvements, and said damage was caused by AIRLINE, as set forth in the preceding Section 9.04, AIRLINE shall pay any additional sums required into said escrow account. If the amount of such insurance proceeds is in excess of the costs thereof, 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 IX shall be limited to repairing or re-constructing affected facilities to substantially the 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 the foregoing Section 9.05. AIRLINE agrees that if COUNTY elects to repair or reconstruct as provided in this Article IX, then AIRLINE shall proceed with reasonable diligence and at its sole cost and expense to re-construct or replace the improvements installed by AIRLINE in or about Airline Premises in a manner and in a condition at least equal to that which existed prior to its damage or destruction.

#### ARTICLE X INDEMNIFICATION

AIRLINE shall protect, defend, and hold COUNTY and its officers, employees and agents completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to reasonable attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to AIRLINE's conduct of its business under this Agreement and/or in its use or occupancy of the Airport or the negligent or willful acts or omissions of AIRLINE's officers, agents, employees, contractors, subcontractors, licensees, or invitees, regardless of where the injury, death, or damage may occur, unless such injury, death or damage is caused by the sole negligence or willful misconduct of the COUNTY, its officers, agents or employees. 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. The provisions of this Article shall survive the expiration or early termination of this Agreement.

#### ARTICLE XI INSURANCE

11.01 Policies. Notwithstanding AIRLINE's obligation to indemnify COUNTY as set forth in this Agreement, AIRLINE shall maintain the following insurance policies during the term of this Agreement.

A. AIRLINE, at its sole cost and expense, shall, throughout the term of this Agreement, keep or cause to be kept all improvements constructed or installed by AIRLINE in or on the Airline Premises insured for the mutual benefit of COUNTY and AIRLINE against loss or damage by standard All Risk property coverage, including flood or earthquake, in an amount equal to the replacement cost (without depreciation) of such improvements, but excluding the cost of excavations, foundations and personal property of AIRLINE. Coverage is to contain a 100% Co-Insurance clause or Agreed Amount Endorsement. Said insurance shall contain loss payable endorsements in favor of the parties as their respective interests are set forth in this Agreement.

B. In addition to such insurance as may be required by law, regulation, and Paragraph 11.01 (A) hereinabove, AIRLINE, at its sole cost and expense, shall at a minimum, maintain in full force and effect throughout the term of this Agreement the following types and amounts of insurance:

- (1) Aircraft Liability in respect of all aircraft owned, leased or operated by the 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.
- (2) Automobile Liability 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;



D

provided however, that if the scope and conduct of the AIRLINE's operations under this Agreement require vehicle access to the Ramp Area, said liability insurance shall be 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 the AIRLINE's operations under this Agreement do not involve the operation, ownership or use of any vehicle, then this requirement shall be waived.

- (3) Comprehensive or Commercial General Liability. Coverage shall be underwritten by a company or companies, acceptable to COUNTY, in its reasonable discretion. Required coverage must have 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, Products-Completed Operations and Contractual.
- (4) Occurrence form general liability insurance is highly preferred; however, in the event that AIRLINE is only able to secure Claims-Made general liability insurance, the following special conditions apply:

- a. Any Certificate of Insurance issued to the COUNTY must clearly indicate whether the Claims-Made Commercial General Liability or similar form applies. Further, it must indicate if the limits are aggregated. In the event aggregate limits are applicable, the COUNTY requires that the AIRLINE's aggregate amount of insurance be no less than three times the basic limit of liability required in Paragraphs 11.01 (B.1.) through (B.3.), hereinabove, for each accident or occurrence.
- b. Should coverage be afforded on a Claims-Made basis, the AIRLINE shall be obligated by virtue of this Agreement to maintain insurance coverage in effect with no less limits of liability nor any more restrictive terms and/or conditions for a period of not less than thirty-six (36) months from the termination of the Agreement. The retroactive date shall be no later than the commencement date of this Agreement and shall be maintained for all subsequently required policies.

C. A signed Certificate or Certificates of Insurance, evidencing that required insurance coverage(s) has been procured by AIRLINE in the types and amount(s) required hereunder, shall be transmitted to COUNTY prior to AIRLINE taking possession of the Airline Premises. Said certificate(s) shall clearly state Palm Beach County, a Political Subdivision of the State of Florida, as an Additional Insured to the extent of AIRLINE's obligations assumed hereunder. Further, said Certificate of Insurance shall unequivocally provide thirty (30) days written notice to COUNTY prior to any adverse material change, cancellation, or non-renewal of coverage thereunder. Said liability insurance must be acceptable to and approved by COUNTY, in its reasonable discretion, as to form and types of coverage. AIRLINE's failure to maintain current all insurance policies required pursuant to this Agreement, shall constitute a material default by AIRLINE and shall be grounds for immediate termination of this Agreement.

D. AIRLINE's policy(ies) of insurance shall provide that, in the event of bankruptcy or insolvency of AIRLINE, the insurance company shall not be relieved of performance of its obligations under the policy for any acts or conditions caused or created by AIRLINE or for which AIRLINE is in any way responsible or liable.

E. All insurance policies required hereunder may be written to include a reasonable deductible. Limits on said deductible amounts shall be subject to the reasonable approval of the COUNTY's Risk Management Department.

F. Notwithstanding anything to the contrary herein, COUNTY through its Risk Management Department, may allow insurance coverage required herein through AIRLINE's self-insurance plan. Any request for approval of AIRLINE's self-insurance plan must be approved in advance, in writing, by the COUNTY's Risk Management Department.

G. Notwithstanding the foregoing, COUNTY, by and through its Risk Management Department, in cooperation with the Department, reserves the

(2)

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. In such event, COUNTY shall provide AIRLINE written notice of such adjusted limits and AIRLINE shall comply within thirty (30) days of receipt thereof.

H. AIRLINE shall not knowingly use or permit the use of the Airline Premises or the Airport for any illegal or improper purposes, and further notwithstanding anything to the contrary herein, 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 Airlines Premises or the Airport for the COUNTY or AIRLINE. In the event AIRLINE knowingly performs or allows any act, or failure to act, that shall cause an increase in the premiums for insurance for the Airport, or any part thereof, then AIRLINE shall immediately upon demand by COUNTY pay the amount of such increase. If any AIRLINE act or failure to act shall cause cancellation of any policy, then AIRLINE shall immediately, upon notification by COUNTY, take such action as is necessary to cause reinstatement of said insurance.

11.02 Waiver of Subrogation. Except as provided in Section 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 building, 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.

## ARTICLE XII

### TERMINATION AND CANCELLATION BY COUNTY

12.01 Termination. This Agreement shall terminate and expire as set forth in Article II hereof, unless cancelled sooner as provided for herein.

12.02 COUNTY's Right of Cancellation.

A. Notwithstanding the termination provision contained in Article II, hereinabove, COUNTY, may, to the extent allowed by law, cancel this Agreement by giving AIRLINE thirty (30) days advance written notice, to be served as hereinafter provided, upon the happening of any one of the following events:

- (1) The filing by AIRLINE of a voluntary petition for bankruptcy.
- (2) The institution of proceedings in bankruptcy against AIRLINE and adjudication of AIRLINE as a bankrupt pursuant to said proceeding.
- (3) The taking of AIRLINE's assets by a Court of competent jurisdiction of AIRLINE, pursuant to proceedings brought under the provision of any federal reorganizational act and said proceeding is not dismissed, discontinued or vacated within thirty (30) days.
- (4) The appointment of a receiver of AIRLINE's assets.
- (5) The divestiture of AIRLINE's estate herein by operation of law.
- (6) AIRLINE shall voluntarily discontinue its operations at the Airport for a period of thirty (30) days unless otherwise approved by Department, in advance, in writing.
- (7) The conduct of any business or performance of any acts at the Airport not specifically authorized herein or within other validly executed Agreements between AIRLINE and COUNTY and said business or acts do not cease within thirty (30) days of receipt of written notice by COUNTY to cease said business or acts.
- (8) Default in the performance of any of the covenants and conditions required herein (except Contract Security pursuant to Section 6.13, insurance requirements pursuant to Article XI, and payment of rentals, fees, and charges pursuant to Section 12.04) and said default is not cured within thirty (30) days of receipt of written notice by COUNTY to do so, or

(9)  
Jm  
11

if by reason of the nature of such default, the same cannot be remedied within thirty (30) days following receipt by AIRLINE of written demand from COUNTY to do so, AIRLINE fails to commence the remedying of such default within said thirty (30) days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof. AIRLINE shall have the burden of proof to demonstrate (i) that the default cannot be cured within thirty (30) days; (ii) that it is proceeding with diligence to cure said default; and (iii) that such default will be cured within a reasonable period of time.

B. In any of the aforesaid events, should COUNTY elect to cancel this Agreement, cancellation shall be effective upon the date specified in COUNTY's written notice to AIRLINE, and, upon said date, AIRLINE, shall be deemed to have no further rights hereunder and COUNTY may take immediate possession of the Airline Premises and remove AIRLINE's effects, by forcible eviction if necessary, in compliance with applicable laws without being deemed guilty of trespassing.

12.03 COUNTY's Right of Re-Entry. Upon the occurrence of an event of default, as set forth in Sections 12.02 and 12.04 herein, or a default in Contract Security or insurance requirements, AIRLINE shall remain liable to COUNTY for all rentals, fees, and charges payable hereunder and for all preceding breach(es) of any covenant herein contained. In addition to the right of cancellation, and to any other rights or remedies COUNTY may have at law or in equity, and upon delivery of notice of re-entry, COUNTY shall have the right of re-entry and may remove all AIRLINE persons and property from Airline Premises. Upon any such removal, AIRLINE property may be stored in a public warehouse or elsewhere at AIRLINE's sole cost and expense.

12.04 Cancellation for Default in Payments. If AIRLINE fails to pay the whole or any part of the rentals, fees, and charges due hereunder and continues to fail to pay said amounts in full within ten (10) days from COUNTY's transmittal to AIRLINE of a written past due statement therefor, such occurrence shall also be a material default under this Agreement, and COUNTY may, at its option, immediately cancel this Agreement thereafter by written notice thereof. In such event, AIRLINE shall be deemed to have no further rights hereunder and COUNTY may take immediate possession of the Airline Premises and remove AIRLINE's effects by forcible eviction if necessary in compliance with applicable laws without being deemed guilty of trespassing.

#### ARTICLE XIII

##### CANCELLATION BY AIRLINE

Notwithstanding the termination provision contained in Article II, hereinabove, AIRLINE may cancel this Agreement, if AIRLINE is not in default of a material provision of this Agreement (including, but not limited to, its payments to COUNTY hereunder) by giving COUNTY thirty (30) days advance written notice to be served as hereinafter provided, upon or after the happening of any one of the following events:

A. COUNTY fails after receipt of written notice from AIRLINE to keep, perform or observe any term, covenant or condition herein contained to be kept, performed, or observed by COUNTY and such failure continues for thirty (30) days or if by its nature such default cannot be cured within such thirty (30) day period, if COUNTY shall not commence to cure or remove such default within said thirty (30) days and/or continue diligently to cure or remove the same as promptly as reasonably practicable.

B. COUNTY closes Airport to flights in general or to the flights of AIRLINE, for reasons other than weather, acts of God or other reasons beyond its control, and fails to reopen Airport to such flights within thirty (30) days from such closure.

C. The Airport is permanently closed as an air carrier airport by act of any Federal, state or local government agency having competent jurisdiction, or AIRLINE is unable to use Airport for a period of at least thirty (30) days due to any law or any order, rule or regulation of any governmental authority having jurisdiction over the operations of the Airport, or any court of competent jurisdiction issues an injunction preventing COUNTY and AIRLINE from using Airport for airport purposes, and such injunction remains in force for a period of at least thirty (30) days.

D. The United States Government or any authorized agency of the same (by executive order or otherwise) assumes the operation, control or use of the Airport and its facilities in such a manner as to substantially restrict AIRLINE from conducting its operations, if such restriction be

D

continued for a period of thirty (30) days or more; provided, however, that flow restrictions or capacity restraints of any type imposed by the FAA as part of its air traffic management plans at the Airport shall not be construed as being one of the aforementioned restrictions.

ARTICLE XIV  
SURRENDER OF AIRLINE PREMISES

14.01 Surrender and Delivery. Promptly upon the termination or cancellation of this Agreement, AIRLINE shall at once peaceably surrender and deliver to COUNTY, Airline Premises and all improvements thereon to which COUNTY is entitled hereunder in good and fit condition, 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 prior to surrender; damage due to negligence, willful acts, or omission of COUNTY excepted. Nothing in this Section 14.01 shall be construed to modify the obligations of the parties hereto as set forth in Articles IX, X and XI of this Agreement. Effective upon the termination or cancellation of this Agreement, AIRLINE expressly waives any claim of a proprietary or other right to retain a particular premise or location within the Terminal or upon the Airport, except as may be provided for in other validly executed agreements between COUNTY and AIRLINE.

14.02 Removal of 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 within thirty (30) days following the termination or cancellation of this Agreement, subject, however, to any valid lien which COUNTY may have thereon. AIRLINE shall not abandon at the Airport any portion of its property without the written consent of Department. All COUNTY property damaged by or as a result of the removal of AIRLINE property shall be restored by AIRLINE to the condition existing before such damage, at AIRLINE's sole cost and expense. Said restoration shall be made within the thirty (30) day period following such termination or cancellation.

B. COUNTY reserves the right to make a reasonable rental charge for said thirty (30) day period provided for herein; provided, however, that no such charge shall be made to AIRLINE if AIRLINE shall remove its property from Airline Premises and make all repairs required hereunder, within the first ten (10) days of said thirty (30) day period.

C. Any personal property of AIRLINE not removed in accordance with this Section 14.02 at the option of the Department may be removed and placed in storage by 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 said 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.


14.03 Holding Over. In the event AIRLINE shall hold over, refuse, or fail to give up the possession of the Airline Premises at the termination of the Agreement (and following the time period granted for the removal of personal property) without approval of COUNTY, AIRLINE shall be liable to COUNTY for any and all damages.

ARTICLE XV  
ASSIGNMENT, SUBLETTING AND HANDLING AGREEMENTS

15.01 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 Airline Premises, without the prior written consent of COUNTY, in the form of a Resolution adopted by the Board of County Commissioners. Such consent shall not be unreasonably delayed or withheld. The foregoing shall not prevent the assignment of this Agreement to any corporation with which AIRLINE may merge or consolidated however, such successor corporation, not later than thirty (30) days after the date of such merger, consolidation or succession, shall provide written acknowledgment by a duly authorized corporate officer to

COUNTY that it has assumed all obligations of AIRLINE and will fully honor all terms and conditions set forth in this Agreement, and further will provide such documentation as COUNTY requires in its reasonable discretion.

15.02 Subletting By AIRLINE. AIRLINE shall not, without the prior written consent of the Department, sublease, in whole or in part, Airline Premises. The parties hereto agree that the Department may reasonably



withhold such consent if COUNTY has substantially similar space available but unleased, or if COUNTY can make such space available for lease within a reasonable time. Exclusive or preferential use of AIRLINE's Exclusive Use Premises, or any part thereof, or preferential use of AIRLINE's Preferential Use Premises, or any part thereof, by anyone other than AIRLINE shall be deemed a sublease.

15.03 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 area or space 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. All other information reasonably requested by the Department pertaining to said sublease or assignment shall also be promptly provided. A fully executed copy of such agreement shall be submitted to the Department no later than thirty (30) days following occupancy of Airline Premises, or any portion thereof, by the sublessee 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 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 cost, not to exceed twenty five percent (25%) of the specified sublease rental, and such twenty five percent (25%) 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. COUNTY shall have the right to recapture the area(s) of Airline Premises subleased or proposed to be subleased at any time AIRLINE has or seeks to sublease more than fifty percent (50%) of the particular category and area(s) of Airline Premises in which the subleased or proposed subleased area(s) are contained.

D. In the event that COUNTY approves the assignment of all or portions of AIRLINE's leasehold interest in the Airline Premises set forth herein, the excess amount of the payment received by AIRLINE as compensation for said assignment shall be determined as the remainder, if any, of the net present value, computed at the then current Citibank Prime lending rate, of future rentals subtracted from such lump sum payment received by AIRLINE. Future rentals for said assigned premises shall be computed as the average of the previous twelve (12) months of AIRLINE rentals for such premises, increased six percent (6%) per year over the years remaining in the term of this Agreement. Said excess payment shall be remitted to COUNTY, immediately upon notification of COUNTY's approval of said assignment.

15.04 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.


15.05 General.

A. No sublease agreement shall release AIRLINE from its obligations to pay the rentals, fees, and charges provided herein.

B. This Article XV 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 Department's prior written consent, other Air Transportation Companies having prior arrangements with AIRLINE, may use Airline Premises on a temporary basis.

ARTICLE XVI  
SUBORDINATION

A. This Agreement and all rights granted to AIRLINE hereunder are expressly subordinated and subject to the lien and provisions of the pledges, transfers, hypothecations, or assignments made by COUNTY to secure Bonds and to the terms and conditions of the Bond Resolution. COUNTY and AIRLINE agree that, to the extent required by law or by the



Bond Resolution, the holders of the Bonds or any Trustee may exercise any and all rights of COUNTY hereunder. COUNTY agrees to provide AIRLINE advance written notice of any amendments or supplements to the Bond Resolution which may materially change the terms of this Agreement.

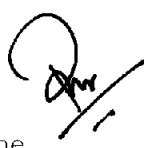
B. This Agreement and all provisions hereof shall be subject and subordinate to all the terms and conditions of any instruments and documents under which COUNTY acquired the land or improvements thereon, of which said Airline Premises are a part, and shall be given only such effect as will not conflict 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 government, or other governmental authority, relative to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of Federal funds or other governmental authority funds for the development of the Airport to the extent that the provisions of any such existing or future agreement are generally required by the United States or other governmental authority of other civil airports receiving such funds. COUNTY agrees to give AIRLINE advance written notice of any such provisions which will modify the terms of this Agreement.

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 XVII  
GOVERNMENT INCLUSION

17.01 Non-discrimination. AIRLINE for itself, its successors interest and assigns, as a part of the consideration hereof, does hereby covenant and agree (1) that no person on the grounds of race, creed, color, national origin, sex, age or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under Airline Premises and the furnishing of services thereon, no person on the grounds of race, creed, color, national origin, sex, age, or handicap shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that AIRLINE shall use 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, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. In the event of 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. The 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, Non-discrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

17.02 Minority Business Enterprise/Affirmative Action. AIRLINE acknowledges that the provisions of 49 CFR, Part 23, Minority Business Enterprises (MBE), 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 MBE and/or Employment Affirmative Action participation goals, the keeping of certain records of good faith compliance efforts, which would be subject to review by the various agencies,



the submission of various reports, and including, if directed by the Department, the contracting of specified percentages of goods and services contracts to Minority Business Enterprises. Failure to comply with these requirements, if applicable, shall be grounds for default and cancellation of this Agreement. Any cancellation pursuant to this Section 17.02 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.

17.03 Rights Non-Exclusive. Notwithstanding anything herein contained, the rights, privileges and licenses granted under this Agreement (except in Exclusive Use Premises) are "non-exclusive" and COUNTY reserves the right to grant similar but no greater privileges to other Scheduled Air Carriers, except to the extent that the granting of such similar privileges shall substantially interfere with AIRLINES's rights, privileges, and licenses granted hereunder.

17.04 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 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.

17.05 COUNTY Tax Assessment Right. None of the terms, covenants and conditions of this Agreement shall in any way be construed as a release or waiver on the part of the COUNTY, as a political subdivision of the State of Florida, or any of 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 the AIRLINE.

#### ARTICLE XVIII

##### LAWS, REGULATIONS, PERMITS, TAXES AND COMPLIANCE

###### 18.01 Rules and Regulations.

A. AIRLINE expressly covenants, warrants, guarantees, and 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 statutes, regulations, rules, rulings, orders, or ordinances of any kind or nature without limitation, as the same may be supplemented or amended, of any or all Federal, State, Municipal, or local governmental bodies now or hereafter having jurisdiction over AIRLINE, AIRLINE's operations conducted under this Agreement in or on the Airline Premises, or over those persons and entities performing any work or services on behalf of AIRLINE or at AIRLINE's expressed or implied request. AIRLINE further covenants, warrants, guarantees and agrees that it shall comply with all ordinances of COUNTY, including but not limited to the "Rules and Regulations of the Department of Airports, of Palm Beach County, Florida" (Currently set forth in Ordinance No. 70-1 as amended, and as may be amended, supplemented or otherwise superseded by the Board of County Commissioners) all operational orders issued thereunder, and any and all other laws, ordinances, regulations, rules, and orders of any governmental entity which may be applicable to AIRLINE or in any way to AIRLINE's business operations under this Agreement, as said laws, ordinances, regulations, rules, and orders now exist, or are hereafter amended, promulgated or otherwise imposed on AIRLINE by law. COUNTY and AIRLINE agree that nothing in this Agreement shall affect or impair AIRLINE's right to legally challenge any such statute, regulation, rule, ruling, order or ordinance, and providing that AIRLINE remains in compliance with all such statutes, regulations, rules, rulings, orders or ordinances during said legal challenge, AIRLINE shall not be held in default of this Agreement during or on account of AIRLINE's legal challenge to any such statute, regulation, rule, ruling, order or ordinance.

B. Any new rules, regulations, orders or restrictions enacted by COUNTY during the term of this Agreement shall not be inconsistent with the terms, provisions, rights and privileges granted hereunder, unless enacted in compliance with the lawful rules, regulations, ordinances, laws or orders of other governmental authorities having jurisdiction over the operation of the Airport.

C. COUNTY has enacted certain regulations and may, in the future, enact other regulations, for the purpose of minimizing, abating, and mitigating noise resulting from the operation of the Airport. COUNTY contends it has the power, as Airport proprietor, to enact such regulations, including, but not limited to, imposition of noise-related

fees and charges and restrictions upon the types of aircraft and numbers and time of aircraft operations. AIRLINE contends that such regulations may be invalid under the Constitution, laws, regulations, and grant agreements of the United States and/or the State of Florida. COUNTY and AIRLINE agree that nothing in this Agreement shall be deemed to impair or in any way affect COUNTY's right as Airport proprietor, to the extent of such right, to enact such regulations for this purpose, as long as such regulations are otherwise valid under applicable law, or to affect or impair AIRLINE's right to challenge any such regulations on any ground other than as a breach or impairment of this Agreement.

D. COUNTY agrees that upon receipt of a written request from AIRLINE, COUNTY shall provide AIRLINE with COUNTY regulations, rules, rulings, orders, ordinances (and amendments thereto) which affect AIRLINE or its performance hereunder.

18.02 Permits and Licenses. AIRLINE expressly covenants, warrants and agrees that it shall, at its sole cost and expense, be strictly liable and responsible for obtaining, paying for, maintaining current, and fully complying with any and all permits, licenses, and other governmental authorizations, however designated, as may be required at any time throughout the entire term of this Agreement by any Federal, State, or local governmental entity or any Court of Law having jurisdiction over AIRLINE or AIRLINE's operations and activities, for any activity of AIRLINE conducted in or on Airline Premises, and for any and all operations conducted hereunder, by AIRLINE. Upon the written request of Department, AIRLINE shall provide to Department copies of and access to the originals of any and all such permits and licenses.

18.03 Safety And Fire Regulations. Airline shall conduct its operations and activities under this Agreement in compliance with all safety regulations of the Department and applicable Federal, State, and local laws.

AIRLINE shall procure and maintain such fire prevention and extinguishing devices as required by COUNTY 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, as same may now exist or hereafter come into being. AIRLINE agrees, for itself and any employee, contractor, or other person working for or on behalf of AIRLINE, to observe due care at all times.

18.04 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 Airline Premises and for the prevention of unauthorized access to said premises and expressly agrees to comply with all rules and regulations of the COUNTY and of any and all other governmental entities that now or may hereafter have jurisdiction over such security. AIRLINE fully understands that the police security protection provided by the COUNTY at the Airport is limited to that provided to any other business situated in Palm Beach County by the Palm Beach County Sheriff's Office, 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 when AIRLINE's operations are within the airfield operations area and hereby agrees to fully comply with all Federal, State and local laws including, but not limited to, FAR Parts 107 and 108, as such may be amended from time to time, and with all rules and regulations of the Department concerning security procedures.

18.05 Payment of Taxes. AIRLINE shall pay any and all taxes and other costs lawfully assessed against its leasehold interest in the Airline Premises, its improvements and its operations under this Agreement. Nothing herein shall be construed to deny or limit AIRLINE's right to contest in good faith the amount or validity of any tax or assessment payable by it by appropriate legal proceedings.

18.06 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 XIX  
GENERAL PROVISIONS

19.01 Clear Title. COUNTY covenants that at the granting and delivery of this Agreement, it has the right and authority to lease the same



as herein set forth, subject to all exceptions and encumbrances of record of any kind, including easements.

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

19.03 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 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.

19.04 Authorized Uses Only. Notwithstanding anything to the contrary herein, AIRLINE shall not knowingly use or permit the use of the Airline Premises or the Airport for any illegal or improper purpose.

19.05 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 during the term hereof.

#### ARTICLE XX

##### 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 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 a non-resident. 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 XXX hereinbelow.

#### ARTICLE XXI

##### NO INDIVIDUAL LIABILITY

No 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.

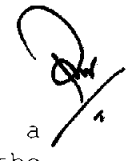
#### ARTICLE XXII

##### WAIVERS

The failure of COUNTY to insist on a strict performance of any of the agreements, terms, covenants and conditions hereof shall not be deemed a waiver of any rights or remedies that COUNTY may have for any subsequent breach, default, or non-performance by AIRLINE, and COUNTY's right to insist on strict performance of this Agreement shall not be affected by any previous waiver or course of dealing. The acceptance by COUNTY of payments of rentals, fees, and charges from AIRLINE for any period or periods after a default of any of the terms, covenants, and conditions herein contained shall not be deemed a waiver of any right on the part of the COUNTY for failure by AIRLINE to so perform, keep or observe any and all terms, covenants and conditions of this Agreement.

#### ARTICLE XXIII

##### COUNTY'S GOVERNMENTAL AUTHORITY



Nothing in this Agreement shall be construed to limit COUNTY, as a political subdivision of the State of Florida, in its regulation of the Airport and its tenants or their operations under its governmental authority.

ARTICLE XXIV  
RIGHTS RESERVED TO COUNTY

All rights not specifically granted to AIRLINE by this Agreement are reserved to COUNTY.

ARTICLE XXV  
INVALIDITY OF CLAUSES

The invalidity of any portion, article, paragraph, provision, clause, or any portion thereof of this Agreement shall have no affect upon the validity of any other part or portion hereof, and shall not materially prejudice either COUNTY or AIRLINE in their respective rights and obligations set forth in the valid articles, paragraphs, provisions, clauses and any portions thereof of this Agreement.

ARTICLE XXVI  
VENUE

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

ARTICLE XXVII  
GOVERNING LAW

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

ARTICLE XXVIII

Intentionally left blank.

ARTICLE XXIX  
APPROVAL BY DEPARTMENT

Whenever this Agreement calls for approval by Department, such approval shall not be unreasonably delayed or withheld and shall be evidenced by the written approval of the Director of the Department or his designee.

ARTICLE XXX  
NOTICES

Except as provided for in Paragraph 6.09 (A) hereinabove, any notice given under the provisions of this Agreement shall be in writing and shall be delivered personally or sent by certified or registered mail, postage prepaid

To COUNTY:

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

To AIRLINE:

Flying Boat, Inc.  
d/b/a Chalk's International Airlines  
1000 MacArthur Causeway  
Miami, Florida 33132

or to such other respective addresses as the parties may designate to each other in writing from time to time. Notice by certified or registered mail shall be deemed given three (3) days after the date that such notice is deposited in a United States Post Office.

ARTICLE XXXI  
CONSTRUCTION AND PARAGRAPH HEADINGS

31.01 Construction. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

31.02 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 and part or parts of this Agreement.



ARTICLE XXXII  
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.

ARTICLE XXXIII  
PERFORMANCE

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.

ARTICLE XXXIV  
FORCE MAJEURE

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.

ARTICLE XXXV  
PUBLIC ENTITY CRIMES

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

ARTICLE XXXVI  
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.

*(Remainder of page left blank intentionally)*

*P*

IN WITNESS WHEREOF, the COUNTY has caused this Airline Operating and Lease Agreement for Palm Beach International Airport to be signed by the County Administrator or the Director of the Department of Airports, pursuant to the authority granted by said Board, and the AIRLINE, Flying Boat, Inc. d/b/a Chalk's International Airlines, has caused these presents to be signed in its corporate name by its duly authorized officer, the \_\_\_\_\_ acting on behalf of said AIRLINE, and the seal of said AIRLINE to be affixed hereto and attested by the Secretary of said AIRLINE, the day and year first written above.

WITNESS:

*Connie Shaffner*  
\_\_\_\_\_  
(Signature)

*Connie Shaffner*  
\_\_\_\_\_  
(Name typed or printed)

*Jeremy Perusse*  
\_\_\_\_\_  
(Signature)

*Jeremy Perusse*  
\_\_\_\_\_  
(Name typed or printed)

PALM BEACH COUNTY, FLORIDA

By: *[Signature]*  
\_\_\_\_\_  
Director-Department of Airports

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: *Anne Helgenit*  
\_\_\_\_\_  
County Attorney

ATTEST:

By: \_\_\_\_\_  
Secretary

AIRLINE:

FLYING BOAT, INC.  
d/b/a CHALK'S INTERNATIONAL AIRLINES

By: *[Signature]*  
\_\_\_\_\_  
*R. RAZANNAIR*  
↑Typed Name of Corporate Officer↑

Title: *Gen. MANAGER AND Director of Ops.*

(Corporate Seal)

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

Witness

*[Signature]*  
\_\_\_\_\_  
(Signature)

*Nathan Vallier*  
\_\_\_\_\_  
(Name typed or printed)

Witness

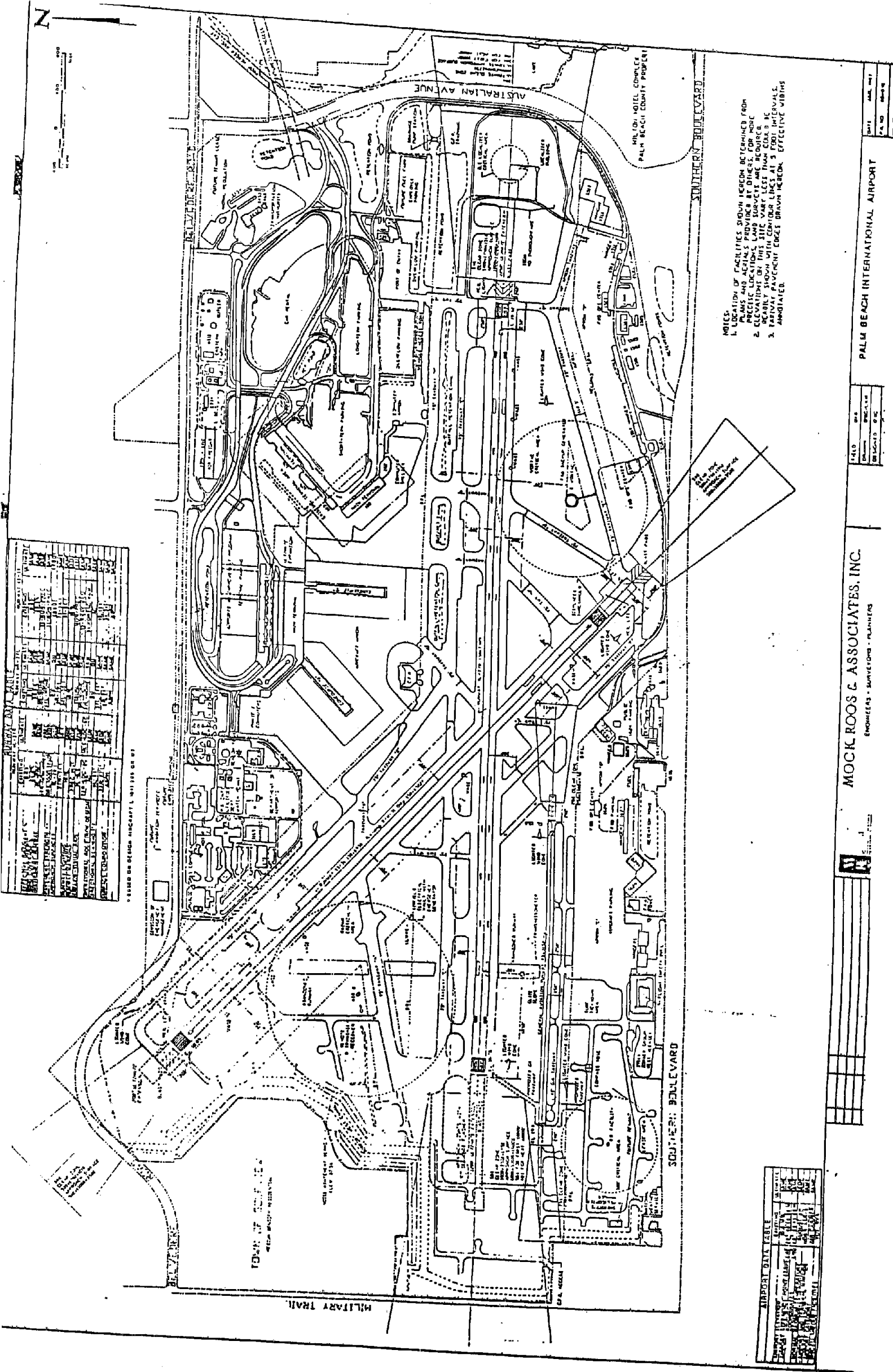
*Meriah Vitale*  
\_\_\_\_\_  
(Signature)

*Meriah Vitale*  
\_\_\_\_\_  
(Name typed or printed)

**EXHIBIT "A"**  
**AIRLINE OPERATING AND LEASE AGREEMENT**

Palm Beach International Airport

Dated: As of October 1, 2006



- NOTES:**
1. LOCATION OF FACILITIES SHOWN HEREON DETERMINED FROM PLANS AND RECORDS PROVIDED BY OTHERS. FOR MORE PRECISE LOCATION, SURVEY DATA ARE REQUIRED.
  2. ELEVATIONS ON THIS SITE SURVEY ARE REQUIRED.
  3. ELEVATIONS SHOWN WITH CENTER POINTS SHALL BE MEAN SEA LEVEL. ELEVATIONS WITH 5 FOOT INTERVALS, ASSOCIATED.

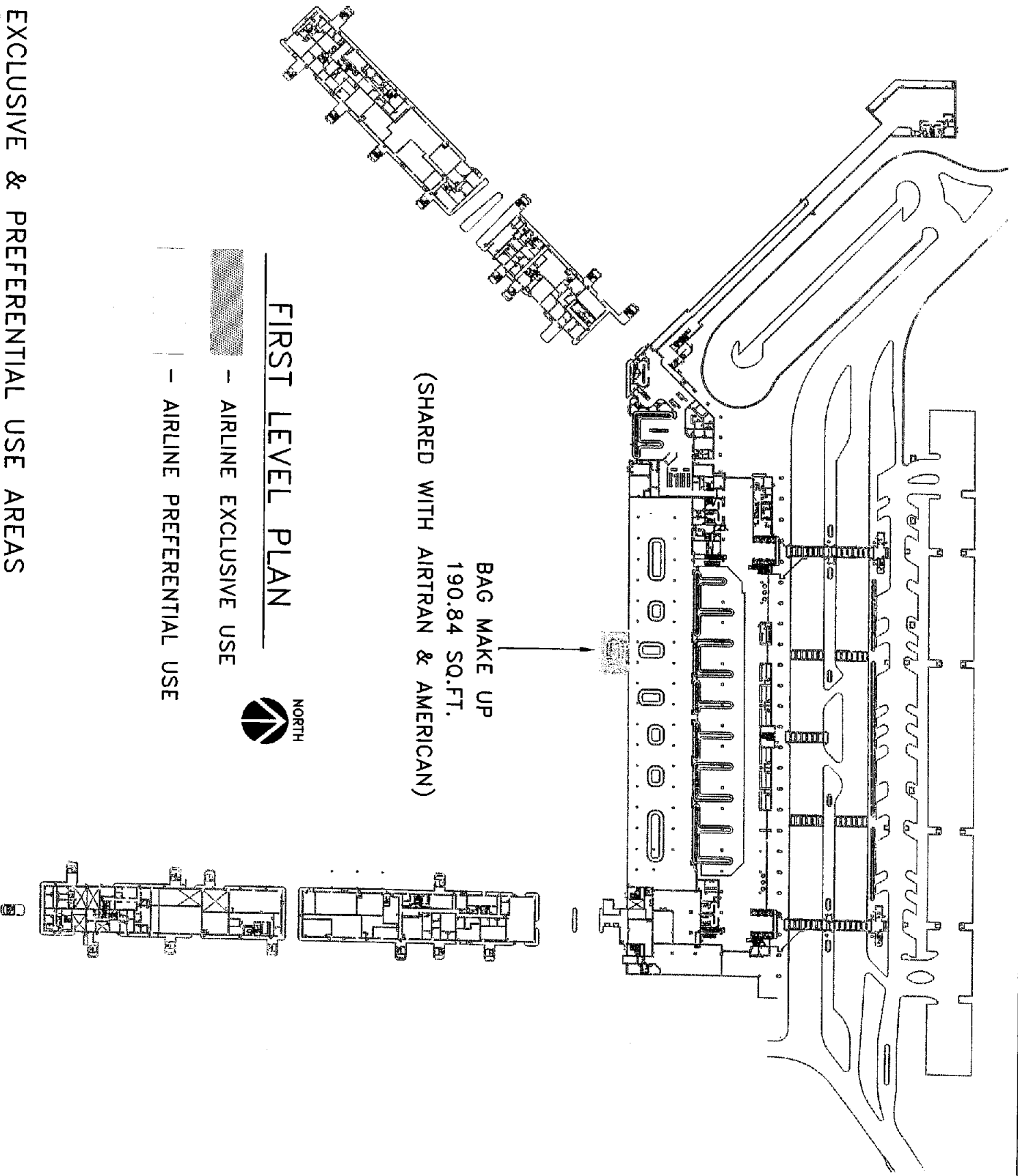
NO.	DESCRIPTION	DATE	BY
1	REVISION		
2	REVISION		
3	REVISION		
4	REVISION		
5	REVISION		
6	REVISION		
7	REVISION		
8	REVISION		
9	REVISION		
10	REVISION		

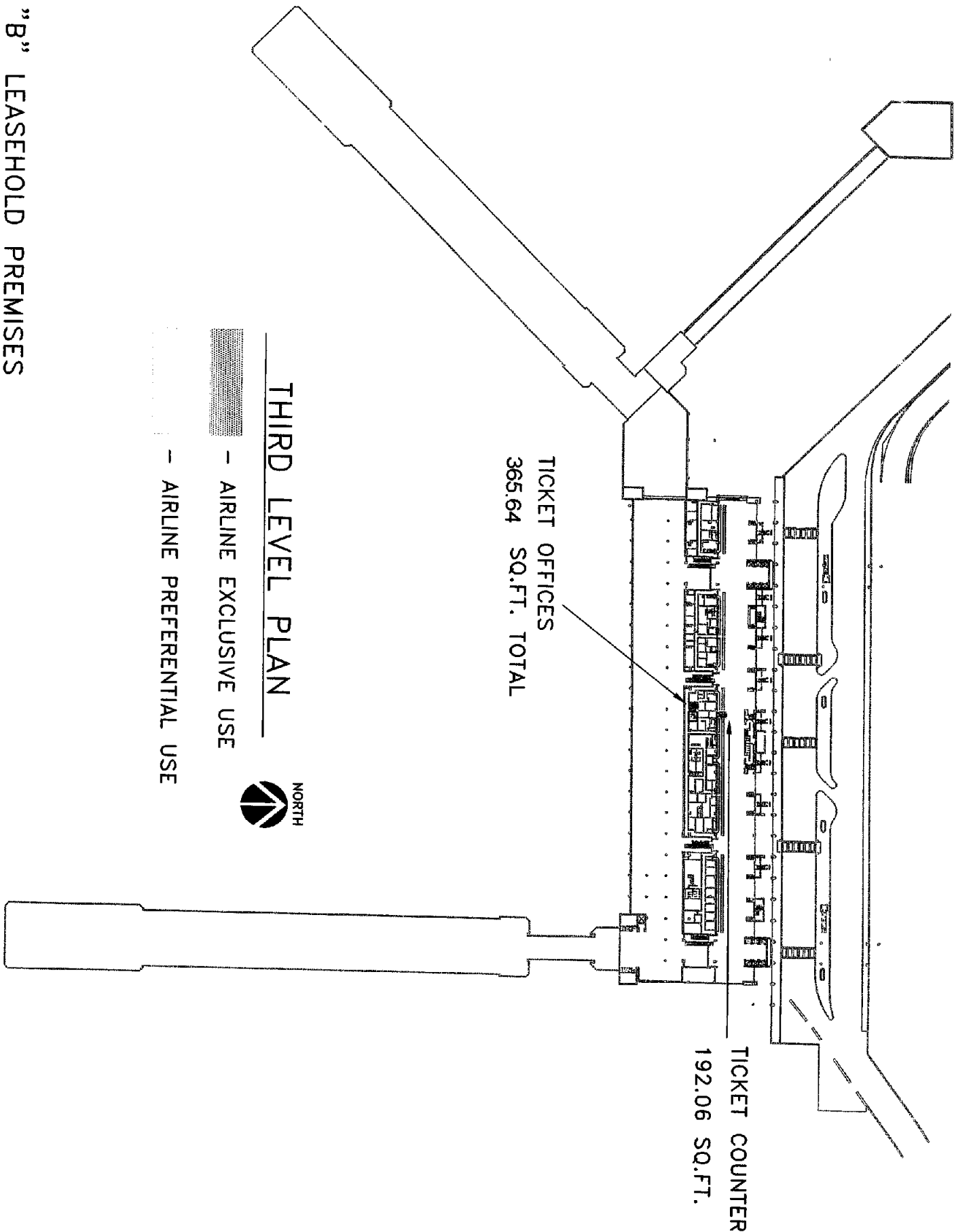
NO.	DESCRIPTION	DATE	BY
1	REVISION		
2	REVISION		
3	REVISION		
4	REVISION		
5	REVISION		
6	REVISION		
7	REVISION		
8	REVISION		
9	REVISION		
10	REVISION		

**MOCK ROOS & ASSOCIATES, INC.**  
 ENGINEERS • SURVEYORS • PLANNERS

Palm Beach International Airport

FIELD NO. 1000  
 DATE: 10/1/06  
 SHEET NO. 1000-1





THIRD LEVEL PLAN

TICKET OFFICES  
365.64 SQ.FT. TOTAL

TICKET COUNTER  
192.06 SQ.FT.

- AIRLINE EXCLUSIVE USE
- AIRLINE PREFERENTIAL USE



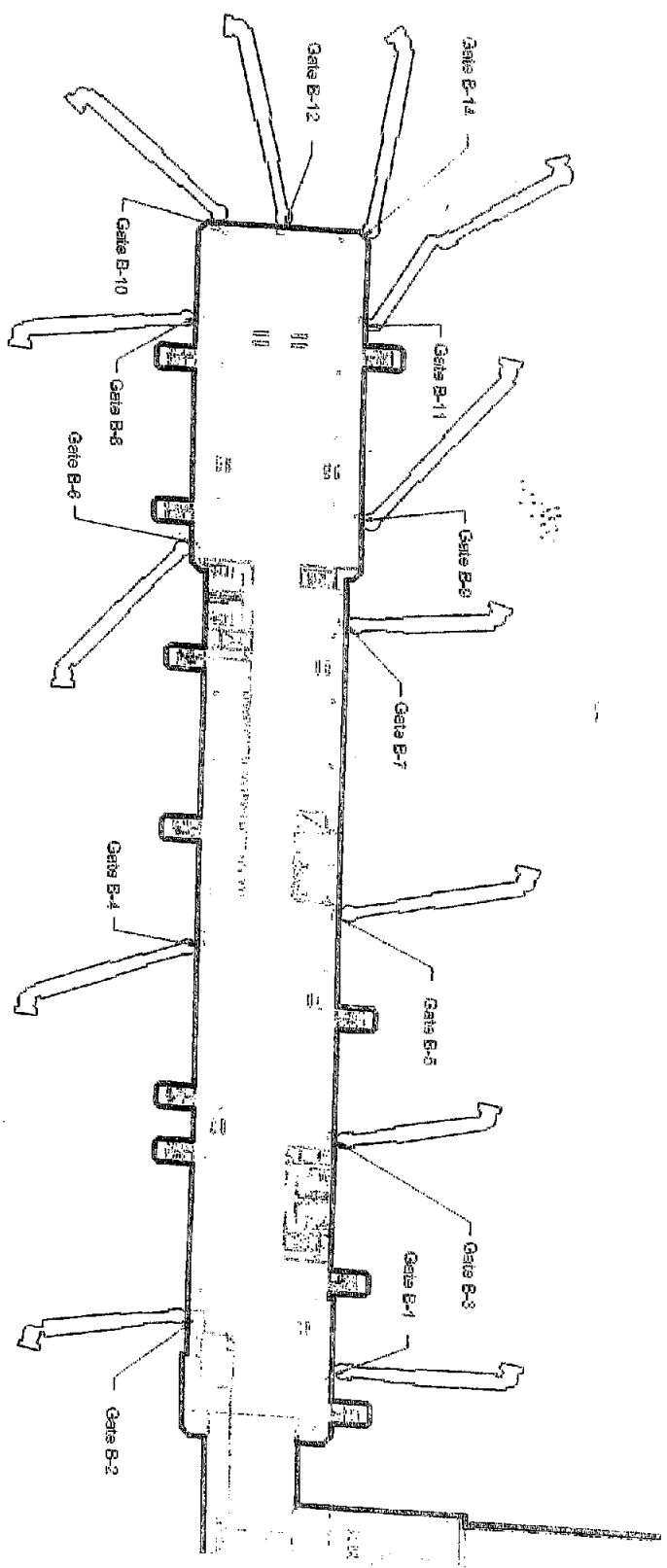
**EXHIBIT "C"**  
**AIRLINE OPERATING AND LEASE AGREEMENT**

Palm Beach International Airport  
**PREFERENTIAL USE PREMISES (Aircraft Parking Apron)**



Page 1 of 2

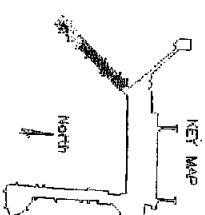
Dated: As of October 1, 2006

*Palm Beach International Airport*



**THIRD LEVEL PLAN**

-  - AIRLINE EXCLUSIVE USE
-  - AIRLINE PREFERENTIAL USE



**Concourse B**  
**Gate Designation**

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



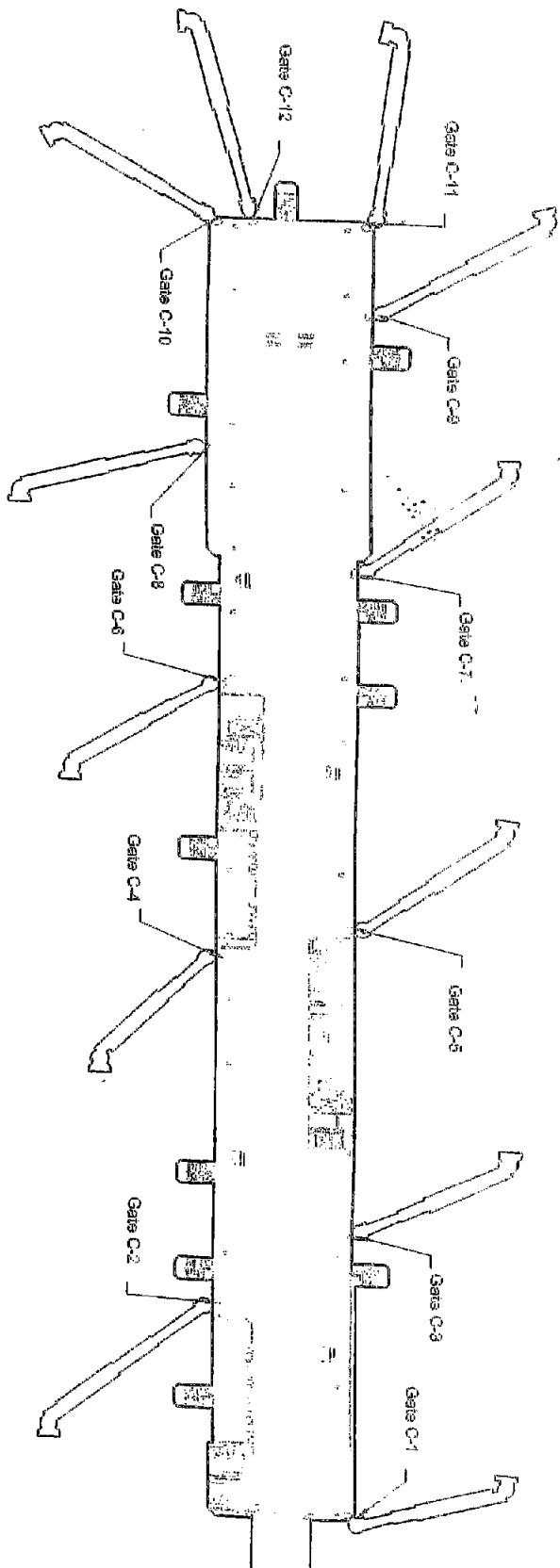
**EXHIBIT "C"**  
**AIRLINE OPERATING AND LEASE AGREEMENT**

Palm Beach International Airport  
**PREFERENTIAL USE PREMISES (Aircraft Parking Apron)**

Page 2 of 2

Dated: As of October 1, 2006

*Palm Beach International Airport*

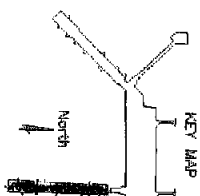


**THIRD LEVEL PLAN**



— AIRLINE EXCLUSIVE USE

— AIRLINE PREFERENTIAL USE



**Existing Concourse C**  
**Gate Designation**

Sources: Palm Beach County Department of Airports, April 2005  
 Prepared by: Ficcardi & Associates, Inc., April 2006

**EXHIBIT "D"**  
**AIRLINE OPERATING 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 October 1, 2006

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 <sup>8</sup> 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. <sup>6</sup>	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 "D"**  
**AIRLINE OPERATING 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 October 1, 2006

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 <sup>8</sup> 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 <sup>5</sup>
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 "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 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.

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

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.

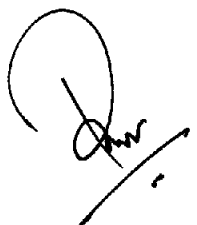


EXHIBIT "E"  
to the Airline-Airport Use  
and Lease Agreement for  
Palm Beach International Airport  
**RATE and FEE SCHEDULE**  
for the period of  
October 1, 2006  
Through September 30, 2007

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	\$74.17
2	Ticket Offices and Upper Level Offices; V.I.P. Rooms; Hold Rooms	\$66.75
3	Bag Claim; Concourse Areas	\$59.34
4	Bag Make-up; Curbside Offices, Operation Areas including Baggage Service Offices; Commuter Operating Area	\$51.92
5	Tug Drives	\$18.54

These rates are based upon an average Terminal rental rate of \$55.92 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 .**

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

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.



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

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 to 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).
- 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:

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

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.
  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.

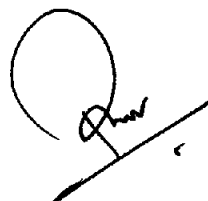


EXHIBIT "E"  
to the Airline-Airport Use  
and Lease Agreement for  
Palm Beach International Airport

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

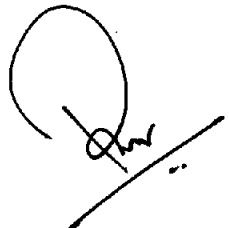
3. Expenses for Crash/Fire/Rescue Operations (also known as Aircraft Rescue and Fire Fighter Operations) shall be allocated to direct cost centers according to the following percentages:

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	3.00
	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 "g"  
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

Attachment 1

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
<b>TOTAL OPERATION AND MAINTENANCE EXPENSE</b>	<b>15,999,022</b>	<b>6,096,669</b>
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	<u>943,822</u>	<u>84,018</u>
8 <b>TOTAL REQUIREMENT</b>	<b>24,462,387</b>	<b>7,680,722</b>
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	145,000
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	<u>23,896,984</u>	<u>5,811,734</u>
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)	<u>3,889,062</u>	<u>972,265</u>
17 Net Requirement	<u>13,133,410</u>	<u>4,839,469</u>
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
<b>Differential Terminal Rates</b>		
Type 1	Signatory	Non-signatory
Type 2	74.17	81.59
Type 3	66.75	73.43
Type 4	59.34	65.27
Type 5	51.92	57.11
	18.54	20.40

Attachment to Exhibit "g"  
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

	FY 2005 Audited	FY 2006 Re-Estimated	FY 2007 Budgeted
<b>AIRSIDE</b>			
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
<b>TERMINAL</b>			
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
<b>GROUND TRANSPORTATION</b>			
Automobile parking			
Ground Rental	14,718,885	16,000,000	18,200,000
On-airport car rental	558,019	565,000	565,000
Off-airport car rental	10,373,459	10,700,000	10,850,000
Taxi/Limo	84,644	88,000	88,000
Miscellaneous Revenues	226,636	230,000	235,000
Sub-Total	26,067,960	27,643,000	29,998,000
<b>AVIATION SERVICES</b>			
Building Rentals			
Ground Rentals	398,978	398,000	398,000
Airline Catering	1,029,230	1,200,000	1,200,000
Aircraft Parking	190,514	180,000	180,000
Miscellaneous Revenues	67,933	0	0
Sub-Total	1,766,619	1,858,300	1,858,300
Air Cargo Facility	227,276	225,500	225,500
<b>NON-AVIATION SERVICES</b>			
Building Rentals			
Ground Rentals	1,232,445	1,048,600	750,000
Miscellaneous Revenues	(78,701)	120,000	120,000
Sub-Total	5,229	5,200	5,200
Non-Aviation: Section 6	1,158,973	1,173,800	875,200
LANTANA AIRPORT	1,172,029	1,171,500	1,171,500
GLADES AIRPORT	111,483	115,500	115,500
NORTH COUNTY AIRPORT	7,493	8,000	8,000
ADMINISTRATION	1,005,356	1,049,000	1,067,000
Other	1,926,371	1,876,000	1,576,000
	47,107	51,900	46,200
<b>TOTAL</b>	<b>62,286,788</b>	<b>62,315,086</b>	<b>64,880,567</b>

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

Detail of Operation and Maintenance  
Expense and Debt Service

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

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

Deposit to the Transfers Account

	Budgeted FY 2007
Revenues	<u>64,880,567</u>
Prior Year Transfer Carryforward	<u>5,156,109</u>
LESS:	<u>70,036,675</u>
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>
<b>Total Transfers</b>	<u><u>3,300,651</u></u>

Attachment to Exhibit "B"  
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

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

Type of Space	Ticket Counter Sq. Ft. (1) (1)	Ticket & Upper Level Offices Sq. Ft. (2) (1)	VIP Rooms Sq. Ft. (2) (1)	Hold Rooms Sq. Ft. (2) (1)	Bag Claim Sq. Ft. (3) (1)	Concourse Areas Sq. Ft. (3) (1)	Bag Make-Up Sq. Ft. (4) (2)	Curbside Office Sq. Ft. (4) (1)	Baggage Office Sq. Ft. (4) (1)	Operations Area Sq. Ft. (4) (1)	Commuter Operating Area Sq. Ft. n/a	Tug Drive Sq. Ft. (5) (2)	Airline Total Sq. Ft.	Non-Airline Sq. Ft.	Total Sq. Ft.
AirTran	462.00	879.2		2,714.98			763.4	89.36	0	100.59					
American	576.18	1,069.89		2,714.98			1,145.10	90.64	357.00	1,809.58			5,009.53		5,009.53
Continental	1,358.90	2,324.89		5,858.73			4,453.13	144.00	719.90	2,823.92			7,783.38		7,783.38
Delta	2,148.00	4,049.24	4,619.00	9,924.73			5,326.38	192.00	805.76	18,002.54			17,883.17		17,883.17
Independence													45,067.63		45,067.63
jetBlue	867.49	867.49		2,970.18			2,850.00	192.00	223.24	4,699.22			0.00		0.00
Northwest	711.26	848.77		2,478.84			1,781.25	93.28	346.68	1,900.00			12,689.62		12,689.62
Southwest	1,149.50	1,869.27		3,377.12			1,375.04	90.84	222.18	4,269.94			7,980.03		7,980.03
United	965.00	1,554.04		2,714.98			2,078.13	280.00	179.43	480.21			12,343.69		12,343.69
US Airways	1,231.00	2,580.51		4,167.40			4,156.25	280.00	532.75	4,967.31			7,737.79		7,737.79
Unassigned	2,077.57	4,789.53	3,878.96	16,564.86			5,180.70	101.38	0.00	7,095.28			18,015.22		18,015.22
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			39,688.06		39,688.06
Joint Use Space					30,557.68	38,517.73							173,958.12		173,958.12
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	26,688.74	100,571.88		100,571.88
Concessions/TSA Space County-Gate B-2				3,379.89										51,772.80	51,772.80
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	26,688.74	274,530.00	56,152.69	329,682.69
Unenclosed Areas															
FIS Space															
Public Areas													22,876.00		22,876.00
Administration Areas													28,170.30		28,170.30
Mechanical/Utility													126,376.57		126,376.57
Sub-Total Non-rentable													21,813.23		21,813.23
													45,614.50		45,614.50
<b>Total Terminal Area</b>	<b>11,346.50</b>	<b>20,643.93</b>	<b>8,497.96</b>	<b>56,866.49</b>	<b>30,557.68</b>	<b>38,517.73</b>	<b>29,109.36</b>	<b>1,369.28</b>					<b>274,530.00</b>	<b>300,003.29</b>	<b>574,533.29</b>

## 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 "g"**  
**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.

**FOURTH AMENDMENT TO TERMINAL BUILDING LEASE AGREEMENT  
BETWEEN PALM BEACH COUNTY AND  
THE GENERAL SERVICES ADMINISTRATION**

**THIS FOURTH AMENDMENT TO THE TERMINAL BUILDING LEASE AGREEMENT** (this "Amendment") is made and entered into this 20<sup>th</sup> day of June, 2007, by and between Palm Beach County, a political subdivision of the State of Florida ("County"), and the General Services Administration, an Executive Agency of the United States of America ("Lessee").

**WITNESSETH:**

**WHEREAS**, pursuant to that certain Terminal Building Lease Agreement between County and Lessee dated March 11, 2003 (R2003-0355), as amended (the "Lease"), Lessee leases 3141 square feet of space within the Terminal Building from County in connection with its operations; and

**WHEREAS**, the Director of the Department of Airports has authority to execute amendments to the Lease to increase the square footage of the Premises on behalf of County pursuant to Article 2.02 of the Lease; and

**WHEREAS**, Lessee desires to lease an additional 525 square feet of space from County within the Terminal Building, which will cause the Premises to contain a total of 3,666 square feet.

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

1. The foregoing recitals are true and correct and are hereby incorporated herein by reference. Terms not defined herein shall have the meanings ascribed to them in the Lease.

2. The parties agree that, effective May 01, 2007, Exhibit "A" to the Lease shall be replaced with the attached Exhibit "A", which is hereby incorporated herein.

3. For that period beginning May 01, 2007 and ending on the effective date of this Amendment, Lessee agrees to pay County, in addition to any other sums due under the Lease, rental in the sum of \$66.75 per square foot for the additional 525 square feet of space being added to the Premises by this Amendment within 45 days of the effective date of this Amendment. Any rent payment due hereunder for a fractional month shall be calculated and paid on a per diem basis.

4. Except as specifically modified herein, all of the terms and conditions of the Lease shall remain unmodified and in full force and effect and are hereby ratified and confirmed by the parties hereto.

5. This Amendment shall become effective when signed by both the parties hereto.

*(Remainder of page intentionally left blank)*

**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment to be signed by the Director of the Department of Airports, pursuant to the authority granted by the Board of County Commissioners, and the General Services Administration, an Executive Agency of the United States of America, has caused these presents to be signed in its name by its duly authorized officer, the Contracting Officer acting on behalf of the Lessee, the day an year first written above.

WITNESSES:

*Cornel Shoffner*  
Signature  
Cornel Shoffner  
Print Name

*Jeremy Perusse*  
Signature  
Jeremy Perusse  
Print Name

**PALM BEACH COUNTY, FLORIDA**

By: *Bruce V. Pelly*  
Bruce V. Pelly  
Director of Airports

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY

By: *James Buhio*  
County Attorney

WITNESSES:

*Tarali Peña*  
Signature  
Tarali Peña  
Print Name

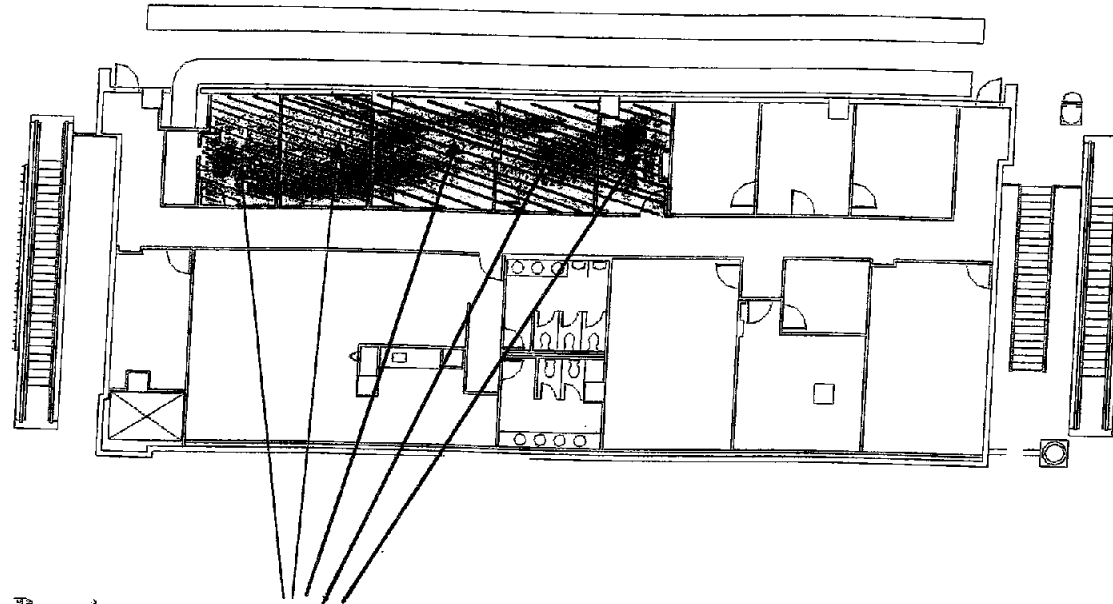
*Glynda Marie Sciere*  
Signature  
Glynda Sciere  
Print Name

LESSEE:  
**GENERAL SERVICES ADMINISTRATION**

By: *Louise Long*  
Louise Long, Contracting Officer

**Exhibit "A"**  
**Premises**  
**1,045.00 Square Feet**  
**Type Two Space**  
**Third Level – ATO offices**  
**Terminal Building**  
**Palm Beach International Airport**

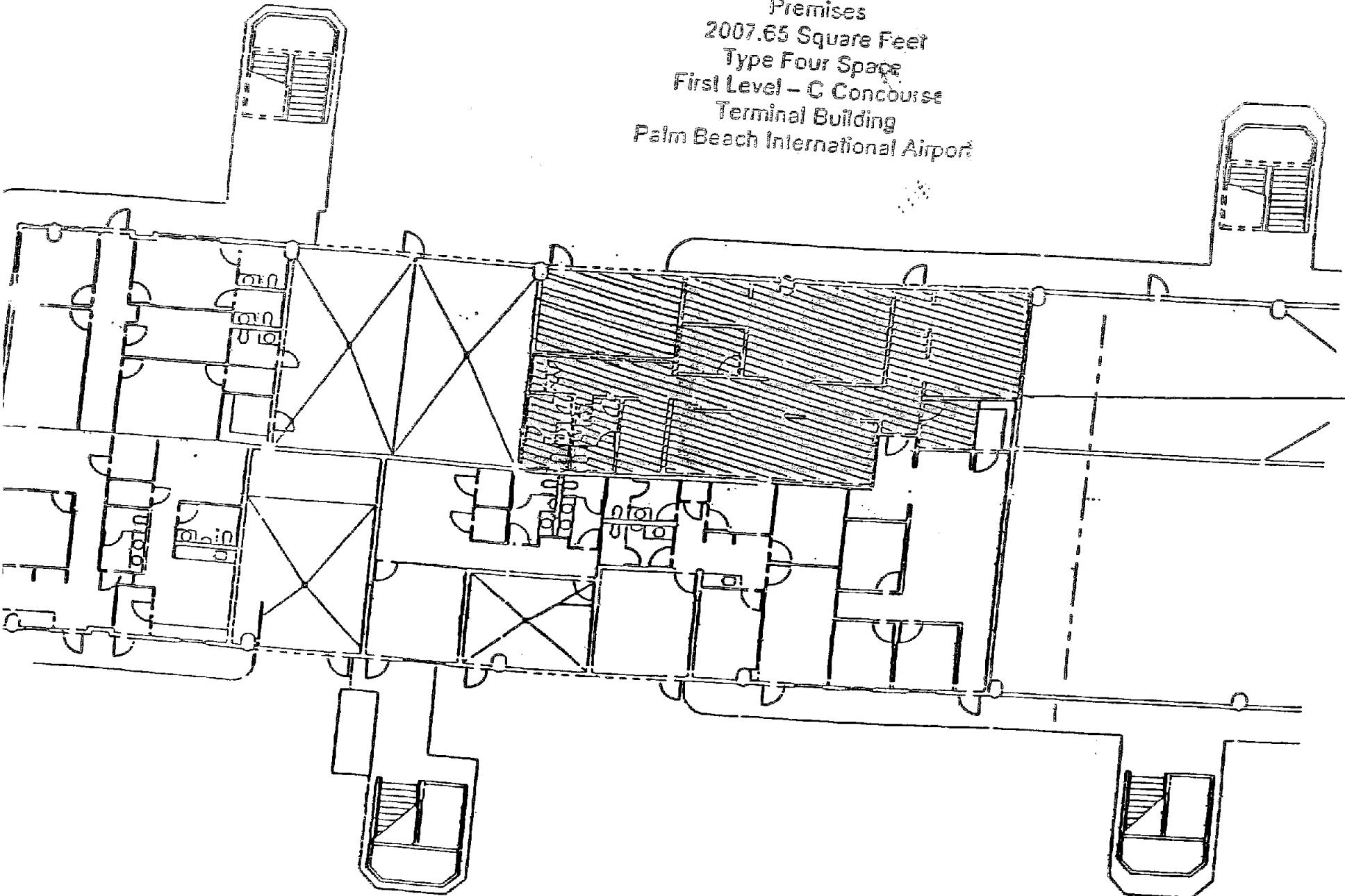
**Page 1 of 4**  
**Effective**  
**May 1, 2007**



Premises

1045 sq. ft.

Exhibit "A"  
Premises  
2007.65 Square Feet  
Type Four Space  
First Level - C Concourse  
Terminal Building  
Palm Beach International Airport



Premises  
2,007.65 square feet

Exhibit "A"

Premises

312.00 Square Feet

Type Four Space

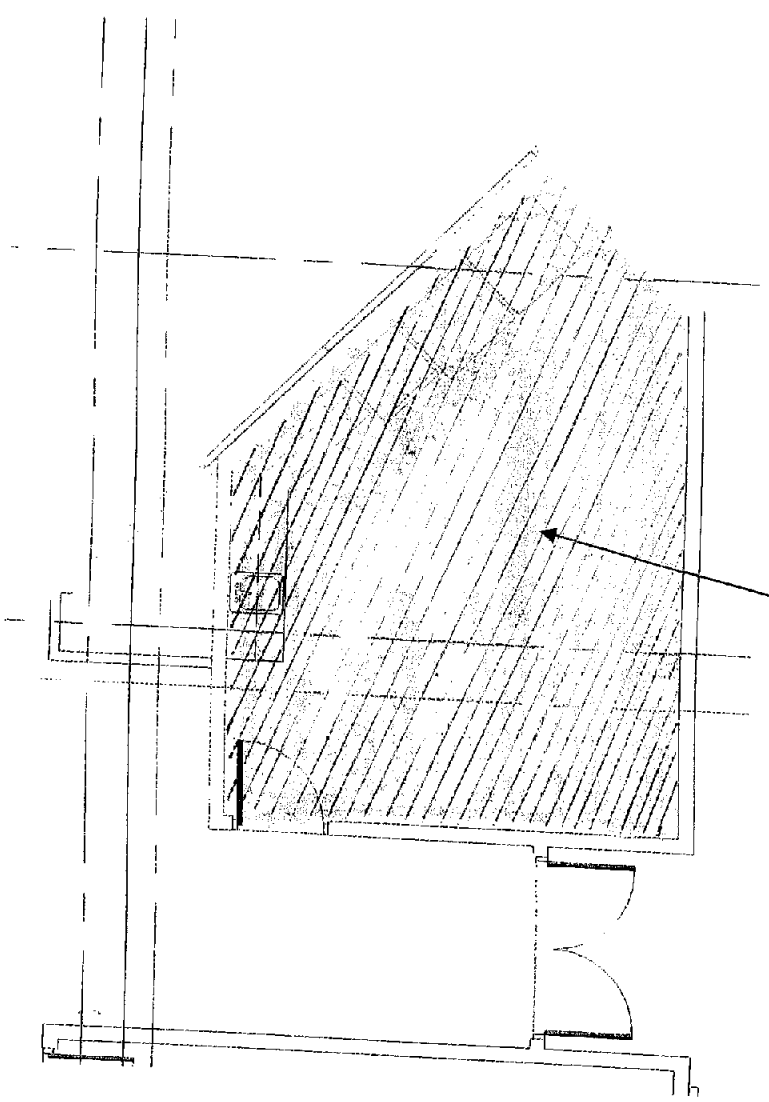
Second Level - A/B Check Point

Terminal Building

John F. Kennedy International Airport

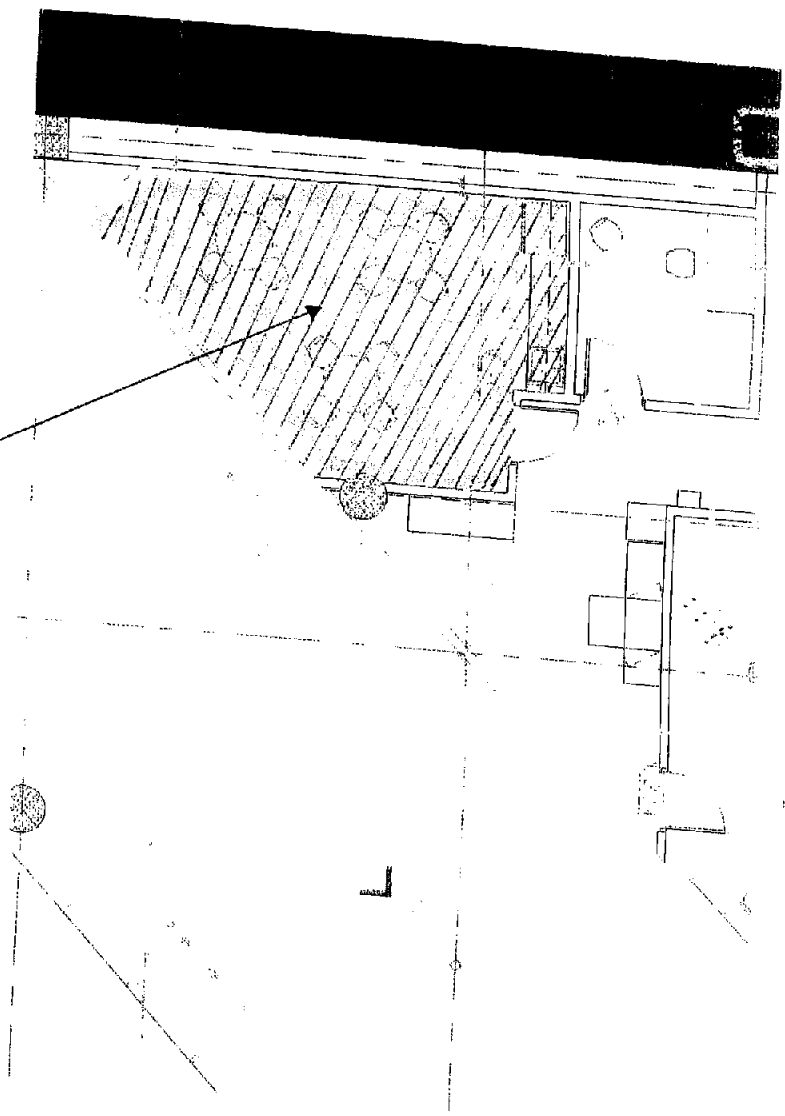
Premises

312 sq. ft.



WINDING S.A.  
Premises

301.09 Square Feet  
Type Four Space  
Second Level - C Check Point  
Terminal Building  
Palm Beach International Airport



Premises  
301 sq. ft.



**CONSENT TO SUBLEASE**

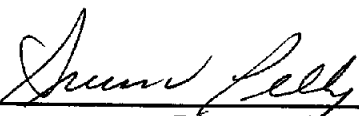
**PALM BEACH COUNTY**, a political subdivision of the State of Florida, the "COUNTY", by and through its Department of Airports, under that certain Lease Agreement with Piedmont Hawthorne Aviation, Inc. d/b/a Landmark Aviation (the "LESSEE"), dated August 24, 2004 (R2004-1798),(the "Lease Agreement"), hereby consents to LESSEE entering into a Sublease Agreement ("Sublease") with Cloud 9 Helicopters, (the "SUBLESSEE") dated May 16, 2007, for the Sublease of certain premises contained within the leasehold of LESSEE under the Lease Agreement.

Notwithstanding any provision of the Sublease to the contrary, the COUNTY hereby rejects any such provision in the Sublease, if any, which gives a greater right to the SUBLESSEE than that which the LESSEE has and, further, the COUNTY rejects any provision of the Sublease which purports to give the SUBLESSEE a right or interest in the premises independent of the LESSEE's Lease Agreement with the COUNTY. It is the express intent of the COUNTY in giving its consent that any forfeiture, loss, or termination of the LESSEE's Lease Agreement shall automatically terminate any sublease of the premises. In giving its consent to sublease the premises, Palm Beach County does not in any manner adopt, accept, or approve the terms of the Sublease or alter the terms of the Sublease.

It is the COUNTY's intent that the LESSEE shall remain liable to COUNTY for all rights and obligations contained in its Lease Agreement with the COUNTY.

**JUL 10 2007**

APPROVED this \_\_\_\_\_ day of, 2007, by the County Administrator or the Director of the Department of Airports on behalf of and pursuant to the authority granted by the Board of County Commissioners.

By:   
Title: Director of Airports

Approved as to Form and Legal Sufficiency:

By:   
County Attorney

**(SUBLEASE) LEASE SUMMARY**

**Lessor:** Piedmont Hawthorne Aviation, Inc. d/b/a Landmark Aviation

**Lessee:** Cloud 9 Helicopters

**Effective:** May 16, 2007, and shall automatically renew on a month to month basis.

**Leased Area:** Approximately 750 square feet of office space in building 11610, Suites B-2, at North County General Aviation Airport.

**Type of Business:** Helicopter Flight School

**Rights and Uses:** Lessee will use office space for solely for the administrative operations associated with the Flight School and classroom.

**Date Business Lease Submitted For Consent:** June 27, 2007

**AIRPORT MANAGER CONSENT:**

*Pat F. Allen 6/27/07 (Attached 2 pgs)*

---

MODIFIED  
w/ PB DISCLAIMERS



### OFFICE SPACE LEASE AGREEMENT

THIS OFFICE SPACE LEASE AGREEMENT ("Agreement") is made and entered into this 16<sup>TH</sup> day of MAY, 2007, between LANDMARK AVIATION., Location at 11600 Aviation Blvd., West Palm Beach, FL 33412 (hereinafter referred to as the "LESSOR"), and CLOUD 9 HELICOPTERS, having its office and principle place of business 11610 AVIATION BLVD OFFICE B-2, hereinafter referred to as the "LESSEE").

In consideration of the mutual covenants herein, and for other good and valuable consideration, the parties hereby agree to lease Office Space as follows:

1. Lease of the Office Space: Lessor hereby leases to Lessee space in the building 11610, Office # B-1, located at the Piedmont Hawthorne FBO Complex (the "LANDMARK Complex"). The Office Space shall be used and occupied by Lessee solely for the general office purposes of HELICOPTER FLIGHT TRAINING.
2. Term: The term of this Agreement shall commence on the effective date JUNE 1, 2007, AND SHALL CONTINUE ON A MONTH-TO-MONTH basis, being automatically renewed after EA. MONTH unless terminated by either Lessee or Lessor with sixty (60) days prior written notice.
3. Rent: (a) For the use and rent of the Office Space, Lessee shall pay to Lessor, at the address specified above the amount of \$ 825.00, in lawful money of the United States, in advance on or before the first day of each month without demand, plus any applicable local, state, or federal taxes or fees when due. The monthly base rental rate will remain fixed for the first year. At the end of the first year of this Agreement, the Lessor has the right to adjust the rental rate from time to time, which shall not exceed the then current posted rental rate.  
  
(b) Should the Lessee not pay rent on the due date, any due and unpaid amount shall bear interest at the rate of eighteen (18%) percent per annum, or the maximum interest rate allowed under the laws of the State Florida, whichever is less, from the date such payment is due until it is paid in full.
4. Services Provided: LESSOR will maintain the structural components of the Building, including doors and door mechanisms. Lessee will be responsible for all other maintenance. Lessee shall keep the premises, and all improvements made by Lessee, in the same state of good order and condition as on the date of this Agreement, or, as to improvements, on the date completed (except for ordinary wear and tear) and shall make all repairs and take all other action necessary or appropriate to keep and maintain the premises in the same state of good order and condition as on the commencement date.
5. Lessee will be responsible for all Utilities and annual fire extinguisher certification.

6. Primary Lease: It is expressly understood and agreed that (a) all parties hereto acknowledge that certain contract between Palm Beach County Department of Airports (the "Authority") and Lessor dated September 1, 2005 (herein referred to as the "Primary Lease"), which covers the Building and adjacent areas, and intend to comply with the Primary Lease and all rules and regulations set forth by the Authority; and (b) if the Primary Lease is terminated, canceled for any reason, abated as to any portion of the Building or adjacent areas, such termination, cancellation, or abatement will immediately operate as a cancellation of this Agreement without any further documentation, and Lessor will be relieved of liability for any and all damages (consequential, actual or otherwise) that Lessee may sustain as a result thereof.
7. Casualty: In the event the Building or Office Space or the means of access thereof, shall be damaged by fire or any other cause, the rent payable hereunder shall not abate provided that the Office Space is not rendered untenable by such damage. If the Building or Office Space is rendered untenable the Lessor elects to repair the Building or Office Space, rent shall abate for the period during which such repairs are being made, provided the damage was not caused by the acts or omissions of Lessor, its directors, officers, agents, employees, and assigns or its Officers, in which case the rent shall not abate. If the Building or Office Space is rendered untenable, and work to repair the damage has not begun sixty (60) days after occurrence, or Lessor elects not to repair the Building or Office Space this Agreement shall terminate.
8. **DISCLAIMER OF LIABILITY: LESSOR HEREBY DISCLAIMS, AND LESSEE HERBY RELEASES LESSOR and Palm Beach County, a political subdivision of the State of Florida FROM ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE) FOR ANY LOSS, DAMAGE, OR INJURY OF ANY NATURE WHATESOEVER, SUSTAINED BY LESSEE OR THE OFFICERS, AGENTS, EMPLOYEES, CONTRACTORS, OR INVITEES OF LESSEE DURING THE TERM OF THIS AGREEMENT. THE PARTIES HERBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL LESSOR BE LIABLE FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS BUT NOT LIMITED TO LOSS OF REVENUE OR ANTICIPATED PROFITS LOSS OF USE OR DIMINUTION OF VALUE, OR OTHER DAMAGE RELATED TO THE LEASING OF THE OFFICE SPACE AIRCRAFT OPERATIONS UNDER THIS AGREEMENT.**
9. Subordination: This Agreement is subject and subordinate to the lien of all and any mortgages by Lessor (which "mortgages" shall include both construction and permanent financing and shall include deeds of trust and similar security instruments) which may now or hereafter encumber the Building, and to all renewals or modifications thereof. If any proceedings are initiated for the foreclosure of, or the exercise for the power of sale under any mortgages or in any deed in lieu of foreclosure is exercised, covering the Building, Lessee shall attorn to and recognize such mortgages as the Lessor under this Agreement.
10. Compliance: Lessee will promptly procure, maintain and comply with all permits, licenses, and other authorizations required for the use of the premises as a general office and for the lawful operation, maintenance, and repair of the premises or any part thereof. Lessee will not do any act or thing which constitutes a public or private nuisance. Lessee will not generate or produce Hazardous

Materials (as defined in Section 12 below), in any form whatsoever and will not handle or store Hazardous Materials.

11. Liens of Lessee: If because of any act or omission of Lessee, any mechanic's lien or other lien, charge, or order for the payment of money is filed against any portion of the premises, Lessee shall, at its expense, cause the lien or liens to be discharged of record or bonded within sixty (60) days after it receives written notice from Lessor of their filing.
12. Alterations and Additions: Without the prior written consent of Lessor, Lessee will not drill holes in the floor to secure equipment or racks. Lessee will not drill or cut holes in the exterior of the Building for any purpose, including the mounting of any sign or signs. All maintenance and repair, and each such addition, improvement, or alteration (i) shall be completed expeditiously in a good and workmanlike manner, and in compliance with all legal requirements and all insurance requirements and (ii) shall become part of the premises (subject to Lessee's right to remove contained in this Agreement) and subject to this Agreement. Lessee will, if Lessor directs, remove all alterations and additions and return the premises to its condition at the Commencement of this Agreement, ordinary wear and tear and Lessor's improvements excepted.
13. ~~Indemnity. Lessee hereby indemnifies and shall protect and hold Lessor, and/or Palm Beach County, a political subdivision of the State of Florida,~~ harmless from and against all liabilities, losses, claims, demands, costs, expenses, and judgments of any nature arising, or alleged to arise, from or in connection with the following, including claims by Lessee and by third parties: (a) any injury to, or the death of any person or loss or damage to property on or about the premises or any adjoining property arising from or connected with the Lessee's use of the premises during the term; (b) performance of any labor or services or the furnishing of any materials or other property in respect of the premises or any part thereof by Lessee or at the Lessee's request; and (c) the storage or use of Hazardous Materials by Lessee, provided, however, nothing contained herein shall allow such storage or use by Lessee. "Hazardous Materials" shall mean hazardous wastes, hazardous substances, hazardous constituents, toxic substances or related materials, whether solids, liquids or gases, including but not limited to substances defined as "hazardous wastes," "hazardous substances," "toxic substances," "pollutants," "contaminants," "radioactive materials," or other similar designations in, or otherwise subject to regulation under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 ("CERCLA"), 42 U.S.C. §§ 9601 et seq.; the Toxic Substance Control Act ("TSCA"), 15 U.S.C. §§ 2601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1802 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §§ 9601 et seq.; the Clean Water Act ("CWA"), 33 U.S.C. §§ 1251 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300(f) et seq.; the Clean Air Act ("CAA"), 42 U.S.C. §§ 7401 et seq.; any law, rule, or regulation, federal, state or local, now or hereafter in existence, governing or relating to the creation, use, storage, sale, retention, or transportation of hazardous or toxic substances and wastes; and in the plans, rules, regulations or ordinances adopted, or other criteria and guidelines promulgated pursuant to the preceding laws or other similar laws, regulations, rule or ordinance now or hereafter in effect; and any other substances, constituents or wastes subject to environmental regulations under any applicable federal, state or local law, regulation or ordinance now or hereafter in effect. Lessee will resist and defend any action, suit or proceeding brought against Lessor, ~~and/or Palm Beach County, a political subdivision of the State of Florida,~~ by reason of any such occurrence by counsel designated by Lessee.

14. Insurance Coverage: Lessee will maintain and provide a certificate of coverage, at its expense, workman's compensation insurance coverage on all employees as required by the State of Florida, and comprehensive general public liability insurance against claims for bodily injury, death, or property damage arising out of the use or occupancy of the premises by Lessee, in a combined single limit amount of not less than One Million and No/100 (\$1,000,000.00) Dollars.

In addition to such as described above and may be required by law, LESSEE agrees to maintain in full force and effect throughout the term of this Lease or any extensions thereof coverage described below pertaining to specific operations. In the event LESSEE engages in Rental Operation and/or Instruction Use including other aircraft related operations, LESSEE agrees to provide in addition to any other liability insurance policy required herein, a separate Aircraft Liability policy with limits of no less than \$1,000,000 Combined Single Limit per occurrence for Bodily Injury/Death, Property Damage and Passenger Liability with a \$100,000 passenger sub-limit with no per seat limitation for rental operations and/or instructional use. A "Student Rental Additional Insured" endorsement must be included. In the event LESSEE engages in Charter Use and/or Air Taxi (Part 135) Operation Use, LESSEE agrees to provide, in addition to any other liability insurance policy required herein, separate Aircraft Liability for Single Engine Aircraft(s) or Helicopter(s) with limits of not less than \$2,000,000 Combined Single Limit per occurrence for Bodily Injury/Death and Property Damage including Passenger Liability with a sub-limit not less than \$1,000,000 Combined Single Limit Per Passenger with no per seat limitation; and separate Aircraft Liability for Multi-Engine Aircraft(s) or Helicopter(s) with limits of not less than 1,000,000 Combined Single Limit Per Passenger with no per seat limitation covering all aircraft used in such operations. LESSEE shall also maintain Automobile Liability covering all Owned, Hired, and Not Owned Vehicles in an amount not less than \$1,000,000 Combined Single Limit per occurrence for Bodily Injury including Death and Property Damage Liability. Notwithstanding the foregoing, if the scope and conduct of LESSEE's operations under this Lease do not involve the operation, ownership or use of any vehicle then this requirement shall be waived. A signed Certificate or Certificates of Insurance, evidencing the required insurance coverage(s) has been procured by LESSEE in the types and amount(s) required hereunder, shall be transmitted to LESSOR prior to LESSEE taking possession of the leased premises and said Certificate(s) shall clearly state that coverage required by this Lease has been endorsed to include LESSOR and, and/or Palm Beach County, a political subdivision of the State of Florida, as additional insured. Further, said Certificate of Insurance provide thirty (30) days advance written notice to LESSOR and County prior to any change, cancellation or non-renewal of coverage thereunder. Said liability insurance must be acceptable to and approved by LESSOR and County as to form and types of coverage. LESSEE further agrees to adequately insure the contents of its Leasehold.

15. Assignment and Sublease: Lessee may not transfer, mortgage, pledge, or otherwise encumber its interest in this Agreement or the premises, directly or indirectly, provided Lessee may sublet the premises or any part thereof with the prior written consent of Lessor, which will not be unreasonably withheld.
16. Trade Fixtures: All trade fixtures, signs, equipment, furniture, or other personal property of whatever kind and nature kept or installed on the premises by Lessee shall not become the property of Lessor or a part of the realty no matter how affixed to the premises and may be removed by Lessee at any time and from time to time during the entire term of this Agreement. Lessee will repair any damage caused by such removal.

17. Surrender: Upon the expiration or earlier termination of this Agreement, Lessee shall surrender the premises to Lessor in the same order and condition as at the date of this Agreement, except for ordinary wear and tear. Lessee shall remove from the premises on or prior to the expiration or earlier termination all of its property situated thereon and shall repair any damage caused by the removal. Property not so removed shall, at the option of Lessor, become the property of Lessor.
18. Default: Any of the following occurrences, conditions, or acts shall constitute an "Event of Default" under this Agreement:
- (a) if Lessee
    - (i) defaults in making payment when due of any rent and the default continues for fifteen (15) days after Lessor gives written notice to Lessee specifying the default and demanding that it be cured, or
    - (ii) defaults in the observance or performance of any other provision of this Agreement, and the default continues for thirty (30) days after Lessor gives written notice to Lessee specifying the default and demanding that it be cured. However, if the default cannot be cured by the payment of money and cannot with due diligence be wholly cured within the thirty (30) day period, Lessee may have any longer period that is necessary to cure the default, so long as Lessee proceeds promptly to cure it within that period, prosecutes the cure to completion with due diligence within ninety (90) days, and advises Lessor from time to time, upon Lessor's request, of the actions that Lessee is taking and the progress being made;
  - (b) if the premises is abandoned by Lessee for a period of ten (10) consecutive days; or
  - (c) if Lessee files a petition in bankruptcy, for reorganization or for an arrangement under the Bankruptcy law or any similar federal or state law, is adjudicated a bankrupt or becomes insolvent, is unable to meet Lessee's obligations as they become due, or takes any corporate action in furtherance of any of the foregoing.
19. Remedies: If there is any default under the above Section 17, the following shall occur: (a) the rent shall immediately become due and be payable up to the time of reentry, expiration, and/or dispossession; (b) Lessor may, with or without terminating this Agreement, relet the premises or any part or parts of it, either in Lessor's name or otherwise, for a term or terms which may, at Lessor's option, be less than or exceed the then remaining term of this Agreement; and (c) Lessee shall also pay to Lessor, as liquidated damages for Lessee's failure to observe and perform its covenants under this Agreement, any deficiency between the rent hereby reserved and/or agreed to be paid and the net amount, if any, of the rents collected on account of the premises' lease or leases for each month of the period which would otherwise have constituted the balance of the term of this Agreement. However, any such deficiency shall be paid as the rent becomes due and payable in monthly installments. In computing the liquidated damages, there shall be added to the deficiency all reasonable expenses that Lessor may incur in connection with reletting, such as brokerage and preparation for reletting. Lessee shall pay any such liquidated damages in monthly installments on the rent payment dates specified in this Agreement. Any suit brought to collect the deficiency for any

month shall not prejudice in any way Lessor's rights to collect the deficiency for any subsequent month by a similar proceeding. Lessor may make all alterations, repairs, replacements, and decorations in the premises that it, in its sole judgment, considers advisable and necessary for the purpose of reletting the premises. Such action by Lessor shall not operate or be construed to release Lessee from its liability under this Agreement. Lessor shall use its best effort to mitigate all damages and to relet the premises if there is any Event of Default by Lessee.

20. **Entry:** Lessor shall have, during the term of this Agreement, the right, upon reasonable notice (excepting emergencies), to enter upon the premises and inspect the same for any and all purposes, provided Lessor shall provide prior reasonable notice to Lessee and shall not unreasonably interfere with Lessee's business conducted on the premises.
21. **Amendment:** This Agreement may not be amended, modified, or terminated, nor may any obligation under it be waived orally. No amendment, modification, termination, or waiver shall be effective for any purpose unless it is in writing and signed by the party against whom enforcement thereof is sought.
22. **Severability:** If any provision of this Agreement or any application thereof shall be invalid or unenforceable, the remainder of this Agreement and any other application of such provision shall not be affected thereby.
23. **Binding Effect:** The provisions of this Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns.
24. **Modification:** No change, additions, or interlineations made to this Agreement shall be binding unless initialed by both parties.
25. **Entire Agreement:** This Agreement supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them.



In witness whereof, the parties have executed this Agreement as of the day and year first above written.

LESSOR: LANDMARK AVIATION.

By: *Rick Collins*

Title: General Manager

Signature: *Rick Collins*

Date: 5/17/07

Witness:

LESSEE:

By: *GEOFF PAINTER*

Title: *PRESIDENT*

Signature: *[Signature]*

Date: 05/17/07

Witness: