

EXECUTIVE HANGAR LEASE AGREEMENT

North County General Aviation Airport

Department of Airports

Palm Beach County, Florida

**Aircraft Sales Palm Beach, Inc.
LESSEE**

EXECUTIVE HANGAR LEASE AGREEMENT

THIS EXECUTIVE HANGAR LEASE AGREEMENT (this "Lease") is made and entered into this _____ day of AUG 6 2007, 20____, by and between Palm Beach County, a political subdivision of the State of Florida, ("COUNTY"), and Aircraft Sales Palm Beach, Inc, whose address is 11550 Aviation Blvd. Suite 4, West Palm Beach, Florida 33412 ("LESSEE").

WITNESSETH:

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

WHEREAS, COUNTY has certain aircraft hangar facilities at the Airport, which are available for leasing on a net basis; and

WHEREAS, LESSEE desires to lease such facilities for the purposes described herein; and

WHEREAS, LESSEE has indicated a willingness and demonstrated the ability to properly keep and maintain said facilities in accordance with the terms and conditions of this Lease.

WHEREAS, the Minimum Standards (as hereinafter defined) for the Airport establishes certain minimum requirements for commercial aeronautical activities on the Airport; and

WHEREAS, LESSEE's operations are subject to the Minimum Standards; and

WHEREAS, the Premises (as hereinafter defined) will not satisfy the minimum leasehold premises requirements of the Minimum Standards; and

WHEREAS, the Board of County Commissioners hereby grants a variance from the Minimum Standards.

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 1 TERM

1.01 **Term.** The term of this Lease shall commence on September 1, 2007 (the "Commencement Date") and terminate on August 31, 2008 (the "Term"), unless terminated earlier as provided for herein.

1.02 **Renewal Term.** Upon the expiration of the Term, LESSEE shall have the option to renew this Lease for one (1) additional term of one (1) year (the "Renewal Term"), subject to the prior written approval of COUNTY, which approval may be granted or withheld in COUNTY's sole and absolute discretion. In the event LESSEE desires to renew this Lease, LESSEE shall provide written notice to COUNTY at least sixty (60) days prior to the expiration of the Term. In the event COUNTY approves of the renewal, the parties shall enter into an amendment to this Lease to extend the Term. In the event COUNTY elects not to approve the renewal request, this Lease shall automatically expire at the end of the Term and LESSEE shall have no further rights hereunder. An amendment entered into by the parties pursuant to this paragraph may be signed by the Director of the Department on behalf of the COUNTY.]

ARTICLE 2 PREMISES AND PRIVILEGES

2.01 **Description of Premises Leased.** The premises hereby leased consist of that certain aircraft hangar facility, Unit 5 (the "Unit") containing approximately 3,844 square feet of space, located within Building # 11250 (the "Building") at the Airport, together with the through-way ramp area located immediately adjacent to and extending from the south side of the Unit to the north edge of the taxi-way, as more particularly identified on Exhibit "A" (the "Premises"), attached hereto and made a part hereof.

2.02 **Description of General Privileges, Uses and Rights.** COUNTY hereby grants to LESSEE the following general privileges, uses and rights 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 the Airport, to be used by LESSEE and/or its authorized sub lessees in connection with its operations hereunder. For the purpose of this Lease "public Airport facilities" shall include all necessary roadways, sidewalks, or other public facilities appurtenant to the Airport, 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 for LESSEE, its agents and employees, patrons and invitees, suppliers of service and furnishers of material. The aforementioned 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 LESSEE the right to use any space or area improved or unimproved, which is leased to a third party or which COUNTY has not specifically leased herein.

2.03 Description of Specific Privileges, Uses and Rights. In addition to the general privileges, uses and rights described herein, COUNTY hereby grants to LESSEE the right to improve, operate and maintain the Premises, including all necessary appurtenances thereto, to be used for the sole purpose(s) of aircraft storage and maintenance.

2.04 Restrictions of Privileges, Uses and Rights. The rights granted hereunder are expressly limited to the improvement, operation and maintenance of the Premises pursuant to the terms of this Lease. The Premises shall not be used for habitation. The parking of boats, motor homes or inoperable vehicles and the stockpiling or storage of equipment and machinery within the Premises or any other area of the Airport is strictly prohibited.

2.05 Compliance with Minimum Standards. LESSEE agrees to comply with the requirements set forth in the Minimum Standards for Commercial Aeronautical Activities (R-2003-1956), as now or hereinafter amended or superseded, (the "Minimum Standards") applicable to LESSEE'S operations with the exception of the minimum leasehold premises size requirements.

2.06 Condition of Premises. LESSEE expressly acknowledges that it has inspected the Premises and Airport and accepts both in their "AS IS CONDITION" and "WITH ALL FAULTS," together with all defects, latent and patent, if any. LESSEE further acknowledges that COUNTY has made no representations or warranties of any nature whatsoever regarding the Airport or the Premises including, but not limited to, the physical and/or environmental condition of the Premises or any improvements located thereon; the value of the Premises or improvements; the zoning of the Premises; title to the Premises; the suitability of the Premises or any improvements for LESSEE'S intended use; or LESSEE'S legal ability to use the Premises for LESSEE'S intended use.

ARTICLE 3 RENTAL

3.01 Rental. The initial annual rental to be paid to COUNTY by LESSEE for the Premises shall be \$23,811.60 per year, plus any applicable sales taxes as may be required by law.

3.02 Commencement and Time of Payment. Payment of rental by LESSEE to COUNTY shall commence upon the Commencement Date. Annual rental shall be payable in equal monthly installments, in advance, without demand and without any deduction, holdback or set off whatsoever, on or before the first (1st) day of each and every month throughout the Term and any extension thereof. If the Commencement Date occurs on a day other than the first (1st) day of a month, LESSEE shall pay rent from the Commencement Date to the first (1st) 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. All payments shall be made payable to the COUNTY'S contracted Airport manager/operator and shall be mailed or delivered to the offices of same, which as of the date of this Lease is: Landmark Aviation. COUNTY may change the payment procedure and/or the address to which payments are to be delivered from time to time. COUNTY will provide thirty (30) days written notice to LESSEE prior to any change in payment procedure or the address to which payments are to be delivered. Rental shall be deemed delinquent if payment is not received by the first (1st) business day of the month in which it is due.

3.03 Adjustment of Rental.

A. Each October 1st (the "Adjustment Date") throughout the Term and any extension thereof, the annual rental payable hereunder shall be adjusted as hereinafter set forth in accordance with any increase in the Consumer Price Index for all Urban Consumers, All Items, U.S. city average (1982-1984 = 100), not seasonally adjusted (the "CPI"), issued by the Bureau of Statistics of the U.S. Department of Labor. On the Adjustment Date, the annual rental payable hereunder shall be adjusted by multiplying the then current annual rental by a fraction, the numerator of which shall be the CPI value for the month of July of the then current calendar year, and the denominator of which shall be the CPI value for the month of July of the then preceding calendar year. In no event shall the adjusted annual rental be less than then current annual rental. In the event that the CPI ceases to be published during the Term, or if a substantial change is made in the method of establishing or computing the CPI, then the determination of the adjustment in the annual rent shall be made with the use of such conversion factor, formula or table as may be published by the Bureau of Labor Statistics or, if none is available, by any other nationally recognized publisher or similar statistical information chosen by COUNTY. LESSEE shall commence payment of the adjusted annual rental on the Adjustment Date.

B. Notwithstanding any provision of this Lease to the contrary, rentals shall be established at all times to ensure compliance with the provisions of 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.

3.04 Sales, Use and Rent Taxes, Assessments, Personal Property Taxes. LESSEE shall pay before delinquency all personal property taxes and assessments which may be levied by any governmental authority against the Premises, on the property of LESSEE located in the Premises and on additions and improvements upon the Premises belonging to LESSEE. LESSEE shall also pay to COUNTY all sales taxes assessed by governmental authority against the rental payable hereunder even though the taxing statute or ordinance may purport to impose such sales tax against COUNTY. The payment of sales tax shall be made by LESSEE monthly, concurrent with the payment of rental.

3.05 Unpaid Rent. In the event LESSEE fails to make timely payment of any rentals and charges due and payable in accordance with the terms of this Lease, interest, at the rate established from time-to-time by the Board of County Commissioners (currently set at one and one-half percent [1½ %] per month), shall accrue against the delinquent payment(s) from the date due until the date payment is received. 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.

3.06 Security Deposit. Prior to the Commencement Date, LESSEE shall post a security deposit with COUNTY equal to three (3) monthly installments of rental ("Security Deposit"). The Security Deposit shall serve as security for the payment of all sums due to COUNTY and shall also secure the performance of all obligations of LESSEE to COUNTY pursuant to this Lease. The Security Deposit shall be either in the form of a cash deposit, a clean, Irrevocable Letter of Credit ("Letter of Credit") or a Surety Bond ("Bond"). In the event LESSEE elects to provide a Letter of Credit or Bond, the Letter of Credit or Bond shall be in form and substance satisfactory to COUNTY, in its sole discretion. In the event of any failure by LESSEE to pay any rentals or charges when due or upon any other failure to perform any of its obligations or other default under this Lease beyond applicable cure periods, then in addition to any other rights and remedies available to COUNTY at law or in equity, COUNTY shall be entitled to draw on the Security Deposit and apply same to all amounts owed. Upon notice of any such draw, LESSEE shall immediately replace the Security Deposit with a new Bond, Letter of Credit or cash deposit in the full amount of the Security Deposit required hereunder. LESSEE shall increase the amount of the Security Deposit to reflect any increases in the sums payable hereunder within thirty (30) days after notification by the Department of any such increase. The Security Deposit shall be kept in full force and effect throughout the Term and any extension thereof and for a period of three (3) months after the termination of this Lease. Not less than forty-five (45) calendar days prior to any expiration date of a Letter of Credit or Bond, LESSEE shall submit evidence in form satisfactory to COUNTY that such security instrument has been renewed or submit a cash deposit. Failure to renew a Letter of Credit or Bond or to submit a cash deposit or to increase the amount of the Security Deposit as required by this Section 3.06 shall: (i) entitle COUNTY to draw down the full amount of such Security Deposit, and (ii) constitute a default of this Lease entitling COUNTY to all available remedies. The Security Deposit shall not be returned to LESSEE or released by COUNTY until all obligations under this Lease are performed and satisfied. Prior to consent from COUNTY to any assignment of this Lease by LESSEE, LESSEE'S assignee shall be required to provide a Security Deposit to COUNTY in accordance with the terms and conditions of this Section 3.06.

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

ARTICLE 4 **CONSTRUCTION OF IMPROVEMENTS**

4.01 Right to Install Improvements. LESSEE may construct and install, at its sole cost and expense, improvements within the Premises, subject to the prior written approval of the Department. All such improvements shall be of attractive construction and first-class design and shall comply with all applicable governmental laws, regulations, rules, and orders, shall follow standard construction methods and shall be completed in accordance with the Department's Development Standards and Criteria, as may be amended by the Department from time to time. Prior to the commencement of construction, full and complete plans and specifications for all improvements shall be submitted to and subject to the written approval of the Department. LESSEE further covenants and agrees that:

A. The construction and/or installation of improvements shall not interfere with the operation of the Airport or unreasonably interfere with the activities of other Airport tenants and users.

B. All construction and/or installation of improvements shall be: (i) completed at the sole risk of LESSEE; (ii) performed in accordance with all applicable governmental regulations, rules and laws and all applicable Federal Aviation Administration ("FAA") Advisory Circulars, Orders and policies; and (iii) subject to inspection by COUNTY. The Department may require any improvements constructed on the Premises in violation of this Article 4 to be removed and/or reconstructed at LESSEE'S sole cost and expense.

C. LESSEE shall complete construction of all improvements within the time period specified in writing by the Department.

D. Upon completion of construction, LESSEE shall submit to the Department one complete set of as-built drawings for all improvements in the latest version of Auto Cad acceptable to the Department or such other form of documentation as specified by the Department together with a detailed statement of actual construction costs, for the permanent record of COUNTY. COUNTY reserves the right, through its authorized representatives, to undertake an audit of the actual construction costs and, if requested by the Internal Auditor of COUNTY, to require that said costs be certified by an independent Certified Public Accountant, acceptable to COUNTY.

4.02 Construction Bonds. LESSEE shall ensure that all improvements are constructed to completion in accordance with the approved plans and that all persons or entities performing work or providing materials relating to such improvements including, but not limited to, all contractors, subcontractors, laborers, materialmen, suppliers and professionals, are paid in full for such services and materials. LESSEE, at its sole cost and expense, shall cause to be made, executed and delivered to COUNTY prior to commencement of any improvements to the Premises, a bond, drawn in a form and issued by a company approved by COUNTY, guaranteeing compliance by LESSEE of its obligations arising hereunder. COUNTY shall be named as a dual obligee on the bond(s).

4.03 Contractor Requirements. LESSEE shall require contractors to furnish for the benefit of COUNTY a public construction bond as required under Section 255.05, Florida Statutes, in a form approved by COUNTY. LESSEE shall require its contractors to name COUNTY as a dual obligee on the bond(s). LESSEE shall also require contractors to furnish satisfactory evidence of statutory Worker's Compensation insurance, comprehensive general liability insurance, comprehensive auto insurance, and physical damage insurance on a Builder's Risk form with the interest of COUNTY endorsed thereon, in such amounts and in such manner as COUNTY'S Risk Management

Department may require. COUNTY's Risk Management Department may require additional insurance for any alterations or improvements approved hereunder, in such amounts as COUNTY's Risk Management Department determines to be necessary.

4.04 No Liens. LESSEE agrees that nothing contained in this Lease shall be construed as consent by COUNTY to subject the estate of COUNTY to liability under the Construction Lien Law of the State of Florida and understands that COUNTY's estate shall not be subject to such liability. LESSEE shall notify any and all parties or entities performing work or providing materials relating to any improvements made by LESSEE of this provision of this Lease. If so requested by COUNTY, LESSEE shall file a notice satisfactory to COUNTY in the Official Public Records of Palm Beach County, Florida, stating that COUNTY interest shall not be subject to liens for improvements made by LESSEE. In the event that a construction lien is filed against the Premises or other COUNTY property in connection with any work performed by or on behalf of LESSEE, LESSEE shall satisfy such claim, or transfer same to security, within ten (10) days from the date of filing. In the event that LESSEE fails to transfer or satisfy such claim within the ten (10) day period, COUNTY may do so and thereafter charge LESSEE all costs incurred by COUNTY in connection with the satisfaction or transfer of such claim, including attorneys' fees, and LESSEE shall promptly pay to COUNTY all such costs upon demand, as additional rent.

ARTICLE 5 OBLIGATIONS OF COUNTY

Except as otherwise provided for herein, COUNTY shall maintain the structure of the Building, including exterior walls, foundation, roof, exterior lighting (excluding trade signs, if any), pavement, security fencing, and utility cables to their point of connection with the Building and shall provide for the maintenance of the grassed and landscaped areas around the Building.

ARTICLE 6 OBLIGATIONS OF LESSEE

6.01 Maintenance and Repair. Except as otherwise provided for herein, LESSEE shall, at its sole cost and expense, maintain the Premises, improvements, and appurtenances thereto, in a safe and presentable condition consistent with good business practice, industry standards and in accordance with all applicable laws, regulations and rules of any governmental entity. LESSEE shall repair all damages to the Premises and improvements caused by its employees, patrons, invitees, licensees, 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 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 maintenance or repair of the Premises. The Department shall be the sole judge of LESSEE'S performance under this Article 6 as to the quality of maintenance and repair. Upon written notice by the Department to LESSEE, LESSEE shall perform the required maintenance or repair in accordance with Department's decision. If LESSEE has not made a good faith effort, as determined by Department, to begin to perform said maintenance or repair within ten (10) days after written notice and to diligently pursue the same to completion, COUNTY shall have the right to enter on 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 the costs incurred by the Department, plus 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 invoice.

6.02 Utilities. LESSEE shall pay for all utilities used by it. LESSEE shall have the right, at its sole cost and expense, to connect to any and all utility mainlines or cables existing at the time of this Lease or installed during the Term.

6.03 Cleanliness of Premises; Grounds Maintenance. LESSEE shall, at its sole cost and expense, keep the Premises clean at all times and shall maintain and keep the through-way ramp area portion of the Premises free of obstructions so to allow unrestricted movement of aircraft and equipment. LESSEE shall not deposit nor store any waste, garbage, or refuse of any kind on any part of the Airport; provided, however, LESSEE may procure, together with other Building tenants, such appropriate type waste disposal containers as prescribed by COUNTY. All costs associated with the maintenance of the waste disposal containers shall be the responsibility of those tenants having caused such containers to be placed at the Building. The placement of such containers shall be limited only to those areas as designated for such purpose by the Department. The Department reserves the right to limit the number of such containers. LESSEE shall not use any areas of the Airport in a manner that causes or results in dust, debris or waste of any kind to be blown about or raised so as to be ingested by aircraft or individuals, or otherwise interfere with or disturb the use or enjoyment by others of their premises or any non-leased areas of the Airport. The Department shall reasonably determine whether LESSEE is in compliance with the maintenance obligations as provided for herein and shall provide LESSEE with written notice of any violations of LESSEE'S maintenance obligations. Immediately upon LESSEE'S receipt of COUNTY'S written notice of violation, LESSEE shall commence such corrective action as required by COUNTY or as may be necessary to remedy such non-compliance to satisfaction of COUNTY. If corrective action is not immediately initiated and pursued in a diligent manner to completion, the Department may cause the same to be accomplished and LESSEE hereby expressly agrees that LESSEE shall assume and be liable to COUNTY for payment of all the cleaning and grounds maintenance costs, plus twenty-five percent (25%) for administrative overhead. Such cleaning and grounds maintenance costs, plus the administrative cost, shall be due and payable within thirty (30) days of the date of written notice.

6.04 Security. LESSEE acknowledges and accepts full responsibility for the security and protection of the Premises and any and all inventory, equipment and facilities now existing or hereafter placed on or installed in or upon the Premises, and for the prevention of unauthorized access to its facilities and expressly agrees to comply with all laws, orders, rules, regulations and security directives of COUNTY, FAA, Transportation Security Administration ("TSA"), as now or hereafter amended, and of any and all other governmental entities that now or may hereafter have jurisdiction over security of the Airport. 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 improvements constructed thereon, shall be the sole responsibility of LESSEE and shall involve no cost to COUNTY.

ARTICLE 7 INSURANCE

LESSEE shall, at its sole expense, maintain in full force and effect at all times throughout the Term and any extension thereof, insurance limits, coverage or endorsements required herein. The requirements contained herein, as well as COUNTY's review or acceptance of insurance, is not intended to and shall not in any manner limit nor qualify the liabilities and obligations assumed by LESSEE under this Lease.

7.01 Commercial General Liability/Airport Liability. LESSEE shall maintain Commercial General Liability/Airport Liability Insurance with limits of liability not less than One Million Dollars (\$1,000,000) Each Occurrence including coverage for, but not limited to, Premises/Operations, Products/Completed Operations, Contractual Liability (covering this Lease, Personal/Advertising Injury and Cross Liability). Coverage shall be provided on a primary basis.

7.02 Hangarkeeper's Legal Liability. LESSEE shall maintain Hangarkeeper's Legal Liability Insurance, providing property damage to aircraft which are the property of others and in the care, custody, or control of LESSEE, but only while such aircraft are not in flight, in an amount not less than One Hundred Thousand Dollars (\$100,000) any one aircraft and Two Hundred Thousand Dollars (\$200,000) any one occurrence.

7.03 Business Auto Liability. LESSEE shall maintain Business Automobile Liability Insurance with limits of liability not less than One Million Dollars (\$1,000,000) Each Occurrence for owned, non-owned and hired automobiles. If LESSEE transports fuel the policy must include CA 99 48 Pollution Liability - Broadened Coverage for Covered Autos - Business Auto, Motor Carrier and Truckers Coverage Forms Endorsement or equivalent. In the event LESSEE has no owned automobiles, LESSEE shall only be required to maintain Hired & Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability or separate Business Auto Liability. Coverage shall be provided on a primary basis.

7.04 Aircraft Liability. LESSEE shall maintain Aircraft Liability Insurance with respect of all aircraft owned, leased or operated by the LESSEE for bodily injury (including death) and property damage liability in a Combined Single Limit Amount of not less than One Million Dollars (\$1,000,000) per occurrence, including a Passenger Liability sub-limit not less than One Hundred Thousand Dollars (\$100,000) per passenger.

7.05 Worker's Compensation & Employers Liability. LESSEE shall maintain Worker's Compensation and Employer's Liability Insurance in accordance with state and federal law. Coverage shall be provided on a primary basis.

7.06 Umbrella or Excess Liability. LESSEE may satisfy the minimum limits required above for Commercial General Liability/Airport Liability and/or Business Auto Liability and/or Aircraft Liability coverage under Umbrella or Excess Liability. The Umbrella or Excess Liability shall have an aggregate limit not less than the highest "Each Occurrence" limit for the Commercial General Liability/Airport Liability, Aircraft Liability or Business Auto Liability. COUNTY shall be endorsed as an "Additional Insured" on the Umbrella or Excess Liability, unless the Certificate of Insurance notes the Umbrella or Excess Liability provides coverage on a "Follow-Form" basis.

7.07 Property Insurance. LESSEE shall maintain property insurance in an amount not less than 100% of the total replacement cost of any betterments and improvements made by or on behalf of LESSEE as well as LESSEE's contents located on the Premises. The settlement clause shall be on a Replacement Cost basis. Coverage shall be written with a Special - Cause of Loss (All-Risk) form. Coverage shall be provided on a primary basis.

7.08 Additional Insured Endorsement LESSEE shall endorse the COUNTY as an Additional Insured on the Commercial General Liability/Airport Liability Insurance. A CG 2011 Additional Insured - Managers or Lessors of Premises or its equivalent shall be used. The Additional Insured endorsement shall provide coverage on a primary basis. The Additional Insured endorsement shall read "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents, c/o Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida, 33406-1470."

7.09 Loss Payee Endorsement. LESSEE shall endorse COUNTY as a Loss Payee on the Property, Flood, and Windstorm Insurance policies. The Loss Payee endorsement shall provide coverage on a primary basis. The Loss Payee endorsement shall read "Palm Beach COUNTY Board of COUNTY Commissioners, c/o Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida, 33406-1470."

7.10 Certificate of Insurance. Prior to the Commencement Date, LESSEE shall provide COUNTY with a certificate of insurance evidencing limits, coverage and endorsements required herein. The certificate of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage in the event coverage cancels or non-renews during the term of this Lease or any renewal thereof. The certificate must clearly indicate that Contractual Liability coverage applies to this Lease. LESSEE shall provide to COUNTY new certificate(s) of insurance evidencing replacement coverage thirty (30) days prior to the expiration of any coverage required hereunder. Certificate Holder's name and address shall read:

Palm Beach County Board of County Commissioners
c/o Department of Airports
846 Palm Beach International Airport
West Palm Beach, FL 33406-1470

7.11 Waiver of Subrogation. By entering into this Lease, LESSEE agrees to a Waiver of Subrogation for each required policy. When required by the insurer, or should a policy condition not permit an insured to enter into a pre-loss agreement to waive subrogation without an endorsement, LESSEE shall notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, a condition to which the policy specifically prohibits such an endorsement, or voids coverage should LESSEE enter into such an agreement on a pre-loss basis. Nothing contained in this Section shall be construed as an obligation of LESSEE to provide a Waiver of Subrogation in the event that LESSEE'S insurer will not provide it.

7.12 Premiums and Proceeds. LESSEE shall not keep, use, sell or offer for sale in or upon the Premises any article that may be prohibited by any, condition, provision, limitation, of the Property, Flood, or Wind Insurance policies. LESSEE shall agree to be responsible for all premiums, including increases, for Property, Flood, or Wind insurance policies. LESSEE agrees that all property, flood or windstorm insurance proceeds as a result of a loss shall be made available for use to promptly replace, repair or rebuild the building, betterments and improvements, including those made by or on behalf of LESSEE, so to ensure a replacement cost settlement or avoid policy cancellation.

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

7.14 Right to Review or Adjust Insurance. COUNTY'S Risk Management Department shall have the right, but not the obligation, to review, adjust, reject or accept insurance policies, limits, coverage, or endorsements throughout the Term or any extension thereof. COUNTY shall have the right, but not the obligation, to review and reject any insurer providing coverage because of poor financial condition or by way of illegal operation. COUNTY shall provide LESSEE written notice of such action and LESSEE agrees to cure or comply with such action within thirty (30) days of the date of such notice.

7.15 No Representation of Coverage Adequacy. The limits, coverage or endorsements identified herein are intended to primarily transfer risk and minimize liability of COUNTY. LESSEE acknowledges and agrees that LESSEE has not relied upon such requirements in assessing the extent or determining appropriate types or limits of coverage to protect LESSEE against any loss exposures, whether as a result of this Lease or otherwise.

ARTICLE 8 **RELATIONSHIP OF THE PARTIES**

LESSEE 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 therefore.

ARTICLE 9 **INDEMNIFICATION**

LESSEE agrees to protect, defend, reimburse, indemnify and hold COUNTY, its agents, employees and elected officers and each of them individually, free and harmless at all times from and against any claims, liability, expenses, losses, costs, fines and damages (including attorney fees and costs 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 bodily 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. Said 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 acknowledges the broad nature of this indemnification and hold-harmless clause and that COUNTY would not enter 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 in accordance with laws of the State of Florida. The obligations arising under this Article shall survive the expiration or termination of this Lease.

ARTICLE 10 **DAMAGE OR DESTRUCTION OF PREMISES/IMPROVEMENTS**

10.01 Damage or Destruction. LESSEE hereby assumes full responsibility for the condition of the Premises and character, acts and conduct of all persons admitted to the Premises by or with the actual or constructive consent of LESSEE or by or with the consent of any person acting for or on behalf of LESSEE. If the Premises, improvements, or any part thereof, are damaged in any way whatsoever by the act, default or negligence of LESSEE or its sublessees, contractors, employees, officers, licensees, agents or invitees, LESSEE shall, at its sole cost and expense, restore the Premises to the condition existing prior to such damage. LESSEE shall commence such restoration within thirty (30) days and shall diligently pursue such restoration to completion. Such repairs, replacements or rebuilding shall be made by LESSEE in accordance with the construction requirements established by the Department. If LESSEE fails to restore the Premises as required above, COUNTY shall have the right to enter the Premises and

perform the necessary restoration, and LESSEE hereby expressly agrees that it shall fully assume and be liable to COUNTY for payment of the costs incurred by COUNTY, plus twenty-five percent (25%) administrative overhead. Such restoration cost, plus the administrative cost, shall be due and payable within thirty (30) days from date of COUNTY's written notice.

10.02 Partial Destruction. If any of the improvements on the Premises are damaged or destroyed in part by fire or other casualty, COUNTY may terminate this Lease upon written notice to LESSEE within ninety (90) days after the date of any such damage or destruction or commence restoration of the Premises within a commercially reasonable period of time subject to the limitations set forth herein. In the event of restoration of the Premises by COUNTY pursuant to this paragraph, LESSEE'S obligation to pay rental shall be abated proportionately on a square footage basis as to that portion of the Unit rendered unusable by reason of casualty commencing on the date of the casualty. Such abatement shall continue until thirty (30) days after notice by COUNTY to LESSEE that the Premises have been substantially repaired or restored. Notwithstanding any provision of this Lease to the contrary, COUNTY shall have no obligation under this Lease to restore the Premises in the event the casualty was the result of the act, default or negligence of LESSEE or its sublessees, contractors, employees, officers, licensees, agents or invitees. In such event, LESSEE shall be obligated to restore the Premises in accordance with Section 10.01 above with no abatement in rental.

10.03 Total Casualty. In the event of a total casualty to the Premises, which renders the Premises unusable, as reasonably determined by the Department, either party shall have the right to terminate this Lease within ninety (90) days of the date of the casualty by delivering a written notice of termination to the other party in accordance with the notice provisions in this Lease; provided, however, LESSEE shall not have the right to terminate in the event the casualty was the result of the act, default or negligence of LESSEE or LESSEE'S sublessees, contractors, employees, officers, licensees, agents or invitees. In such event, LESSEE shall be obligated to restore the Premises in accordance with Section 10.01 above with no abatement in rental. In the event neither party terminates this Lease pursuant to this Section 10.03 and COUNTY elects to restore the Premises, LESSEE'S obligation to pay rental shall be abated until thirty (30) days after notice by COUNTY to LESSEE that the Premises have been substantially repaired or restored.

10.04 Waiver. LESSEE hereby waives any claim against COUNTY for damages or compensation in the event this Lease is terminated pursuant to Sections 10.02 or 10.03 above.

10.05 Limitations. Notwithstanding any provision of this Lease to the contrary, COUNTY obligation to repair, rebuild or restore LESSEE's personal property or fixtures or any improvements made by LESSEE to the Premises. In the event COUNTY elects to restore or rebuild the Premises following a casualty, COUNTY'S obligation to restore, rebuild or restore the Premises pursuant to this Lease shall exist only to the extent of the insurance proceeds received by COUNTY as a result of such casualty. LESSEE shall not be entitled to and hereby waives any claims against COUNTY for any compensation or damage for any loss of use of the Premises, in whole or in part, or for any inconvenience or annoyance occasioned by any such damage, destruction, repair or restoration. In addition, COUNTY shall not be liable for any damage or inconvenience or interruption of the business of LESSEE occasioned by fire or other casualty.

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

ARTICLE 11 **TITLE TO IMPROVEMENTS**

Notwithstanding any provision of this Lease to the contrary, upon the expiration of the Term or its earlier termination as provided herein, all structures and improvements constructed or placed upon the Premises by LESSEE shall become the absolute property of COUNTY, and COUNTY shall have every right, title and interest therein, free and clear of any liens; and any interest in such structures and improvements theretofore held by LESSEE, and absolute title thereto, shall thereafter be vested in COUNTY; provided, however, COUNTY shall be entitled, at its option, to have the Premises returned to COUNTY free and clear of some or all such improvements, at LESSEE'S sole cost and expense. In such event, COUNTY shall provide timely notification to LESSEE of its election to require removal of the improvements and to the extent possible, COUNTY shall notify LESSEE at least sixty (60) days prior to the effective date of such termination. LESSEE shall have sixty (60) days from date of notice within which to remove the improvements. If LESSEE fails to remove the improvements, COUNTY may remove same at LESSEE'S sole cost and expense.

ARTICLE 12 **TERMINATION OF LEASE, CANCELLATION, ASSIGNMENT AND TRANSFER**

12.01 Termination. This Lease shall automatically terminate at the end of the Term, unless renewed as provided for herein, and LESSEE shall have no further right or interest herein.

12.02 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 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 COUNTY 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 paragraphs A and B above, where such failure continues for a period of thirty (30) days after written notice from COUNTY; provided, however, that if the nature of LESSEE'S default is such that more than thirty (30) 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 thirty (30) 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.

12.03 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 COUNTY 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 any provision of 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 LESSEE in default.

12.04 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 termination, 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 pursuant to this Section 12.04, 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.

12.05 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.

ARTICLE 13 ASSIGNMENT

13.01 Assignment by LESSEE. LESSEE shall not, in any manner, assign, transfer, or otherwise convey an interest in this Lease, nor sublet the Premises or any part thereof, without the prior written consent of the Department. Any such attempted assignment, transfer, or sublease without Department approval shall be null and void. In the event the Department consents in writing as aforesaid, LESSEE shall have the right to the extent permitted by the Department's consent to sublease or assign all or any portion of the Premises, provided that any such sublease or assignment shall be limited to only the same purposes as are permitted under this Lease. In the event of a sublease in which the rentals, fees and charges for the sublease exceed the rentals, fees and charges payable by LESSEE for the Premises pursuant to this Lease, LESSEE shall pay to COUNTY fifty percent (50%) of the excess of the rentals, fees and charges received from the sublessee over that specified to be paid by LESSEE herein. Any such sublease or assignment shall be subject to the same conditions, obligations and terms as set forth herein and LESSEE shall be fully responsible for the observance by its assignees and sublessees of the terms and covenants contained in this Lease. Notwithstanding any provision of this Lease to the contrary, in the event of an approved sublease, LESSEE shall remain primarily liable to COUNTY for fulfilling all obligations, terms and conditions of this Lease, throughout the entire Term.

13.02 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 3.0 6 above to COUNTY's assignee.

ARTICLE 14 ALTERATIONS OR ADDITIONS; SIGNS

14.01 Alterations or Additions. LESSEE shall make no alterations or additions to the Premises or improvements constructed thereon, without the prior written consent of the Department. Any such additions, alterations or improvements shall be made in accordance with the construction requirements as established by the Department.

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

ARTICLE 15 LAWS, REGULATIONS, PERMITS AND TAXES

15.01 General. LESSEE agrees that throughout the Term and any extension thereof, LESSEE shall at all times be and shall remain in full and complete compliance with all applicable federal, state and local laws, statutes, regulations, rules, rulings, orders, ordinances and directives of any kind or nature, as now or hereafter amended, including, without limitation, FAA Advisory Circulars, Palm Beach County Airport Rules and Regulations (Appendix B, Palm Beach County Code) and Environmental Laws. For purposes of this Article 15, the term "Environmental Laws" means all applicable federal, state and local laws, rules, orders and regulations protecting human health, the environment and/or natural resources, as such laws, rules, orders and regulations are now or hereafter amended, including, without limitation, the Federal Clean Water Act, Safe Drinking Water Act, Clean Air Act, Resource Conservation and Recovery Act and Comprehensive Environmental Response, Compensation and Liability Act of 1980.

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

15.03 Air and Safety Regulation. LESSEE shall conduct its operations and activities under this Lease 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 LESSEE resulting from, or in any way related to, the conduct of LESSEE's business on the Premises. LESSEE shall procure and maintain such fire prevention and extinguishing devices as required by COUNTY and by law and shall at all times be familiar and comply with the fire regulations and orders of COUNTY and the fire control agency with jurisdiction at the Airport. LESSEE agrees that

neither LESSEE nor any employee or contractor or any person working for or on behalf of LESSEE shall be required 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 now or hereafter amended, as well as all state and local laws, regulations, and orders relative to occupational safety and health.

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

15.05 Environmental Indemnification. LESSEE hereby expressly agrees to indemnify and hold COUNTY harmless from and against any and all liability for fines and physical damage to property or injury or death to persons, including, without limitation, reasonable expenses and attorneys fees, arising from or resulting out of, or in any way caused by, LESSEE's failure to comply with any and all Environmental Laws. LESSEE understands that this indemnification is in addition to and is a supplement of LESSEE's indemnification agreement set forth in Article 9 of this Lease and that LESSEE fully understands the broad extent of this indemnification and hereby expressly acknowledges that it has received full and adequate consideration from COUNTY to legally support this indemnification agreement. LESSEE's obligations under this paragraph shall survive expiration or termination of this Lease.

15.06 Emergency Coordinator. LESSEE agrees that an emergency coordinator and phone number shall be furnished to the Department, COUNTY's Risk Management Department - Safety Division, and to all appropriate governmental entities having jurisdiction thereof in case of any spill, leak, or other emergency situation involving hazardous, toxic, flammable, and/or other pollutant/contaminated materials.

15.07 Payment of Taxes. LESSEE shall pay any and all taxes and other costs lawfully assessed against its interest in the Premises, the improvements, whether owned by LESSEE or COUNTY, personal property or its operations under this Lease including, without limitation, tangible, intangible, sales and ad valorem taxes, general or special assessments. In the event this Lease or LESSEE's use of the Premises renders the Premises subject to ad valorem real property taxes or similar impositions imposed by any government entity, LESSEE shall be responsible for and pay the same prior to delinquency. 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.

ARTICLE 16 **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 INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE, OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF LESSEE OR LESSEE'S BUSINESS INVITEES THAT MIGHT BE LOCATED OR STORED ON THE PREMISES, UNLESS SUCH LOSS, DAMAGE, OR INJURY IS CAUSED SOLELY 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 LEASING OF THE PREMISES PURSUANT TO THIS LEASE.

ARTICLE 17 **GOVERNMENTAL RESTRICTIONS**

17.01 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 COUNTY, as a political subdivision of the State of Florida, or any of the public officials of COUNTY, of the right 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.

17.02 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, Code of Federal Regulations, as now or hereafter amended.

17.03 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.

17.04 Operation of Airport. LESSEE expressly agrees for itself, its subleases, 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.

17.05 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.

17.06 Hazardous Wildlife Attractants. LESSEE shall be prohibited from using the Premises in a manner which attracts, or has the potential to attract, hazardous wildlife to or in the vicinity of the Airport. LESSEE further agrees to comply with the provisions of Federal Aviation Administration Advisory Circular No. 150/5200-33, as now or hereafter amended, as such circular is interpreted by the Department.

17.07 Acknowledgment of Governmental Limitations. The parties acknowledge and agree that this Lease shall not limit or restrict COUNTY's discretion in the exercise of its governmental or police powers and shall not constitute a delegation of COUNTY's governmental authority or police powers to LESSEE. LESSEE acknowledges and agrees that this Lease: (i) in no way restricts the legislative, quasi-judicial or executive discretion of the Palm Beach County Board of County Commissioners or County staff; (ii) does not guarantee any particular results for LESSEE on the applications; and (iii) does not give rise to any enforceable right by LESSEE to require any particular results on the applications. LESSEE further acknowledges and agrees that all governmental actions to be taken by COUNTY, the Palm Beach County Board of County Commissioners, County staff and quasi-judicial boards regarding the Premises shall be in conformance with applicable laws and ordinances with no guarantees or agreement by COUNTY as to any particular recommendation or approval.

17.08 Governmental Review. LESSEE acknowledges that this Lease is subject to review or inspection by the United States government, State of Florida and agencies and departments thereof, including the FAA, to determine satisfactory compliance with state and federal law and/or grant assurance requirements. LESSEE agrees that this Lease shall be in full force and effect and binding upon both parties pending such review or inspection, if applicable; provided, however, that upon such review or inspection the parties agree to modify any of the terms of this Lease that are determined by the United States government, State of Florida or any agency or department thereof to be in violation of any applicable laws, regulations, grant assurances or other requirements.

17.09 Exclusive Rights. The rights granted hereunder are non-exclusive with the exception of LESSEE's exclusive right to use and occupy the Unit.

ARTICLE 18 **NON-DISCRIMINATION**

LESSEE for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree: (i) 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 in violation of applicable law; (ii) that in the construction of any improvements on, over, or under the 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 in violation of applicable law; and (iii) 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. In the event of a breach of any of the above nondiscrimination covenants, COUNTY shall have the right to terminate this Lease and to re-enter as if this Lease had never been made or issued. The foregoing provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including the expiration of any appeal rights.

ARTICLE 19 **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 or any person whomsoever 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 or owner thereof. COUNTY shall not be liable for any damage or loss of said personal property.

ARTICLE 20 **CONDEMNATION**

If the Premises or any part thereof, or any improvements thereto, shall be taken, appropriated or condemned by exercise of the power of eminent domain, or conveyed or transferred pursuant to an agreement in lieu of condemnation, COUNTY shall be entitled to the entire award therefor, including, without limitation, any award relating to both LESSEE's leasehold estate and COUNTY's reversionary interest in the fee simple estate, without deduction, claim or setoff for any present or future estate of LESSEE. LESSEE hereby assigns and relinquishes to COUNTY all right, title and interest in such award and, upon request, shall execute all documents required to evidence such result. Notwithstanding the foregoing, LESSEE shall be entitled to pursue in such condemnation proceeding such award as may be allowed for moving expenses and business damages. In the event of a total taking of the Premises, this Lease shall terminate upon the date title vests in the condemning authority. In the event of such termination, the rental shall be prorated to the date of termination. COUNTY shall refund any remaining balance to

LESSEE after LESSEE has vacated the Premises and complied with all of its obligations arising hereunder prior to such termination, or as a result of such termination. Thereafter, the parties shall be relieved of all further obligations hereunder. Notwithstanding such termination, LESSEE shall remain liable for all matters arising under this Lease prior to such termination. In the event of a partial taking, the rental shall be abated on a pro rata basis. In the event of a temporary taking, the rental shall be abated on a pro rata basis for the period of time LESSEE is unable to use the portion of the Premises temporarily taken. After such period, the rental shall be restored to the amount which would have been then due without regard to such taking. COUNTY shall have no obligation to restore the Premises or otherwise perform any work upon same as a result of any such taking.

ARTICLE 21
MISCELLANEOUS

21.01 Authorized Uses Only. Notwithstanding any provision of this Lease to the contrary, LESSEE shall not use or permit the use of the Premises for any illegal purpose or for any purpose that would invalidate any policies of insurance, now existing or hereafter written on the Premises or the Airport for COUNTY or LESSEE.

21.02 Waiver. The failure of COUNTY or LESSEE 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 or LESSEE, respectively, may have for any subsequent breach or non-performance, and COUNTY's or LESSEE's right to insist on strict performance of this Lease shall not be affected by any previous waiver or course of dealing.

21.03 Subordination.

A. 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.

B. Subordination to State/Federal Agreements. This Lease shall be subject and subordinate to all the terms and conditions of any instrument and documents under which the 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, the State of Florida or any of their respective 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.

21.04 Easements. Nothing in this Lease shall impair any existing utility easements, nor impair the right of access to any existing utility lines. COUNTY reserves the right to grant utility easements, licenses, and rights of way to others over, under, through, across or on the Premises; provided, however, that such grant is not materially detrimental to the proper conduct of LESSEE's operations. If requested by COUNTY, LESSEE shall consent and join in any such easements, licenses or rights of way granted by COUNTY.

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

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

21.07 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.

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

21.09 Venue. Venue in any action, suit or proceeding in connection with this Lease shall be filed and held in a State court of competent jurisdiction located in Palm Beach COUNTY, Florida.

21.10 Notices. All notices and elections (collectively, "notices") to be given or delivered by or to any party hereunder, shall be in writing and shall be (as elected by the party giving such notice) hand delivered by messenger, courier service or overnight mail, or alternatively shall be sent by United States Certified Mail, with Return Receipt Requested. The effective date of any notice shall be the date of delivery of the notice if by personal delivery or courier services, or the next business day if by 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:

Palm Beach County
Department of Airports
ATTN: Director
846 Palm Beach International Airport
West Palm Beach, Florida 33406

With a copy to:

Palm Beach County
Attorney's Office
ATTN: Airport Attorney
301 North Olive Ave.
Suite 601
West Palm Beach, Florida 33401

LESSEE:

Aircraft Sales Palm Beach, Inc.
c/o Johnny Stinson
11550 Aviation Blvd. Ste. 4
West Palm Beach, Florida 33412
(561) 625-7979

With a copy to:

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.

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

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

21.13 Consent or Action. In the event this Lease is silent as to the standard for any consent, approval, determination, or similar discretionary action, the standard shall be at the sole, absolute and unfettered discretion of COUNTY or the Department, rather than any implied standard of good faith, fairness or reasonableness. Wherever this Lease requires COUNTY or the Department's consent or approval or permits COUNTY or the Department to act, such consent, approval or action may be given or performed by the Director of the Department or his or her designee. If LESSEE requests COUNTY's or the Department's consent or approval pursuant to any provision of this Lease and COUNTY or the Department fails or refuses to give such consent, LESSEE shall not be entitled to any damages as a result of such failure or refusal, whether or not unreasonable.

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

21.15 Performance. The parties expressly agree that time is of the essence in each and every provision of this Lease where a time is specified for performance 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.

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

21.17 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. LESSEE covenants and agrees to defend, indemnify and save the COUNTY harmless from and against any actions, damages, real estate commissions, fees, costs and/or expenses (including reasonable attorneys' fees), resulting or arising from any commissions, fees, costs and/or expenses due to any real estate brokers or agents because of the transaction contemplated by this Lease and the execution and delivery of this Lease, due to the acts of LESSEE. The terms of this section shall survive termination of this Lease.

21.18 Public Entity Crimes. As provided in Section 287.132-133, Florida Statutes, 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.

21.19 Excusable Delays. Neither COUNTY nor LESSEE 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.

21.20 Annual Appropriation. COUNTY's monetary agreements and obligations to perform under this Lease, if any, are expressly contingent upon annual appropriation of funding by the Palm Beach County Board of County Commissioners.

21.21 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.

21.22 Remedies Cumulative. Except as otherwise provided for herein, 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.

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

21.24 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.

(Remainder of Page Left Blank Intentionally)

IN WITNESS WHEREOF, the parties hereto have caused this Executive Hangar Lease Agreement to be signed by the COUNTY Administrator or his designee, the Director of the Department of Airports, pursuant to the authority granted by the Palm Beach County Board of County Commissioners, and LESSEE, Aircraft Sales Palm Beach, Inc. has caused these presents to be signed in its lawful name by its duly authorized officer, the Vice President, acting on behalf of LESSEE, and the seal of LESSEE to be affixed hereto the day and year first written above.

WITNESSES:

Connie Shoffner
Signature
Connie Shoffner
Print Name

[Signature]
Signature
Colleen Hooker
Print Name

PALM BEACH COUNTY
BY THE COUNTY ADMINISTRATOR OR
DIRECTOR OF THE DEPARTMENT
OF AIRPORTS

BY: [Signature]
County Administrator or Director

WITNESSES:

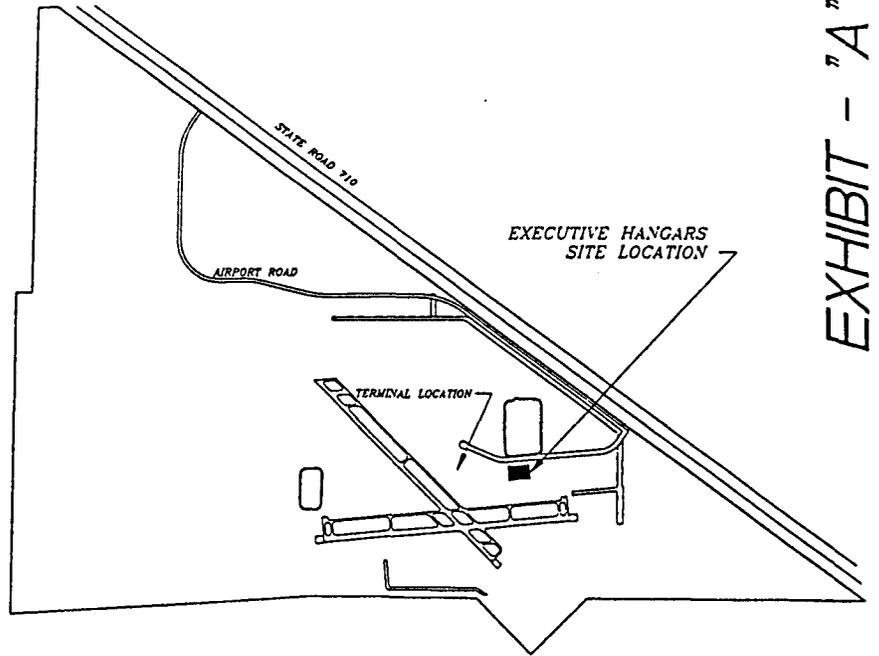
Jan Shackelford
Signature
JAN SHACKELFORD
Print Name
[Signature]
Signature
GREGORY C HAMMACK
Print name

LESSEE:

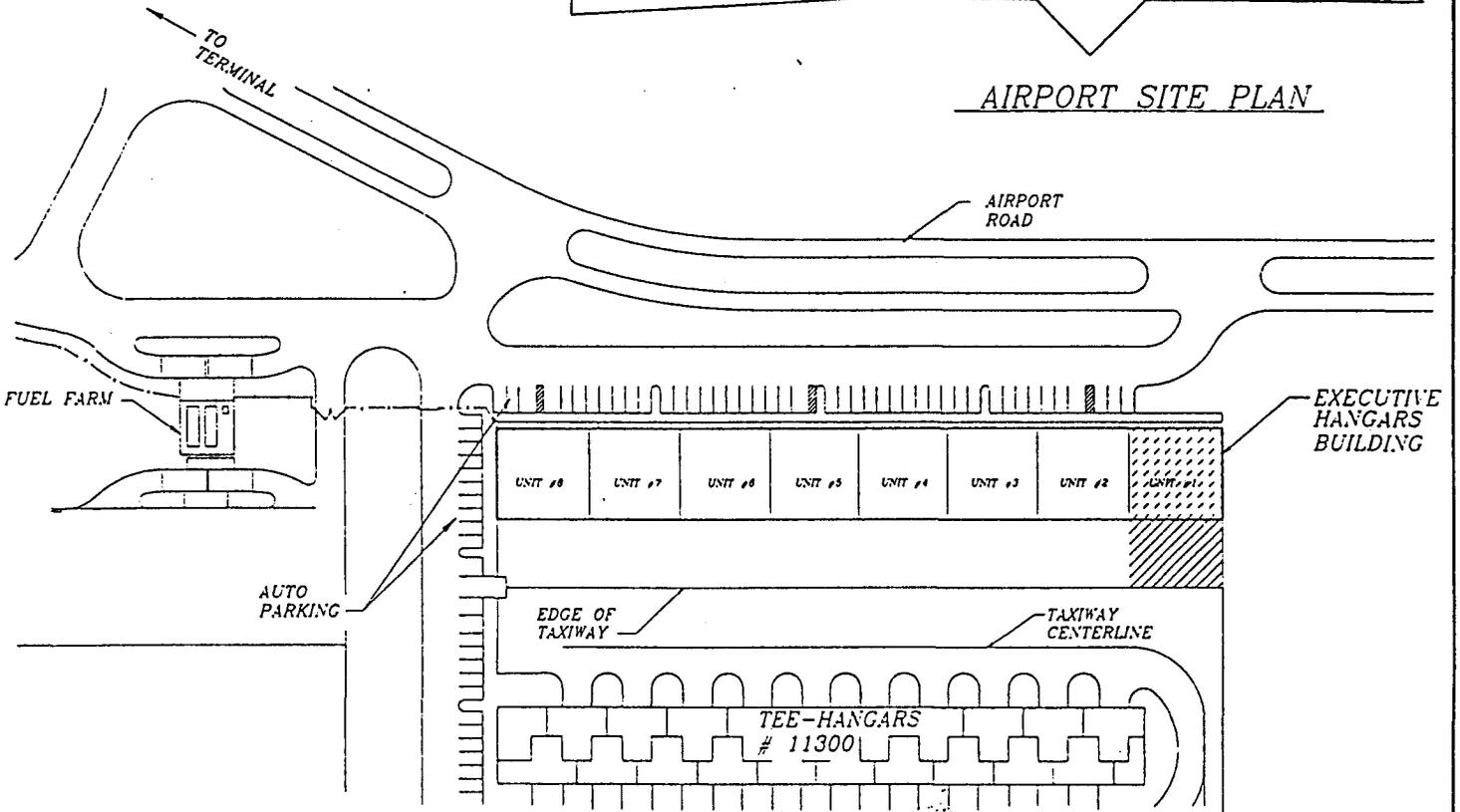
BY: [Signature]
Signature
John Stinson
Print Name
Title VP

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: Anne Helgard
County Attorney



AIRPORT SITE PLAN



EXECUTIVE HANGARS SITE PLAN

EXHIBIT - "A"
EXECUTIVE HANGAR
BUILDING - # 11250



Palm Beach County
Department Of Airports
North Palm Beach County
General Aviation Airport

Drawn by: DLF

Approved by: MCT

Date: Oct. 1, 1995

Sheet

1 of 1

EXECUTIVE HANGAR LEASE AGREEMENT

North County General Aviation Airport

Department of Airports
Palm Beach County, Florida

Brian K. Hoffner

LESSEE

EXECUTIVE HANGAR LEASE AGREEMENT

THIS EXECUTIVE HANGAR LEASE AGREEMENT (this "Lease") is made and entered into this _____ day of AUG 06 2007, 20____, by and between Palm Beach County, a political subdivision of the State of Florida, ("COUNTY"), and Brian K. Hoffner, whose address is 1081 Fairview Lane, Singer Island, Florida 33404, ("LESSEE").

WITNESSETH:

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

WHEREAS, COUNTY has certain aircraft hangar facilities at the Airport, which are available for leasing on a net basis; and

WHEREAS, LESSEE desires to lease such facilities for the purposes described herein; and

WHEREAS, LESSEE has indicated a willingness and demonstrated the ability to properly keep and maintain said facilities 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 hereby expressly acknowledge, the parties hereto covenant and agree to the following terms and conditions.

ARTICLE 1
TERM

1.01 Term. The term of this Lease shall commence on September 1, 2007 (the "Commencement Date") and terminate on August 31, 2008 (the "Term"), unless terminated earlier as provided for herein.

1.02 Renewal Term. Upon the expiration of the Term, LESSEE shall have the option to renew this Lease for one (1) additional term of one (1) year(s) (the "Renewal Term"), subject to the prior written approval of COUNTY, which approval may be granted or withheld in COUNTY's sole and absolute discretion. In the event LESSEE desires to renew this Lease, LESSEE shall provide written notice to COUNTY at least sixty (60) days prior to the expiration of the Term. In the event COUNTY approves of the renewal, the parties shall enter into an amendment to this Lease to extend the Term. In the event COUNTY elects not to approve the renewal request, this Lease shall automatically expire at the end of the Term and LESSEE shall have no further rights hereunder. An amendment entered into by the parties pursuant to this paragraph may be signed by the Director of the Department on behalf of the COUNTY.

ARTICLE 2
PREMISES AND PRIVILEGES

2.01 Description of Premises Leased. The premises hereby leased consist of that certain aircraft hangar facility, Unit 1 (the "Unit") containing approximately 3,906 square feet of space, located within Building # 11250 (the "Building") at the Airport, together with the through-way ramp area located immediately adjacent to and extending from the south side of the Unit to the north edge of the taxi-way, as more particularly identified on Exhibit "A" (the "Premises"), attached hereto and made a part hereof.

2.02 Description of General Privileges, Uses and Rights. COUNTY hereby grants to LESSEE the following general privileges, uses and rights 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 the Airport, to be used by LESSEE and/or its authorized sub lessees in connection with its operations hereunder. For the purpose of this Lease "public Airport facilities" shall include all necessary roadways, sidewalks, or other public facilities appurtenant to the Airport, 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 for LESSEE, its agents and employees, patrons and invitees, suppliers of service and furnishers of material. The aforementioned 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 LESSEE the right to use any space or area improved or unimproved, which is leased to a third party or which COUNTY has not specifically leased herein.

2.03 Description of Specific Privileges, Uses and Rights. In addition to the general privileges, uses and rights described herein, COUNTY hereby grants to LESSEE the right to improve, operate and maintain the Premises, including all necessary appurtenances thereto, to be used for the sole purpose(s) of storage of aircraft owned or leased by LESSEE..

2.04 Restrictions of Privileges, Uses and Rights. The rights granted hereunder are expressly limited to the improvement, operation and maintenance of the Premises pursuant to the terms of this Lease. The Premises shall not be used for habitation. The parking of boats, motor homes or inoperable vehicles and the stockpiling or storage of equipment and machinery within the Premises or any other area of the Airport is strictly prohibited.

2.05 Compliance with Minimum Standards. LESSEE agrees to comply with the requirements set forth in the Minimum Standards for Commercial Aeronautical Activities (R-2003-1956), as now or hereinafter amended or superseded, (the "Minimum Standards") applicable to LESSEE'S operations with the exception of the minimum leasehold premises size requirements.

2.06 Condition of Premises. LESSEE expressly acknowledges that it has inspected the Premises and Airport and accepts both in their "AS IS CONDITION" and "WITH ALL FAULTS," together with all defects, latent and patent, if any. LESSEE further acknowledges that COUNTY has made no representations or warranties of any nature whatsoever regarding the Airport or the Premises including, but not limited to, the physical and/or environmental condition of the Premises or any improvements located thereon; the value of the Premises or improvements; the zoning of the Premises; title to the Premises; the suitability of the Premises or any improvements for LESSEE'S intended use; or LESSEE'S legal ability to use the Premises for LESSEE'S intended use.

ARTICLE 3 RENTAL

3.01 Rental. The initial annual rental to be paid to COUNTY by LESSEE for the Premises shall be \$23,812.40 per year, plus any applicable sales taxes as may be required by law.

3.02 Commencement and Time of Payment. Payment of rental by LESSEE to COUNTY shall commence upon the Commencement Date. Annual rental shall be payable in equal monthly installments, in advance, without demand and without any deduction, holdback or set off whatsoever, on or before the first (1st) day of each and every month throughout the Term and any extension thereof. If the Commencement Date occurs on a day other than the first (1st) day of a month, LESSEE shall pay rent from the Commencement Date to the first (1st) 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. All payments shall be made payable to the COUNTY'S contracted Airport manager/operator and shall be mailed or delivered to the offices of same, which as of the date of this Lease is: Landmark Aviation. COUNTY may change the payment procedure and/or the address to which payments are to be delivered from time to time. COUNTY will provide thirty (30) days written notice to LESSEE prior to any change in payment procedure or the address to which payments are to be delivered. Rental shall be deemed delinquent if payment is not received by the first (1st) business day of the month in which it is due.

3.03 Adjustment of Rental.

A. Each October 1st (the "Adjustment Date") throughout the Term and any extension thereof, the annual rental payable hereunder shall be adjusted as hereinafter set forth in accordance with any increase in the Consumer Price Index for all Urban Consumers, All Items, U.S. city average (1982-1984 = 100), not seasonally adjusted (the "CPI"), issued by the Bureau of Statistics of the U.S. Department of Labor. On the Adjustment Date, the annual rental payable hereunder shall be adjusted by multiplying the then current annual rental by a fraction, the numerator of which shall be the CPI value for the month of July of the then current calendar year, and the denominator of which shall be the CPI value for the month of July of the then preceding calendar year. In no event shall the adjusted annual rental be less than then current annual rental. In the event that the CPI ceases to be published during the Term, or if a substantial change is made in the method of establishing or computing the CPI, then the determination of the adjustment in the annual rent shall be made with the use of such conversion factor, formula or table as may be published by the Bureau of Labor Statistics or, if none is available, by any other nationally recognized publisher or similar statistical information chosen by COUNTY. LESSEE shall commence payment of the adjusted annual rental on the Adjustment Date.

B. Notwithstanding any provision of this Lease to the contrary, rentals shall be established at all times to ensure compliance with the provisions of 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.

3.04 Sales, Use and Rent Taxes, Assessments, Personal Property Taxes. LESSEE shall pay before delinquency all personal property taxes and assessments which may be levied by any governmental authority against the Premises, on the property of LESSEE located in the Premises and on additions and improvements upon the Premises belonging to LESSEE. LESSEE shall also pay to COUNTY all sales taxes assessed by governmental authority against the rental payable hereunder even though the taxing statute or ordinance may purport to impose such sales tax against COUNTY. The payment of sales tax shall be made by LESSEE monthly, concurrent with the payment of rental.

3.05 Unpaid Rent. In the event LESSEE fails to make timely payment of any rentals and charges due and payable in accordance with the terms of this Lease, interest, at the rate established from time-to-time by the Board of County Commissioners (currently set at one and one-half percent [1½ %] per month), shall accrue against the delinquent payment(s) from the date due until the date payment is received. 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.

3.06 Security Deposit. Prior to the Commencement Date, LESSEE shall post a security deposit with COUNTY equal to three (3) monthly installments of rental ("Security Deposit"). The Security Deposit shall serve as security for the payment of all sums due to COUNTY and shall also secure the performance of all obligations of LESSEE to COUNTY pursuant to this Lease. The Security Deposit shall be either in the form of a cash deposit, a clean, Irrevocable Letter of Credit ("Letter of Credit") or a Surety Bond ("Bond"). In the event LESSEE elects to provide a

Letter of Credit or Bond, the Letter of Credit or Bond shall be in form and substance satisfactory to COUNTY, in its sole discretion. In the event of any failure by LESSEE to pay any rentals or charges when due or upon any other failure to perform any of its obligations or other default under this Lease beyond applicable cure periods, then in addition to any other rights and remedies available to COUNTY at law or in equity, COUNTY shall be entitled to draw on the Security Deposit and apply same to all amounts owed. Upon notice of any such draw, LESSEE shall immediately replace the Security Deposit with a new Bond, Letter of Credit or cash deposit in the full amount of the Security Deposit required hereunder. LESSEE shall increase the amount of the Security Deposit to reflect any increases in the sums payable hereunder within thirty (30) days after notification by the Department of any such increase. The Security Deposit shall be kept in full force and effect throughout the Term and any extension thereof and for a period of three (3) months after the termination of this Lease. Not less than forty-five (45) calendar days prior to any expiration date of a Letter of Credit or Bond, LESSEE shall submit evidence in form satisfactory to COUNTY that such security instrument has been renewed or submit a cash deposit. Failure to renew a Letter of Credit or Bond or to submit a cash deposit or to increase the amount of the Security Deposit as required by this Section 3.06 shall: (i) entitle COUNTY to draw down the full amount of such Security Deposit, and (ii) constitute a default of this Lease entitling COUNTY to all available remedies. The Security Deposit shall not be returned to LESSEE or released by COUNTY until all obligations under this Lease are performed and satisfied. Prior to consent from COUNTY to any assignment of this Lease by LESSEE, LESSEE'S assignee shall be required to provide a Security Deposit to COUNTY in accordance with the terms and conditions of this Section 3.06.

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

ARTICLE 4 **CONSTRUCTION OF IMPROVEMENTS**

4.01 Right to Install Improvements. LESSEE may construct and install, at its sole cost and expense, improvements within the Premises, subject to the prior written approval of the Department. All such improvements shall be of attractive construction and first-class design and shall comply with all applicable governmental laws, regulations, rules, and orders, shall follow standard construction methods and shall be completed in accordance with the Department's Development Standards and Criteria, as may be amended by the Department from time to time. Prior to the commencement of construction, full and complete plans and specifications for all improvements shall be submitted to and subject to the written approval of the Department. LESSEE further covenants and agrees that:

A. The construction and/or installation of improvements shall not interfere with the operation of the Airport or unreasonably interfere with the activities of other Airport tenants and users.

B. All construction and/or installation of improvements shall be: (i) completed at the sole risk of LESSEE; (ii) performed in accordance with all applicable governmental regulations, rules and laws and all applicable Federal Aviation Administration ("FAA") Advisory Circulars, Orders and policies; and (iii) subject to inspection by COUNTY. The Department may require any improvements constructed on the Premises in violation of this Article 4 to be removed and/or reconstructed at LESSEE'S sole cost and expense.

C. LESSEE shall complete construction of all improvements within the time period specified in writing by the Department.

D. Upon completion of construction, LESSEE shall submit to the Department one complete set of as-built drawings for all improvements in the latest version of Auto Cad acceptable to the Department or such other form of documentation as specified by the Department together with a detailed statement of actual construction costs, for the permanent record of COUNTY. COUNTY reserves the right, through its authorized representatives, to undertake an audit of the actual construction costs and, if requested by the Internal Auditor of COUNTY, to require that said costs be certified by an independent Certified Public Accountant, acceptable to COUNTY.

4.02 Construction Bonds. LESSEE shall ensure that all improvements are constructed to completion in accordance with the approved plans and that all persons or entities performing work or providing materials relating to such improvements including, but not limited to, all contractors, subcontractors, laborers, materialmen, suppliers and professionals, are paid in full for such services and materials. LESSEE, at its sole cost and expense, shall cause to be made, executed and delivered to COUNTY prior to commencement of any improvements to the Premises, a bond, drawn in a form and issued by a company approved by COUNTY, guaranteeing compliance by LESSEE of its obligations arising hereunder. COUNTY shall be named as a dual obligee on the bond(s).

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

4.04 No Liens. LESSEE agrees that nothing contained in this Lease shall be construed as consent by COUNTY to subject the estate of COUNTY to liability under the Construction Lien Law of the State of Florida and understands that COUNTY'S estate shall not be subject to such liability. LESSEE shall notify any and all parties or entities performing work or providing materials relating to any improvements made by LESSEE of this provision of

this Lease. If so requested by COUNTY, LESSEE shall file a notice satisfactory to COUNTY in the Official Public Records of Palm Beach County, Florida, stating that COUNTY interest shall not be subject to liens for improvements made by LESSEE. In the event that a construction lien is filed against the Premises or other COUNTY property in connection with any work performed by or on behalf of LESSEE, LESSEE shall satisfy such claim, or transfer same to security, within ten (10) days from the date of filing. In the event that LESSEE fails to transfer or satisfy such claim within the ten (10) day period, COUNTY may do so and thereafter charge LESSEE all costs incurred by COUNTY in connection with the satisfaction or transfer of such claim, including attorneys' fees, and LESSEE shall promptly pay to COUNTY all such costs upon demand, as additional rent.

ARTICLE 5 **OBLIGATIONS OF COUNTY**

Except as otherwise provided for herein, COUNTY shall maintain the structure of the Building, including exterior walls, foundation, roof, exterior lighting (excluding trade signs, if any), pavement, security fencing, and utility cables to their point of connection with the Building and shall provide for the maintenance of the grassed and landscaped areas around the Building.

ARTICLE 6 **OBLIGATIONS OF LESSEE**

6.01 **Maintenance and Repair.** Except as otherwise provided for herein, LESSEE shall, at its sole cost and expense, maintain the Premises, improvements, and appurtenances thereto, in a safe and presentable condition consistent with good business practice, industry standards and in accordance with all applicable laws, regulations and rules of any governmental entity. LESSEE shall repair all damages to the Premises and improvements caused by its employees, patrons, invitees, licensees, 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 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 maintenance or repair of the Premises. The Department shall be the sole judge of LESSEE'S performance under this Article 6 as to the quality of maintenance and repair. Upon written notice by the Department to LESSEE, LESSEE shall perform the required maintenance or repair in accordance with Department's decision. If LESSEE has not made a good faith effort, as determined by Department, to begin to perform said maintenance or repair within ten (10) days after written notice and to diligently pursue the same to completion, COUNTY shall have the right to enter on 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 the costs incurred by the Department, plus 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 invoice.

6.02 **Utilities.** LESSEE shall pay for all utilities used by it. LESSEE shall have the right, at its sole cost and expense, to connect to any and all utility mainlines or cables existing at the time of this Lease or installed during the Term.

6.03 **Cleanliness of Premises; Grounds Maintenance.** LESSEE shall, at its sole cost and expense, keep the Premises clean at all times and shall maintain and keep the through-way ramp area portion of the Premises free of obstructions so to allow unrestricted movement of aircraft and equipment. LESSEE shall not deposit nor store any waste, garbage, or refuse of any kind on any part of the Airport; provided, however, LESSEE may procure, together with other Building tenants, such appropriate type waste disposal containers as prescribed by COUNTY. All costs associated with the maintenance of the waste disposal containers shall be the responsibility of those tenants having caused such containers to be placed at the Building. The placement of such containers shall be limited only to those areas as designated for such purpose by the Department. The Department reserves the right to limit the number of such containers. LESSEE shall not use any areas of the Airport in a manner that causes or results in dust, debris or waste of any kind to be blown about or raised so as to be ingested by aircraft or individuals, or otherwise interfere with or disturb the use or enjoyment by others of their premises or any non-leased areas of the Airport. The Department shall reasonably determine whether LESSEE is in compliance with the maintenance obligations as provided for herein and shall provide LESSEE with written notice of any violations of LESSEE'S maintenance obligations. Immediately upon LESSEE'S receipt of COUNTY'S written notice of violation, LESSEE shall commence such corrective action as required by COUNTY or as may be necessary to remedy such non-compliance to satisfaction of COUNTY. If corrective action is not immediately initiated and pursued in a diligent manner to completion, the Department may cause the same to be accomplished and LESSEE hereby expressly agrees that LESSEE shall assume and be liable to COUNTY for payment of all the cleaning and grounds maintenance costs, plus twenty-five percent (25%) for administrative overhead. Such cleaning and grounds maintenance costs, plus the administrative cost, shall be due and payable within thirty (30) days of the date of written notice.

6.04 **Security.** LESSEE acknowledges and accepts full responsibility for the security and protection of the Premises and any and all inventory, equipment and facilities now existing or hereafter placed on or installed in or upon the Premises, and for the prevention of unauthorized access to its facilities and expressly agrees to comply with all laws, orders, rules, regulations and security directives of COUNTY, FAA, Transportation Security Administration ("TSA"), as now or hereafter amended, and of any and all other governmental entities that now or may hereafter have jurisdiction over security of the Airport. 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 improvements constructed thereon, shall be the sole responsibility of LESSEE and shall involve no cost to COUNTY.

ARTICLE 7
INSURANCE

LESSEE shall, at its sole expense, maintain in full force and effect at all times throughout the Term and any extension thereof, insurance limits, coverage or endorsements required herein. The requirements contained herein, as well as COUNTY's review or acceptance of insurance, is not intended to and shall not in any manner limit nor qualify the liabilities and obligations assumed by LESSEE under this Lease.

7.01 Commercial General Liability/Airport Liability. LESSEE shall maintain Commercial General Liability/Airport Liability Insurance with limits of liability not less than One Million Dollars (\$1,000,000) Each Occurrence including coverage for, but not limited to, Premises/Operations, Products/Completed Operations, Contractual Liability (covering this Lease, Personal/Advertising Injury and Cross Liability). Coverage shall be provided on a primary basis.

7.02 Hangarkeeper's Legal Liability. LESSEE shall maintain Hangarkeeper's Legal Liability Insurance, providing property damage to aircraft which are the property of others and in the care, custody, or control of LESSEE, but only while such aircraft are not in flight, in an amount not less than One Hundred Thousand Dollars (\$100,000) any one aircraft and Two Hundred Thousand Dollars (\$200,000) any one occurrence.

7.03 Business Auto Liability. LESSEE shall maintain Business Automobile Liability Insurance with limits of liability not less than One Million Dollars (\$1,000,000) Each Occurrence for owned, non-owned and hired automobiles. If LESSEE transports fuel the policy must include CA 99 48 Pollution Liability - Broadened Coverage for Covered Autos - Business Auto, Motor Carrier and Truckers Coverage Forms Endorsement or equivalent. In the event LESSEE has no owned automobiles, LESSEE shall only be required to maintain Hired & Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability or separate Business Auto Liability. Coverage shall be provided on a primary basis.

7.04 Aircraft Liability. LESSEE shall maintain Aircraft Liability Insurance with respect of all aircraft owned, leased or operated by the LESSEE for bodily injury (including death) and property damage liability in a Combined Single Limit Amount of not less than One Million Dollars (\$1,000,000) per occurrence, including a Passenger Liability sub-limit not less than One Hundred Thousand Dollars (\$100,000) per passenger.

7.05 Worker's Compensation & Employers Liability. LESSEE shall maintain Worker's Compensation and Employer's Liability Insurance in accordance with state and federal law. Coverage shall be provided on a primary basis.

7.06 Umbrella or Excess Liability. LESSEE may satisfy the minimum limits required above for Commercial General Liability/Airport Liability and/or Business Auto Liability and/or Aircraft Liability coverage under Umbrella or Excess Liability. The Umbrella or Excess Liability shall have an aggregate limit not less than the highest "Each Occurrence" limit for the Commercial General Liability/Airport Liability, Aircraft Liability or Business Auto Liability. COUNTY shall be endorsed as an "Additional Insured" on the Umbrella or Excess Liability, unless the Certificate of Insurance notes the Umbrella or Excess Liability provides coverage on a "Follow-Form" basis.

7.07 Property Insurance. LESSEE shall maintain property insurance in an amount not less than 100% of the total replacement cost of any betterments and improvements made by or on behalf of LESSEE as well as LESSEE's contents located on the Premises. The settlement clause shall be on a Replacement Cost basis. Coverage shall be written with a Special - Cause of Loss (All-Risk) form. Coverage shall be provided on a primary basis.

7.08 Additional Insured Endorsement LESSEE shall endorse the COUNTY as an Additional Insured on the Commercial General Liability/Airport Liability Insurance. A CG 2011 Additional Insured - Managers or Lessors of Premises or its equivalent shall be used. The Additional Insured endorsement shall provide coverage on a primary basis. The Additional Insured endorsement shall read "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents, c/o Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida, 33406-1470."

7.09 Loss Payee Endorsement. LESSEE shall endorse COUNTY as a Loss Payee on the Property, Flood, and Windstorm Insurance policies. The Loss Payee endorsement shall provide coverage on a primary basis. The Loss Payee endorsement shall read "Palm Beach COUNTY Board of COUNTY Commissioners, c/o Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida, 33406-1470."

7.10 Certificate of Insurance. Prior to the Commencement Date, LESSEE shall provide COUNTY with a certificate of insurance evidencing limits, coverage and endorsements required herein. The certificate of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage in the event coverage cancels or non-renews during the term of this Lease or any renewal thereof. The certificate must clearly indicate that Contractual Liability coverage applies to this Lease. LESSEE shall provide to COUNTY new certificate(s) of insurance evidencing replacement coverage thirty (30) days prior to the expiration of any coverage required hereunder. Certificate Holder's name and address shall read:

Palm Beach County Board of County Commissioners
c/o Department of Airports
846 Palm Beach International Airport
West Palm Beach, FL 33406-1470

7.11 Waiver of Subrogation. By entering into this Lease, LESSEE agrees to a Waiver of Subrogation for each required policy. When required by the insurer, or should a policy condition not permit an insured to enter into a pre-loss agreement to waive subrogation without an endorsement, LESSEE shall notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, a condition to which the policy specifically prohibits such an endorsement, or voids coverage should LESSEE enter into such an agreement on a pre-loss basis. Nothing contained in this Section shall be construed as an obligation of LESSEE to provide a Waiver of Subrogation in the event that LESSEE'S insurer will not provide it.

7.12 Premiums and Proceeds. LESSEE shall not keep, use, sell or offer for sale in or upon the Premises any article that may be prohibited by any, condition, provision, limitation, of the Property, Flood, or Wind Insurance policies. LESSEE shall agree to be responsible for all premiums, including increases, for Property, Flood, or Wind insurance policies. LESSEE agrees that all property, flood or windstorm insurance proceeds as a result of a loss shall be made available for use to promptly replace, repair or rebuild the building, betterments and improvements, including those made by or on behalf of LESSEE, so to ensure a replacement cost settlement or avoid policy cancellation.

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

7.14 Right to Review or Adjust Insurance. COUNTY'S Risk Management Department shall have the right, but not the obligation, to review, adjust, reject or accept insurance policies, limits, coverage, or endorsements throughout the Term or any extension thereof. COUNTY shall have the right, but not the obligation, to review and reject any insurer providing coverage because of poor financial condition or by way of illegal operation. COUNTY shall provide LESSEE written notice of such action and LESSEE agrees to cure or comply with such action within thirty (30) days of the date of such notice.

7.15 No Representation of Coverage Adequacy. The limits, coverage or endorsements identified herein are intended to primarily transfer risk and minimize liability of COUNTY. LESSEE acknowledges and agrees that LESSEE has not relied upon such requirements in assessing the extent or determining appropriate types or limits of coverage to protect LESSEE against any loss exposures, whether as a result of this Lease or otherwise.

ARTICLE 8 **RELATIONSHIP OF THE PARTIES**

LESSEE 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 therefore.

ARTICLE 9 **INDEMNIFICATION**

LESSEE agrees to protect, defend, reimburse, indemnify and hold COUNTY, its agents, employees and elected officers and each of them individually, free and harmless at all times from and against any claims, liability, expenses, losses, costs, fines and damages (including attorney fees and costs 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 bodily 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. Said 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 acknowledges the broad nature of this indemnification and hold-harmless clause and that COUNTY would not enter 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 in accordance with laws of the State of Florida. The obligations arising under this Article shall survive the expiration or termination of this Lease.

ARTICLE 10 **DAMAGE OR DESTRUCTION OF PREMISES/IMPROVEMENTS**

10.01 Damage or Destruction. LESSEE hereby assumes full responsibility for the condition of the Premises and character, acts and conduct of all persons admitted to the Premises by or with the actual or constructive consent of LESSEE or by or with the consent of any person acting for or on behalf of LESSEE. If the Premises, improvements, or any part thereof, are damaged in any way whatsoever by the act, default or negligence of LESSEE or its sublessees, contractors, employees, officers, licensees, agents or invitees, LESSEE shall, at its sole cost and expense, restore the Premises to the condition existing prior to such damage. LESSEE shall commence such restoration within thirty (30) days and shall diligently pursue such restoration to completion. Such repairs, replacements or rebuilding shall be made by LESSEE in accordance with the construction requirements established by the Department. If LESSEE fails to restore the Premises as required above, COUNTY shall have the right to enter the Premises and

perform the necessary restoration, and LESSEE hereby expressly agrees that it shall fully assume and be liable to COUNTY for payment of the costs incurred by COUNTY, plus twenty-five percent (25%) administrative overhead. Such restoration cost, plus the administrative cost, shall be due and payable within thirty (30) days from date of COUNTY's written notice.

10.02 Partial Destruction. If any of the improvements on the Premises are damaged or destroyed in part by fire or other casualty, COUNTY may terminate this Lease upon written notice to LESSEE within ninety (90) days after the date of any such damage or destruction or commence restoration of the Premises within a commercially reasonable period of time subject to the limitations set forth herein. In the event of restoration of the Premises by COUNTY pursuant to this paragraph, LESSEE'S obligation to pay rental shall be abated proportionately on a square footage basis as to that portion of the Unit rendered unusable by reason of casualty commencing on the date of the casualty. Such abatement shall continue until thirty (30) days after notice by COUNTY to LESSEE that the Premises have been substantially repaired or restored. Notwithstanding any provision of this Lease to the contrary, COUNTY shall have no obligation under this Lease to restore the Premises in the event the casualty was the result of the act, default or negligence of LESSEE or its sublessees, contractors, employees, officers, licensees, agents or invitees. In such event, LESSEE shall be obligated to restore the Premises in accordance with Section 10.01 above with no abatement in rental.

10.03 Total Casualty. In the event of a total casualty to the Premises, which renders the Premises unusable, as reasonably determined by the Department, either party shall have the right to terminate this Lease within ninety (90) days of the date of the casualty by delivering a written notice of termination to the other party in accordance with the notice provisions in this Lease; provided, however, LESSEE shall not have the right to terminate in the event the casualty was the result of the act, default or negligence of LESSEE or LESSEE'S sublessees, contractors, employees, officers, licensees, agents or invitees. In such event, LESSEE shall be obligated to restore the Premises in accordance with Section 10.01 above with no abatement in rental. In the event neither party terminates this Lease pursuant to this Section 10.03 and COUNTY elects to restore the Premises, LESSEE'S obligation to pay rental shall be abated until thirty (30) days after notice by COUNTY to LESSEE that the Premises have been substantially repaired or restored.

10.04 Waiver. LESSEE hereby waives any claim against COUNTY for damages or compensation in the event this Lease is terminated pursuant to Sections 10.02 or 10.03 above.

10.05 Limitations. Notwithstanding any provision of this Lease to the contrary, COUNTY obligation to repair, rebuild or restore LESSEE's personal property or fixtures or any improvements made by LESSEE to the Premises. In the event COUNTY elects to restore or rebuild the Premises following a casualty, COUNTY'S obligation to restore, rebuild or restore the Premises pursuant to this Lease shall exist only to the extent of the insurance proceeds received by COUNTY as a result of such casualty. LESSEE shall not be entitled to and hereby waives any claims against COUNTY for any compensation or damage for any loss of use of the Premises, in whole or in part, or for any inconvenience or annoyance occasioned by any such damage, destruction, repair or restoration. In addition, COUNTY shall not be liable for any damage or inconvenience or interruption of the business of LESSEE occasioned by fire or other casualty.

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

ARTICLE 11 **TITLE TO IMPROVEMENTS**

Notwithstanding any provision of this Lease to the contrary, upon the expiration of the Term or its earlier termination as provided herein, all structures and improvements constructed or placed upon the Premises by LESSEE shall become the absolute property of COUNTY, and COUNTY shall have every right, title and interest therein, free and clear of any liens; and any interest in such structures and improvements theretofore held by LESSEE, and absolute title thereto, shall thereafter be vested in COUNTY; provided, however, COUNTY shall be entitled, at its option, to have the Premises returned to COUNTY free and clear of some or all such improvements, at LESSEE'S sole cost and expense. In such event, COUNTY shall provide timely notification to LESSEE of its election to require removal of the improvements and to the extent possible, COUNTY shall notify LESSEE at least sixty (60) days prior to the effective date of such termination. LESSEE shall have sixty (60) days from date of notice within which to remove the improvements. If LESSEE fails to remove the improvements, COUNTY may remove same at LESSEE'S sole cost and expense.

ARTICLE 12 **TERMINATION OF LEASE, CANCELLATION, ASSIGNMENT AND TRANSFER**

12.01 Termination. This Lease shall automatically terminate at the end of the Term, unless renewed as provided for herein, and LESSEE shall have no further right or interest herein.

12.02 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 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 COUNTY 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 paragraphs A and B above, where such failure continues for a period of thirty (30) days after written notice from COUNTY; provided, however, that if the nature of LESSEE'S default is such that more than thirty (30) 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 thirty (30) 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.

12.03 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 COUNTY 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 any provision of 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 LESSEE in default.

12.04 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 termination, 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 pursuant to this Section 12.04, 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.

12.05 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.

ARTICLE 13 ASSIGNMENT

13.01 Assignment by LESSEE. LESSEE shall not, in any manner, assign, transfer, or otherwise convey an interest in this Lease, nor sublet the Premises or any part thereof, without the prior written consent of the Department. Any such attempted assignment, transfer, or sublease without Department approval shall be null and void. In the event the Department consents in writing as aforesaid, LESSEE shall have the right to the extent permitted by the Department's consent to sublease or assign all or any portion of the Premises, provided that any such sublease or assignment shall be limited to only the same purposes as are permitted under this Lease. In the event of a sublease in which the rentals, fees and charges for the sublease exceed the rentals, fees and charges payable by LESSEE for the Premises pursuant to this Lease, LESSEE shall pay to COUNTY fifty percent (50%) of the excess of the rentals, fees and charges received from the sublessee over that specified to be paid by LESSEE herein. Any such sublease or assignment shall be subject to the same conditions, obligations and terms as set forth herein and LESSEE shall be fully responsible for the observance by its assignees and sublessees of the terms and covenants contained in this Lease. Notwithstanding any provision of this Lease to the contrary, in the event of an approved sublease, LESSEE shall remain primarily liable to COUNTY for fulfilling all obligations, terms and conditions of this Lease, throughout the entire Term.

13.02 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 3.0 6 above to COUNTY's assignee.

ARTICLE 14 ALTERATIONS OR ADDITIONS; SIGNS

14.01 Alterations or Additions. LESSEE shall make no alterations or additions to the Premises or improvements constructed thereon, without the prior written consent of the Department. Any such additions, alterations or improvements shall be made in accordance with the construction requirements as established by the Department.

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

ARTICLE 15 LAWS, REGULATIONS, PERMITS AND TAXES

15.01 General. LESSEE agrees that throughout the Term and any extension thereof, LESSEE shall at all times be and shall remain in full and complete compliance with all applicable federal, state and local laws, statutes, regulations, rules, rulings, orders, ordinances and directives of any kind or nature, as now or hereafter amended, including, without limitation, FAA Advisory Circulars, Palm Beach County Airport Rules and Regulations (Appendix B, Palm Beach County Code) and Environmental Laws. For purposes of this Article 15, the term "Environmental Laws" means all applicable federal, state and local laws, rules, orders and regulations protecting human health, the environment and/or natural resources, as such laws, rules, orders and regulations are now or hereafter amended, including, without limitation, the Federal Clean Water Act, Safe Drinking Water Act, Clean Air Act, Resource Conservation and Recovery Act and Comprehensive Environmental Response, Compensation and Liability Act of 1980.

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

15.03 Air and Safety Regulation. LESSEE shall conduct its operations and activities under this Lease 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 LESSEE resulting from, or in any way related to, the conduct of LESSEE's business on the Premises. LESSEE shall procure and maintain such fire prevention and extinguishing devices as required by COUNTY and by law and shall at all times be familiar and comply with the fire regulations and orders of COUNTY and the fire control agency with jurisdiction at the Airport. LESSEE agrees that

neither LESSEE nor any employee or contractor or any person working for or on behalf of LESSEE shall be required 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 now or hereafter amended, as well as all state and local laws, regulations, and orders relative to occupational safety and health.

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

15.05 Environmental Indemnification. LESSEE hereby expressly agrees to indemnify and hold COUNTY harmless from and against any and all liability for fines and physical damage to property or injury or death to persons, including, without limitation, reasonable expenses and attorneys fees, arising from or resulting out of, or in any way caused by, LESSEE's failure to comply with any and all Environmental Laws. LESSEE understands that this indemnification is in addition to and is a supplement of LESSEE's indemnification agreement set forth in Article 9 of this Lease and that LESSEE fully understands the broad extent of this indemnification and hereby expressly acknowledges that it has received full and adequate consideration from COUNTY to legally support this indemnification agreement. LESSEE's obligations under this paragraph shall survive expiration or termination of this Lease.

15.06 Emergency Coordinator. LESSEE agrees that an emergency coordinator and phone number shall be furnished to the Department, COUNTY's Risk Management Department - Safety Division, and to all appropriate governmental entities having jurisdiction thereof in case of any spill, leak, or other emergency situation involving hazardous, toxic, flammable, and/or other pollutant/contaminated materials.

15.07 Payment of Taxes. LESSEE shall pay any and all taxes and other costs lawfully assessed against its interest in the Premises, the improvements, whether owned by LESSEE or COUNTY, personal property or its operations under this Lease including, without limitation, tangible, intangible, sales and ad valorem taxes, general or special assessments. In the event this Lease or LESSEE's use of the Premises renders the Premises subject to ad valorem real property taxes or similar impositions imposed by any government entity, LESSEE shall be responsible for and pay the same prior to delinquency. 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.

ARTICLE 16
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 INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE, OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF LESSEE OR LESSEE'S BUSINESS INVITEES THAT MIGHT BE LOCATED OR STORED ON THE PREMISES, UNLESS SUCH LOSS, DAMAGE, OR INJURY IS CAUSED SOLELY 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 LEASING OF THE PREMISES PURSUANT TO THIS LEASE.

ARTICLE 17
GOVERNMENTAL RESTRICTIONS

17.01 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 COUNTY, as a political subdivision of the State of Florida, or any of the public officials of COUNTY, of the right 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.

17.02 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, Code of Federal Regulations, as now or hereafter amended.

17.03 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.

17.04 Operation of Airport. LESSEE expressly agrees for itself, its subleases, 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.

17.05 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.

17.06 Hazardous Wildlife Attractants. LESSEE shall be prohibited from using the Premises in a manner which attracts, or has the potential to attract, hazardous wildlife to or in the vicinity of the Airport. LESSEE further agrees to comply with the provisions of Federal Aviation Administration Advisory Circular No. 150/5200-33, as now or hereafter amended, as such circular is interpreted by the Department.

17.07 Acknowledgment of Governmental Limitations. The parties acknowledge and agree that this Lease shall not limit or restrict COUNTY's discretion in the exercise of its governmental or police powers and shall not constitute a delegation of COUNTY's governmental authority or police powers to LESSEE. LESSEE acknowledges and agrees that this Lease: (i) in no way restricts the legislative, quasi-judicial or executive discretion of the Palm Beach County Board of County Commissioners or County staff; (ii) does not guarantee any particular results for LESSEE on the applications; and (iii) does not give rise to any enforceable right by LESSEE to require any particular results on the applications. LESSEE further acknowledges and agrees that all governmental actions to be taken by COUNTY, the Palm Beach County Board of County Commissioners, County staff and quasi-judicial boards regarding the Premises shall be in conformance with applicable laws and ordinances with no guarantees or agreement by COUNTY as to any particular recommendation or approval.

17.08 Governmental Review. LESSEE acknowledges that this Lease is subject to review or inspection by the United States government, State of Florida and agencies and departments thereof, including the FAA, to determine satisfactory compliance with state and federal law and/or grant assurance requirements. LESSEE agrees that this Lease shall be in full force and effect and binding upon both parties pending such review or inspection, if applicable; provided, however, that upon such review or inspection the parties agree to modify any of the terms of this Lease that are determined by the United States government, State of Florida or any agency or department thereof to be in violation of any applicable laws, regulations, grant assurances or other requirements.

17.09 Exclusive Rights. The rights granted hereunder are non-exclusive with the exception of LESSEE's exclusive right to use and occupy the Unit.

ARTICLE 18 NON-DISCRIMINATION

LESSEE for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree: (i) 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 in violation of applicable law; (ii) that in the construction of any improvements on, over, or under the 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 in violation of applicable law; and (iii) 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. In the event of a breach of any of the above nondiscrimination covenants, COUNTY shall have the right to terminate this Lease and to re-enter as if this Lease had never been made or issued. The foregoing provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including the expiration of any appeal rights.

ARTICLE 19 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 or any person whomsoever 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 or owner thereof. COUNTY shall not be liable for any damage or loss of said personal property.

ARTICLE 20 CONDEMNATION

If the Premises or any part thereof, or any improvements thereto, shall be taken, appropriated or condemned by exercise of the power of eminent domain, or conveyed or transferred pursuant to an agreement in lieu of condemnation, COUNTY shall be entitled to the entire award therefor, including, without limitation, any award relating to both LESSEE's leasehold estate and COUNTY's reversionary interest in the fee simple estate, without deduction, claim or setoff for any present or future estate of LESSEE. LESSEE hereby assigns and relinquishes to COUNTY all right, title and interest in such award and, upon request, shall execute all documents required to evidence such result. Notwithstanding the foregoing, LESSEE shall be entitled to pursue in such condemnation proceeding such award as may be allowed for moving expenses and business damages. In the event of a total taking of the Premises, this Lease shall terminate upon the date title vests in the condemning authority. In the event of such termination, the rental shall be prorated to the date of termination. COUNTY shall refund any remaining balance to

LESSEE after LESSEE has vacated the Premises and complied with all of its obligations arising hereunder prior to such termination, or as a result of such termination. Thereafter, the parties shall be relieved of all further obligations hereunder. Notwithstanding such termination, LESSEE shall remain liable for all matters arising under this Lease prior to such termination. In the event of a partial taking, the rental shall be abated on a pro rata basis. In the event of a temporary taking, the rental shall be abated on a pro rata basis for the period of time LESSEE is unable to use the portion of the Premises temporarily taken. After such period, the rental shall be restored to the amount which would have been then due without regard to such taking. COUNTY shall have no obligation to restore the Premises or otherwise perform any work upon same as a result of any such taking.

ARTICLE 21
MISCELLANEOUS

21.01 Authorized Uses Only. Notwithstanding any provision of this Lease to the contrary, LESSEE shall not use or permit the use of the Premises for any illegal purpose or for any purpose that would invalidate any policies of insurance, now existing or hereafter written on the Premises or the Airport for COUNTY or LESSEE.

21.02 Waiver. The failure of COUNTY or LESSEE 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 or LESSEE, respectively, may have for any subsequent breach or non-performance, and COUNTY's or LESSEE's right to insist on strict performance of this Lease shall not be affected by any previous waiver or course of dealing.

21.03 Subordination.

A. 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.

B. Subordination to State/Federal Agreements. This Lease shall be subject and subordinate to all the terms and conditions of any instrument and documents under which the 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, the State of Florida or any of their respective 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.

21.04 Easements. Nothing in this Lease shall impair any existing utility easements, nor impair the right of access to any existing utility lines. COUNTY reserves the right to grant utility easements, licenses, and rights of way to others over, under, through, across or on the Premises; provided, however, that such grant is not materially detrimental to the proper conduct of LESSEE's operations. If requested by COUNTY, LESSEE shall consent and join in any such easements, licenses or rights of way granted by COUNTY.

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

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

21.07 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.

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

21.09 Venue. Venue in any action, suit or proceeding in connection with this Lease shall be filed and held in a State court of competent jurisdiction located in Palm Beach COUNTY, Florida.

21.10 Notices. All notices and elections (collectively, "notices") to be given or delivered by or to any party hereunder, shall be in writing and shall be (as elected by the party giving such notice) hand delivered by messenger, courier service or overnight mail, or alternatively shall be sent by United States Certified Mail, with Return Receipt Requested. The effective date of any notice shall be the date of delivery of the notice if by personal delivery or courier services, or the next business day if by 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:

Palm Beach County
Department of Airports
ATTN: Director
846 Palm Beach International Airport
West Palm Beach, Florida 33406

With a copy to:

Palm Beach County
Attorney's Office
ATTN: Airport Attorney
301 North Olive Ave.
Suite 601
West Palm Beach, Florida 33401

LESSEE:

Brian K. Hoffner
1081 Fairview Lane
Singer Island, Florida 33404
(561) 863-2352

With a copy to:

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.

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

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

21.13 Consent or Action. In the event this Lease is silent as to the standard for any consent, approval, determination, or similar discretionary action, the standard shall be at the sole, absolute and unfettered discretion of COUNTY or the Department, rather than any implied standard of good faith, fairness or reasonableness. Wherever this Lease requires COUNTY or the Department's consent or approval or permits COUNTY or the Department to act, such consent, approval or action may be given or performed by the Director of the Department or his or her designee. If LESSEE requests COUNTY's or the Department's consent or approval pursuant to any provision of this Lease and COUNTY or the Department fails or refuses to give such consent, LESSEE shall not be entitled to any damages as a result of such failure or refusal, whether or not unreasonable.

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

21.15 Performance. The parties expressly agree that time is of the essence in each and every provision of this Lease where a time is specified for performance 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.

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

21.17 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. LESSEE covenants and agrees to defend, indemnify and save the COUNTY harmless from and against any actions, damages, real estate commissions, fees, costs and/or expenses (including reasonable attorneys' fees), resulting or arising from any commissions, fees, costs and/or expenses due to any real estate brokers or agents because of the transaction contemplated by this Lease and the execution and delivery of this Lease, due to the acts of LESSEE. The terms of this section shall survive termination of this Lease.

21.18 Public Entity Crimes. As provided in Section 287.132-133, Florida Statutes, 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.

21.19 Excusable Delays. Neither COUNTY nor LESSEE 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.

21.20 Annual Appropriation. COUNTY's monetary agreements and obligations to perform under this Lease, if any, are expressly contingent upon annual appropriation of funding by the Palm Beach County Board of County Commissioners.

21.21 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.

21.22 Remedies Cumulative. Except as otherwise provided for herein, 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.

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

21.24 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.

(Remainder of Page Left Blank Intentionally)

IN WITNESS WHEREOF, the parties hereto have caused this Executive Hangar Lease Agreement to be signed by the COUNTY Administrator or his designee, the Director of the Department of Airports, pursuant to the authority granted by the Palm Beach County Board of County Commissioners, and LESSEE, Brian K. Hoffner has caused these presents to be signed in its lawful name.

WITNESSES:

Connie Shoffner

Signature

Connie Shoffner

Print Name

C. Hawkins

Signature

C Hawkins

Print Name

PALM BEACH COUNTY
BY THE COUNTY ADMINISTRATOR OR
DIRECTOR OF THE DEPARTMENT
OF AIRPORTS

BY: *[Signature]*

County Administrator or Director

WITNESSES:

Catherine A. Hoffner

Signature

Catherine A. Hoffner

Print Name

[Signature]

Signature

CHRISTOPHER SCHULTE

Print name

LESSEE:

BY: *[Signature]*

Signature

Brian K. Hoffner

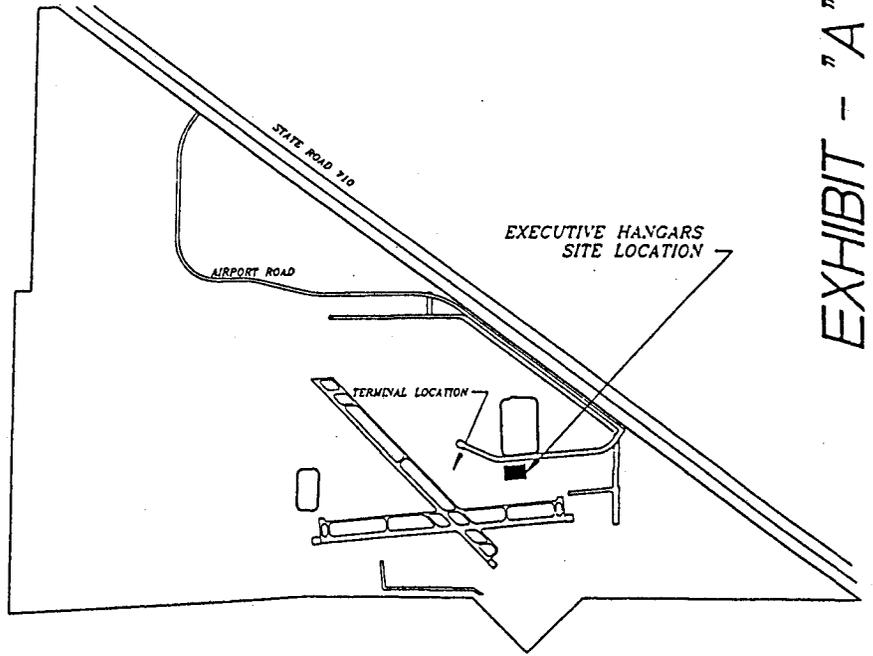
Print Name

Title *President*

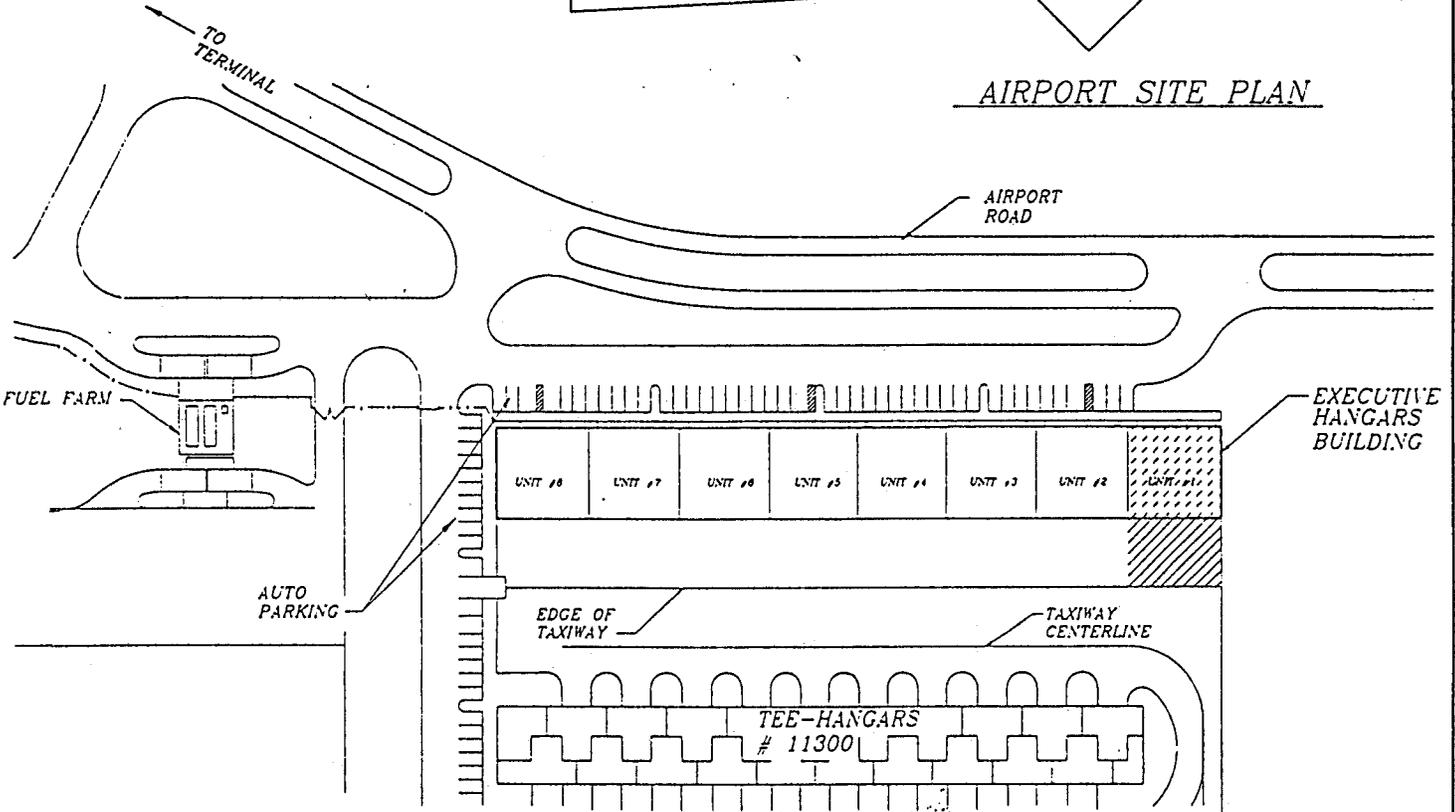
APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: *Anne Delgado*

County Attorney



AIRPORT SITE PLAN



EXECUTIVE HANGARS SITE PLAN

EXHIBIT - "A"
EXECUTIVE HANGAR
BUILDING - # 11250



Palm Beach County
Department Of Airports
North Palm Beach County
General Aviation Airport

Drawn by: DLF
Approved by: MCT
Date: Oct. 1, 1995

Sheet

1 of 1

EXECUTIVE HANGAR LEASE AGREEMENT

North County General Aviation Airport

Department of Airports
Palm Beach County, Florida

Mustang Air, Inc.

LESSEE

EXECUTIVE HANGAR LEASE AGREEMENT

THIS EXECUTIVE HANGAR LEASE AGREEMENT (this "Lease") is made and entered into this _____ day of AUG 06 2007, 20____, by and between Palm Beach County, a political subdivision of the State of Florida, ("COUNTY"), and Mustang Air, Inc., whose address is 11250 Aviation Blvd., Unit 6, West Palm Beach, Florida 33412, ("LESSEE").

WITNESSETH:

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

WHEREAS, COUNTY has certain aircraft hangar facilities at the Airport, which are available for leasing on a net basis; and

WHEREAS, LESSEE desires to lease such facilities for the purposes described herein; and

WHEREAS, LESSEE has indicated a willingness and demonstrated the ability to properly keep and maintain said facilities 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 hereby expressly acknowledge, the parties hereto covenant and agree to the following terms and conditions.

ARTICLE 1 TERM

1.01 Term. The term of this Lease shall commence on September 1, 2007 (the "Commencement Date") and terminate on August 31, 2008 (the "Term"), unless terminated earlier as provided for herein.

1.02 Renewal Term. Upon the expiration of the Term, LESSEE shall have the option to renew this Lease for one (1) additional term of one (1) year(s) (the "Renewal Term"), subject to the prior written approval of COUNTY, which approval may be granted or withheld in COUNTY's sole and absolute discretion. In the event LESSEE desires to renew this Lease, LESSEE shall provide written notice to COUNTY at least sixty (60) days prior to the expiration of the Term. In the event COUNTY approves of the renewal, the parties shall enter into an amendment to this Lease to extend the Term. In the event COUNTY elects not to approve the renewal request, this Lease shall automatically expire at the end of the Term and LESSEE shall have no further rights hereunder. An amendment entered into by the parties pursuant to this paragraph may be signed by the Director of the Department on behalf of the COUNTY.

ARTICLE 2 PREMISES AND PRIVILEGES

2.01 Description of Premises Leased. The premises hereby leased consist of that certain aircraft hangar facility, Unit 6 (the "Unit") containing approximately 3,906 square feet of space, located within Building # 11250 (the "Building") at the Airport, together with the through-way ramp area located immediately adjacent to and extending from the south side of the Unit to the north edge of the taxi-way, as more particularly identified on Exhibit "A" (the "Premises"), attached hereto and made a part hereof.

2.02 Description of General Privileges, Uses and Rights. COUNTY hereby grants to LESSEE the following general privileges, uses and rights 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 the Airport, to be used by LESSEE and/or its authorized sub lessees in connection with its operations hereunder. For the purpose of this Lease "public Airport facilities" shall include all necessary roadways, sidewalks, or other public facilities appurtenant to the Airport, 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 for LESSEE, its agents and employees, patrons and invitees, suppliers of service and furnishers of material. The aforementioned 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 LESSEE the right to use any space or area improved or unimproved, which is leased to a third party or which COUNTY has not specifically leased herein.

2.03 Description of Specific Privileges, Uses and Rights. In addition to the general privileges, uses and rights described herein, COUNTY hereby grants to LESSEE the right to improve, operate and maintain the Premises, including all necessary appurtenances thereto, to be used for the sole purpose(s) of aircraft storage.

2.04 Restrictions of Privileges, Uses and Rights. The rights granted hereunder are expressly limited to the improvement, operation and maintenance of the Premises pursuant to the terms of this Lease. The Premises shall not be used for habitation. The parking of boats, motor homes or inoperable vehicles and the stockpiling or storage of equipment and machinery within the Premises or any other area of the Airport is strictly prohibited.

2.05 Compliance with Minimum Standards. LESSEE agrees to comply with the requirements set forth in the Minimum Standards for Commercial Aeronautical Activities (R-2003-1956), as now or hereinafter amended or superseded, (the "Minimum Standards") applicable to LESSEE'S operations with the exception of the minimum leasehold premises size requirements.

2.06 Condition of Premises. LESSEE expressly acknowledges that it has inspected the Premises and Airport and accepts both in their "AS IS CONDITION" and "WITH ALL FAULTS," together with all defects, latent and patent, if any. LESSEE further acknowledges that COUNTY has made no representations or warranties of any nature whatsoever regarding the Airport or the Premises including, but not limited to, the physical and/or environmental condition of the Premises or any improvements located thereon; the value of the Premises or improvements; the zoning of the Premises; title to the Premises; the suitability of the Premises or any improvements for LESSEE'S intended use; or LESSEE'S legal ability to use the Premises for LESSEE'S intended use.

ARTICLE 3 RENTAL

3.01 Rental. The initial annual rental to be paid to COUNTY by LESSEE for the Premises shall be \$23,811.60 per year, plus any applicable sales taxes as may be required by law.

3.02 Commencement and Time of Payment. Payment of rental by LESSEE to COUNTY shall commence upon the Commencement Date. Annual rental shall be payable in equal monthly installments, in advance, without demand and without any deduction, holdback or set off whatsoever, on or before the first (1st) day of each and every month throughout the Term and any extension thereof. If the Commencement Date occurs on a day other than the first (1st) day of a month, LESSEE shall pay rent from the Commencement Date to the first (1st) 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. All payments shall be made payable to the COUNTY'S contracted Airport manager/operator and shall be mailed or delivered to the offices of same, which as of the date of this Lease is: Landmark Aviation. COUNTY may change the payment procedure and/or the address to which payments are to be delivered from time to time. COUNTY will provide thirty (30) days written notice to LESSEE prior to any change in payment procedure or the address to which payments are to be delivered. Rental shall be deemed delinquent if payment is not received by the first (1st) business day of the month in which it is due.

3.03 Adjustment of Rental.

A. Each October 1st (the "Adjustment Date") throughout the Term and any extension thereof, the annual rental payable hereunder shall be adjusted as hereinafter set forth in accordance with any increase in the Consumer Price Index for all Urban Consumers, All Items, U.S. city average (1982-1984 = 100), not seasonally adjusted (the "CPI"), issued by the Bureau of Statistics of the U.S. Department of Labor. On the Adjustment Date, the annual rental payable hereunder shall be adjusted by multiplying the then current annual rental by a fraction, the numerator of which shall be the CPI value for the month of July of the then current calendar year, and the denominator of which shall be the CPI value for the month of July of the then preceding calendar year. In no event shall the adjusted annual rental be less than then current annual rental. In the event that the CPI ceases to be published during the Term, or if a substantial change is made in the method of establishing or computing the CPI, then the determination of the adjustment in the annual rent shall be made with the use of such conversion factor, formula or table as may be published by the Bureau of Labor Statistics or, if none is available, by any other nationally recognized publisher or similar statistical information chosen by COUNTY. LESSEE shall commence payment of the adjusted annual rental on the Adjustment Date.

B. Notwithstanding any provision of this Lease to the contrary, rentals shall be established at all times to ensure compliance with the provisions of 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.

3.04 Sales, Use and Rent Taxes, Assessments, Personal Property Taxes. LESSEE shall pay before delinquency all personal property taxes and assessments which may be levied by any governmental authority against the Premises, on the property of LESSEE located in the Premises and on additions and improvements upon the Premises belonging to LESSEE. LESSEE shall also pay to COUNTY all sales taxes assessed by governmental authority against the rental payable hereunder even though the taxing statute or ordinance may purport to impose such sales tax against COUNTY. The payment of sales tax shall be made by LESSEE monthly, concurrent with the payment of rental.

3.05 Unpaid Rent. In the event LESSEE fails to make timely payment of any rentals and charges due and payable in accordance with the terms of this Lease, interest, at the rate established from time-to-time by the Board of County Commissioners (currently set at one and one-half percent [1½ %] per month), shall accrue against the delinquent payment(s) from the date due until the date payment is received. 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.

3.06 Security Deposit. Prior to the Commencement Date, LESSEE shall post a security deposit with COUNTY equal to three (3) monthly installments of rental ("Security Deposit"). The Security Deposit shall serve as security for the payment of all sums due to COUNTY and shall also secure the performance of all obligations of LESSEE to COUNTY pursuant to this Lease. The Security Deposit shall be either in the form of a cash deposit, a clean, Irrevocable Letter of Credit ("Letter of Credit") or a Surety Bond ("Bond"). In the event LESSEE elects to provide a

Letter of Credit or Bond, the Letter of Credit or Bond shall be in form and substance satisfactory to COUNTY, in its sole discretion. In the event of any failure by LESSEE to pay any rentals or charges when due or upon any other failure to perform any of its obligations or other default under this Lease beyond applicable cure periods, then in addition to any other rights and remedies available to COUNTY at law or in equity, COUNTY shall be entitled to draw on the Security Deposit and apply same to all amounts owed. Upon notice of any such draw, LESSEE shall immediately replace the Security Deposit with a new Bond, Letter of Credit or cash deposit in the full amount of the Security Deposit required hereunder. LESSEE shall increase the amount of the Security Deposit to reflect any increases in the sums payable hereunder within thirty (30) days after notification by the Department of any such increase. The Security Deposit shall be kept in full force and effect throughout the Term and any extension thereof and for a period of three (3) months after the termination of this Lease. Not less than forty-five (45) calendar days prior to any expiration date of a Letter of Credit or Bond, LESSEE shall submit evidence in form satisfactory to COUNTY that such security instrument has been renewed or submit a cash deposit. Failure to renew a Letter of Credit or Bond or to submit a cash deposit or to increase the amount of the Security Deposit as required by this Section 3.06 shall: (i) entitle COUNTY to draw down the full amount of such Security Deposit, and (ii) constitute a default of this Lease entitling COUNTY to all available remedies. The Security Deposit shall not be returned to LESSEE or released by COUNTY until all obligations under this Lease are performed and satisfied. Prior to consent from COUNTY to any assignment of this Lease by LESSEE, LESSEE'S assignee shall be required to provide a Security Deposit to COUNTY in accordance with the terms and conditions of this Section 3.06.

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

ARTICLE 4 CONSTRUCTION OF IMPROVEMENTS

4.01 Right to Install Improvements. LESSEE may construct and install, at its sole cost and expense, improvements within the Premises, subject to the prior written approval of the Department. All such improvements shall be of attractive construction and first-class design and shall comply with all applicable governmental laws, regulations, rules, and orders, shall follow standard construction methods and shall be completed in accordance with the Department's Development Standards and Criteria, as may be amended by the Department from time to time. Prior to the commencement of construction, full and complete plans and specifications for all improvements shall be submitted to and subject to the written approval of the Department. LESSEE further covenants and agrees that:

A. The construction and/or installation of improvements shall not interfere with the operation of the Airport or unreasonably interfere with the activities of other Airport tenants and users.

B. All construction and/or installation of improvements shall be: (i) completed at the sole risk of LESSEE; (ii) performed in accordance with all applicable governmental regulations, rules and laws and all applicable Federal Aviation Administration ("FAA") Advisory Circulars, Orders and policies; and (iii) subject to inspection by COUNTY. The Department may require any improvements constructed on the Premises in violation of this Article 4 to be removed and/or reconstructed at LESSEE'S sole cost and expense.

C. LESSEE shall complete construction of all improvements within the time period specified in writing by the Department.

D. Upon completion of construction, LESSEE shall submit to the Department one complete set of as-built drawings for all improvements in the latest version of Auto Cad acceptable to the Department or such other form of documentation as specified by the Department together with a detailed statement of actual construction costs, for the permanent record of COUNTY. COUNTY reserves the right, through its authorized representatives, to undertake an audit of the actual construction costs and, if requested by the Internal Auditor of COUNTY, to require that said costs be certified by an independent Certified Public Accountant, acceptable to COUNTY.

4.02 Construction Bonds. LESSEE shall ensure that all improvements are constructed to completion in accordance with the approved plans and that all persons or entities performing work or providing materials relating to such improvements including, but not limited to, all contractors, subcontractors, laborers, materialmen, suppliers and professionals, are paid in full for such services and materials. LESSEE, at its sole cost and expense, shall cause to be made, executed and delivered to COUNTY prior to commencement of any improvements to the Premises, a bond, drawn in a form and issued by a company approved by COUNTY, guaranteeing compliance by LESSEE of its obligations arising hereunder. COUNTY shall be named as a dual obligee on the bond(s).

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

4.04 No Liens. LESSEE agrees that nothing contained in this Lease shall be construed as consent by COUNTY to subject the estate of COUNTY to liability under the Construction Lien Law of the State of Florida and understands that COUNTY'S estate shall not be subject to such liability. LESSEE shall notify any and all parties or entities performing work or providing materials relating to any improvements made by LESSEE of this provision of

this Lease. If so requested by COUNTY, LESSEE shall file a notice satisfactory to COUNTY in the Official Public Records of Palm Beach County, Florida, stating that COUNTY interest shall not be subject to liens for improvements made by LESSEE. In the event that a construction lien is filed against the Premises or other COUNTY property in connection with any work performed by or on behalf of LESSEE, LESSEE shall satisfy such claim, or transfer same to security, within ten (10) days from the date of filing. In the event that LESSEE fails to transfer or satisfy such claim within the ten (10) day period, COUNTY may do so and thereafter charge LESSEE all costs incurred by COUNTY in connection with the satisfaction or transfer of such claim, including attorneys' fees, and LESSEE shall promptly pay to COUNTY all such costs upon demand, as additional rent.

ARTICLE 5 OBLIGATIONS OF COUNTY

Except as otherwise provided for herein, COUNTY shall maintain the structure of the Building, including exterior walls, foundation, roof, exterior lighting (excluding trade signs, if any), pavement, security fencing, and utility cables to their point of connection with the Building and shall provide for the maintenance of the grassed and landscaped areas around the Building.

ARTICLE 6 OBLIGATIONS OF LESSEE

6.01 Maintenance and Repair. Except as otherwise provided for herein, LESSEE shall, at its sole cost and expense, maintain the Premises, improvements, and appurtenances thereto, in a safe and presentable condition consistent with good business practice, industry standards and in accordance with all applicable laws, regulations and rules of any governmental entity. LESSEE shall repair all damages to the Premises and improvements caused by its employees, patrons, invitees, licensees, 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 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 maintenance or repair of the Premises. The Department shall be the sole judge of LESSEE'S performance under this Article 6 as to the quality of maintenance and repair. Upon written notice by the Department to LESSEE, LESSEE shall perform the required maintenance or repair in accordance with Department's decision. If LESSEE has not made a good faith effort, as determined by Department, to begin to perform said maintenance or repair within ten (10) days after written notice and to diligently pursue the same to completion, COUNTY shall have the right to enter on 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 the costs incurred by the Department, plus 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 invoice.

6.02 Utilities. LESSEE shall pay for all utilities used by it. LESSEE shall have the right, at its sole cost and expense, to connect to any and all utility mainlines or cables existing at the time of this Lease or installed during the Term.

6.03 Cleanliness of Premises; Grounds Maintenance. LESSEE shall, at its sole cost and expense, keep the Premises clean at all times and shall maintain and keep the through-way ramp area portion of the Premises free of obstructions so to allow unrestricted movement of aircraft and equipment. LESSEE shall not deposit nor store any waste, garbage, or refuse of any kind on any part of the Airport; provided, however, LESSEE may procure, together with other Building tenants, such appropriate type waste disposal containers as prescribed by COUNTY. All costs associated with the maintenance of the waste disposal containers shall be the responsibility of those tenants having caused such containers to be placed at the Building. The placement of such containers shall be limited only to those areas as designated for such purpose by the Department. The Department reserves the right to limit the number of such containers. LESSEE shall not use any areas of the Airport in a manner that causes or results in dust, debris or waste of any kind to be blown about or raised so as to be ingested by aircraft or individuals, or otherwise interfere with or disturb the use or enjoyment by others of their premises or any non-leased areas of the Airport. The Department shall reasonably determine whether LESSEE is in compliance with the maintenance obligations as provided for herein and shall provide LESSEE with written notice of any violations of LESSEE'S maintenance obligations. Immediately upon LESSEE'S receipt of COUNTY'S written notice of violation, LESSEE shall commence such corrective action as required by COUNTY or as may be necessary to remedy such non-compliance to satisfaction of COUNTY. If corrective action is not immediately initiated and pursued in a diligent manner to completion, the Department may cause the same to be accomplished and LESSEE hereby expressly agrees that LESSEE shall assume and be liable to COUNTY for payment of all the cleaning and grounds maintenance costs, plus twenty-five percent (25%) for administrative overhead. Such cleaning and grounds maintenance costs, plus the administrative cost, shall be due and payable within thirty (30) days of the date of written notice.

6.04 Security. LESSEE acknowledges and accepts full responsibility for the security and protection of the Premises and any and all inventory, equipment and facilities now existing or hereafter placed on or installed in or upon the Premises, and for the prevention of unauthorized access to its facilities and expressly agrees to comply with all laws, orders, rules, regulations and security directives of COUNTY, FAA, Transportation Security Administration ("TSA"), as now or hereafter amended, and of any and all other governmental entities that now or may hereafter have jurisdiction over security of the Airport. 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 improvements constructed thereon, shall be the sole responsibility of LESSEE and shall involve no cost to COUNTY.

ARTICLE 7
INSURANCE

LESSEE shall, at its sole expense, maintain in full force and effect at all times throughout the Term and any extension thereof, insurance limits, coverage or endorsements required herein. The requirements contained herein, as well as COUNTY's review or acceptance of insurance, is not intended to and shall not in any manner limit nor qualify the liabilities and obligations assumed by LESSEE under this Lease.

7.01 Commercial General Liability/Airport Liability. LESSEE shall maintain Commercial General Liability/Airport Liability Insurance with limits of liability not less than One Million Dollars (\$1,000,000) Each Occurrence including coverage for, but not limited to, Premises/Operations, Products/Completed Operations, Contractual Liability (covering this Lease, Personal/Advertising Injury and Cross Liability). Coverage shall be provided on a primary basis.

7.02 Hangarkeeper's Legal Liability. LESSEE shall maintain Hangarkeeper's Legal Liability Insurance, providing property damage to aircraft which are the property of others and in the care, custody, or control of LESSEE, but only while such aircraft are not in flight, in an amount not less than One Hundred Thousand Dollars (\$100,000) any one aircraft and Two Hundred Thousand Dollars (\$200,000) any one occurrence.

7.03 Business Auto Liability. LESSEE shall maintain Business Automobile Liability Insurance with limits of liability not less than One Million Dollars (\$1,000,000) Each Occurrence for owned, non-owned and hired automobiles. If LESSEE transports fuel the policy must include CA 99 48 Pollution Liability - Broadened Coverage for Covered Autos - Business Auto, Motor Carrier and Truckers Coverage Forms Endorsement or equivalent. In the event LESSEE has no owned automobiles, LESSEE shall only be required to maintain Hired & Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability or separate Business Auto Liability. Coverage shall be provided on a primary basis.

7.04 Aircraft Liability. LESSEE shall maintain Aircraft Liability Insurance with respect of all aircraft owned, leased or operated by the LESSEE for bodily injury (including death) and property damage liability in a Combined Single Limit Amount of not less than One Million Dollars (\$1,000,000) per occurrence, including a Passenger Liability sub-limit not less than One Hundred Thousand Dollars (\$100,000) per passenger.

7.05 Worker's Compensation & Employers Liability. LESSEE shall maintain Worker's Compensation and Employer's Liability Insurance in accordance with state and federal law. Coverage shall be provided on a primary basis.

7.06 Umbrella or Excess Liability. LESSEE may satisfy the minimum limits required above for Commercial General Liability/Airport Liability and/or Business Auto Liability and/or Aircraft Liability coverage under Umbrella or Excess Liability. The Umbrella or Excess Liability shall have an aggregate limit not less than the highest "Each Occurrence" limit for the Commercial General Liability/Airport Liability, Aircraft Liability or Business Auto Liability. COUNTY shall be endorsed as an "Additional Insured" on the Umbrella or Excess Liability, unless the Certificate of Insurance notes the Umbrella or Excess Liability provides coverage on a "Follow-Form" basis.

7.07 Property Insurance. LESSEE shall maintain property insurance in an amount not less than 100% of the total replacement cost of any betterments and improvements made by or on behalf of LESSEE as well as LESSEE's contents located on the Premises. The settlement clause shall be on a Replacement Cost basis. Coverage shall be written with a Special - Cause of Loss (All-Risk) form. Coverage shall be provided on a primary basis.

7.08 Additional Insured Endorsement LESSEE shall endorse the COUNTY as an Additional Insured on the Commercial General Liability/Airport Liability Insurance. A CG 2011 Additional Insured - Managers or Lessors of Premises or its equivalent shall be used. The Additional Insured endorsement shall provide coverage on a primary basis. The Additional Insured endorsement shall read "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents, c/o Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida, 33406-1470."

7.09 Loss Payee Endorsement. LESSEE shall endorse COUNTY as a Loss Payee on the Property, Flood, and Windstorm Insurance policies. The Loss Payee endorsement shall provide coverage on a primary basis. The Loss Payee endorsement shall read "Palm Beach COUNTY Board of COUNTY Commissioners, c/o Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida, 33406-1470."

7.10 Certificate of Insurance. Prior to the Commencement Date, LESSEE shall provide COUNTY with a certificate of insurance evidencing limits, coverage and endorsements required herein. The certificate of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage in the event coverage cancels or non-renews during the term of this Lease or any renewal thereof. The certificate must clearly indicate that Contractual Liability coverage applies to this Lease. LESSEE shall provide to COUNTY new certificate(s) of insurance evidencing replacement coverage thirty (30) days prior to the expiration of any coverage required hereunder. Certificate Holder's name and address shall read:

Palm Beach County Board of County Commissioners
c/o Department of Airports
846 Palm Beach International Airport
West Palm Beach, FL 33406-1470

7.11 Waiver of Subrogation. By entering into this Lease, LESSEE agrees to a Waiver of Subrogation for each required policy. When required by the insurer, or should a policy condition not permit an insured to enter into a pre-loss agreement to waive subrogation without an endorsement, LESSEE shall notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, a condition to which the policy specifically prohibits such an endorsement, or voids coverage should LESSEE enter into such an agreement on a pre-loss basis. Nothing contained in this Section shall be construed as an obligation of LESSEE to provide a Waiver of Subrogation in the event that LESSEE'S insurer will not provide it.

7.12 Premiums and Proceeds. LESSEE shall not keep, use, sell or offer for sale in or upon the Premises any article that may be prohibited by any, condition, provision, limitation, of the Property, Flood, or Wind Insurance policies. LESSEE shall agree to be responsible for all premiums, including increases, for Property, Flood, or Wind insurance policies. LESSEE agrees that all property, flood or windstorm insurance proceeds as a result of a loss shall be made available for use to promptly replace, repair or rebuild the building, betterments and improvements, including those made by or on behalf of LESSEE, so to ensure a replacement cost settlement or avoid policy cancellation.

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

7.14 Right to Review or Adjust Insurance. COUNTY'S Risk Management Department shall have the right, but not the obligation, to review, adjust, reject or accept insurance policies, limits, coverage, or endorsements throughout the Term or any extension thereof. COUNTY shall have the right, but not the obligation, to review and reject any insurer providing coverage because of poor financial condition or by way of illegal operation. COUNTY shall provide LESSEE written notice of such action and LESSEE agrees to cure or comply with such action within thirty (30) days of the date of such notice.

7.15 No Representation of Coverage Adequacy. The limits, coverage or endorsements identified herein are intended to primarily transfer risk and minimize liability of COUNTY. LESSEE acknowledges and agrees that LESSEE has not relied upon such requirements in assessing the extent or determining appropriate types or limits of coverage to protect LESSEE against any loss exposures, whether as a result of this Lease or otherwise.

ARTICLE 8 RELATIONSHIP OF THE PARTIES

LESSEE 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 therefore.

ARTICLE 9 INDEMNIFICATION

LESSEE agrees to protect, defend, reimburse, indemnify and hold COUNTY, its agents, employees and elected officers and each of them individually, free and harmless at all times from and against any claims, liability, expenses, losses, costs, fines and damages (including attorney fees and costs 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 bodily 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. Said 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 acknowledges the broad nature of this indemnification and hold-harmless clause and that COUNTY would not enter 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 in accordance with laws of the State of Florida. The obligations arising under this Article shall survive the expiration or termination of this Lease.

ARTICLE 10 DAMAGE OR DESTRUCTION OF PREMISES/IMPROVEMENTS

10.01 Damage or Destruction. LESSEE hereby assumes full responsibility for the condition of the Premises and character, acts and conduct of all persons admitted to the Premises by or with the actual or constructive consent of LESSEE or by or with the consent of any person acting for or on behalf of LESSEE. If the Premises, improvements, or any part thereof, are damaged in any way whatsoever by the act, default or negligence of LESSEE or its sublessees, contractors, employees, officers, licensees, agents or invitees, LESSEE shall, at its sole cost and expense, restore the Premises to the condition existing prior to such damage. LESSEE shall commence such restoration within thirty (30) days and shall diligently pursue such restoration to completion. Such repairs, replacements or rebuilding shall be made by LESSEE in accordance with the construction requirements established by the Department. If LESSEE fails to restore the Premises as required above, COUNTY shall have the right to enter the Premises and

perform the necessary restoration, and LESSEE hereby expressly agrees that it shall fully assume and be liable to COUNTY for payment of the costs incurred by COUNTY, plus twenty-five percent (25%) administrative overhead. Such restoration cost, plus the administrative cost, shall be due and payable within thirty (30) days from date of COUNTY's written notice.

10.02 Partial Destruction. If any of the improvements on the Premises are damaged or destroyed in part by fire or other casualty, COUNTY may terminate this Lease upon written notice to LESSEE within ninety (90) days after the date of any such damage or destruction or commence restoration of the Premises within a commercially reasonable period of time subject to the limitations set forth herein. In the event of restoration of the Premises by COUNTY pursuant to this paragraph, LESSEE'S obligation to pay rental shall be abated proportionately on a square footage basis as to that portion of the Unit rendered unusable by reason of casualty commencing on the date of the casualty. Such abatement shall continue until thirty (30) days after notice by COUNTY to LESSEE that the Premises have been substantially repaired or restored. Notwithstanding any provision of this Lease to the contrary, COUNTY shall have no obligation under this Lease to restore the Premises in the event the casualty was the result of the act, default or negligence of LESSEE or its sublessees, contractors, employees, officers, licensees, agents or invitees. In such event, LESSEE shall be obligated to restore the Premises in accordance with Section 10.01 above with no abatement in rental.

10.03 Total Casualty. In the event of a total casualty to the Premises, which renders the Premises unusable, as reasonably determined by the Department, either party shall have the right to terminate this Lease within ninety (90) days of the date of the casualty by delivering a written notice of termination to the other party in accordance with the notice provisions in this Lease; provided, however, LESSEE shall not have the right to terminate in the event the casualty was the result of the act, default or negligence of LESSEE or LESSEE'S sublessees, contractors, employees, officers, licensees, agents or invitees. In such event, LESSEE shall be obligated to restore the Premises in accordance with Section 10.01 above with no abatement in rental. In the event neither party terminates this Lease pursuant to this Section 10.03 and COUNTY elects to restore the Premises, LESSEE'S obligation to pay rental shall be abated until thirty (30) days after notice by COUNTY to LESSEE that the Premises have been substantially repaired or restored.

10.04 Waiver. LESSEE hereby waives any claim against COUNTY for damages or compensation in the event this Lease is terminated pursuant to Sections 10.02 or 10.03 above.

10.05 Limitations. Notwithstanding any provision of this Lease to the contrary, COUNTY obligation to repair, rebuild or restore LESSEE's personal property or fixtures or any improvements made by LESSEE to the Premises. In the event COUNTY elects to restore or rebuild the Premises following a casualty, COUNTY'S obligation to restore, rebuild or restore the Premises pursuant to this Lease shall exist only to the extent of the insurance proceeds received by COUNTY as a result of such casualty. LESSEE shall not be entitled to and hereby waives any claims against COUNTY for any compensation or damage for any loss of use of the Premises, in whole or in part, or for any inconvenience or annoyance occasioned by any such damage, destruction, repair or restoration. In addition, COUNTY shall not be liable for any damage or inconvenience or interruption of the business of LESSEE occasioned by fire or other casualty.

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

ARTICLE 11 TITLE TO IMPROVEMENTS

Notwithstanding any provision of this Lease to the contrary, upon the expiration of the Term or its earlier termination as provided herein, all structures and improvements constructed or placed upon the Premises by LESSEE shall become the absolute property of COUNTY, and COUNTY shall have every right, title and interest therein, free and clear of any liens; and any interest in such structures and improvements theretofore held by LESSEE, and absolute title thereto, shall thereafter be vested in COUNTY; provided, however, COUNTY shall be entitled, at its option, to have the Premises returned to COUNTY free and clear of some or all such improvements, at LESSEE'S sole cost and expense. In such event, COUNTY shall provide timely notification to LESSEE of its election to require removal of the improvements and to the extent possible, COUNTY shall notify LESSEE at least sixty (60) days prior to the effective date of such termination. LESSEE shall have sixty (60) days from date of notice within which to remove the improvements. If LESSEE fails to remove the improvements, COUNTY may remove same at LESSEE'S sole cost and expense.

ARTICLE 12 TERMINATION OF LEASE, CANCELLATION, ASSIGNMENT AND TRANSFER

12.01 Termination. This Lease shall automatically terminate at the end of the Term, unless renewed as provided for herein, and LESSEE shall have no further right or interest herein.

12.02 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 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 COUNTY 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 paragraphs A and B above, where such failure continues for a period of thirty (30) days after written notice from COUNTY; provided, however, that if the nature of LESSEE'S default is such that more than thirty (30) 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 thirty (30) 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.

12.03 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 COUNTY 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 any provision of 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 LESSEE in default.

12.04 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 termination, 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 pursuant to this Section 12.04, 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.

12.05 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.

ARTICLE 13 ASSIGNMENT

13.01 Assignment by LESSEE. LESSEE shall not, in any manner, assign, transfer, or otherwise convey an interest in this Lease, nor sublet the Premises or any part thereof, without the prior written consent of the Department. Any such attempted assignment, transfer, or sublease without Department approval shall be null and void. In the event the Department consents in writing as aforesaid, LESSEE shall have the right to the extent permitted by the Department's consent to sublease or assign all or any portion of the Premises, provided that any such sublease or assignment shall be limited to only the same purposes as are permitted under this Lease. In the event of a sublease in which the rentals, fees and charges for the sublease exceed the rentals, fees and charges payable by LESSEE for the Premises pursuant to this Lease, LESSEE shall pay to COUNTY fifty percent (50%) of the excess of the rentals, fees and charges received from the sublessee over that specified to be paid by LESSEE herein. Any such sublease or assignment shall be subject to the same conditions, obligations and terms as set forth herein and LESSEE shall be fully responsible for the observance by its assignees and sublessees of the terms and covenants contained in this Lease. Notwithstanding any provision of this Lease to the contrary, in the event of an approved sublease, LESSEE shall remain primarily liable to COUNTY for fulfilling all obligations, terms and conditions of this Lease, throughout the entire Term.

13.02 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 3.0 6 above to COUNTY's assignee.

ARTICLE 14 ALTERATIONS OR ADDITIONS; SIGNS

14.01 Alterations or Additions. LESSEE shall make no alterations or additions to the Premises or improvements constructed thereon, without the prior written consent of the Department. Any such additions, alterations or improvements shall be made in accordance with the construction requirements as established by the Department.

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

ARTICLE 15 LAWS, REGULATIONS, PERMITS AND TAXES

15.01 General. LESSEE agrees that throughout the Term and any extension thereof, LESSEE shall at all times be and shall remain in full and complete compliance with all applicable federal, state and local laws, statutes, regulations, rules, rulings, orders, ordinances and directives of any kind or nature, as now or hereafter amended, including, without limitation, FAA Advisory Circulars, Palm Beach County Airport Rules and Regulations (Appendix B, Palm Beach County Code) and Environmental Laws. For purposes of this Article 15, the term "Environmental Laws" means all applicable federal, state and local laws, rules, orders and regulations protecting human health, the environment and/or natural resources, as such laws, rules, orders and regulations are now or hereafter amended, including, without limitation, the Federal Clean Water Act, Safe Drinking Water Act, Clean Air Act, Resource Conservation and Recovery Act and Comprehensive Environmental Response, Compensation and Liability Act of 1980.

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

15.03 Air and Safety Regulation. LESSEE shall conduct its operations and activities under this Lease 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 LESSEE resulting from, or in any way related to, the conduct of LESSEE's business on the Premises. LESSEE shall procure and maintain such fire prevention and extinguishing devices as required by COUNTY and by law and shall at all times be familiar and comply with the fire regulations and orders of COUNTY and the fire control agency with jurisdiction at the Airport. LESSEE agrees that

neither LESSEE nor any employee or contractor or any person working for or on behalf of LESSEE shall be required 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 now or hereafter amended, as well as all state and local laws, regulations, and orders relative to occupational safety and health.

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

15.05 Environmental Indemnification. LESSEE hereby expressly agrees to indemnify and hold COUNTY harmless from and against any and all liability for fines and physical damage to property or injury or death to persons, including, without limitation, reasonable expenses and attorneys fees, arising from or resulting out of, or in any way caused by, LESSEE's failure to comply with any and all Environmental Laws. LESSEE understands that this indemnification is in addition to and is a supplement of LESSEE's indemnification agreement set forth in Article 9 of this Lease and that LESSEE fully understands the broad extent of this indemnification and hereby expressly acknowledges that it has received full and adequate consideration from COUNTY to legally support this indemnification agreement. LESSEE's obligations under this paragraph shall survive expiration or termination of this Lease.

15.06 Emergency Coordinator. LESSEE agrees that an emergency coordinator and phone number shall be furnished to the Department, COUNTY's Risk Management Department - Safety Division, and to all appropriate governmental entities having jurisdiction thereof in case of any spill, leak, or other emergency situation involving hazardous, toxic, flammable, and/or other pollutant/contaminated materials.

15.07 Payment of Taxes. LESSEE shall pay any and all taxes and other costs lawfully assessed against its interest in the Premises, the improvements, whether owned by LESSEE or COUNTY, personal property or its operations under this Lease including, without limitation, tangible, intangible, sales and ad valorem taxes, general or special assessments. In the event this Lease or LESSEE's use of the Premises renders the Premises subject to ad valorem real property taxes or similar impositions imposed by any government entity, LESSEE shall be responsible for and pay the same prior to delinquency. 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.

ARTICLE 16 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 INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE, OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF LESSEE OR LESSEE'S BUSINESS INVITEES THAT MIGHT BE LOCATED OR STORED ON THE PREMISES, UNLESS SUCH LOSS, DAMAGE, OR INJURY IS CAUSED SOLELY 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 LEASING OF THE PREMISES PURSUANT TO THIS LEASE.

ARTICLE 17 GOVERNMENTAL RESTRICTIONS

17.01 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 COUNTY, as a political subdivision of the State of Florida, or any of the public officials of COUNTY, of the right 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.

17.02 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, Code of Federal Regulations, as now or hereafter amended.

17.03 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.

17.04 Operation of Airport. LESSEE expressly agrees for itself, its subleases, 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.

17.05 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.

17.06 Hazardous Wildlife Attractants. LESSEE shall be prohibited from using the Premises in a manner which attracts, or has the potential to attract, hazardous wildlife to or in the vicinity of the Airport. LESSEE further agrees to comply with the provisions of Federal Aviation Administration Advisory Circular No. 150/5200-33, as now or hereafter amended, as such circular is interpreted by the Department.

17.07 Acknowledgment of Governmental Limitations. The parties acknowledge and agree that this Lease shall not limit or restrict COUNTY's discretion in the exercise of its governmental or police powers and shall not constitute a delegation of COUNTY's governmental authority or police powers to LESSEE. LESSEE acknowledges and agrees that this Lease: (i) in no way restricts the legislative, quasi-judicial or executive discretion of the Palm Beach County Board of County Commissioners or County staff; (ii) does not guarantee any particular results for LESSEE on the applications; and (iii) does not give rise to any enforceable right by LESSEE to require any particular results on the applications. LESSEE further acknowledges and agrees that all governmental actions to be taken by COUNTY, the Palm Beach County Board of County Commissioners, County staff and quasi-judicial boards regarding the Premises shall be in conformance with applicable laws and ordinances with no guarantees or agreement by COUNTY as to any particular recommendation or approval.

17.08 Governmental Review. LESSEE acknowledges that this Lease is subject to review or inspection by the United States government, State of Florida and agencies and departments thereof, including the FAA, to determine satisfactory compliance with state and federal law and/or grant assurance requirements. LESSEE agrees that this Lease shall be in full force and effect and binding upon both parties pending such review or inspection, if applicable; provided, however, that upon such review or inspection the parties agree to modify any of the terms of this Lease that are determined by the United States government, State of Florida or any agency or department thereof to be in violation of any applicable laws, regulations, grant assurances or other requirements.

17.09 Exclusive Rights. The rights granted hereunder are non-exclusive with the exception of LESSEE's exclusive right to use and occupy the Unit.

ARTICLE 18 NON-DISCRIMINATION

LESSEE for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree: (i) 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 in violation of applicable law; (ii) that in the construction of any improvements on, over, or under the 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 in violation of applicable law; and (iii) 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. In the event of a breach of any of the above nondiscrimination covenants, COUNTY shall have the right to terminate this Lease and to re-enter as if this Lease had never been made or issued. The foregoing provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including the expiration of any appeal rights.

ARTICLE 19 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 or any person whomsoever 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 or owner thereof. COUNTY shall not be liable for any damage or loss of said personal property.

ARTICLE 20 CONDEMNATION

If the Premises or any part thereof, or any improvements thereto, shall be taken, appropriated or condemned by exercise of the power of eminent domain, or conveyed or transferred pursuant to an agreement in lieu of condemnation, COUNTY shall be entitled to the entire award therefor, including, without limitation, any award relating to both LESSEE's leasehold estate and COUNTY's reversionary interest in the fee simple estate, without deduction, claim or setoff for any present or future estate of LESSEE. LESSEE hereby assigns and relinquishes to COUNTY all right, title and interest in such award and, upon request, shall execute all documents required to evidence such result. Notwithstanding the foregoing, LESSEE shall be entitled to pursue in such condemnation proceeding such award as may be allowed for moving expenses and business damages. In the event of a total taking of the Premises, this Lease shall terminate upon the date title vests in the condemning authority. In the event of such termination, the rental shall be prorated to the date of termination. COUNTY shall refund any remaining balance to

LESSEE after LESSEE has vacated the Premises and complied with all of its obligations arising hereunder prior to such termination, or as a result of such termination. Thereafter, the parties shall be relieved of all further obligations hereunder. Notwithstanding such termination, LESSEE shall remain liable for all matters arising under this Lease prior to such termination. In the event of a partial taking, the rental shall be abated on a pro rata basis. In the event of a temporary taking, the rental shall be abated on a pro rata basis for the period of time LESSEE is unable to use the portion of the Premises temporarily taken. After such period, the rental shall be restored to the amount which would have been then due without regard to such taking. COUNTY shall have no obligation to restore the Premises or otherwise perform any work upon same as a result of any such taking.

ARTICLE 21 MISCELLANEOUS

21.01 Authorized Uses Only. Notwithstanding any provision of this Lease to the contrary, LESSEE shall not use or permit the use of the Premises for any illegal purpose or for any purpose that would invalidate any policies of insurance, now existing or hereafter written on the Premises or the Airport for COUNTY or LESSEE.

21.02 Waiver. The failure of COUNTY or LESSEE 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 or LESSEE, respectively, may have for any subsequent breach or non-performance, and COUNTY's or LESSEE's right to insist on strict performance of this Lease shall not be affected by any previous waiver or course of dealing.

21.03 Subordination.

A. 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.

B. Subordination to State/Federal Agreements. This Lease shall be subject and subordinate to all the terms and conditions of any instrument and documents under which the 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, the State of Florida or any of their respective 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.

21.04 Easements. Nothing in this Lease shall impair any existing utility easements, nor impair the right of access to any existing utility lines. COUNTY reserves the right to grant utility easements, licenses, and rights of way to others over, under, through, across or on the Premises; provided, however, that such grant is not materially detrimental to the proper conduct of LESSEE's operations. If requested by COUNTY, LESSEE shall consent and join in any such easements, licenses or rights of way granted by COUNTY.

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

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

21.07 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.

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

21.09 Venue. Venue in any action, suit or proceeding in connection with this Lease shall be filed and held in a State court of competent jurisdiction located in Palm Beach COUNTY, Florida.

21.10 Notices. All notices and elections (collectively, "notices") to be given or delivered by or to any party hereunder, shall be in writing and shall be (as elected by the party giving such notice) hand delivered by messenger, courier service or overnight mail, or alternatively shall be sent by United States Certified Mail, with Return Receipt Requested. The effective date of any notice shall be the date of delivery of the notice if by personal delivery or courier services, or the next business day if by 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:

Palm Beach County
Department of Airports
ATTN: Director
846 Palm Beach International Airport
West Palm Beach, Florida 33406

With a copy to:

Palm Beach County
Attorney's Office
ATTN: Airport Attorney
301 North Olive Ave.
Suite 601
West Palm Beach, Florida 33401

LESSEE:

Mustang Air, Inc.
c/o Jack Shaver
11250 Aviation Blvd, Unit 6
West Palm Beach, Florida 33412
(561) 758-9584

With a copy to:

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.

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

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

21.13 Consent or Action. In the event this Lease is silent as to the standard for any consent, approval, determination, or similar discretionary action, the standard shall be at the sole, absolute and unfettered discretion of COUNTY or the Department, rather than any implied standard of good faith, fairness or reasonableness. Wherever this Lease requires COUNTY or the Department's consent or approval or permits COUNTY or the Department to act, such consent, approval or action may be given or performed by the Director of the Department or his or her designee. If LESSEE requests COUNTY's or the Department's consent or approval pursuant to any provision of this Lease and COUNTY or the Department fails or refuses to give such consent, LESSEE shall not be entitled to any damages as a result of such failure or refusal, whether or not unreasonable.

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

21.15 Performance. The parties expressly agree that time is of the essence in each and every provision of this Lease where a time is specified for performance 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.

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

21.17 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. LESSEE covenants and agrees to defend, indemnify and save the COUNTY harmless from and against any actions, damages, real estate commissions, fees, costs and/or expenses (including reasonable attorneys' fees), resulting or arising from any commissions, fees, costs and/or expenses due to any real estate brokers or agents because of the transaction contemplated by this Lease and the execution and delivery of this Lease, due to the acts of LESSEE. The terms of this section shall survive termination of this Lease.

21.18 Public Entity Crimes. As provided in Section 287.132-133, Florida Statutes, 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.

21.19 Excusable Delays. Neither COUNTY nor LESSEE 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.

21.20 Annual Appropriation. COUNTY's monetary agreements and obligations to perform under this Lease, if any, are expressly contingent upon annual appropriation of funding by the Palm Beach County Board of County Commissioners.

21.21 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.

21.22 Remedies Cumulative. Except as otherwise provided for herein, 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.

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

21.24 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.

(Remainder of Page Left Blank Intentionally)

IN WITNESS WHEREOF, the parties hereto have caused this Executive Hangar Lease Agreement to be signed by the COUNTY Administrator or his designee, the Director of the Department of Airports, pursuant to the authority granted by the Palm Beach County Board of County Commissioners, and LESSEE, Mustang Air, Inc. has caused these presents to be signed in its lawful name by its duly authorized officer, the VICE PRESIDENT, acting on behalf of LESSEE, and the seal of LESSEE to be affixed hereto the day and year first written above.

WITNESSES:

Connie Shoffner
Signature
Connie Shoffner
Print Name

C Howler
Signature
C Howler
Print Name

PALM BEACH COUNTY
BY THE COUNTY ADMINISTRATOR OR
DIRECTOR OF THE DEPARTMENT
OF AIRPORTS

BY [Signature]
County Administrator or Director

WITNESSES:

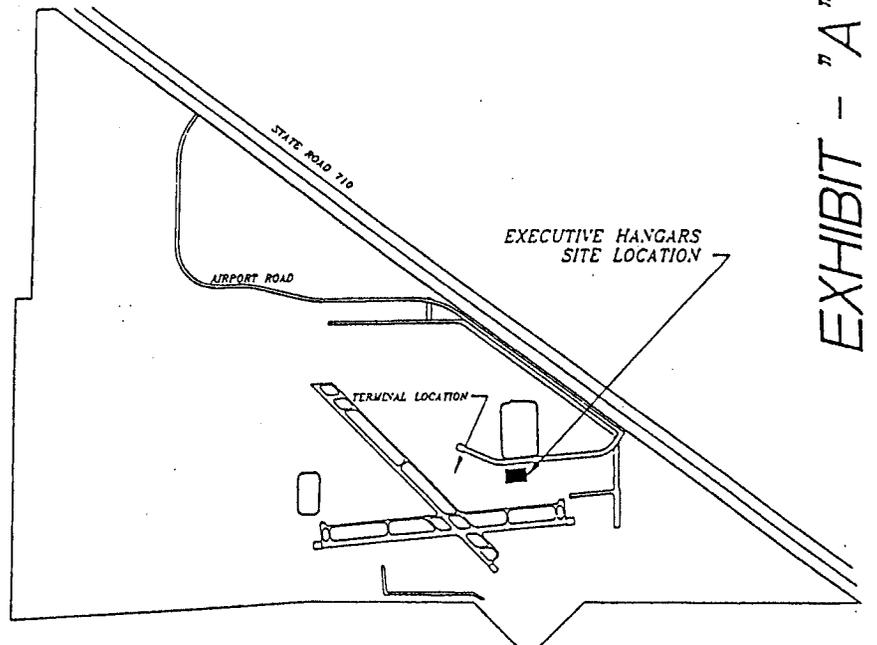
[Signature]
Signature
RL Nathbelta
Print Name
[Signature]
Signature
DENNIS H. SHERMAN
Print name

LESSEE:

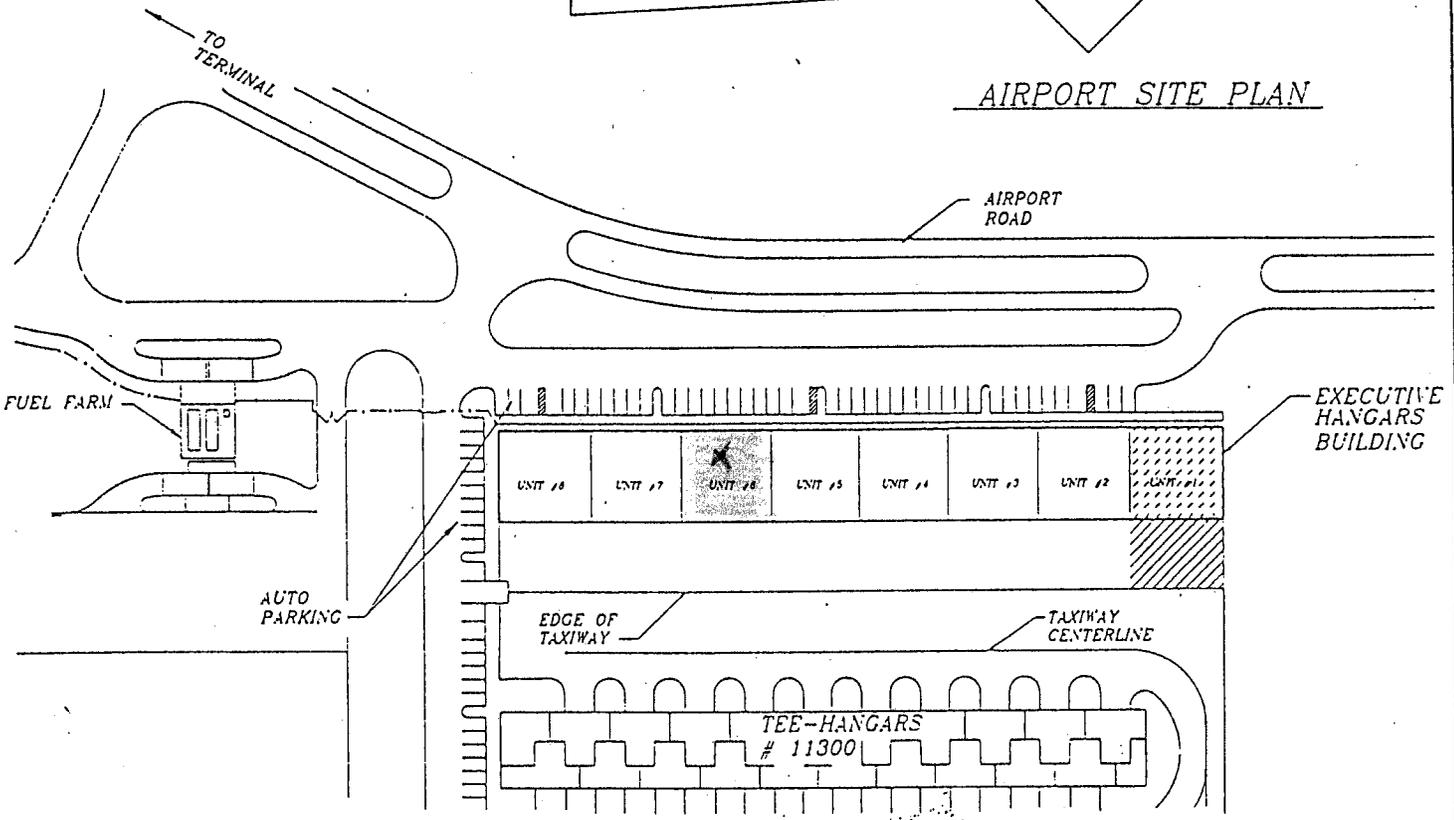
BY [Signature]
Signature
ROBT J. SHAVER
Print Name
Title VICE PRESIDENT

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: Anne Delgado
County Attorney



AIRPORT SITE PLAN



EXECUTIVE HANGARS SITE PLAN

EXHIBIT - "A"
EXECUTIVE HANGAR
BUILDING - # 11250



Palm Beach County
Department Of Airports
North Palm Beach County
General Aviation Airport

Drawn by: DLF
Approved by: MCT
Date: Oct. 1, 1995

Sheet
1 of 1

**AGREEMENT TO TERMINATE
HANGAR LEASE AGREEMENT
BETWEEN PALM BEACH COUNTY AND
MARTIN VARGAS**

This Agreement (this "Agreement") is made and entered into SEP 12 2007, 2007 by and between Palm Beach County, a political subdivision of the State of Florida (the "COUNTY"), and Martin Vargas, residing at 17859 Alexander Run, Jupiter, Florida, 33478 (the "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, pursuant to that certain Hangar Lease Agreement between COUNTY and LESSEE dated March 27, 2007 (R-2007-0638) (the "Hangar Lease Agreement"), LESSEE leases that certain hangar unit # 13, building 11730 on Airport property; and

WHEREAS, LESSEE has requested to terminate the Hangar Lease Agreement; and

WHEREAS, COUNTY has no objection to the termination of the Hangar Lease Agreement.

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:

1. The recitals set forth above are true and correct and form a part of this Agreement.
2. The parties hereby agree that the Hangar Lease Agreement shall be terminated effective September 30, 2007 (the "Termination Date").
3. COUNTY shall return LESSEE's security deposit within thirty (30) days of the Termination Date.
4. This Agreement shall become effective upon execution by the parties hereto.

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

Witnesses:

Connie Shoffner
Signature

Connie Shoffner
Print Name

Chandra
Signature

Colleen Hawkins
Print Name

By: [Signature]
County Administrator or designee

Witnesses:

[Signature]
Signature

Daniel Crymas Vargas
Print Name

[Signature]
Signature

Frida Vargas
Print Name

LESSEE:

By: [Signature]
Martin Vargas
Print Name

Title: Lessee

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

By: Anne Delgado
County Attorney

**AGREEMENT COVERING THE OPERATION OF AIRCRAFT
AT PALM BEACH INTERNATIONAL AIRPORT**

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

EXPRESSJET AIRLINES, INC.

AIRLINE

AGREEMENT COVERING THE OPERATION OF AIRCRAFT
AT PALM BEACH INTERNATIONAL AIRPORT

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AGREEMENT COVERING THE OPERATION OF AIRCRAFT
AT
PALM BEACH INTERNATIONAL AIRPORT

THIS AGREEMENT is made and entered into this ____ day of SEP 11 2007, 2007, by and between PALM BEACH COUNTY, a political subdivision of the State of Florida (hereinafter referred to as the "COUNTY"), and **ExpressJet Airlines, Inc.**, a Delaware corporation, having its office and principal place of business at 4750 World Houston Parkway, Suite 200, Houston, Texas 77032 (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 operate its air transportation business at the Airport; and

WHEREAS, COUNTY is willing to grant AIRLINE the right to operate at the Airport and to grant AIRLINE certain privileges in connection therewith in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration 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
TERM

This Agreement shall commence on the 1st 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 II
USE

AIRLINE shall have the non-exclusive privilege of landing, taking off, parking and other uses of designated landing areas, taxiways, ramps and Airport terminal facilities as may be required for AIRLINE's operation of its air transportation business at the Airport. Use of Airport terminal facilities shall be at such times and places as approved by the Department.

ARTICLE III

FEES AND CHARGES

3.01 Fees and Charges.

A. AIRLINE shall pay to COUNTY, for the rights and privileges granted herein, the fees and charges as established by the COUNTY from time-to-time. AIRLINE hereby acknowledges receipt of a copy of the fees and charges in effect at the Airport as of the date of this Agreement. When such fees and charges are revised by the COUNTY, AIRLINE shall pay such revised fees and charges.

B. Fees and charges shall be reviewed annually and adjusted as necessary effective upon the first day of each new Fiscal Year of COUNTY, throughout the entire term hereof, and at any time that unaudited Airport financial data indicates that total fees and charges payable pursuant to the then current rate schedules are estimated and anticipated by Department to vary by more than ten percent (10%) from the total fees and charges that would be payable based upon the use of actual financial data to date for that Fiscal Year. "Fiscal Year" means the then current annual accounting period of COUNTY for its general accounting purposes which, at the time of entering into this Agreement, is the period of twelve (12) consecutive calendar months ending with the last day of September of each year.

C. Adjustments to fees and charges, pursuant to this Article III, shall apply without the necessity of formal amendment of this Agreement. A statement showing the calculation of the new rates for fees and charges shall be prepared by the Department and delivered to AIRLINE pursuant to Article XIII below. Upon delivery to AIRLINE by Department, said statement shall then be deemed part of this Agreement.

D. If adjustment of fees and charges is not completed by Department on or prior to the beginning of the new Fiscal Year, the fees and charges then in existence shall continue to be paid by AIRLINE until such adjustment is concluded. Upon conclusion of such adjustment calculations, any difference(s) between the actual fees and charges paid by AIRLINE through the date of said adjustment for the then current Fiscal Year and the fees and charges that would have been paid by AIRLINE using said adjusted rates shall be remitted to the party to whom it is due within thirty (30) days of Department's delivery of the revised statement of fees and charges.

3.02 Payment.

A. AIRLINE payments to COUNTY for the fees and charges due hereunder shall be paid in lawful money of the United States of America, by check payable to Palm Beach County, without set off, and shall be made at such places as Department may designate, which at the commencement 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. Payment for fees and charges based upon AIRLINE's monthly activity, including but not limited to (i) landing fees; (ii) law enforcement officer fees; (iii) Federal Inspection Facility

fees; (iv) Environmental Operating Fees; and (v) commuter operating area and apron fees, if applicable, shall be due without demand or invoicing on the tenth (10th) day following the month in which said activity occurred. Said 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. Department agrees to provide invoices to AIRLINE for said fees and charges solely for the purpose of AIRLINE's information and documentation; provided, however, said invoice shall not be deemed to be evidence of the accuracy of the amount so invoiced, and further, shall not be deemed a waiver of any of COUNTY's rights hereunder.

C. Payment for other fees and charges due hereunder, including, but not limited to (i) baggage claim conveyors and devices; (ii) baggage claim area; (iii) employee parking charges; (iv) concourse areas and tug drives, if applicable; and (v) other miscellaneous charges, shall be due as of the date of Department's invoice. Said fees and charges shall be deemed delinquent if payment is not received within thirty (30) days of the date of invoice.

D. Department 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 [1½%] 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 fees or charges, or from enforcing any other provisions contained herein or provided by law.

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

3.03 Partial Month Charges. In the event the commencement or termination date with respect to any of the particular 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 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 rights, licenses, services, or privileges were enjoyed during that month.

3.04 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 3.04 (A) hereinabove, within the time specified herein, or if the data set forth on said written report(s) submitted to Department is questionable, the Department may, based on previous reports or other information available to Department, estimate AIRLINE's activity for said 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. Said invoice shall be deemed delinquent if payment is not received by the twentieth (20th) day following the month in which such estimated activity occurred.

3.05 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/her 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 Article 3.04 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 Department's invoicing therefor. Such payment by AIRLINE shall not abrogate AIRLINE's right to contest the validity of said underpayments. Any overpayments made by AIRLINE shall be promptly remitted or at Department's option credited to AIRLINE.

3.06 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 or Surety Bond ("Contract Security") in the amount of Fifty Thousand dollars (\$50,000.00) or an amount equal to the Department's estimate of three (3) months' fees and charges payable by AIRLINE pursuant to this Article III, whichever is greater. Such Contract Security shall guarantee the faithful performance by AIRLINE of its obligations under this

Agreement and the payment of all 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 may adjust the amount of said Contract Security required hereunder, annually during the term of this Agreement or any renewal thereof; provided, however, that Department shall have the right to adjust the amount of said Contract Security at any time, if and when AIRLINE changes its operating schedule, including the type of aircraft operated, or if COUNTY revises the fees and charges pursuant to Article 3.01 hereinabove. In such event, AIRLINE shall submit such adjusted Contract Security within thirty (30) days of receipt of Department's notice thereof.

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 IV **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 V **INSURANCE**

5.01 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. In addition to such insurance as may be required by law and regulation, 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; provided however, that if the scope and conduct of the AIRLINE'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 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, Product and 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 5.01 (A.1.) through (A.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.

B. 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 execution of this Agreement by both parties. 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.

C. 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.

D. 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.

E. 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.

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

G. AIRLINE shall not knowingly use or permit the use of 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 Airport for any purpose which would invalidate any policies of insurance, now existing or hereafter written on 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.

5.02 Waiver of Subrogation. COUNTY and AIRLINE hereby mutually waive any and all rights of recovery against the other party arising out of damage or destruction of the Airport terminal facilities 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 VI **ASSIGNMENT BY AIRLINE**

AIRLINE shall not in any manner assign, transfer, mortgage, pledge, encumber, hypothecate or otherwise convey an interest in this Agreement without the prior written consent of COUNTY. Such consent shall not be unreasonably withheld. The foregoing shall not prevent the

assignment of this Agreement to any corporation with which AIRLINE may merge or consolidate; provided however, such successor corporation, not later than thirty (30) days prior to 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.

ARTICLE VII
GOVERNMENT INCLUSION

7.01 Non-discrimination. AIRLINE for itself, its successors in 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 services of AIRLINE, and (2) that AIRLINE shall use the Airport 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 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.

7.02 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 service 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 Article 7.02 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.

7.03 Rights Non-Exclusive. Notwithstanding anything herein contained, the rights, privileges and licenses granted under this Agreement are "non-exclusive" and COUNTY reserves the right to grant same to others.

7.04 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 VIII
LAWS, REGULATIONS, PERMITS, TAXES AND COMPLIANCE

8.01 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 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 Resolution R-98-220 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 asserts the authority, 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 may contest the validity of such regulations 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.

8.02 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 an 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, 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.

8.03 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 exercise due care at all times.

8.04 Payment of Taxes. AIRLINE shall pay any and all taxes and other costs lawfully assessed against 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.

8.05 Compliance By Other Airport Users. 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 IX GENERAL PROVISIONS

9.01 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.

9.02 County Not Liable. 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 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.

9.03 Quiet Enjoyment. COUNTY covenants that so long as AIRLINE timely pays all 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 privileges granted herein, free from any unauthorized interference by COUNTY during the term hereof.

ARTICLE X **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 XIII hereinbelow.

ARTICLE XI **NO INDIVIDUAL LIABILITY**

No member, officer, agent, director, or employee of COUNTY shall be charged personally, or held contractually liable by or to AIRLINE, 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 XII **TERMINATION AND CANCELLATION OF AGREEMENT**

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

12.02 COUNTY's Right of Cancellation. In addition to other cancellation or termination rights contained in this Agreement, 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:

- A. The filing by AIRLINE of a voluntary petition for bankruptcy.
- B. The institution of proceedings in bankruptcy against AIRLINE and adjudication of AIRLINE as a bankrupt pursuant to said proceeding.
- C. 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.
- D. The appointment of a receiver of AIRLINE's assets.
- E. The divestiture of AIRLINE's estate herein by operation of law.
- F. 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.
- G. 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 Department to cease said business or acts.
- H. Default in the performance of any of the covenants and conditions required herein (except Contract Security, and insurance requirements as hereinbefore set forth, and payment of fees and charges as hereinafter set forth) and said default is not cured within thirty (30) days of receipt of written notice by Department 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 AIRLINE of written demand from Department 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.

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

12.03 Cancellation for Default in Payments. If AIRLINE fails to pay the whole or any part of the fees and charges due hereunder and continues to fail to pay said amounts in full within ten (10) days from Department'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.

12.04 Cancellation by Airline. 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 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 XIII
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 COUNTY:

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

TO AIRLINE:

ExpressJet Airlines, Inc.
Attn: Director Properties and Facilities
4750 World Houston Parkway
Suite 200
Houston, Texas 77032

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 XIV
SUBORDINATION

14.01 Subordination to Bond Resolution. 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 assignment made by COUNTY to secure Bonds and to the terms and conditions of the Palm Beach County Airport System Revenue Bond Resolution dated April 3, 1984, as amended and supplemented (the "Bond Resolution"), and 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 to the extent such possession, enjoyment and exercise are necessary to insure compliance by AIRLINE and COUNTY with the terms and provisions of this Agreement and the Bond Resolution.

14.02 Subordination to Federal Agreements. 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 Airport 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.

ARTICLE XV **REMEDIES CUMULATIVE**

COUNTY's rights and remedies 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 COUNTY.

ARTICLE XVI **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 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 XVII **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 XVIII **RIGHTS RESERVED TO COUNTY**

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

ARTICLE XIX
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 XX
VENUE

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

ARTICLE XXI
GOVERNING LAW

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

ARTICLE XXII
ATTORNEY'S FEES

(Intentionally left blank)

ARTICLE XXIII
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 XXIV
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.

ARTICLE XXV
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 XXVI
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 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 XXVII
PUBLIC ENTITY CRIMES

As provided in F.S. 287.132-133, by entering into this Lease or performing any work in furtherance hereof, AIRLINE 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 XXVIII
ENTIRETY OF AGREEMENT

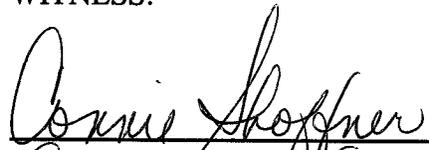
The parties agree that this Agreement sets forth the entire agreement between the parties, and there are no promises or understandings other than those stated herein. Except as otherwise provided in this Agreement, none of the provisions, terms, and conditions contained in this Agreement may be added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

(Remainder of page intentionally left blank.)

IN WITNESS WHEREOF, the COUNTY has caused this **Agreement Covering the Operation of Aircraft at 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, **ExpressJet Airlines, Inc.**, 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:

PALM BEACH COUNTY, FLORIDA



Signature

Connie Shottner

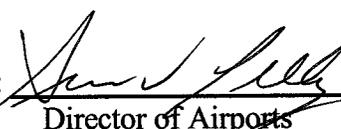
Typed or printed name



Signature

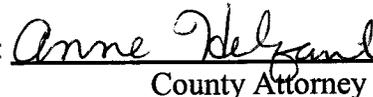
Jeremy Perusse

Typed or printed name

By: 

Director of Airports

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: 

County Attorney

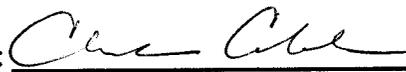
ATTEST:

AIRLINE:

EXPRESSJET AIRLINES, INC.

By: 

Secretary

By: 

EXPRESSJET AIRLINES, INC.



-Typed Name of Corporate Officer-

Vice President

Title: Field Service and Purchasing

(Corporate Seal)

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



Signature

MARY LOU CASTILLO

Typed or printed name



Signature

Teresa Volkmann

Typed or printed name

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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.

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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.

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

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

A. Terminal Rental Rates for Signatory Airlines:

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.**

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NOTES TO EXHIBIT E

to the Airline-Airport Use and Lease Agreement
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CALCULATION OF RATES FOR TERMINAL
RENTALS, APRON FEES AND LANDING FEES

A. EXPLANATION OF EXHIBIT E LINE ITEMS

1. Direct Operation and Maintenance Expenses: Expenses associated with operation and maintenance of the Airport and directly assignable to the Terminal or Airside cost centers shall be included as Direct Operation and Maintenance Expenses for Terminal Rentals and Landing Fees, respectively.
2. Indirect Operation and Maintenance Expenses: Expenses associated with operation and maintenance of the Airport and assignable to the indirect Airport cost centers shall be allocated to the direct cost centers on the basis of the procedures set forth in Section C below.
3. Direct and Indirect Debt Service: Debt Service, Subordinated Debt Service, and Other Debt Service directly assignable to the Terminal or Airside cost centers, and allocable Indirect Debt Service, Subordinated Debt Service, and Other Debt Service shall be included in the calculation of Terminal Rentals and Landing Fees. For the purposes of this Agreement, annual debt service costs for the Series 2001, Series 2002, and Series 2006B shall be allocated as follows:

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

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

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

4. Debt Service Charges Coverage: Twenty-five percent of Direct and Indirect Debt Service and such other amounts as may be required for Subordinated Indebtedness, and/or Other Debt Service, if any, shall be included in the calculation of Terminal Rentals and Landing Fees.
5. Debt Service Charges Reserve Requirement: Allocable portions of required deposits to the Debt Service Reserve Requirement, calculated based on the Direct and Indirect Debt Service attributed to the Terminal and Airside cost centers shall be included in the calculation of Terminal Rentals and Landing Fees, respectively. Allocable portions of reserve requirements, if any, for Subordinated Debt Service and/or Other Debt Service shall also be included.
6. Operation and Maintenance Reserve Retention: The Airport Operation and Maintenance Reserve requirement shall be one-sixth of the budgeted Operation and Maintenance Expenses for the Fiscal Year for which rates are being determined. The Operation and Maintenance Reserve Retention shall be one-sixth of the change in the budgeted Operation and Maintenance Expenses for the Fiscal Year for which Rates and Charges are being calculated over the estimated Operation and Maintenance Expenses for the preceding Fiscal Year. The Terminal and Airside cost centers shall receive an allocation of the Operation and Maintenance Reserve Retention in proportion to each direct cost center's share of total Operation and Maintenance Expenses for all direct cost centers.
7. Amortization Charges: Amortization charges for Capital Expenditures made to the Airside, including the Ramp Area, and the Terminal, when such Capital Expenditures are paid for with COUNTY funds available for such purposes, including retained surpluses in the Improvement and Development Fund, shall be included in the calculation of Terminal Rentals and Landing Fees.
8. FIS Facility Expenses: FIS Facility Expenses are equal to the sum of Direct Operation and Maintenance Expenses, Indirect Operation and Maintenance Expenses, Direct and Indirect Debt Service, Debt Service Coverage, Debt Service Reserve Requirement, Operation and Maintenance Reserve Retention and Amortization Charges properly attributable to the Air Carrier FIS Facility located in the Terminal.

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9. **Applicable Direct Revenues:** Applicable direct Revenues that shall be credited to the Landing Fees Total Requirement are one hundred percent (100%) of Non-Signatory Airline landing fee revenues, one hundred percent (100%) of airfield services revenues, one hundred percent (100%) of aviation fuelling 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:

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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.

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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
TOTAL OPERATION AND MAINTENANCE EXPENSE	15,999,022	6,096,669
3. Direct and Indirect Debt Service Charges	5,727,885	1,152,939
4. Debt Service Coverage	1,431,971	288,235
5. Debt Service Reserve Requirement	0	0
6. O & M Reserve Retention	359,686	58,862
7. Amortization Charges for capital projects	<u>943,822</u>	<u>84,018</u>
8. TOTAL REQUIREMENT	24,462,387	7,680,722
9. LESS: 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	745,000
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
Differential Terminal Rates		
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"
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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
AIRSIDE			
Sig. Airline Landing Fees	5,100,504	4,800,000	4,839,469
Non-sig. Airline landing fees	114,222	114,000	105,916
Apron fees	982,334	700,000	768,072
Airfield services	58,065	50,000	50,000
Aviation Fueling	835,747	900,000	900,000
Miscellaneous Revenues	280,503	423,586	506,000
Sub-Total	7,371,375	7,057,586	7,169,457
TERMINAL			
Airline Terminal Rental	13,828,338	12,350,000	13,133,410
Car Rental Terminal Rents	221,820	195,000	195,000
Food and Beverage Concessions	1,596,433	1,700,000	1,750,000
News and Gift Concessions	2,113,317	2,150,000	2,200,000
Other Concessions	436,770	441,500	440,000
Tenant Equipment Charges	2,277,482	2,300,000	2,400,000
FAR 107/108 Reimbursements	492,482	500,000	0
Commuter Fees			200,000
Non-airline Rents and Misc.	417,988	408,500	411,500
Sub-Total	21,384,630	20,045,000	20,729,910
Terminal F.I.S.	40,116	40,000	40,000
GROUND TRANSPORTATION			
Automobile parking	14,718,885	16,000,000	18,200,000
Ground Rental	558,019	565,000	565,000
On-airport car rental	10,373,459	10,700,000	10,850,000
Off-airport car rental	84,644	88,000	88,000
Taxi/Limo	226,636	230,000	235,000
Miscellaneous Revenues	106,317	60,000	60,000
Sub-Total	26,067,960	27,643,000	29,998,000
AVIATION SERVICES			
Building Rentals	398,978	398,000	398,000
Ground Rentals	1,029,230	1,200,000	1,200,000
Airline Catering	190,514	180,000	180,000
Aircraft Parking	67,933	0	0
Miscellaneous Revenues	79,964	80,300	80,300
Sub-Total	1,766,619	1,858,300	1,858,300
Air Cargo Facility	227,276	225,500	225,500
NON-AVIATION SERVICES			
Building Rentals	1,232,445	1,048,600	750,000
Ground Rentals	(78,701)	120,000	120,000
Miscellaneous Revenues	5,229	5,200	5,200
Sub-Total	1,158,973	1,173,800	875,200
Non-Aviation: Section 6	1,172,029	1,171,500	1,171,500
LANTANA AIRPORT			
	111,483	115,500	115,500
GLADES AIRPORT			
	7,493	8,000	8,000
NORTH COUNTY AIRPORT			
	1,005,356	1,049,000	1,067,000
ADMINISTRATION			
	1,926,371	1,876,000	1,576,000
Other	47,107	51,900	46,200
TOTAL	62,286,788	62,315,086	64,880,567

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

Detail of Operation and Maintenance
Expense and Debt Service

	FY 2005 Audited	FY 2006 Re-Estimated	FY 2007 Budgeted
DIRECT EXPENSES			
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
INDIRECT EXPENSES			
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
TOTAL EXPENSES	<u>37,023,511</u>	<u>39,854,600</u>	<u>43,635,224</u>
Debt Service-Total			
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>
Debt Service-signatory Airlines			
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 "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

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>
Total Transfers	<u>3,300,651</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

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

Type of Space	Ticket Counters 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) (1)	Curbside Office Sq. Ft. (4) (1)	Bag Svc Office Sq. Ft. (4) (1)	Operations Area Sq. Ft. (4) (1)	Commuter Operating Area Sq. Ft. n/a	Tug Drive Sq. Ft. (5) (1)	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			5,009.53		5,009.53
American	576.18	1,089.89		2,714.98			1,145.10	90.84	357.00	1,809.59			7,783.38		7,783.38
Continental	1,368.50	2,324.99		5,858.73			4,453.13	144.00	719.90	2,823.92			17,683.17		17,683.17
Delta	2,148.00	4,048.24	4,619.00	9,924.73			5,326.36	192.00	805.76	18,002.54			45,067.83		45,067.83
Independence													0.00		0.00
JetBlue	867.49	867.49		2,970.18			2,850.00	192.00	223.24	4,699.22			12,669.82		12,669.82
Northwest	711.26	649.77		2,478.84			1,781.25	93.28	345.63	1,900.00			7,960.03		7,960.03
Southwest	1,149.50	1,869.27		3,377.12			1,375.04	90.84	222.18	4,266.94			12,343.69		12,343.69
United	685.00	1,554.04		2,714.98			2,078.13	96.00	179.43	460.21			7,737.79		7,737.79
USAirways	1,331.00	2,680.51		4,167.40			4,156.25	280.00	532.75	4,967.31			18,015.22		18,015.22
Unassigned	2,077.57	4,789.53	3,878.98	18,564.66			5,180.70	101.36	0.00	7,095.28			39,688.06		39,688.06
Space Sub-Total	11,346.50	20,643.93	8,497.96	53,486.60			29,109.36	1,369.28	3,385.89	46,118.60			173,958.12		173,958.12
Joint Use Space					30,557.68	38,517.73					4,797.73	26,698.74	100,571.88		100,571.88
Airline Total Space	11,346.50	20,643.93	8,497.96	53,486.60	30,557.68	38,517.73	29,109.36	1,369.28	3,385.89	46,118.60	4,797.73	26,698.74	274,530.00		274,530.00
Concessions/TSA Space 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	26,698.74	274,530.00	55,152.69	329,682.69
Unenclosed Areas															
FIS Space														22,876.00	22,876.00
Public Areas														28,170.30	28,170.30
Administration Areas														126,376.57	126,376.57
Mechanical/Utility														21,813.23	21,813.23
Sub-Total Non-rentable														45,614.50	45,614.50
Total Terminal Area	11,346.50	20,643.93	8,497.96	56,866.49	30,557.68	38,517.73	29,109.36	1,369.28					274,530.00	300,003.29	574,533.29

Notes:

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

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

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

	Number of Narrow Body Gates	Narrow Body Gate Positions	Number of Wide Body Gates	Wide Body Gate Positions	Total Gate Positions	Total Linear Feet
AirTran			1	C-6	1	175
American			1	C-11	1	175
Continental			2	B-4,6	2	360
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		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.