

AGENDA ITEM
CONTAINS MORE THAN 50 PAGES **PALM BEACH COUNTY**
IT MAY BE VIEWED IN BOARD OF COUNTY COMMISSIONERS
COUNTY ADMINISTRATION

AGENDA ITEM SUMMARY

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Meeting Date: **March 17, 2009**

[**x**] **Consent** [] **Regular**
[] **Workshop** [] **Public Hearing**

Department:

Submitted By: **Department of Airports**

Submitted For:

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I. EXECUTIVE BRIEF

Motion and Title: **Staff recommends motion to approve:** Air Cargo Building Lease and Operating Agreement (Agreement) with Federal Express Corporation (FedEx) for the lease of cargo space at the Palm Beach International Airport (PBIA) for initial annual rental and fixed aircraft parking fees in the amount of \$337,511.

Summary: The Agreement provides for the lease of approximately 29,914 square feet of interior cargo space to FedEx for office administration, shipping, receiving and sorting of parcels, freight and cargo. The Agreement also provides FedEx with the preferential right to utilize one aircraft parking position, which will result in annual aircraft parking fees of \$36,000 per year. The term of the Agreement is five years with one five-year renewal at FedEx's option. FedEx has agreed to expend a minimum of \$425,000 on the design, construction and installation of leasehold improvements in exchange for a rental credit of \$42,500 per year. In addition to fixed rental and fees, FedEx will be obligated to pay aircraft landing fees and other variable fees based on its operations at PBIA. FedEx will be required to complete construction of its improvements within one year of the effective date of the Agreement. Payment of rental will commence on substantial completion of the leasehold improvements or November 1, 2009, whichever occurs first. **Countywide (JMB)**

Background and Justification: The air cargo facility is a multiunit structure comprising approximately 40,000 square feet of interior cargo space. The United Parcel Service currently occupies approximately 6,000 square feet of space with the remainder of the facility remaining vacant. FedEx estimates approximately 40 employees will be employed at the PBIA facility and that the facility will be in operation by December 2009. Rental for the air cargo facility was determined by appraisal.

Attachments:

1. Agreement (4)

LB

Recommended By: _____

Department Director

2/11/09

Date

Approved By: _____

County Administrator

3/2/09

Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Capital Expenditures	<u>\$0</u>	<u>\$38,958</u>	<u>\$42,500</u>	<u>\$42,500</u>	<u>\$42,500</u>
Operating Costs					
Operating Revenues	<u>\$0</u>	<u>(\$348,434)</u>	<u>(\$380,011)</u>	<u>(\$380,011)</u>	<u>(\$380,011)</u>
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	<u>\$0</u>	<u>(\$309,476)</u>	<u>(\$337,511)</u>	<u>(\$337,511)</u>	<u>(\$337,511)</u>
# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included in Current Budget? Yes _____ No X
Budget Account No: Fund _____ Department _____ Unit _____ R-src _____
Reporting Category _____

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

The Agreement provides for an initial annual rental of \$344,011 with an annual rental credit of \$42,500. Rental will commence upon substantial completion of FedEx's leasehold improvements or November 1, 2009, whichever occurs first. Rental will be adjusted on October 1, 2010 based on appraisal. FedEx will also be obligated to pay fixed aircraft parking fees of \$36,000 per year. In addition to fixed rental and fees, FedEx is required to pay variable fees, such as aircraft landing fees and per use aircraft apron parking fees, based on its operations at PBIA.

C. Departmental Fiscal Review:

Michael S. Smith

III. REVIEW COMMENTS

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

John D. Smith 2/23/09
OFMB
CN 2/18/09

John J. Jacoby 2/24/09
Contract Dev. and Control
E. Jones 2/24/09

B. Legal Sufficiency:

James Brada 2/27/09
Assistant County Attorney

This Contract complies with our
contract review requirements.

C. Other Department Review:

Department Director

**AIR CARGO BUILDING LEASE AND OPERATING AGREEMENT
PALM BEACH INTERNATIONAL AIRPORT**

Department of Airports

Palm Beach County, Florida

and

Federal Express Corporation, a Delaware Corporation

Tuesday, January 27, 2009

**AIR CARGO BUILDING LEASE AND OPERATING AGREEMENT
PALM BEACH INTERNATIONAL AIRPORT**

THIS AIR CARGO BUILDING LEASE AND OPERATING AGREEMENT (this "Lease") is made and entered into _____, by and between Palm Beach County, a political subdivision of the State of Florida ("County"), and Federal Express Corporation, a Delaware corporation, having an office and place of business at 3680 Hacks Cross Road, Building H, 3rd Floor, Memphis, Tennessee, 38125 ("Tenant"), and whose Federal I.D. number is 71-0427007 (County and Tenant are sometimes referred to herein individually as a "party" and collectively as the "parties").

WITNESSETH:

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

WHEREAS, County has certain areas within its air cargo facilities at the Palm Beach International Airport, which are available for lease; and

WHEREAS, Tenant desires to lease space within an air cargo building located on the Airport for the purpose of conducting its air freight and cargo operations; and

WHEREAS, Tenant has indicated a willingness and demonstrated the ability to properly keep, maintain and improve 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 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
RECITALS

The foregoing recitals are true and correct and are hereby incorporated herein by reference.

ARTICLE 2
DEFINITIONS

The following terms set forth below, when used in this Lease, shall be defined as follows:

2.01 "Additional Rent" has the meaning set forth in Section 5.13.

2.02 "Adjustment Date" has the meaning set forth in Section 5.04.

2.03 "Airline-Airport Use and Lease Agreement" means the then current Airline-Airport Use and Lease Agreement approved by the Board. As of the date of this Lease, the most current version of the Airline-Airport Use and Lease Agreement was approved pursuant to Resolution No. R-2006-1906 and is incorporated herein by reference. By incorporating the Airline-Airport Use and Lease Agreement by reference into this Lease, the parties do not intend to alter the plain meaning of the provisions set forth in this document or to enlarge any obligations, or diminish any rights, that Tenant has by virtue of the terms contained within this document. If any inconsistency exists between terms of this Lease and terms of the Airline-Airport Use and Lease Agreement that address the same subject matter (such as indemnification, insurance, disclaimers of liability, and compliance with Environmental Laws), the terms of this Lease will prevail.

2.04 "Aircraft Parking Apron" has the meaning set forth in Section 4.02(A).

2.05 "Aircraft Parking Fees" means the Preferential Use Aircraft Parking Fee and Per Use Aircraft Parking Fee.

2.06 "Air Cargo Building" means Building 1475 located on the Airport.

2.07 "Air Cargo Building Parking Lot" has the meaning set forth in Section 4.02(B).

2.08 "Airport" means Palm Beach International Airport located in Palm Beach County, Florida.

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

2.10 "Assigned Building Premises" has the meaning set forth in Section 4.01(A).

2.11 "Assignment" has the meaning set forth in Section 17.01.

2.12 "Bond" has the meaning set forth in Section 5.10.

2.13 "Bond Resolution" means the Palm Beach County Airport System Revenue Bond Resolution dated April 3, 1984 (R-84-427), as amended and supplemented, which is hereby incorporated herein by reference and made a part hereof.

2.14 "Board" means the Board of County Commissioners of Palm Beach County, Florida.

2.15 "Commencement Date" has the meaning set forth in Section 3.01.

2.16 "Department" means the Palm Beach County Department of Airports.

2.17 "Director" means the Director or Acting Director of the Department of Airports.

2.18 "Derelict Aircraft" means an aircraft, stored in the open, that:

- A. Does not hold a current and valid airworthiness certificate issued by the FAA, or other appropriate aircraft certificating authority, together with necessary aircraft registration and maintenance records with a current endorsement by an appropriately rated certificate holder that the aircraft is in an airworthy condition; or
- B. Has been issued a condition notice by the FAA that specifies that the aircraft has one or more conditions that render it not airworthy; or
- C. Has had major components, accessories, flight controls, portions of the airframe or engines removed so as to render the aircraft not airworthy.

2.19 "Derelict Vehicle" means a vehicle designed for use on the roadways that is in a wrecked, dismantled or partially dismantled condition, or which is discarded and in an inoperable condition.

2.20 "Effective Date" means the date that this Lease is approved by the Palm Beach County Board of County Commissioners and signed by all parties.

2.21 "Environmental Operating Fees" has the meaning set forth in the Airport Rules and Regulations.

2.22 "Estimate" has the meaning set forth in Section 13.02.

2.23 "Excused Delays" means delays occurring by reason of casualties, acts of God (including tornados, hurricanes and other forms of inclement weather), strikes, lockouts, other labor troubles, non-availability of labor or materials or other causes reasonably characterized as being beyond a party's control and that are not the result of such party's negligence or intentional misconduct.

2.24 "FAA" means the Federal Aviation Administration.

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

2.26 "Initial Leasehold Improvements" means the permanent fixtures, alterations, betterments and improvements to be constructed or installed by Tenant as identified on those certain plans prepared by McLeod Architectural Group, PA, Project Number 08047, as such plans may be modified pursuant to Article 6. The term "Initial Leasehold Improvements" shall not include trade fixtures, equipment, furnishings or other personal property.

2.27 "Letter of Credit" has the meaning set forth in Section 5.10.

2.28 "Licensed Areas" means those areas of the Airport set forth in Section 4.02.

- 2.29 "Landing Fees" has the meaning set forth in the Rate and Fee Schedule.
- 2.30 "Loading Dock" has the meaning set forth in Section 4.02(C).
- 2.31 "Loss" has the meaning set forth in Section 12.02.
- 2.32 "Major Maintenance" means repair activities other than routine servicing activities normally requiring more than two (2) hours to complete.
- 2.33 "Maximum Gross Landed Weight" means the maximum gross certificated landed weight, as certified by the FAA and as stated in Tenant's Flight Operations Manual, in one thousand (1000) pound units, for each aircraft operated by Tenant at the Airport.
- 2.34 "Maximum Gross Take Off Weight" means the maximum gross certificated take off weight, as certified by the FAA and as stated in Tenant's Flight Operations Manual, in one thousand (1000) pound units, for each aircraft operated by Tenant at the Airport.
- 2.35 "Minimum Capital Expenditure" has the meaning set forth in Section 6.01(B).
- 2.36 "Minimum Standards" means the General Aviation Minimum Standards adopted for the Airport pursuant to Resolution No. R-2005-1168, as now or hereafter amended, and any successor ordinance or resolution adopting minimum standards for commercial aeronautical activities for the Airport.
- 2.37 "Minor Aircraft Maintenance" means routine aircraft service activities that normally require less than two (2) hours to complete, and that would not ordinarily appreciably affect weight, balance, structural strength, performance, powerplant operation, flight characteristics, or other qualities affecting airworthiness.
- 2.38 "Monthly Statistical and Fee Report" means the reporting form required to be submitted by Tenant to the Department each month pursuant to Section 5.06. The Department shall have the right to modify the Monthly Statistical and Fee Report from time to time upon prior written notice to Tenant.
- 2.39 "Net Book Value" has the meaning set forth in Section 4.03.
- 2.40 "Non-Signatory Airline" means any airline that is not considered a Signatory Airline for purposes of the Airline-Airport Use and Lease Agreement.
- 2.41 "Per Use" means the use and occupancy by a single aircraft of a parking position other than Tenant's Preferential Use aircraft parking position for a period up to two (2) consecutive hours.
- 2.42 "Per Use Aircraft Parking Fee" has the meaning set forth in Section 5.05.
- 2.43 "Plans" have the meaning set forth in Section 6.01(C).

2.44 "Preferential Use" means a license granting the user the first right or priority of use of certain airport facilities or areas for aircraft operations. The right of Preferential Use shall not preclude use of an airport area or facility by others when such areas or facilities are not in Active Use by the user with the right of Preferential Use. For purposes of this definition, the term "Active Use" shall mean active loading or unloading of parcels, freight and cargo, or the performance of minor aircraft maintenance as permitted under this Lease. For purposes of Preferential Use, the period of Active Use shall commence two (2) hours prior to a scheduled arrival of aircraft in Tenant's fleet or feeder aircraft involved in Tenant's air cargo transportation business, and shall end one (1) hour following the departure of such aircraft.

2.45 "Preferential Use Aircraft Parking Fee" has the meaning set forth in Section 5.05.

2.46 "Premises" means the Assigned Building Premises and the Licensed Areas.

2.47 "Rate and Fee Schedule" means the Rate and Fee Schedule attached hereto as Exhibit "D", as may be amended in accordance with the Statement of Rates attached hereto as Exhibit "C".

2.48 "Rental Commencement Date" has the meaning set forth in Section 5.03.

2.49 "Risk Management Department" means the Palm Beach County Risk Management Department.

2.50 "Security Deposit" has the meaning set forth in Section 5.10.

2.51 "Service Road" has the meaning set forth in Section 4.02(E).

2.52 "Signatory Airline" has the meaning set forth in the Airline-Airport Use and Lease Agreement.

2.53 "Statement of Rates" means the Statement of Rates attached hereto as Exhibit "C".

2.54 "Tenant Parties" has the meaning set forth in Section 13.01.

2.55 "Term" has the meaning set forth in Section 3.01.

2.56 "Through-way Ramp Area" has the meaning set forth in Section 4.02(D).

2.57 "TSA" means the Transportation Security Administration or any successor agency responsible for airport security.

ARTICLE 3
TERM, COMMENCEMENT DATE AND RENEWAL OPTIONS

3.01 Term. The term of this Lease (the "Term") shall commence upon the Effective Date and expire five (5) years from the date of substantial completion of the Initial Leasehold Improvements, or November 1, 2009, whichever occurs first (the "Commencement Date"). Tenant may request a postponement of the Commencement Date for a period not to exceed one hundred and eighty (180) days based on the occurrence of an Excused Delay. A request for a postponement of the Commencement Date shall be submitted in writing to County with a detailed explanation of the basis for the requested extension. Tenant shall provide any supporting documentation reasonably requested by County in support of Tenant's postponement request. County shall not unreasonably withhold approval of the request for a postponement of the Commencement Date requested by Tenant in accordance with the requirements of this Section 3.01. The Director may postpone the Commencement Date by written notice to Tenant approving the request without formal amendment hereto. Substantial completion of the Initial Leasehold Improvements will occur when the applicable governmental authority issues a certificate of occupancy with respect to the Premises, as improved by the Initial Leasehold Improvements. Tenant shall promptly notify County in writing of the issuance of a certificate of occupancy for the Initial Leasehold Improvements.

3.02 Option to Renew. Provided Tenant is not in default of any of the terms and conditions of this Lease, Tenant shall have the option to renew this Lease for one (1) additional period of five (5) years, by notifying County in writing of Tenant's intent to exercise its option to renew not later than one hundred twenty (120) days prior to the expiration of the Term, with time being of the essence. Such renewal shall be upon the same terms and conditions set forth herein.

ARTICLE 4
PREMISES, LICENSED AREAS AND PRIVILEGES

4.01 Description of Premises and Specific Privileges, Uses and Rights.

- A. Subject to the terms, conditions and covenants set forth herein, County hereby demises and leases to Tenant, and Tenant rents from County approximately twenty-nine thousand nine hundred fourteen (29,914) square feet of interior cargo space within the Air Cargo Building, as more particularly described in the attached Exhibit "A" (the "Assigned Building Premises") for office administration, shipping, receiving, storage, sorting, loading and unloading of parcels, freight, and cargo and for minor maintenance of Tenant's ground support equipment and aircraft components.
- B. Tenant acknowledges and agrees that all maintenance activities performed at the Premises or elsewhere on the Airport shall be in compliance with all applicable Federal, State and local laws, including, but not limited, local building and fire codes and environmental laws. Tenant shall be responsible, at its sole cost and expense, for making any necessary modifications to the Assigned Building Premises to accommodate its

intended use of the Assigned Building Premises, including, but not limited to, maintenance of ground support equipment and aircraft components.

- C. This Lease may be amended to include an area west of the Air Cargo Building for outside storage of Tenant's ground support equipment upon mutual agreement of the parties. The Director may execute an amendment to this Lease on behalf of County pursuant to this paragraph.

4.02 Licensed Areas and Specific Privileges, Uses and Rights. County hereby grants to Tenant a non-exclusive, revocable license to use the following areas (the "Licensed Areas"), as more particularly depicted in Exhibit "B":

- A. The Aircraft Parking Apron for the purposes of aircraft parking, Minor Aircraft Maintenance and the staging in a neat manner of containers and ground support and loading equipment necessary for the active loading and unloading of parcels, freight and cargo in accordance with the terms and conditions of this Lease. Tenant shall have Preferential Use of Aircraft Parking Position 2 as more particularly identified in Exhibit "B".
- B. The Air Cargo Building Parking Lot for employee and visitor parking. The Department reserves the right to designate or assign use of all or portions of the Air Cargo Building Parking Lot to specific Air Cargo Building tenants, or for the exclusive use of visitors. Notwithstanding the foregoing, sufficient parking shall remain available for use by Tenant and its visitors at all times during the Term or any extension thereof.
- C. The loading dock and loading ramp area east of and adjacent to the Air Cargo Building (the "Loading Dock"), for shipping, receiving, loading and unloading of cargo.
- D. The Through-way Ramp Area, consisting of an area extending sixty (60) feet from and located immediately adjacent to the west side of the Air Cargo Building, for the purposes of active shipping, receiving, loading and unloading in accordance with the terms and conditions of this Lease.
- E. The Service Road, for the purposes of ingress to and egress from the Aircraft Parking Apron and Through-way Ramp Area in accordance with the terms and conditions of this Lease. Tenant acknowledges that County intends to relocate the Service Road to an area to be mutually agreed upon in writing by the Director and Tenant's designee, without the need for formal amendment of this Lease or Exhibit "B".

4.03 Revocation of Licensed Areas. If County provides Tenant written notice that it intends to permanently revoke Tenant's non-exclusive license to use the Licensed Areas and if County does not contemporaneously offer Tenant the use of alternative areas on the Airport that will permit Tenant to continue its activities without material adverse effect, Tenant shall have a right to, for a period of one hundred eighty (180) days from the date of County's notice to terminate this Lease by delivering written notice to County. In the event Tenant fails to exercise its right to terminate this Lease within the aforementioned one hundred eighty (180) day period, Tenant shall be deemed to have waived its right to terminate this Lease pursuant to this Section 4.03, and this Lease shall continue in full force and effect. Temporary closures or restrictions on access to the Licensed Areas that County puts in effect (i) for repair, maintenance or construction activities, (ii) as the result of acts of God (including tornadoes, hurricanes and other forms of inclement weather), (iii) to comply with security requirements of the Federal Department of Homeland Security or any of its agencies, or (iv) for other similar occurrences shall not constitute a permanent or constructive revocation of Tenant's non-exclusive license to use the Licensed Areas for purposes of this Section 4.03. If Tenant exercises its right to terminate this Lease in accordance with the foregoing, County shall reimburse, or cause Tenant to be reimbursed for, the aggregate Net Book Value (as defined below) of (i) all leasehold improvements that Tenant makes to the Premises between the Effective Date and the date of Tenant's termination notice, if Tenant delivers the termination notice prior to the fifth anniversary of the Commencement Date, or (ii) all leasehold improvements that Tenant makes to the Premises between the date that any extension of the Term upon which the parties agree begins and the date of Tenant's termination notice, if Tenant delivers the termination notice during any such extension, whichever is applicable. If, however, Tenant delivers the termination notice prior to the fifth anniversary of the Commencement Date, the amount of the reimbursement that County must make by virtue of the foregoing will be reduced by the aggregate amount of the rental credit Tenant receives in accordance with Section 5.02 of this Lease prior to the effective date of the termination. County shall make the reimbursement to Tenant within one hundred eighty (180) days after the date on which the termination becomes effective and Tenant surrenders possession of the Premises to County. If Tenant exercises the foregoing termination right, the termination will be effective on the date specified in Tenant's termination notice, whereupon the parties will have no further obligations under the terms of this Lease with the exception of County's obligation to make the reimbursement described above and those obligations that expressly survive termination of this Lease insofar as they relate to events or conditions that occur prior to the effective date of the termination. For purposes of the foregoing, "Net Book Value" means the value of a leasehold improvement, including associated design, architectural, engineering and construction management fees not exceeding in the aggregate ten percent (10%) of the total value of the improvement, less accumulated depreciation. For purposes of this Section 4.03, the parties will calculate accumulated depreciation on a straight line basis over a period beginning with the date the leasehold improvement is put in service and ending on the date the term of this Lease is scheduled to expire. Accumulated depreciation will also include any pro rata annual depreciation for any periods less than a year calculated on a monthly basis, rounded up to the nearest whole monthly period.

4.04 General Privileges, Uses and Rights. In addition to the specific privileges granted in this Article 4, County hereby grants to Tenant the following general privileges, uses and rights, all of which shall be subject to the terms, conditions, and covenants hereinafter set forth and all of which shall be non-exclusive on the Airport:

- A. The general use, in common with others, of all public Airport facilities and improvements that are now or may hereafter be connected with or appurtenant to the Airport (including use of airfield facilities, taxiways and runways), to be used by Tenant, its agents and employees, patrons and invitees, suppliers of service, furnishers of material, and authorized subtenants, if any. 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 a third party.
- B. The right of ingress to and egress from the Premises over and across public roadways and the Service Road serving the Airport for Tenant, its agents and employees, patrons and invitees, suppliers of service and furnishers of material, and its authorized subtenants, if any. Said right shall be subject to such laws, rules, regulations and orders as now or may hereafter have application at the Airport.

Except as expressly set forth in this Article 4, nothing herein contained shall be construed to grant to Tenant the right to use any space or area improved or unimproved which is leased to, or under contractual control of a third party, or which County has not leased or licensed herein.

4.05 Restrictions on Privileges, Uses and Rights.

- A. The Department shall have the right to establish reasonable rules and regulations governing the use of Licensed Areas or public Airport facilities. Tenant agrees to be subject to, and comply with, such reasonable rules and regulations.
- B. The rights granted hereunder are expressly limited to the improvement, maintenance, and operation of the Premises pursuant to the terms and conditions of this Lease, and nothing herein shall be construed to give Tenant any rights in any future expansion, renovation or relocation of the Airport or air cargo facilities. Tenant covenants and agrees that the Premises shall be utilized solely for the uses permitted in this Article 4 and for no other purpose whatsoever.
- C. Parking of boats, motor homes or inoperable vehicles and the stockpiling or storage of inoperable equipment, machinery and containers within the Premises or other areas of the Airport is strictly prohibited. Parking of automobiles upon the Loading Dock is prohibited. Long-term parking of any motorized vehicle or trailer upon the Loading Dock is prohibited.

- D. With regard to Tenant's right to store aircraft parts within the Assigned Building Premises, Tenant may only store parts intended for installation on aircraft in Tenant's fleet or on feeder aircraft involved in Tenant's air cargo transportation business. All such storage must be contained within the Assigned Building Premises, and shall be limited to the storage incidental to Tenant's overall operation and use of the Assigned Building Premises.
- E. Except as otherwise provided for herein, use of the Premises and other areas of the Airport for Major Maintenance on aircraft, automobiles or equipment and painting or stripping of equipment is strictly prohibited.
- F. Except as otherwise provided for herein, or otherwise approved in writing by the Department, the Service Road, Through-way Ramp Area, and Loading Dock shall be maintained and kept free and clear to allow for the lateral movement of other tenants' freight, equipment, and personnel in these non-exclusive areas. Furniture, chairs and similar items shall be prohibited on the Loading Dock. All tenants of the Air Cargo Building shall have the right to make such movements within said areas according to each tenant's business needs. County acknowledges that Tenant intends to install certain Initial Leasehold Improvements within the Through-Way Ramp Area or Loading Dock, which are necessary for Tenant's operations at the Air Cargo Building. Notwithstanding the foregoing acknowledgment, Tenant shall remain obligated to obtain County's approval for the Plans for the improvement in accordance with the terms of Section 6.01(C) below.
- G. Tenant shall only be permitted to park upon the Aircraft Parking Apron aircraft that Tenant owns or leases or with respect to which Tenant has contracted to handle its cargo or passengers. The Department shall have the right to permit other aircraft to park upon the Aircraft Parking Apron during certain times and to use certain movement procedures. Tenant acknowledges that the availability of aircraft parking positions is limited, and that such positions are to be used in common with others subject to Tenant's Preferential Use of Aircraft Parking Position 2. The Department shall have the right to require Tenant to relocate Tenant's aircraft to designated areas elsewhere on the Airport and to relocate its staged containers and ground support and loading equipment to Tenant's leasehold premises during times when such aircraft are not being actively loaded or unloaded and an aircraft parking position is needed to accommodate another Air Cargo Building tenant for such activities, subject to Tenant's Preferential Use of Aircraft Parking Position 2. Overnight or long-term parking of aircraft on the Aircraft Parking Apron is prohibited. The Department may designate areas of the Airport for overnight or long-term parking of aircraft. Tenant shall be responsible for payment of any applicable fees for overnight or long-term parking of aircraft.

- H. Persons, including, but not limited to Tenant's employees, shall not loiter or remain overnight on the Premises or elsewhere at the Airport. The foregoing will not preclude Tenant's personnel from being present on the Premises each day between 4:00 a.m. and the following midnight.

4.06 Compliance with Minimum Standards. Tenant agrees to comply with the requirements set forth in the Minimum Standards applicable to Tenant's operations at the Airport, if any. In the event of a conflict between this Lease and the Minimum Standards, Tenant acknowledges and agrees that the more stringent requirement shall apply to Tenant's operations hereunder, as determined by the Department.

4.07 Condition and Use of the Premises. Tenant 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. Tenant 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 Tenant's intended use; or Tenant's legal ability to use the Premises for Tenant's intended use. The foregoing will not affect any obligation to maintain or repair the Premises and the Licensed Areas that the County expressly undertakes under the terms of this Lease.

ARTICLE 5

RENTAL, FEES, CHARGES AND SECURITY DEPOSIT

5.01 Annual Rental. Tenant shall pay to County for use of the Assigned Building Premises an initial annual rental in the amount of Eleven Dollars and Fifty Cents (\$11.50) per square foot for approximately twenty-nine thousand nine hundred fourteen (29,914) square feet or Three Hundred Forty-Four Thousand Eleven Dollars (\$344,011.00) annually, plus any applicable taxes.

5.02 Rental Credit. During each of the first five (5) years of the Term of this Lease, and the first five (5) years of the first renewal term, if any, of this Lease, Tenant's annual rental amount shall be reduced by Forty Two Thousand Five Dollars (\$42,500.00) per year, representing a credit for a portion of Tenant's cost to construct Initial Leasehold Improvements. The County shall apply that credit in equal monthly installments of Three Thousand Five Hundred Forty-One Dollars and Sixty-Seven Cents (\$3,541.67).

5.03 Commencement and Time of Payment. Payment of rental by Tenant to County shall commence upon substantial completion of the Initial Leasehold Improvements, as evidenced by issuance of a certificate of occupancy, or November 1, 2009, as that date may be postponed by the Director in accordance with the procedures set forth in Section 3.01 for Excused Delays, whichever occurs first (the "Rental Commencement Date"). Commencing on the Rental Commencement Date, rental shall be payable in equal monthly installments, in advance, without demand and without any deduction, holdback or set off whatsoever, subject to

the rental credit provided in Section 5.02 and except as otherwise expressly provided elsewhere in this Lease. Each monthly installment of rental will be due by the first day of each and every month throughout the Term and any extension thereof. All sums due hereunder shall be delivered to the Palm Beach County Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406, or at such other address as may be directed by the Department from time to time. Rental shall be deemed delinquent if payment is not received by the first business day of the month in which it is due. If the Rental Commencement Date occurs on a day other than the first day of the month, Tenant shall pay rent from the Rental Commencement Date to the first day of the following month on a per diem basis (calculated on the basis of the actual number of days in the month in which the Rental Commencement Date occurs). Any payment due hereunder for any other fractional month shall likewise be calculated and paid on such a per diem basis.

5.04 Adjustment of Premises Rental Rates. On October 1, 2010, and each three (3) year anniversary thereof (the "Adjustment Date"), the then current rental rate shall be adjusted in accordance with the provisions of this paragraph. The new rental rate shall be determined by an appraisal obtained by County, which shall set forth the fair market rental for the Premises. The appraisal shall be performed, at County's sole cost and expense, by a qualified appraiser selected by County. County shall notify Tenant in writing of the fair market rental of the Premises as established by the appraisal, which shall become the new rental rate for the Premises. Tenant shall commence paying the new rental rate on the Adjustment Date. The new rental rate shall not be less than the rental rate for the prior period. This Lease shall automatically be considered as amended to reflect the new rental rate, without formal amendment hereto, upon County's written notification of the establishment of the new rental rate applicable to the Premises. Notwithstanding any provision of this Lease to the contrary, Tenant acknowledges and agrees that County shall have the right to establish and maintain the rental rates hereunder to ensure compliance with the provisions of Section 710 (rate covenant) of the Bond Resolution.

5.05 Fees and Charges for Aircraft Operations. For Preferential Use of aircraft parking position(s) on the Aircraft Parking Apron, Tenant shall pay a Preferential Use Aircraft Parking Fee of Three Thousand Dollars (\$3,000.00) per month per position, which shall be paid to County in advance, and without demand, monthly on the first day of each month, commencing on the Rental Commencement Date. If Tenant uses the Aircraft Parking Apron prior to the Rental Commencement Date, Tenant shall pay a Per Use Aircraft Parking Fee (as hereinafter defined) for any aircraft parking positions Tenant uses. For use during the preceding calendar month of aircraft parking positions on the Aircraft Parking Apron in addition to Tenant's Preferential Use aircraft parking positions, Tenant shall pay to County an Aircraft Parking Fee of Fifty Dollars (\$50.00) Per Use ("Per Use Aircraft Parking Fee"). Aircraft Parking Fees may be adjusted from time to time by the Department. Prior to adjusting Aircraft Parking Fees, the Department shall notify Tenant of the proposed adjustment in writing. Tenant shall have thirty (30) days to provide written comments, if any, to the Department for consideration regarding the proposed adjustment. The Department may implement the adjustment, as the Department may elect to modify it based upon comments received during and following the thirty (30) day comment period, by delivering written notice to Tenant. The Department shall have no obligation to provide any additional comment period based on modifications to the proposed adjustment made following the initial comment period. In addition, Tenant shall pay all fees and charges applicable to its operations at the Airport, including, but not limited to, Landing Fees,

Environmental Operating Fees, and remote aircraft parking fee charges. In the event Tenant handles aircraft, which it does not own or lease, Tenant shall report monthly to the Department the name, address, and telephone number of the company, including contact person, responsible for such payments. At such time that new or adjusted fees and charges are approved and established by the Department, this Lease shall automatically be considered as amended, without formal amendment hereto, effective as of the date established by the Department.

5.06 Monthly Statistical and Fee Report.

- A. No later than the tenth (10th) day of each month during the Term and any extension thereof, Tenant shall deliver to Department a Monthly Statistical and Fee Report, in a form and detail satisfactory to the Department, detailing operations of aircraft handled by Tenant for the preceding month. Tenant shall remit payment for all fees and charges based upon Tenant's Monthly Statistical and Fee Report including, but not limited to, Per Use Aircraft Parking Fees, Landing Fees and Environmental Operating Fees, with the Monthly Statistical and Fee Report. Payment of such fees and charges shall be deemed delinquent if not received by the twentieth (20th) day following the month in which the activity occurred. The acceptance of any payment by County shall not preclude County from verifying the accuracy of Tenant's reports on which the fees and charges to be paid by Tenant are based and shall not be deemed a waiver of any interest penalties due. In the event Tenant fails to provide the Monthly Statistical and Fee Report within the time period specified herein or if the data in the Monthly Statistical and Fee Report appears to be inaccurate, the Department may, based on previous reports and other information available to the Department, estimate Tenant's activity for the preceding month and issue invoices based upon such estimates. If such estimates result in overpayment by Tenant, County shall grant Tenant a rental credit for such overpayment against future rentals, fees and/or charges payable by Tenant.
- B. In the event that Tenant handles aircraft that it does not own or lease, Tenant shall report monthly to the Department, without request by County, the name, address, and telephone number of the company, including contact person responsible for such payments as provided for in this Section 5.06. Tenant agrees to provide County, upon request by County, any and all reasonable information requested regarding quantities of freight and cargo handled. Tenant shall provide any such information within thirty (30) days of a written request by County.

5.07 Revision of Rate and Fee Schedule. The rates established in the Rate and Fee Schedule, including, but not limited to, Landing Fees, shall be reviewed and adjusted annually in accordance with the Statement of Rates attached as Exhibit "C". Tenant acknowledges that the procedures for adjustment of rentals, rates and fees applicable to Signatory Airlines may be modified from time to time during the Term and any extension thereof. In the event the procedures for adjustment of rentals, rates and fees applicable to Signatory Airlines is modified, Tenant acknowledges and agrees that the parties shall amend this Lease to replace Exhibit "C" so that the procedures are in substantial conformance with the procedures established in the then current Airline-Airport Use and Lease Agreement approved by the Board.

5.08 Other Fees and Charges. Tenant acknowledges that County shall have the right to adopt new fees and charges or to adjust fees and charges applicable to Tenant's operations at the Airport from time to time. Prior to adopting new fees and charges or adjusting fees and charges on the authority of this Section 5.08, the Department shall notify Tenant of the proposed new or adjusted fee in writing. Tenant shall have thirty (30) days to provide written comments, if any, to the Department for consideration regarding the proposed new or adjusted fee. The Department may implement the new or adjusted fee, as the Department may elect to modify it based upon comments received during and following the thirty (30) day comment period, by delivering written notice to Tenant. The Department shall have no obligation to provide any additional comment period based on modifications to the proposed new or adjusted fee made following the initial comment period. Tenant shall pay all fees and charges applicable to Tenant's operations at the Airport when assessed.

5.09 Late Payments - Interest. In the event Tenant fails to make timely payment of any rentals, fees and charges due and payable in accordance with the terms of this Lease, interest, at the rate of 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 by the Department. Acceptance of late payments by County shall not constitute a waiver of Tenant's default by County with respect to such overdue amount, nor prevent County from terminating this Lease for default in the payment of rentals, fees or charges due to County pursuant to this Lease or from enforcing any other provisions, rights, or remedies granted herein, or conferred by law.

5.10 Security Deposit. Prior to the Effective Date of this Lease, Tenant shall post a security deposit with County in an amount equal to the Department's estimate of three (3) months rental, fees and charges payable by Tenant hereunder ("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 Tenant to County. The Security Deposit shall be either in the form of a clean, Irrevocable Letter of Credit ("Letter of Credit") or a Surety Bond ("Bond") in form and substance satisfactory to County pursuant to County's written policies and procedures, including, but not limited to, Palm Beach County PPM CW-F-056, as now or hereafter amended. In the event of any failure by Tenant to pay any rentals, fees or charges when due or upon any other failure to perform any of its obligations or other default under this Lease, 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, Tenant shall immediately replace the Security Deposit with a new Letter of Credit or Bond in the full amount of the Security Deposit required hereunder. Tenant shall promptly increase the amount of the Security Deposit to reflect any increases in the sums

payable hereunder. The Security Deposit shall be kept in full force and effect throughout the Term of this Lease and any extension thereof and for a period of six (6) months after the termination of this Lease. Not less than forty-five (45) days prior to any expiration date of a Letter of Credit or Bond, Tenant shall submit evidence in form satisfactory to County that such security instrument has been renewed. Failure to renew a Letter of Credit or Bond or to increase the amount of the Security Deposit as required by this Section 5.10 shall (i) entitle County to draw down the full amount of such Security Deposit, and (ii) hold the funds received in respect of that draft as the Security Deposit pending re-issuance of a new Letter of Credit or Bond. The Security Deposit shall not be returned to Tenant until all obligations under this Lease are performed and satisfied. Prior to consent from County to any assignment of this Lease by Tenant, Tenant's assignee shall be required to provide a Security Deposit to County in accordance with the terms and conditions of this Section 5.10. Within sixty (60) days after County's receipt of an acceptable Security Deposit from Tenant's approved assignee, County shall return to Tenant the Security Deposit that Tenant furnished, properly endorsed for cancellation, if appropriate; provided that Tenant has performed and satisfied all obligations under this Lease accruing prior to the assignment.

5.11 Audit.

- A. Tenant shall maintain and keep books, ledgers, accounts, or other records relating to the aircraft handled by Tenant at the Airport and the resulting activity statistics, including an accurate recording of the total number of landings at the Airport, the Maximum Gross Landed Weight of each aircraft, aircraft parking information and all other traffic and activity statistics to be recorded or reported hereunder. Tenant shall make those books, ledgers, accounts, and records available to County for inspection in such format as Tenant regularly maintains them throughout the Term and for a period of three (3) years following the termination of this Lease. If Tenant makes the books and records available to County in an electronic format, an officer of Tenant must certify them as being accurate.
- 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 Tenant's offices or such other place as mutually agreed to between Tenant and the Department. Upon County's written request for examination of such books, ledgers, accounts and records, Tenant shall produce such items in Palm Beach County, Florida, within ten (10) business days or pay all reasonable expenses, including, but not limited to, transportation, food, and lodging for County's Internal Auditor or his representative(s) to audit said books and records outside Palm Beach County, Florida. Except as required by Chapter 119, Florida Statutes, and as otherwise provided by law, County agrees to keep confidential any information that it obtains from an examination of Tenant's books, ledgers, accounts and records, but that this Lease does not require Tenant to report to County. In all such cases where an exemption from Chapter 119, Florida Statutes, or any other law pertaining to the confidentiality of records is claimed by Tenant, Tenant shall identify and claim such

exemption upon submitting any protected documents or records to County or its representatives.

C. The cost of an audit, with the exception of the aforementioned transportation, food and lodging expenses, shall be borne by County; provided however, that the full cost of the audit shall be borne by Tenant 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 that are based on Tenant's monthly activity, due hereunder, as determined by said audit;

(2) Tenant has failed to maintain true and complete books, records, accounts, and supportive source documents in accordance with this Article 5.

D. Any underpayment of amounts due County disclosed as a result of an audit, including interest computed from the original due date of each such amount due, shall be paid to County within thirty (30) calendar days of the date of County's invoicing therefor. Such payment by Tenant shall not abrogate Tenant's right to contest the validity of said underpayments. Any valid overpayments made by Tenant shall be promptly remitted, or at County's option, credited to Tenant.

5.12 Sales and Use Tax. Tenant hereby covenants and agrees to pay monthly to County, as "Additional Rent," any sales, use or other tax, or any imposition in lieu thereof (excluding State and /or Federal Income Tax) now or hereinafter imposed by the United States of America, the State of Florida or Palm Beach County upon the rents payable under the terms of this Lease or upon the use or occupancy of the Premises, notwithstanding the fact that the statute, ordinance or enactment imposing the same may endeavor to impose the tax upon County as Landlord, to the extent applicable.

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

5.14 Licenses, Fees, and Taxes. Tenant shall pay, on or before their respective due dates, all Federal, State and local taxes and fees, and all special assessments of any kind, which are now or may hereafter be levied upon the Premises (including improvements) or the estate hereby granted, or upon Tenant, or upon the business conducted on the Premises, or upon any of Tenant's property used in connection therewith, or upon any rentals or other sums payable hereunder, including, but not limited to any ad valorem taxes (based upon Tenant's pro rata share according to the area of the Premises), and sales or excise taxes on rentals, and personal property taxes against tangible and intangible personal property of Tenant. Tenant shall maintain in

current status all Federal, State and local licenses and permits required for the operation of the business conducted by Tenant on the Airport.

5.15 Accord and Satisfaction. In the event Tenant 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 6

CONSTRUCTION OF IMPROVEMENTS

6.01 Tenant Construction Requirements. All improvements constructed or placed on the Premises by Tenant, including drainage and landscaping, shall comply with any and all applicable governmental laws, regulations, rules, and orders, shall follow standard construction methods; and shall be constructed in accordance with the requirements of this Article 6.

- A. Initial Leasehold Improvements. Tenant agrees that it shall construct, at its sole cost and expense, the Initial Leasehold Improvements, subject to final approval of the plans prepared by McLeod Architectural Group, PA, Project Number 08047 dated January 7, 2009 by the Department in accordance with this Article 6. Unless otherwise approved in writing by the Department, construction of the Initial Leasehold Improvements shall be completed no later than the date that is one (1) year from the Effective Date, as that date may be postponed by the Director in accordance with the procedure set forth in Section 3.01 for Excused Delays.
- B. Minimum Capital Expenditure for Initial Leasehold Improvements. Tenant shall expend not less than Four Hundred Twenty-Five Thousand Dollars (\$425,000.00) on the design, construction and installation of Initial Leasehold Improvements (the "Minimum Capital Expenditure"). Capital expenditure costs that may be counted toward the Minimum Capital Expenditure shall include all costs paid for work performed, services rendered and materials furnished for the design and construction of the Initial Leasehold Improvements on the Premises, subject to the following terms, conditions and limitations:
 - (1) The cost of design (subject to the limitations set forth herein), construction and acquisition of the Initial Leasehold Improvements; bonds; construction insurance; and building, impact and concurrency fees shall be included in the Minimum Capital Expenditure.

- (2) The amount of costs incurred for engineering and architectural design work that independent contractors provide that Tenant may include in the Minimum Capital Expenditure may not exceed ten (10%) percent of the total cost that Tenant incurs in connection with the design and construction of the Initial Leasehold Improvements (including, without limitation, the cost of bonds, insurance and building, impact and concurrency fees).
- (3) Only true third party costs and payments made by Tenant shall be included in the Minimum Capital Expenditure. Costs incurred by any sublessee, licensee or other occupant of the Premises, or any portion thereof, other than Tenant shall not be included in the Minimum Capital Expenditure.
- (4) Costs for consultants (other than engineering and design consultants, as provided above), legal fees and accountant fees shall not be included in the Minimum Capital Expenditure.
- (5) Finance and interest expenses shall not be included in the Minimum Capital Expenditure.
- (6) Administrative, supervisory and overhead or internal costs of Tenant shall not be included in the Minimum Capital Expenditure.
- (7) Costs incurred by any of Tenant's affiliates shall not be included in the Minimum Capital Expenditure unless Tenant has obtained written approval from the Department prior to incurring such costs.
- (8) Costs associated with acquisition or installation of personalty, such as furnishings, trade fixtures and equipment that is not permanently affixed to the Premises, or any other personalty whatsoever, shall not be included in the Minimum Capital Expenditure.
- (9) Costs of interior decorations, special finishes, wall tile or other special wall finishes and coverings, special external and internal lighting; and signage other than directional signage needed to comply with applicable laws, ordinances, rules and regulations shall not be included in the Minimum Capital Expenditure unless Tenant has obtained written approval from the Department prior to incurring such costs.

- (10) Costs associated with repairs or maintenance of any improvements on the Premises (including, but not limited to, improvements existing on the Premises as of the Effective Date and improvements subsequently constructed on the Premises) shall not be included in the Minimum Capital Expenditure unless Tenant has obtained written approval from the Department prior to incurring such costs.
 - (11) Any costs associated with any improvements other than the Initial Leasehold Improvements shall not be included in the Minimum Capital Expenditure unless Tenant has obtained written approval from the Department prior to incurring such costs.
- C. Construction Requirements. Prior to constructing any improvements on the Premises or elsewhere on the Airport (including, but not limited to, the Initial Leasehold Improvements), Tenant, without cost to County, shall prepare detailed construction plans and specifications for the improvements (hereinafter collectively referred to as the "Plans") in accordance with standards established by the Department and deliver the Plans to the Department for review, comment and adjustment. The Department shall review the Plans and provide a written response to Tenant after receipt of the Plans. In the event the Department does not approve the Plans, Tenant will be notified of the reasons for the disapproval and the necessary modifications and/or alterations to the Plans. Tenant shall resubmit modified Plans to the Department within thirty (30) days of the date of the Department's written notice of disapproval. Upon approval of the final Plans by the Department, Tenant shall obtain all permits and other government approvals required for the commencement of construction. Prior to commencement of construction, Tenant shall deliver to the Department one complete set of the Plans as approved by the governmental agencies exercising jurisdiction thereover. Minor changes from the Plans approved by the Department shall be permitted if such changes may be reasonably inferred from such Plans, or if they are made to comply with requirements of any governmental agency exercising jurisdiction thereover.
- D. Within ninety (90) days of Tenant's receipt of a certificate of occupancy or certificate of completion, as appropriate, for the Initial Leasehold Improvements and for any other improvements that Tenant subsequently undertakes, Tenant, at its sole cost and expense, shall have prepared and deliver to the Department: (i) one (1) complete set of as-built Mylar drawings and one (1) set of Auto CADD files in the latest version acceptable by the Department; and (ii) a detailed statement attested to and certified by an independent Certified Public Accountant ("CPA"), acceptable to County, detailing the total costs incurred by Tenant for the construction of the improvements.

- E. All improvements constructed upon the Premises shall be completed at Tenant's sole cost and expense and shall be completed in accordance with the standards reasonably established by the Department.
- F. The construction 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.
- G. The County shall have no obligation whatsoever to approve the installation of any improvements within any Licensed Areas or other areas of the Airport, except for the Initial Leasehold Improvements, which shall be constructed in accordance with the requirements of this Article 6 and may be subject to reasonable conditions of the Department.
- H. The County shall have no obligation whatsoever to repair, replace or maintain improvements made to the Premises by Tenant.

6.02 Construction Bonds. Tenant 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. Prior to the commencement of any improvements to the Premises, the estimated cost of which exceeds Fifty Thousand Dollars (\$50,000), Tenant shall cause to be made, executed and delivered to County at Tenant's sole cost a bond that is in a form and substance reasonably satisfactory to County, that a company reasonably acceptable to County issues, and that guarantees Tenant's compliance with its obligations arising under this Section 6.02. Tenant may not subdivide improvements or phase projects for the purpose of avoiding the foregoing bond requirement. County shall be named as the obligee on the bonds.

6.03 Contractor Requirements. Tenant 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. Tenant shall require its contractors to name County as a dual obligee on the bond(s). Tenant shall also require contractors to furnish satisfactory evidence of statutory Worker's Compensation insurance, commercial general liability insurance, comprehensive auto insurance, and physical damage insurance on a Builder's Risk form with the interest of County endorsed thereon, in such amounts and in such manner as the Risk Management Department may reasonably require. The Risk Management Department may require additional insurance for any alterations or improvements approved hereunder, in such amounts as the Risk Management Department reasonably determines to be necessary.

6.04 No Liens. Tenant 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. Tenant shall notify any and all parties or entities performing work or providing materials relating to any improvements made by Tenant of this provision of this Lease. If so requested by County, Tenant shall file a notice satisfactory to County in the Public Records of Palm Beach County, Florida, stating that County's estate shall not be subject to liens for improvements made by Tenant. 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 Tenant, Tenant shall satisfy such claim, or transfer same to security, within thirty (30) days from the date of filing. In the event that Tenant fails to transfer or satisfy such claim within the thirty (30) day period, County may do so and thereafter charge Tenant all costs incurred by County in connection with the satisfaction or transfer of such claim, including attorneys' fees, and Tenant shall promptly pay to County all such costs upon demand, as Additional Rent.

ARTICLE 7

OBLIGATIONS OF TENANT

7.01 Tenant covenants and agrees to observe and obey, and to require its subtenants, officers, employees, guests, invitees and those doing business with it to observe and obey such rules and regulations of the Department and County (including amendments and supplements thereto) for the government of the conduct and operations of Tenant and others on the Premises as may from time to time be promulgated. The obligation of Tenant to require such observance and obedience on the part of its subtenants, guests, invitees and business visitors shall pertain only while such persons are on or in occupancy of any portion of the Premises.

7.02 Tenant shall conduct its operations hereunder in an orderly and commercially reasonable manner, considering the nature of such operations so as not to unreasonably annoy, disturb, endanger or be offensive to others at the Airport.

7.03 Tenant shall take all reasonable measures to reduce to a minimum, vibrations tending to damage any equipment, structure, building or portion of a building on the Airport.

7.04 Tenant shall control the conduct, demeanor and appearance of its employees, subtenants, invitees and others doing business at the Airport and, upon objection from the Department concerning the conduct, demeanor and appearance of any such persons, shall immediately take all reasonable steps that are necessary to remove the cause of any reasonable objection and that Tenant may lawfully take.

7.05 Tenant shall remove or otherwise dispose of in a manner approved by the Department all garbage, debris and other waste materials (whether solid or liquid) arising out of the use or occupancy of the Premises, Airport or out of any operations conducted thereon. Garbage, debris and other non-hazardous waste materials may be temporarily stored on the Premises in suitable garbage and waste receptacles. Tenant may deposit garbage, debris and other non-hazardous waste materials in containers provided by County designated for the collection and removal of waste. Containers shall be located within the immediate vicinity of the Air Cargo Building in such common use and access areas as determined by Department. The cost for disposal of such waste shall be prorated and billed by the Department to Tenant monthly, and shall be paid to County by Tenant within thirty (30) days of Tenant's receipt of such bill or invoice. Tenant's share of such disposal costs shall be equal to the percentage equivalent of a fraction, the numerator of which is the floor area of the Assigned Building Premises, and the denominator of which is the total leased floor area of the Air Cargo Building.

7.06 Tenant shall not commit any nuisance, waste or injury on the Airport and shall not do, or permit to be done, anything that may result in the creation, commission or maintenance of such nuisance, waste or injury on the Airport.

7.07 Tenant shall not create, nor permit to be caused or created upon the Airport, any obnoxious odors or smokes or noxious gases or vapors; provided, however, that fumes resulting from the normal operations of properly certified and maintained aircraft, trucks and other vehicles shall be excepted from this provision. Tenant shall ensure that emissions generated by any such aircraft, trucks, and other vehicles shall comply with all provisions of applicable environmental emissions laws and regulations.

7.08 Tenant shall not do or permit to be done anything that may interfere with the effectiveness or accessibility of the utilities systems that are also used by other occupants, customers or users of the Airport.

7.09 Tenant shall not overload any floor or paved area on the Premises and shall repair, at its sole cost and expense, any floor, including supporting members, and any paved area damaged by overloading. Based upon the design and construction of the floor slab of the Assigned Building Premises and Aircraft Parking Position 2 as they exist on the Effective Date of this Lease, County acknowledges that: (i) the interior floor slab of the Assigned Building Premises may accommodate loads of up to five hundred (500) pounds per square foot, and (ii) Aircraft Parking Position 2 may accommodate loads exerted by an MD11 aircraft operating at its Maximum Gross Take Off Weight. Tenant acknowledges and agrees that the foregoing acknowledgments by County do not take into consideration any modifications or alterations that may be made to the interior floor slab of the Assigned Building Premises or Aircraft Parking Position 2 after the Effective Date of this Lease.

7.10 Tenant shall not do or permit to be done any act or thing upon any area of the Airport that:

- A. Will invalidate or conflict with any insurance policies covering the Premises or other areas of the Airport; or
- B. May constitute a hazardous condition so as to increase the risks normally attendant upon the operations permitted by this Lease.

7.11 All flammable liquids that are kept or stored in accordance with this Lease must at all times be handled, stored and used in accordance with all applicable Federal, State and local laws.

7.12 Except as specifically authorized by this Lease, Tenant shall not place any coin or token operated vending machine or similar device (including, but not limited to, pay telephones, beverage or food machines, or other commodities) upon or within the Premises, without the prior written consent of the Department, which consent may be granted or withheld by the Department in its sole discretion for any reason or no reason at all. The foregoing will not apply to Tenant's installation of food or beverage vending machines in the Assigned Building Premises for the use of its employees.

7.13 Tenant shall not permit the temporary or permanent storage of any Derelict Aircraft at the Premises. Derelict Aircraft shall be removed from the Airport within a period of thirty (30) calendar days after written notice from the Department unless an open work order is being actively pursued. Notwithstanding the foregoing, the Department may require any Derelict Aircraft to be moved to another location on the Airport at Tenant's sole cost and expense. In addition, the Department may require Tenant to demonstrate that an open work order is being actively pursued. In the event Tenant fails to demonstrate an open work order is actively being pursued to the reasonable satisfaction of the Department, Tenant shall cause the Derelict Aircraft to be removed from the Airport within the aforementioned thirty (30) day period.

7.14 Tenant shall not permit the temporary or permanent storage of any Derelict Vehicles at the Premises. Tenant shall cause Derelict Vehicles to be removed from the Premises within twenty-four (24) hours after written notice from the Department.

7.15 Within ninety (90) calendar days of the Effective Date, Tenant shall provide the Department with emergency evacuation and hurricane plans consistent with County's plans for the Airport. These plans shall be detailed procedures of actions to be taken by Tenant and its subtenants, if an evacuation need or hurricane alert warning is present. Hurricane plans are to be annually updated, if requested by the Department.

7.16 Payment of Taxes. Tenant shall pay any and all taxes and other costs lawfully assessed against its interest in the Premises, the Improvements, whether owned by Tenant 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 Tenant's use of the Premises renders them subject to ad valorem real property taxes or similar impositions imposed by any governmental entity, Tenant shall be responsible for and pay the same prior to delinquency. Tenant 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 Tenant'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, Tenant 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 8

SECURITY OF PREMISES

Tenant acknowledges and accepts full responsibility for the security and protection of the Premises, and any and all inventory, equipment, facilities and improvements 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, and to require its employees and contractors to fully comply with, all rules and regulations of County and of any and all other governmental entities that now or may hereafter have jurisdiction over such security. Tenant fully understands that the police security protection provided by County is limited to that provided to any other business situated in Palm Beach County, Florida 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 Tenant and shall involve no cost to County.

ARTICLE 9

MAINTENANCE AND REPAIR

9.01 Cleanliness and Maintenance and Repair of Premises.

- A. Except as provided in Section 9.01(D) below, Tenant shall maintain the Premises and the 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. Except as provided in Section 9.01(D) and Article 13 below, Tenant shall repair all damages to the Premises and improvements caused by its employees, patrons, suppliers of service or furnishers of material, and other invitees and licensees, and all damages caused by or resulting from or in any way arising out of Tenant's operations at the Airport or Tenant's use of the Assigned Building Premises. Maintenance and repairs shall be in quality and class comparable to the original work so as to preserve the Premises in good

order and condition. Upon written notice by the Department to Tenant, Tenant shall perform the required maintenance or repair in accordance with Department's decision. If Tenant 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 Tenant hereby expressly agrees that it shall fully assume and be liable to County for payment of the costs reasonably incurred by the Department, plus twenty-five percent (25%) of the amount of those costs for 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 and such documents as may be reasonably requested to corroborate the costs County incurred.

B. Except as provided in Section 9.01(D) below, Tenant shall keep all aircraft apron areas, buildings and other improvements in good, tenantable, useable condition throughout the Term and any extension thereof, and without limiting the generality thereof, Tenant shall:

- (1) Paint the finished interior areas of the Assigned Building Premises and repair and maintain all doors, windows, equipment, lighting fixtures, furnishings and fixtures and provide pavement striping required in connection with Tenant's Preferential Use of Aircraft Parking Position 2.
- (2) Keep the Premises at all times in a clean and orderly condition and appearance and all of the fixtures, equipment and personal property that are located in any part of the Premises open to or visible by the general public.
- (3) Provide and maintain all obstruction lights and similar devices, fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, order, ordinance, resolution or regulation of any applicable governmental authority.
- (4) Repair any damage to the Premises, including, but not limited to, the Aircraft Parking Apron and other paved surfaces, that is caused by any oil, gasoline, grease, lubricants or other liquids or substances having a corrosive or detrimental effect thereon and that does not occur because of the actions of County or any of its employees, agents or contractors or third parties that County permits to use the Licensed Areas or any other paved surface.
- (5) Make no use of any portion of the Premises 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.

- C. Tenant shall perform all repairs and maintenance required by virtue of Sections 9.01(A) and (B) at its expense unless the repair or maintenance becomes necessary by virtue of the negligence or willful misconduct of County or any of its agents, employees or invitees, or County's failure to properly perform the maintenance required of it by virtue of Section 9.01(D); in that case, County shall perform, or cause to be performed, such repairs or maintenance, or, at County's election, shall reimburse Tenant within sixty (60) days after County's receipt of Tenant's invoice for the amount of all reasonable costs Tenant incurs in performing the maintenance or making the repair, and such documents as may be reasonably requested to corroborate the costs Tenant incurred.
- D. Throughout the Term, County shall maintain in accordance with all applicable laws, regulations and rules of any governmental authority: (i) the structure of the Assigned Building Premises, including, without limitation, the roof, roof membrane, foundations, floor slab, columns and exterior and load-bearing walls, and (ii) the Licensed Areas, excluding alterations or improvements installed by Tenant, including, without limitation, caster decking and light poles. County's obligation with respect to the Licensed Areas includes striping of all Licensed Areas other than Aircraft Parking Position 2. County shall be responsible for making any alterations or modifications to the Licensed Areas that are required by any law, ordinance, rule or regulation enacted or promulgated after the Effective Date; provided, however, County shall not be responsible for making any alterations or modifications to improvements installed or constructed within the Licensed Areas by Tenant or that are made necessary solely as a result of Tenant's alterations or improvements to the Licensed Areas. County shall perform all repairs and maintenance required by virtue of this Section 9.01(D) at its expense unless the repair or maintenance becomes necessary by virtue of (i) the negligence or willful misconduct of Tenant or any of its agents, employees or invitees; (ii) Tenant's failure to properly perform the maintenance required of it by virtue of Sections 9.01(A) and 9.01(B), or (iii) any alteration or improvement Tenant makes to the Premises; in that case, Tenant shall reimburse County within thirty (30) days after Tenant's receipt of County's invoice for the amount by which the amount of all reasonable costs County incurs in performing the maintenance or making the repair exceeds the proceeds payable, if any, in respect of damage covered under the terms of the policy of property insurance County maintains in force with respect to the Premises. County shall accomplish all maintenance for which it is responsible as soon as reasonably practicable following receipt of written notice from Tenant.

9.02 Inspections. Notwithstanding any provision of this Lease to the contrary, Tenant agrees that authorized employees and representatives of County and any federal, state or local governmental entity having jurisdiction over Tenant's operations and activities on the Premises shall have the right with advance notice that is reasonable under the circumstances to enter the Premises at reasonable times to inspect same for the purpose of determining whether Tenant is in compliance with the requirements of this Lease. In the event Tenant is not in compliance with this Lease, as reasonably determined by the Department, the Department shall provide Tenant with written notice of such noncompliance. Tenant shall commence corrective action to remedy such noncompliance to the satisfaction of the Department upon receipt of the notice of noncompliance. If corrective action is not initiated within thirty (30) days after the date of Tenant's receipt of the Department's notice, or sooner given the nature and extent of noncompliance and corrective actions necessary, and pursued in a diligent manner to completion, the Department may cause the same to be accomplished. Tenant agrees that Tenant shall assume and be liable to County for payment of all costs reasonably incurred by County, plus twenty-five percent (25%) of the amount of those costs for an administrative overhead fee, which costs and administrative overhead fee shall constitute additional rent hereunder and shall be due and payable within thirty (30) calendar days of the date of the Department's written notice and such documents as may be reasonably requested to corroborate the costs County incurred.

ARTICLE 10

UTILITIES

10.01 Utility Costs. Tenant shall pay for all utilities used by it. County shall provide water and sewer utilities, the costs of which shall be prorated and billed by the Department to Tenant monthly. County also reserves the right to charge Tenant for electric utilities to all common areas serving the Air Cargo Building. Tenant's share of the utility costs described in the two immediately preceding sentences will be equal to the percentage equivalent of a fraction, the numerator of which is the floor area of the Assigned Building Premises, and the denominator of which is the total leased floor area of the Air Cargo Building. The utility costs for which Tenant must pay a share in accordance with the foregoing will not include any mark-up by County above the amounts that the utility service providers charge to the County. Tenant shall have the right, but not the obligation, at its sole cost and expense, to connect to any and all utility mainlines or cables existing at the Effective Date of this Lease or installed during the Term. County shall have the right to provide separate meters or connections to any and all utility mainlines or cables serving the Air Cargo Building in which case Tenant shall pay any charges for utility service to the Assigned Building Premises according to the metered usage. Tenant shall pay utility costs for any utilities provided by County within thirty (30) days of the date of the invoice.

10.02 Interruption of Service. Except for failures, delays or interruptions that the negligence or willful misconduct of County or its contractors cause or that occur because of County's failure to make timely remittances to the service provider, no failure, delay or interruption in supplying any services for any reason whatsoever (whether or not a separate charge is made therefor) shall be or be construed to be an eviction of Tenant or grounds for any diminution or abatement of rental or shall be grounds for any claim by Tenant under this Lease for damages, consequential or otherwise.

10.03 Industrial Waste Systems. Tenant shall provide, operate and maintain adequate facilities for separating, neutralizing and treating industrial waste and foreign materials generated within the Premises and the proper disposal thereof as required by all applicable Federal, State and local laws, regulation and rules, as now or hereafter amended.

ARTICLE 11

AIRPORT SECURITY PROGRAM

Tenant expressly acknowledges and accepts full responsibility to conduct its operations at the Airport so as to maintain the integrity of the airfield operations area and hereby agrees to fully comply with all Federal, State and local laws, rules and security requirements applicable to Tenant's operations, as now or hereafter promulgated or amended, including, but not limited to, Title 14, Part 139 of the Code of Federal Regulations and Title 49, Part 1542 of the Code of Federal Regulations and the Palm Beach County Criminal History Record Check Ordinance (R-2003-030). Tenant agrees to comply with the Airport Security Program and the Air Operations Area (AOA) Vehicle Access Program, and amendments thereto. Notwithstanding any provision of this Lease to the contrary, Tenant shall comply with such other security policies, procedures, rules and regulations as may be prescribed by County, the Department, FAA, or TSA and to take such steps as may be necessary or directed by County, the Department, FAA, or TSA to ensure that subtenants, employees, invitees and guests observe these requirements. If required by the Department, Tenant shall conduct background checks of its employees in accordance with applicable Federal, State or local laws. Tenant shall pay any and all fees assessed for providing the security badges for Tenant's employees and contractors, and other fees that may be imposed. Tenant further agrees to be responsible for the care and maintenance of the Airport security barriers and devices to the Premises. All costs associated with the construction and repair of the security fence, barriers, access control and monitoring system, including, but not limited to, gates, signs or locks (keying and re-keying), that are installed now or in the future within the Assigned Building Premises shall be borne by Tenant. Tenant agrees to rectify any security deficiency or other deficiency arising within the Assigned Building Premises or as a result of the conduct of Tenant's operations on the Airport as may be determined as such by County, the Department, FAA or TSA. In the event Tenant fails to remedy any such deficiency, County may do so at the cost and expense of Tenant. Tenant acknowledges and agrees that County shall have the right to take whatever action is necessary to rectify any security deficiency or other deficiency of the nature described above as may be determined by County, the Department, FAA or TSA. Tenant shall be solely responsible for any fines, penalties, costs, expenses (including attorneys' fees and costs), and damages incurred by County and/or Tenant as a result of Tenant's failure to strictly comply with the requirements of this Article 11. The provisions of this paragraph shall survive the expiration or any other termination of this Lease insofar as they relate to security breaches occurring on or before the expiration or earlier termination of this Lease. Failure to comply with the requirements of this Article 11 shall be considered a material default of this Lease.

ARTICLE 12
INSURANCE REQUIREMENTS

12.01 Insurance Requirements. Tenant, at its sole cost and expense, shall maintain in full force and effect throughout the Term and any extension thereof, the insurance coverages, limits and endorsements required herein. Neither the requirements contained in this Article 12, nor County's review or acceptance of insurance, shall in any manner limit or qualify the liabilities and obligations assumed by Tenant hereunder.

- A. Property, Wind & Flood Insurance. Tenant 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 Tenant to 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 and include an endorsement for Ordinance & Law in an amount not less than 25% of the Property Insurance limit. Tenant shall maintain Flood Insurance, regardless of the flood zone, in an amount not less than 100% of the total replacement cost of the betterments and improvements made by or on behalf of Tenant to the Premises or the maximum amount available from the National Flood Insurance Program, whichever is less. Tenant shall maintain Windstorm Insurance, unless included as a covered peril in the Property Insurance, in an amount not less than 100% of the total replacement cost of the betterments and improvements made by or on behalf of Tenant to the Premises or the maximum amount available under the Florida Windstorm Underwriting Association, whichever is less. Tenant shall cause County to be endorsed as a "Loss Payee" on the policies. The "Loss Payee" endorsement shall provide coverage on a primary basis and shall read "Palm Beach County Board of County Commissioners, c/o Palm Beach County Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406."
- B. Aircraft Liability Insurance. Tenant shall maintain Aircraft Liability Insurance with respect of all aircraft owned, leased or operated by Tenant for bodily injury (including death) and property damage liability in a Combined Single Limit Amount of not less than \$25,000,000 per occurrence, including a Passenger Liability sublimit not less than \$1,000,000 per passenger.
- C. Business Automobile Liability Insurance. Tenant shall maintain Business Automobile Liability Insurance covering all Owned, Hired, and Non-Owned Vehicles used on the Airport in an amount of not less than \$1,000,000 Combined Single Limit per occurrence for Bodily Injury (including death) and Property Damage Liability; provided however, that if the scope and conduct of Tenant's operations under this Lease require vehicle access to the Airport's Aircraft Operations Area, Tenant shall maintain Business Automobile Liability Insurance in an amount not less than \$5,000,000 Combined Single Limit per occurrence for Bodily Injury

(including death) and Property Damage Liability. Notwithstanding the foregoing, if the scope and conduct of Tenant's operations under this Lease do not involve the operation, ownership or use of any vehicle, then this requirement shall include automobile liability for Hired & Non-Owned vehicles only. Coverage shall be provided on a primary basis.

- D. Commercial General Liability Insurance. Tenant shall maintain Commercial General Liability Insurance at limits of not less than \$5,000,000 Combined Single Limit per occurrence for Personal Injury, Bodily Injury (including death) and Property Damage Liability and shall include, but not be limited to, Premises and Operations, Personal Injury, Products-Completed Operations and Contractual Liability. Coverage shall be underwritten by a company or companies, which may be subject to the acceptance of County, in its reasonable discretion. Coverage shall be provided on a primary basis.
- E. Worker's Compensation Insurance. Tenant shall maintain Workers Compensation Insurance applying to all employees for Statutory Limits in compliance with Chapter 440, Florida Statutes and applicable Federal Laws. Coverage shall include Employers Liability with minimum limits of \$100,000 Each Accident, \$500,000 Disease-Policy Limit, and \$100,000 Disease-Each Employee unless otherwise stated. In the event Tenant subcontracts any portion of the work or services under this Lease to another party, Tenant shall be responsible for ensuring its subcontractors maintain Worker's Compensation & Employers Liability Insurance.

12.02 Waiver of Subrogation. Each party waives and releases, to the extent of the proceeds payable in respect of a Loss (as hereinafter defined) under the terms of insurance that the party suffering the Loss has in force or was required to have in force pursuant to this Lease, all rights of recovery, claim, action or cause of action that it may now or later have against the other or the other's agents, officers and employees by virtue of: (i) any loss or damage that may occur to the Air Cargo Building or other parts of the Airport, improvements to the Air Cargo Building or other parts of the Airport or, personal property on the Airport; or (ii) any diminution in the rent or in the revenue derived from the operation of the Airport or the conduct of business within the Premises, regardless of cause or origin, including, without limitation, the negligence of County or Tenant or any of their respective representatives, agents, employees, contractors and invitees (collectively referred to herein as a "Loss"). Because this Section 12.02 will preclude the assignment of any claim described above by way of subrogation or otherwise, each party must give each insurance company that has issued to it policies of insurance covering all risks of direct physical loss or revenue loss written notice of the terms of the mutual waivers set forth in this Section 12.02 and to have those policies properly endorsed, if necessary, to prevent the invalidation of the insurance coverages by reason of the mutual waivers set forth in this Section 12.02

12.03 Additional Insured. Tenant shall endorse County as an "Additional Insured" on Tenant's Commercial General Liability Insurance and Aircraft Liability Insurance. The "Additional Insured" endorsements shall provide coverage on a primary basis. The "Additional Insured" endorsement shall read: "Palm Beach County, a Political Subdivision of the State of Florida, its Board of County Commissioners, Officers, Employees and Agents, c/o Palm Beach County Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406".

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

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

- A. The Certificate of Insurance issued to County shall clearly indicate whether the Claims-Made Liability form applies, include the retroactive date of coverage and indicate if the limits are subject to annual aggregate. In the event aggregate limits are applicable, Tenant agrees to maintain an aggregate limit not less than three (3) times the per occurrence limit of liability required in Sections 12.01(A) through (E) above.
- B. Tenant shall purchase a Supplemental Extended Reporting Period providing an additional reporting period of not less than three (3) years in the event a Claims-Made liability policy is canceled, non renewed, switched to an Occurrence Form, renewed with an advanced retroactive date, or any other event triggering the right to purchase a Supplemental Extended reporting Period during the term of this Lease. All insurance policies required hereunder may be written to include a reasonable deductible or self-insured retention, unless otherwise stated or limited. Limits on said deductible amounts may be subject to review and approval. When requested, Tenant shall submit a copy of most recent financial statement in order to justify a particular deductible or self-insured retention amount.

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

12.07 Right to Review. County, by and through its Risk Management Department, in cooperation with the Department, reserves the right to periodically review any and all policies of insurance and to reasonably adjust the limits of coverage required hereunder from time to time throughout the term of this Lease. County may reject any insurer or self-insurance plan providing coverage because of poor financial condition or failure to operate legally. In such event, County shall provide Tenant written notice of such adjusted limits or rejection and Tenant shall comply within thirty (30) days of receipt thereof. Tenant shall be responsible for any premium revisions as a result of any such reasonable adjustment.

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

12.09 No Representation of Coverage Adequacy. Tenant acknowledges the limits, coverages and endorsements required by this Article 12 are intended to minimize liability for County. Tenant agrees that it will not rely upon the requirements of this Article 12 when assessing the extent or determining appropriate types or limits of insurance coverage to protect Tenant against any loss exposures, whether as a result of this Lease or otherwise.

ARTICLE 13 **DAMAGE OR DESTRUCTION OF PREMISES,** **LICENSED AREAS OR IMPROVEMENTS**

13.01 Damage or Destruction. Subject to the limitations set forth elsewhere in this Lease, Tenant hereby assumes full responsibility for the condition of the Premises and character, acts and conduct of all persons admitted to the Premises (other than the County's employees, agents and contractors) by or with the actual or constructive consent of Tenant or by or with the consent of any person acting for or on behalf of Tenant. If any part of the Air Cargo Building or any other part of the Airport is damaged in any way whatsoever by the default, negligence or willful misconduct of Tenant or its sublessees, contractors, employees, officers, licensees, agents or invitees (collectively called "Tenant Parties"), Tenant shall be responsible for payment of: (i) all costs of restoring the damaged property to substantially the same condition that existed prior to the occurrence of the fire or other casualty using materials of like kind and quality to the extent that those costs exceed the proceeds payable under any policy of property insurance that County maintains in force with respect to the Air Cargo Building or Airport; and (ii) the deductibles that apply in connection with the County's policies of insurance; provided, however, Tenant shall only be liable for payment of such costs and deductibles to the extent those costs are allocable to the default, negligence or willful misconduct of the Tenant Parties.

13.02 Termination Rights of the Parties. If a fire or other casualty renders the Premises untenable, in whole or in part, either by reason of direct damage to the Premises or by denial of, or material restriction to Tenant's access to the Premises and if the estimated cost of restoring the damaged property to substantially the same condition that existed prior to the occurrence of the fire or other casualty using materials of like kind and quality exceeds Two Hundred Fifty

Thousand Dollars (\$250,000.00), County may elect to terminate this Lease by delivering written notice to Tenant within sixty (60) days after the date of such fire or other casualty. In the event County elects to restore the damaged property or is obligated to restore the damaged property pursuant to this Section 13.02, County shall provide Tenant with a good faith estimate of the anticipated time to complete restoration ("Estimate") within sixty (60) days of the date of the fire or other casualty. If the estimated date for completion of restoration is more than one hundred eighty (180) days after the date of the occurrence of the fire or other casualty, Tenant may terminate this Lease by delivering written notice to County within fifteen (15) days following Tenant's receipt of the Estimate. If County fails to complete the restoration within thirty (30) days after the date specified in the Estimate, Tenant may terminate this Lease by delivering written notice to County at any time following the expiration of that thirty (30) day period; provided, however, Tenant shall not have the right to terminate this Lease on or after the date on which County completes the restoration. In the event County's inability to complete restoration on or before the date specified in the Estimate is due, in whole or in part, to Excused Delays or the act or omission of any Tenant Parties, the date for completion of restoration shall be postponed by the aggregate amount of the delay in restoration that occurs as a result of such Excused Delays or act or omission of the Tenant Parties. In the event of restoration of the Premises by County pursuant to this paragraph, Tenant's obligation to pay rental shall be abated as provided in Section 13.03 below.

13.03 Rent Abatement. If this Lease is terminated pursuant to this Article 13, the rental required by virtue of the terms of this Lease will abate entirely effective upon the effective date of the termination. In the event neither party terminates this Lease pursuant to Section 13.02 above, the rental required by virtue of the terms of this Lease will abate for the period during which the Premises is untenantable to the extent that the rental exceeds the proceeds payable in respect of the time element insurance that County maintains in force with respect to the Airport by reason of the damage to the Air Cargo Building. In the event County elects to restore the Premises, no abatement of the rental required by virtue of the terms of this Lease that is allocable to that portion of the Premises that remains tenantable will occur; the parties will determine the amount of the rental that is allocable to that portion of the Premises that remains tenantable based on the proportion that the utility that the tenantable portion of the Premises has in the conduct of Tenant's business bears to the total utility of the Premises in the conduct of that business. For purposes of the foregoing, the parties will consider that the Premises is untenantable and that use of the entire Premises has not been restored to Tenant until the date that is the earliest of (i) the date that is thirty (30) days after the date on which County substantially completes the restoration of the Premises (excluding leasehold improvements Tenant makes) and restores substantially the same degree of access to the Premises that existed prior to the occurrence of the fire or other casualty, (ii) the date that is thirty (30) days after the date on which County would have substantially completed the restoration of the Premises (excluding leasehold improvements Tenant makes) and would have restored substantially the same degree of access to the Premises that existed prior to the occurrence of the fire or other casualty, but for the occurrence of delays that occur in the completion of the restoration because of Tenant's action or inaction, or (iii) the date on which Tenant resumes the conduct of its business activities within the portion of the Premises affected by the fire or other casualty. County is entitled to adjust any claim made, and receive all proceeds payable, in respect of the time element insurance that County maintains in force with respect to the Airport and shall apply those proceeds to the payment of the rental that becomes due during the period of the restoration.

13.04 Restoration. If a fire or other casualty renders the Premises untenable, in whole or in part, either by reason of direct damage to the Premises or by denial of, or material restriction to Tenant's access to the Premises and this Lease is not terminated in accordance with this Article 13, County shall restore the damaged property (exclusive of the leasehold improvements made by Tenant) to substantially the condition that existed prior to the occurrence of the fire or other casualty in accordance with the requirements of this Lease and all applicable laws, ordinances and regulations. To the extent practicable, County will provide Tenant's contractors with access to the Premises during the restoration for the purpose of concurrently repairing or replacing Tenant's leasehold improvements and trade fixtures; provided that the work to be performed by Tenant's contractors will not: (i) conflict with the restoration work being performed by County's contractors; or (ii) result in a delay in completion of the restoration work being completed by County's contractors.

13.05 Waiver. Tenant hereby waives any claim against County for any and all liability, damages or compensation in the event this Lease is terminated pursuant to Section 13.02 above.

13.06 Limitations. Notwithstanding any provision of this Lease to the contrary, County shall have no obligation to repair, rebuild or restore Tenant's personal property or fixtures or any improvements made by Tenant to the Premises. If this Lease is not terminated in accordance with this Article 13, County's obligation to restore or rebuild the damaged property shall only exist to the extent of: (i) the insurance proceeds payable to County as the result of a fire or other casualty; and (ii) any amounts received by County from Tenant towards the costs of restoration pursuant to Section 13.01. Except as provided in Section 13.03, Tenant 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 damage, destruction, repair or restoration of the Premises. To the extent provided in Section 12.02 above, County shall not be liable for any damage or inconvenience or interruption of the business of Tenant occasioned by fire or other casualty. In the event this Lease is terminated in accordance with this Article 13, County shall remain entitled to receive all proceeds payable in respect of the insurance that County maintains.

13.07 Insurance Proceeds. Upon receipt by Tenant of the proceeds of any applicable insurance policy or policies that covers damage to the Air Cargo Building or Licensed Areas (as distinguished from policies covering damage to leasehold improvements Tenant makes to the Premises or to personal property that Tenant places in or about the Premises), 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 Tenant or its sublessees, contractors, employees, officers, licensees, agents or invitees, Tenant 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 Tenant.

ARTICLE 14
ENCUMBRANCES

Tenant shall not, in any manner, mortgage, pledge or otherwise encumber this Lease, the Premises or any improvements now existing or hereinafter erected or constructed upon the Premises without County's prior written consent, which consent may be granted or withheld by County in its sole discretion for any reason or no reason at all. Any such encumbrance without County's approval shall be null and void. This provision shall be construed to include a prohibition against any mortgage, pledge, or encumbrance by operation of law, legal process, receivership, bankruptcy, or otherwise, whether voluntary or involuntary.

ARTICLE 15
TITLE TO IMPROVEMENTS

15.01 Title to Improvements Constructed During the Term. Tenant shall be deemed to be the owner of all improvements constructed by Tenant upon the Premises during the Term. Upon expiration of the Term or its sooner termination as provided herein, all improvements constructed or placed upon the Premises by Tenant, title to which has not previously vested in County hereunder, shall become the absolute property of County, and County shall have every right, title, and interest therein, free and clear of any liens, mortgages, and other encumbrances. Upon the request of County, Tenant shall provide County with a bill of sale or other evidence of the transfer of ownership of the improvements together with evidence satisfactory to County that the improvements are free from liens, mortgages and other encumbrances.

15.02 Removal of Improvements. Notwithstanding any provision of this Lease to the contrary, County shall be entitled, at its option, to have the Premises returned to County free and clear of some or all of the improvements at Tenant's sole cost and expense. County may exercise that right, if at all, by including in its consent to the making of the improvement to the Premises the requirement to remove the improvement upon the expiration of the Term or any earlier termination of this Lease. If Tenant fails to remove the improvements prior to the expiration of the Term or within sixty (60) days after the date an earlier termination of this Lease occurs or within such longer period of time as may be reasonably required to accomplish the removal through the exercise of prompt, diligent and continuous effort, County may remove the improvements. Tenant agrees that Tenant shall fully assume and be liable to County for payment of all costs of removal of the improvements (whether direct or indirect) that County reasonably incurs, plus twenty-five percent (25%) of the amount of those costs for an administrative overhead fee, which costs and administrative overhead fee shall be due and payable to County within thirty (30) days after the date of Tenant's receipt of the Department's invoice and such documents as may be reasonably requested to corroborate the costs County incurred.

15.03 Survival. The provisions of this Article 15 shall survive expiration or termination of this Lease.

ARTICLE 16
EXPIRATION OF LEASE, DEFAULTS, REMEDIES AND TERMINATION

16.01 Expiration. This Lease shall automatically terminate at the end of the Term, unless terminated sooner as provided for herein or extended pursuant to Section 3.02. In the event this Lease is extended, this Lease shall automatically terminate at the end of the renewal term, unless terminated sooner as provided for herein.

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

- A. The vacating or abandonment of the Premises by Tenant.
- B. The failure by Tenant to make payment of rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of five (5) days after written notice thereof from County to Tenant.
- C. The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than described in Section 16.02(B) above and Section 20.04(G) below, where such failure continues for a period of thirty (30) days after written notice thereof from County to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant 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 Tenant or any guarantor thereof of any general assignment, or general arrangement for the benefit of creditors; (ii) the filing by or against Tenant of a petition to have Tenant adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy [unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days]; (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

Notwithstanding any provision of this Lease, Tenant acknowledges and agrees that the Department may require Tenant to immediately cease any activity that could result in an airport hazard or endanger safety of any other Airport user, as reasonably determined by the Department.

16.03 Remedies. In the event of any default or breach by Tenant, County may elect to exercise any one of the following remedies at any time thereafter, with or without notice or demand and without limiting any other right or remedy that County may have under the law by reason of such default or breach:

- A. Terminate Tenant's right to possession of the Premises and repossess the Premises by any lawful means without terminating this Lease. In that event County shall use good faith and reasonably prompt efforts to re-let the Premises for the account of Tenant for such rent and upon such terms as may be satisfactory to County. For the purposes of that re-letting, County may repair, remodel or alter the Premises. If County fails to re-let the Premises, Tenant shall pay to County the rental reserved in this Lease for the balance of the Term as those amounts become due in accordance with the terms of this Lease. If County re-lets the Premises, but fails to realize a sufficient sum from the re-letting to pay the full amount of rental reserved in this Lease for the balance of the Term as those amounts become due in accordance with the terms of this Lease, after paying all of the costs and expenses of all decoration, repairs, remodeling, alterations and additions and the expenses of the re-letting and of the collection of the rent accruing from the reletting, Tenant shall pay to County the amount of any deficiency upon County's demand from time to time made;
- B. Terminate this Lease and repossess the Premises by any lawful means. In that event County may recover from Tenant as damages (a) all rental that became due prior to the termination and that remains unpaid, (b) the discounted present value (determined based on then commercially reasonable rates) of the amount, if any, by which (I) the sum of the Preferential Use Aircraft Parking Fee reserved under the terms of this Lease for the balance of the Term that remained as of the effective date of the termination and the rental reserved under the terms of Section 5.01 of this Lease (as reduced and adjusted in accordance with the terms of Sections 5.02 and 5.04 above) for the balance of the Term that remained as of the effective date of the termination exceeds (II) the fair market rent for the Premises for the balance of the Term after deduction of reasonable expenses of re-letting for that period incurred by County, and (c) all reasonable costs and expenses County reasonably incurs in connection with the enforcement of Tenant's obligation to pay those damages, including, without limitation, reasonable attorneys' fees. If the amount described in division (II) above exceeds the amount described in division (I) above, County has no obligation to pay Tenant any part of the excess or to credit any part of the excess against any other sums or damages for which Tenant may be liable to County at the time of the termination; or

- C. Pursue any other remedy available to County under the laws of the State of Florida, subject only to the limitation that, except as specifically provided in Section 16.03(B) above, County may not seek as damages amounts becoming due subsequent to termination of this Lease and Tenant's surrender of possession of the Premises to County under the terms of this Lease. Notwithstanding the foregoing, Tenant shall remain liable for payment of and fees and charges following termination of this Lease resulting from its continued operations at the Airport, including, but not limited to, Landing Fees, Environmental Operating Fees and Aircraft Parking Fees.

Notwithstanding anything in this Lease to the contrary, County shall have the right to bring an action for its damages upon the occurrence of a default by Tenant and County reserves all rights that the laws of the State of Florida confer upon a landlord against a tenant in default subject only to the limitations expressly set forth in this Lease. Tenant hereby waives any additional notice Tenant may be entitled to pursuant to Florida law.

16.04 Termination by Tenant. Tenant may terminate this Lease, if Tenant is not in default of this Lease (including, but not limited to, its payments to County hereunder), by giving County thirty (30) days advance written notice, 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 for the purposes permitted hereunder, 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 herein required to be performed by County and the failure of County to remedy such default for a period of thirty (30) days after receipt from Tenant of written notice to remedy same; provided, however, that no notice of cancellation, as provided herein, shall be of any force or effect if County shall have remedied the default prior to receipt of Tenant's notice of cancellation; or in the event the same cannot reasonably be cured within such thirty (30) 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 Tenant, for a period of at least ninety (90) days.

16.05 Default by County. County shall not be in default unless County fails to perform obligations imposed upon County hereunder within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to County, specifying wherein County has failed to perform such obligations; provided, however, that if the nature of County's obligations is such that more than thirty (30) days are reasonably required for performance then County shall not be in default if County commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Tenant shall have, in the event of default by County, the remedies set forth in Section 16.04 above and any other remedy now or hereafter available to Tenant under the laws of the State of Florida.

16.06 Surrender of Premises. Tenant expressly agrees that, upon expiration of the Term or earlier termination of this Lease, it shall immediately surrender the Premises to County in as good condition as exists on the Effective Date, except for the Initial Leasehold Improvements, any other alterations or improvements to the Premises that Tenant makes with County's consent that County has not required to be removed, depreciation and wear from ordinary use for the purpose for which the Premises were leased, and damage that County has the obligation to repair under the terms of this Lease. In the event Tenant shall holdover, refuse, or fail to give up the possession of the Premises at the termination of this Lease, Tenant shall be liable to County for any and all damages, and in addition thereto, Tenant shall also be strictly liable to pay to County during the entire time period of such holdover, rental equal to one hundred ten percent (110%) of the rental in effect immediately prior to the expiration of the then current term or the earlier termination of this Lease, and Non-Signatory Airline rates for all other fees and charges. Tenant shall remove all of its personal property from the Premises prior to the expiration of this Lease. Any personal property of Tenant not removed by Tenant shall become the property of County.

ARTICLE 17

ASSIGNMENT AND SUBLETTING

17.01 Assignment by Tenant. Except as permitted below, Tenant shall not in any manner assign, transfer, mortgage, pledge, encumber, hypothecate or otherwise convey an interest in this Lease, or any portion of Premises, without the prior written consent of the Department ("Assignment"), which consent may be granted or withheld in the Department's sole and absolute discretion. Without County's consent, however, Tenant may assign this Lease or sublet any part of the Premises to a corporation controlling, controlled by, or under common control with, Tenant, to the surviving corporation in any merger or other corporate reorganization involving Tenant, or to the purchaser of all or substantially all of Tenant's assets, upon written notice to County. In the case of any Assignment, whether one requiring County's consent or one not requiring that consent, the assignee must assume all obligations of Tenant hereunder that accrue subsequent to the Assignment and must comply with terms and conditions set forth in this Lease insofar as they relate to obligations that accrue subsequent to the Assignment. Tenant further agrees to provide County with such documentation relating to the merger or consolidation of Tenant and the successor entity or to the sale of Tenant's assets as County requires in its reasonable discretion.

17.02 Subletting By Tenant. Except as Section 17.01 above permits, Tenant shall not sublease the Premises, or any portion thereof, without the prior written consent of the Department, which consent may be granted or withheld in the Department's sole and absolute discretion

17.03 General.

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

B. Except for vending machine concessions within the Assigned Building Premises to serve Tenant's employees, this Article 17 shall be applicable to subleases, licenses, handling agreements, and any other arrangements by which a third party may obtain any benefits of Tenant's rights and privileges hereunder.

C. This Article 17 shall be construed to include a prohibition against any assignment, mortgage, pledge, encumbrance or sublease by operation of law, legal process, receivership, bankruptcy or other wise, whether voluntary or involuntary.

ARTICLE 18
INDEMNIFICATION

Except as provided in Section 12.02, Tenant agrees to protect, defend, reimburse, indemnify and hold County, its agents, employees and elected officers and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including attorney fees at trial and appellate levels) and causes of action of every kind and character against County, or in which County is named or joined, (i) arising out of this Lease or Tenant'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, (ii) arising out of, or incident to, or in connection with Tenant's acts, omissions or operations hereunder, or (iii) arising out of the performance, non-performance or purported performance of Tenant, or any breach by Tenant of the terms of this Lease; provided, however, Tenant shall not be responsible to County for claims, liability, expenses, losses, costs, fines and damages resulting out of the negligence or willful misconduct of County or any of its agents, servants, employees, officers and contractors. Except as provided in Section 12.02, Tenant 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 Tenant's activities or operations or use of the Premises, whether or not Tenant was negligent or even knowledgeable of any events precipitating a claim or judgment arising as a result of any situation involving said activities. The scope of the foregoing indemnification includes claims, liability, expenses, losses, costs, fines and damages arising out of the acts and omissions of deliverers, suppliers, furnishers of material, or other invitees acting for, on behalf of, or at the request of, Tenant. Tenant 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 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 18 insofar as they relate to events occurring, or conditions coming into being, during the Term or any extension of the Term shall survive the expiration of the Term or any extension of the Term or any earlier termination of this Lease.

ARTICLE 19

ALTERATION OR ADDITIONS, SIGNS

19.01 Alterations or Additions. Tenant shall make no alterations or additions to the Assigned Building Premises, or improvements constructed thereon, without the prior written consent of the Department, which will not be unreasonably withheld, but which may be subject to reasonable conditions or limitations. Any such additions, alterations or improvements shall be made in accordance with the construction requirements contained herein and as established by the Department.

19.02 Signs. No signs, posters, or similar devices shall be erected, displayed, or maintained by Tenant elsewhere on the Airport without the written consent of the Department, which consent may be granted or withheld in the Department's sole and absolute discretion. All signs not approved by the Department shall be immediately removed at the sole cost and expense of Tenant upon written demand therefor by the Department.

ARTICLE 20

LAWS, REGULATIONS AND PERMITS

20.01 General.

- A. Tenant expressly covenants, warrants, guarantees and agrees that, throughout the Term, Tenant shall be at all times in full and complete compliance with all statutes, regulations, rules, rulings, orders, ordinances, or directives, as same may be amended, of all Federal, State, County, Municipal or local governmental bodies now or hereafter having jurisdiction over the Airport applicable to the activities that Tenant conducts at the Airport, including, but not limited to, FAA advisory circulars and the "Rules and Regulations of the Department of Airports of Palm Beach County, Florida" (Resolution No. R-98-220 as it may be amended, supplemented or superseded by Resolution of the Board of County Commissioners), and all operational orders issued thereunder.
- B. Tenant agrees that it shall require its appropriate managers, supervisors and employees to attend such training and instructional programs as Department may from time to time require, in connection with policies and procedures related to certification of the Airport under Title 14, Part 139 of the Code of Federal Regulations or the Rules and Regulations of the Department.

20.02 Permits and Licenses Generally. At Tenant's sole cost, Tenant shall be strictly liable and responsible for obtaining, paying for, maintaining in a current status, and fully complying with, all permits, licenses and other governmental authorizations, however designated, as any Federal, State or local governmental entity or any court of law having jurisdiction over Tenant or Tenant's operations and activities may require at any time during the Term or any extension thereof for any activity Tenant conducts on the Premises. Upon the written request of the Department, Tenant shall provide to the Department certified copies of any and all permits and licenses that Department may request.

20.03 Air and Safety Regulation. Tenant agrees that it 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, subtenants, contractors, business invitees and all other persons transacting business with or for Tenant insofar as those regulations and standards in any way relate to the conduct of Tenant's business on the Airport. Tenant shall procure and maintain such fire prevention and extinguishing devices as required by County and by law and shall at all times be familiar with, and comply with, the fire regulations and orders of County and the fire control agency having jurisdiction at the Airport, as same may now exist or hereafter come into being. Tenant hereby agrees that neither Tenant nor any employee, contractor or other person working for or on behalf of Tenant shall require any personnel engaged in the performance of Tenant's operations to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous to his or her health or safety, as determined by standards adopted in accordance with the Occupational Safety and Health Act of 1970, as same may be amended from time to time, or any other State or local law, regulation, or order relative to occupational safety and health.

20.04 Environmental and Natural Resource Laws, Regulations and Permits.

- A. Notwithstanding any other provision of this Lease to the contrary, Tenant hereby expressly covenants, warrants, guarantees and represents to County, upon which County expressly relies, that Tenant is knowledgeable of all Federal, State and local governmental laws, ordinances, regulations, orders and rules that in any way apply to the direct or indirect results and impacts to the environment and natural resources that could occur in connection with Tenant's conduct of its operations upon the Premises. Tenant agrees that it shall comply with all Federal, State and local laws, regulations and ordinances protecting the environment and natural resources, as now or hereafter amended, including, but not limited to, the Federal Clean Water Act, Safe Drinking Water Act, Clean Air Act, Resource Conservation Recovery Act, and Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("Superfund"), insofar as those laws, regulations and ordinances are applicable to Tenant's conduct of its operations upon the Premises. In making the foregoing covenant and the other covenants set forth in this Section 20.04, Tenant does not undertake any obligation to remediate, or to take any other action with respect to, any environmental condition affecting the Premises or any other part of the Airport as of the Effective

Date or any environmental condition that comes into existence during the Term or any extension of the Term as a result of the acts or omissions of County, any of County's employees, agents or contractors, or any third-party user of the Aircraft Parking Apron or any other Licensed Area. Moreover, in making the foregoing covenant and the other covenants set forth in this Section 20.04, Tenant does not undertake any obligation to remediate, or any liability for the cost of remediating, the Premises to a level of contamination lower than that which exists on the Effective Date or to a level of contamination lower than that which the governmental authorities having jurisdiction over the environmental condition require in order to discontinue enforcement actions.

- B. Tenant acknowledges and understands that its operations performed pursuant to this Lease may involve the generation, processing, handling, storing, transporting and disposal of certain hazardous and/or toxic materials that are, or may be, subject to regulation by Federal, State or local laws, ordinances, regulations, rules, orders or other governmental rules and requirements.
- C. Tenant expressly covenants, warrants, guarantees and represents to County, upon which County expressly relies, that Tenant is knowledgeable of all such governmental laws and regulations governing hazardous and/or toxic waste, ground water contamination, air and water pollution, oil spills, sanitary and industrial waste, pollutants, cooling water and industrial storm water drainage insofar as those laws, regulations and ordinances are applicable to Tenant's conduct of its operations upon the Premises. Tenant further expressly covenants, warrants, guarantees and represents that it is fully qualified to handle and dispose of any and all hazardous or toxic waste materials and other pollutants and contaminants, in a manner that is both safe and in full compliance with any and all applicable Federal, State and local laws and regulations.
- D. Tenant hereby expressly assumes and accepts full responsibility and liability for compliance with all such governmental laws and regulations in the handling and disposal of all hazardous waste or toxic materials and all pollutants or contaminants of any kind resulting from or arising out of Tenant's operations conducted on the Airport, and, prior to commencement of any such operations pursuant to this Lease, Tenant shall secure all permits, and properly make all necessary notifications, as may be required by any governmental agency having jurisdiction over the Airport. Tenant further represents, warrants, guarantees and covenants to County, upon which County hereby expressly relies, that Tenant, its employees, agents, contractors, and those persons that are required to be so trained working for, or on behalf of, Tenant have been fully and properly trained in the handling of all such hazardous and toxic waste materials, and other pollutants and contaminants, and that such training, at a minimum, complies with any and all applicable Federal, State and local

laws, ordinances, regulations, rulings, orders and standards, as now or hereafter amended.

- E. Tenant shall provide to County satisfactory documentary evidence of all such requisite legal permits and notifications, as hereinabove required and as may be further required, upon request, from time to time by County.
- F. If Tenant is deemed to be a generator of hazardous waste, as defined by State, Federal or local law:
 - (1) Tenant shall obtain an EPA identification number and the appropriate generator permit and shall comply with all requirements imposed upon a generator of hazardous waste including, but not limited to, ensuring that the appropriate transportation and disposal of such materials are conducted in full compliance with the law;
 - (2) Provisions shall be made by Tenant to have an accurate inventory list (including quantities) of all such hazardous, toxic, and other contaminated or polluted materials, whether stored, disposed of, or recycled, available at all times on the Premises for inspection at any time by County;
 - (3) Tenant shall notify the Palm Beach County Solid Waste Authority, Palm Beach County Environmental Resources Management Department, and such other agencies as County may from time to time designate, of all hazardous waste activities so that Tenant shall be included as a County Generator of such waste; and
 - (4) Tenant agrees that an emergency coordinator and phone number shall be furnished to the Department, 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.
- G. Violation of any part of the foregoing provisions or disposition by Tenant of any sanitary waste, pollutants, contaminants, hazardous waste, industrial cooling water, sewage or any other materials in violation of the provisions of this Article 20 shall be deemed to be a default under this Lease and shall be grounds for termination of this Lease unless cured within ten (10) days of receipt of notice from the Department or as expeditiously as possible if the default cannot be completely cured within the ten (10) day period. Tenant shall be strictly liable for, and hereby expressly assumes all responsibility for, all citations, fines and the costs of environmental controls and monitoring, clean-up and disposal, restoration and corrective measures resulting from or in any way connected with the

improper use, handling, storage, and/or disposal of any pollutants or contaminated materials, as same are defined by law, by Tenant or by any of Tenant's employees, suppliers of service, furnishers of materials or other invitees, regardless of whether or not a default notice has been issued and notwithstanding any other obligations imposed upon Tenant pursuant to the terms of this Lease. All such remedies of County with regard to environmental requirements as set forth herein shall be deemed cumulative in nature and shall survive expiration or termination of this Lease.

- H. Tenant agrees to protect, defend, reimburse, indemnify and hold County, its agents, employees and elected officers harmless from and against any and all claims, liability, expenses, losses, costs fines and damages (including reasonable attorney fees at trial and appellate levels), arising from, resulting out of or in any way caused by or connected to Tenant's failure to comply with any and all applicable Federal, State and local laws, ordinances, regulations, rulings, orders and standards, now or hereafter promulgated for the purpose of protecting the environment or natural resources. Tenant understands that this indemnification is in addition to and is a supplement of Tenant's indemnification agreement set forth in Article 18 of this Lease. Tenant 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 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 Section 20.04(H) insofar as they relate to events occurring, or conditions coming into being on or before the expiration or termination of this Lease or resulting from Tenant's occupancy of the Premises shall survive the expiration or earlier termination of this Lease.

ARTICLE 21

AMERICANS WITH DISABILITIES ACT

Tenant shall comply with the applicable requirements of the Americans with Disabilities Act and any similar or successor laws, ordinances, rules, and regulations, including cooperation with County, concerning the same subject matter.

ARTICLE 22
DISCLAIMER OF LIABILITY

COUNTY HEREBY DISCLAIMS, AND TENANT 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 TENANT, ITS EMPLOYEES, AGENTS, OR INVITEES DURING THE TERM OF THIS LEASE OR ANY EXTENSION THEREOF INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF TENANT OR TENANT'S BUSINESS INVITEES THAT MIGHT BE LOCATED OR STORED ON THE PREMISES, UNLESS SUCH LOSS, DAMAGE OR INJURY IS CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF COUNTY OR ANY OF ITS EMPLOYEES, AGENTS OR CONTRACTORS OR IS CAUSED BY COUNTY'S BREACH OF ITS OBLIGATIONS UNDER THIS LEASE. TENANT RELEASES COUNTY FROM ANY AND ALL LIABILITY RELATING TO ANY INFORMATION PROVIDED BY COUNTY RELATING TO THIS LEASE. FURTHERMORE, TENANT ACKNOWLEDGES AND AGREES THAT ITS USE OF ANY SUCH INFORMATION, WHETHER PREPARED OR PROVIDED BY COUNTY OR OTHERWISE, IN DETERMINING WHETHER TO ENTER INTO THIS LEASE WAS AT ITS SOLE RISK. THE FOREGOING DISCLAIMER SHALL NOT BE CONSTRUED TO CONSTITUTE AN AGREEMENT BY TENANT TO INDEMNIFY COUNTY FOR COUNTY'S NEGLIGENT, WILLFUL OR INTENTIONAL ACTS.

ARTICLE 23
REMEDIES CUMULATIVE

The rights and remedies of the parties hereto with respect to any of the terms and conditions of this Lease shall be cumulative and not exclusive and shall be in addition to all other rights and remedies of the parties., subject only to the limitations expressly set forth in this Lease.

ARTICLE 24
GOVERNMENTAL RESTRICTIONS

24.01 Federal Right to Reclaim. In the event a United States governmental agency shall demand and take over the entire facilities of the Airport or the portion thereof wherein the Premises are located for public purposes for a period in excess of ninety (90) days, either party may terminate this Lease by providing written notice of such termination to the other party and the parties shall thereupon be released and fully discharged from any and all liability hereunder arising after such termination or as a result thereof. This Section 24.01 shall not act or be construed as a waiver of any rights Tenant may have against the United States as a result of such taking.

24.02 Federal Review. This Lease is subject to any applicable review by the Federal Aviation Administration to determine satisfactory compliance with Federal law and said Lease shall be in full force and effect and binding upon both parties pending review and approval by said Federal Aviation Administration, if applicable; provided, however, that upon such review all parties hereto agree to modify any of the terms hereof that shall be determined by the Federal Aviation Administration to be in violation of existing laws, regulations or other legally binding requirements. If, however, any such modification materially reduces the rights and privileges that Tenant has under the terms of this Lease or materially increases the obligations, or the cost of performing the obligations, that Tenant has under the terms of this Lease, Tenant may terminate this Lease by delivering written notice to County.

24.03 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 the County of Palm Beach, of the right to assess, levy, and collect any ad valorem, non ad valorem, license, personal, intangible, occupation, or other tax that shall be lawfully imposed on the Premises or the business or property of Tenant.

24.04 Height Restriction. Tenant expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Premises to such a height so as to comply with Title 14, Part 77 of the Code of Federal Regulations, as now or hereafter amended.

24.05 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, said airspace for landing on, taking off from, or operating on the Airport.

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

24.07 Release. Tenant acknowledges that noise and vibration are inherent to the operation of Airport and hereby releases County from any and all liability relating to the same.

24.08 Exclusive Rights. Notwithstanding any provision of this Lease to the contrary, Tenant understands and agrees that the rights granted under this Lease are nonexclusive, other than the exclusive right of use of the Premises, and that County may grant similar privileges to another lessee or other lessees on other parts of the Airport.

24.09 Hazardous Wildlife Attractants. Tenant shall be prohibited from using the Premises in a manner that attracts, or has the potential to attract, hazardous wildlife to or in the vicinity of the Airport. Tenant acknowledges that water detention and retention areas are considered wildlife attractants and shall request the approval of the Department prior to constructing a water detention or retention area within the Premises. If approved by the Department, water detention or retention areas shall be in compliance with the siting, design and construction requirements of the Department. Tenant 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.

ARTICLE 25 NON-DISCRIMINATION

25.01 Non-discrimination in Employment. Tenant assures that it will comply with pertinent statutes, Executive Orders, and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, sexual orientation, gender identity or expression, religion, marital status, age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates Tenant for the period during which Federal assistance is extended to County for the Airport, except where the Federal assistance is to provide, or is in the form of, personal property or real property or interest therein or structures or improvements thereon. In these cases, the provision obligates Tenant for the longer of the following periods: (1) the period during which the property is used by County for a purpose involving the provision of similar services or benefits; or (2) the period during which the County retains ownership or possession of the property. Tenant shall include this provision in all subleases and subcontracts.

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

involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

25.03 Disadvantaged Business Enterprise/Affirmative Action. Tenant acknowledges that the provisions of 49 CFR, Part 26, Disadvantaged Business Enterprises (DBE), and 14 CFR, Part 152, Affirmative Action Employment Programs, may be applicable to the activities of Tenant under the terms of this Lease, unless exempted by said regulations, and hereby agrees, if such provisions are applicable, to comply with all requirements of the Department, the Federal Aviation Administration, and the U.S. Department of Transportation, in reference thereto. These requirements may include, but not be limited to, the compliance with DBE and/or Employment Affirmative Action participation goals, the keeping of certain records of good faith compliance efforts, which would be subject to review by the various agencies, the submission of various reports, and including, if directed by the Department, the contracting of specified percentages of goods and services contracts to Disadvantaged Business Enterprises. Failure to comply with these requirements, if applicable, shall be grounds for default and cancellation of this Lease. Any cancellation pursuant to this Section 25.03 shall not be effective until the procedures specified in said Federal regulations and such other procedures that are established by County are completed, including exercise or expiration of any appeal rights.

ARTICLE 26

COUNTY NOT LIABLE

Except to the extent that the losses, damages or injuries occur because of the negligence or willful misconduct of County or any of its employees, agents or contractors, County shall not be responsible or liable to Tenant for any claims for compensation or any losses, damages or injury whatsoever sustained by Tenant resulting from failure of any water supply, heat, air conditioning, electrical current, or sewage 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, civil commotion or riot, or any cause beyond the control of County. To the extent provided in Section 12.02, all personal property placed on or moved on to the Premises shall be at the sole risk of Tenant. County shall not be liable for any damage or loss of any personal property placed or moved on to the Premises.

ARTICLE 27

AUTHORIZED USES ONLY

Notwithstanding anything to the contrary herein, Tenant shall not use or permit the use of the Premises or the Airport for any illegal or improper 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 Tenant.

ARTICLE 28
MISCELLANEOUS

28.01 Waiver. The failure of either party to insist on a strict performance of any of the agreements, terms, covenants and conditions hereof shall not be deemed a waiver of any rights or remedies that either party may have for any subsequent breach, default, or non-performance, and neither parties' right to insist on strict performance of this Lease shall be affected by any previous waiver or course of dealing.

28.02 Subordination.

- A. Subordination to Bond Resolution. This Lease and all rights granted to Tenant 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 Tenant agree that to the extent permitted by authorizing legislation, the holders of the bonds or their designated representatives shall exercise any and all right of County hereunder to the extent such possession, enjoyment and exercise are necessary to ensure compliance by Tenant and County with the terms and provisions of this Lease and Bond Resolution.
- B. Subordination to Federal Agreements. This Lease shall be subject and subordinate to all the terms and conditions of any instrument and documents under which County acquired the land or improvements thereon, of which the Premises are a part, and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. Tenant understands and agrees that this Lease shall be subordinate to the provisions of any existing or future agreement between County and the United States of America or State of Florida, or any of their 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 State or Federal funds for the development of the Airport.

28.03 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 Tenant's operations.

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

28.05 Governmental Authority. Nothing in this Lease shall be construed to waive or limit the County's governmental authority as a political subdivision of the State of Florida to regulate Tenant or its operations. The 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 the County's governmental functions, including, without limitation, the 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 the County's governmental authority.

28.06 Rights Reserved to the County. All rights not specifically granted Tenant by this Lease are reserved to County.

28.07 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.

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

28.09 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, or in the Federal District Court for the Southern District of Florida.

28.10 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 delivery service, telecopied or faxed (provided in each case a receipt is obtained), or alternatively shall be sent by United States Certified Mail, with Return Receipt Requested. The effective date of any notice shall be the date of delivery of the notice if by personal delivery, courier services or overnight delivery service, or on the date of transmission with confirmed answer back if by telecopier or fax if transmitted before 5PM on a business day and on the next business day if transmitted after 5PM or on a non-business day, or if mailed, upon the date on which the return receipt is signed or delivery is refused or the notice designated by the postal authorities as non-deliverable, as the case may be. The parties hereby designate the following addresses as the addresses to which notices may be delivered, and delivery to such addresses shall constitute binding notice given to such party:

County:

Attn: Deputy Director, Airports Business Affairs
Palm Beach County Department of Airports
846 Palm Beach International Airport
West Palm Beach, Florida 33406-1470
Fax: 561-471-7427

With a copy to:

Attn: Airport Attorney
Palm Beach County Attorney's Office
301 North Olive Ave, Suite 601
West Palm Beach, FL 33401
Fax: 561-355-4398

Tenant:

Attn: Managing Director, Real Estate (#09-0211)
Federal Express Corporation
3680 Hacks Cross Road
Building H, 3rd Floor
Memphis, TN 38125
Fax: 901-434-9480

With a copy to:

Attn: Director, Business Transactions (#09-0211)
Federal Express Corporation
3620 Hacks Cross Road
Building B, 3rd Floor
Memphis, TN 38125
Fax: 901-434-7831

Any 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.

28.11 Paragraph Headings. The heading of the various articles and sections of this Lease are for convenience and ease of reference only, and shall not be construed to define, limit, augment or describe the scope, context or intent of this Lease or any part or parts of this Lease.

28.12 No Recording. Neither this Lease, nor any memorandum or short form hereof, shall be recorded in the Public Records of Palm Beach County, Florida, without the prior written consent of the Department.

28.13 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.

28.14 Performance. The parties expressly agree that time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

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

28.16 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 effect.

28.17 No Broker. Each party represents and warrants to the other that it has not dealt with any real estate salesperson, agent, finder or broker in connection with this Lease and Tenant further agrees to indemnify, defend and hold harmless County from and against any claims or demands of any such salesperson, agent, finder or broker claiming to have dealt with Tenant. The foregoing indemnification shall include all costs, expenses and fees, including reasonable attorney's fees plus cost at trial and all appellate levels, expended or incurred in the defense of any such claim or demand. The obligations set forth in this paragraph shall survive the expiration of the Term or any extension of the Term or any earlier termination of this Lease.

28.18 Public Entity Crimes. As provided in Section 287.132-133, Florida Statutes, by entering into this Lease or performing any work in furtherance hereof, Tenant 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.

28.19 Annual Appropriation. Nothing in this Lease shall obligate County, during any fiscal year, to expend money or incur any liability that involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. County's obligations under this Lease, which involve the expenditure of money, shall be subject to annual budgetary funding and appropriations by the Palm Beach County Board of County Commissioners in accordance with Chapter 129, Florida Statutes, as it may be amended.

28.20 Approvals. Whenever this Lease calls for an approval, consent or authorization by the Department or County, such approval, consent or authorization shall be evidenced by the written approval of the Director of the Department or his or her designee.

28.21 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.

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

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

28.24 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.

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

(Remainder of page left blank intentionally)

IN WITNESS WHEREOF, County has caused this Lease to be signed by the Chair of the Board of County Commissioners and the seal of the Board to be affixed hereto and attested by the Clerk of the Board, pursuant to the authority granted by the Board, and Tenant, Federal Express Corporation, has caused these presents to be signed in its lawful name by its duly authorized officer, the VP. Properties and Facilities acting on behalf of Tenant, and the seal of Tenant to be affixed hereto the day and year first written above.

ATTEST:

PALM BEACH COUNTY,
A POLITICAL SUBDIVISION OF THE
STATE OF FLORIDA, BY ITS BOARD
OF COUNTY COMMISSIONERS

SHARON R. BOCK,
CLERK AND COMPTROLLER

By: _____
Deputy Clerk

By: _____
John F. Koons, Chairman

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
County Attorney

By: [Signature]
Director, Department of Airports

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

TENANT:
FEDERAL EXPRESS CORPORATION,
a Delaware Corporation

Michelle Whitaker
Signature

Michelle Whitaker
Print Name

Kathy Neal
Signature

KATHY NEAL
Print Name

By: [Signature] 02/25/2009
Signature

Donald C. Colvin
Print Name

VP. PROPERTIES AND FACILITIES
Title

(Seal)

APPROVED
ACCOUNTING DEPARTMENT

KUH 01/30/09

W
RJG 2/4/9

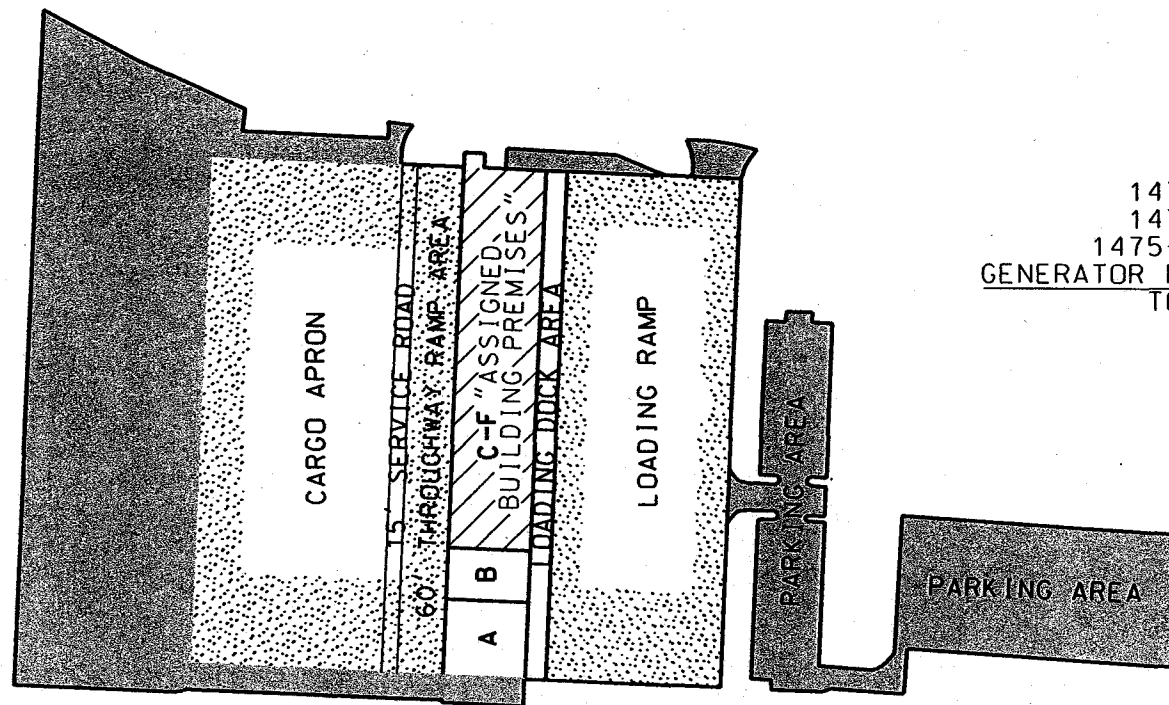
Approved
Legal Department

R.J. Kwicka 090127

EXHIBIT "A"
LEGAL DESCRIPTION

"ASSIGNED BUILDING PREMISES"

EXHIBIT "A"
TO AIR CARGO BUILDING LEASE AGREEMENT



TABULAR CHART

1475-A	=	6.073 SQ.FT.
1475-B	=	4.071 SQ.FT.
1475-C-F	=	29.914 SQ.FT.
GENERATOR ROOM	=	276 SQ.FT.
TOTAL		40.334 SQ.FT.

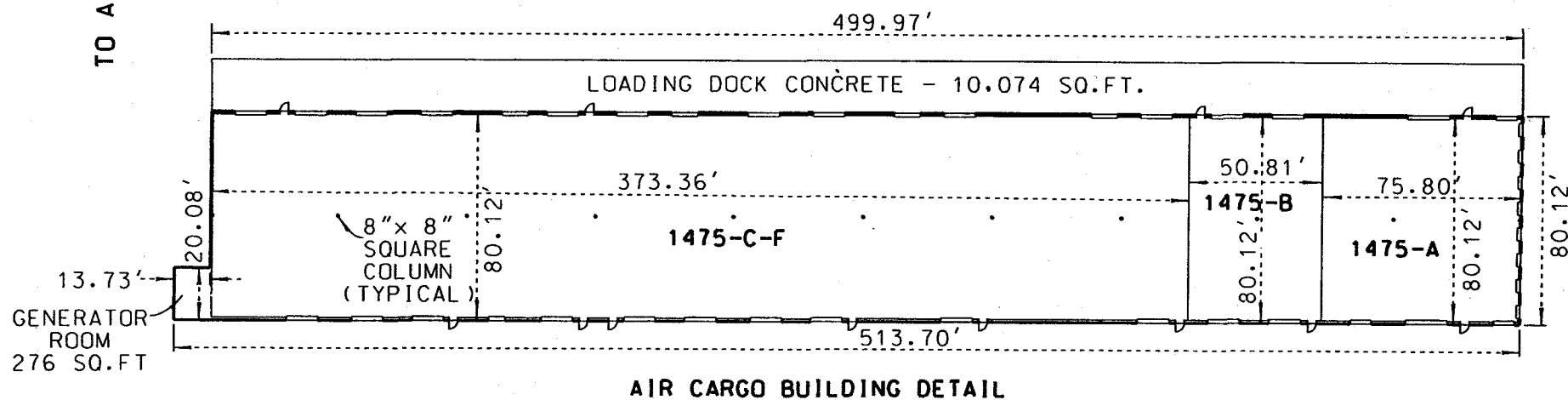


EXHIBIT “B”

“LICENSED AREAS”

EXHIBIT "B"

TO AIR CARGO BUILDING LEASE AGREEMENT

553.15'

169.23'

249.33'

172.24'

1475'

1475'

AIRCRAFT PARKING POSITION 1

AIRCRAFT PARKING POSITION 2

AIRCRAFT PARKING APRON

PERIMETER ROAD

CHAIN LINK FENCE

ASPHALT DRIVE

EDGE OF PAVEMENT

CONCRETE RAMP

HANDICAP RAMP

CONCRETE LOADING RAMP

LOADING DOCK

THROUGHWAY RAMP AREA

"ASSIGNED BUILDING PREMISES"

AIR CARGO BUILDING

AIR CARGO BUILDING PARKING LOT

AIR CARGO BUILDING

AIR CARGO BUILDING PARKING LOT

ASPHALT DRIVE

CH

SERVICE ROAD

AIR CARGO BUILDING
PARKING LOT

ASPHAL
DRIVE

HANDICAP RAMP

-2-

EXHIBIT "C"

STATEMENT OF RATES

1. Review of Rates and Fees.

A. The rates set forth in the Rate and Fee Schedule shall be reviewed annually and adjusted as necessary effective each October 1, throughout the Term of this Lease and any extension thereof. In addition, County may elect to review and adjust the Rate and Fee Schedule at any other time that unaudited Airport financial data indicates that total rentals, fees, and charges payable pursuant to the then current rate schedule, as set forth and calculated in accordance with the attached Rate and Fee Schedule, are reasonably estimated and anticipated by County to vary by more than ten percent (10%) from the total rentals, fees, and charges that would be payable based upon the use of actual financial data to date for said Fiscal Year. Rates for rentals, fees and charges shall also be adjusted whenever required by the terms and provisions of the Bond Resolution.

B. Adjustments to rentals, fees, and charges set forth in the Rate and Fee Schedule shall apply without the necessity of formal amendment of this Lease. The Department shall prepare and deliver to Tenant a statement showing the calculation of the new rates for rentals, fees, and charges pursuant to the attached Rate and Fee Schedule ("Statement of Rates") in accordance with paragraph 2 below. The Statement of Rates shall become part of this Lease without formal amendment hereto upon issuance of the Statement of Rates to Tenant.

2. Annual Adjustment.

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

B. Within forty-five (45) days after providing the Proposed Statement of Rates to the Signatory Airlines, County agrees to meet collectively with the Signatory Airlines at a mutually convenient time for the purpose of discussing the Proposed Statement of Rates. County shall make available to the Signatory Airlines, including Tenant, any reasonably requested additional information relating to the Proposed Statement of Rates prior to the meeting. County agrees to fully consider the comments and recommendations of Tenant regarding the Airside Cost Center (as defined in the Rate and Fee Schedule) prior to finalizing the Statement of Rates.

C. After the meeting with the Signatory Airlines pursuant to paragraph 2(B) above, and prior to the end of the then current Fiscal Year, County shall deliver the Statement of Rates to Tenant in accordance with paragraph 1(B) above for the next Fiscal Year.

D. If the annual adjustment of rentals, fees, and charges pursuant to this Exhibit "C" is not completed by County on or prior to the beginning of a new Fiscal Year, the rentals, fees, and charges then in existence shall continue to be paid by Tenant until such adjustment is concluded. Upon the conclusion of such adjustment calculations, any difference(s) between the actual rentals, fees, and charges paid by Tenant through the date of said adjustment for the then current Fiscal Year and the rentals, fees, and charges that would have been paid by Tenant during the same period using said adjusted rates, shall be remitted to the party to whom it is due within sixty (60) days of the Department's delivery of the Statement of Rates to Tenant. Notwithstanding the foregoing, the Department may elect to remit the difference in the form of a rental credit against Tenant's future rentals, fees and/or charges in lieu of a cash payment.

3. Settlement. Tenant acknowledges that the rates contained in the Statement of Rates shall be estimated rates ("Estimated Rates"), pending a final audit at the completion of each Fiscal Year of actual costs and revenues included in the calculation of such rates ("Actual Rates"). The Department shall calculate the Actual Rates in accordance with the Rate and Fee Schedule. On or before March 1 of each year, the Department will provide written notice to Tenant indicating the difference between Actual Rates and the Estimated Rates for the preceding Fiscal Year. In the event the Actual Rates are greater than the Estimated Rates, the Department will provide Tenant an invoice on or before July 1 of each year for amount payable by Tenant based on the difference between the Actual Rates and Estimated Rates, which amount shall be due within thirty (30) days of the date of the invoice. Notwithstanding the foregoing, County will invoice Tenant for amounts due under this paragraph in two (2) equal monthly installments if Tenant's invoice would exceed five percent (5%) of annual rentals, fees and charges actually paid by Tenant for the preceding Fiscal Year. In the event the Actual Rates are less than the Estimated Rates, County shall pay Tenant on or before July 1 of each year for the amount due to Tenant for any overpayment to County hereunder based upon the difference between the Actual Rates and the Estimated Rates or shall provide Tenant with a rental credit in the amount of any overpayment. Notwithstanding the foregoing, in the event Tenant is past due or delinquent in making any payments to County hereunder, County may deduct such amounts from any amount payable by County to Tenant under this paragraph. County agrees to provide Tenant with a copy of the Department's most recent Audited Financial Statements, including the Auditor's opinion thereon, upon receipt of a written request from Tenant. The Department shall calculate the Actual Rates in substantial conformance with the methodologies set forth in the Rate and Fee Schedule.

4. County Covenants.

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

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

C. County shall use all airport revenues in accordance with the Bond Resolution.

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

EXHIBIT “D”

RATE AND FEE SCHEDULE

(Exhibit “E” to Airline-Airport Use and Lease Agreement)

RATE and FEE SCHEDULE
for the period of
October 1, 2008
Through September 30, 2009

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, 2008 through December 30, 2009. 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.

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RATE and FEE SCHEDULE
for the period of
October 1, 2008
Through September 30, 2009

- 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.

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.

RATE and FEE SCHEDULE
for the period of
October 1, 2008
Through September 30, 2009

- (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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RATE and FEE SCHEDULE
for the period of
October 1, 2008
Through September 30, 2009

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.

RATE and FEE SCHEDULE
for the period of
October 1, 2008
Through September 30, 2009

10. Statement of Rates for the Current Rate-Setting Period, October 1, 2008 Through September 30, 2009:

A. Terminal Rental Rates for Signatory Airlines:

<u>Type of Space</u>	<u>Location/Function</u>	<u>Rate Per Square Foot</u>
1	Ticket Counter	\$78.53
2	Ticket Offices and Upper Level Offices; V.I.P. Rooms; Hold Rooms	\$70.68
3	Bag Claim; Concourse Areas	\$62.83
4	Bag Make-up; Curbside Offices, Operation Areas including Baggage Service Offices; Commuter Operating Area	\$54.97
5	Tug Drives	\$19.63

These rates are based upon an average Terminal rental rate of \$59.39 per square foot.

B. Landing Fee Rate for Signatory Airlines: \$1.204 per 1,000 pounds of Maximum Gross Landing Weight.

C. Aircraft Parking Apron Rate: \$272.53 per lineal foot.

D. Terminal Equipment Charges:

- (1) Loading Bridges, support systems, and furnishings: \$62,642 per gate, plus utility charges.
- (2) Equipment/Furnishings Surcharges

Baggage Make-up Conveyors/Devices	\$ 13.03 per square foot
Baggage Claim Conveyors/Devices	\$ 4.28 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. \$2.94 per international Deplaned Passenger requiring FIS processing.

G. Per Use Gate Charge: \$261 per 2 hour 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.

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- H. Per Use Ticket Counter Charge: \$217 per 2 hour use or any portion thereof for one ticket counter. This charge includes the use of baggage makeup facilities. One ticket counter is determined as two positions and access to one baggage well.

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

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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.

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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.
9. Applicable Direct Revenues: Applicable direct Revenues that shall be credited to the Landing Fees Total Requirement are one hundred percent (100%) of Non-Signatory Airline landing fee revenues, one hundred percent (100%) of airfield services revenues, one hundred percent (100%) of aviation fueling revenues, and twenty-five percent (25%) of airline catering revenues. Applicable direct Revenues that shall be credited against the Terminal rentals Total Requirement is twenty-five percent (25%) of airline catering revenues, one hundred percent (100%) of the holdroom component of the gate per use fees, one hundred percent (100%) of Commuter Operating Area revenues, and one hundred percent (100%) of Air Carrier FIS Facility Revenues.
10. Ten Percent of Landing Fees Total Requirement: Ten Percent (10%) of the landing fees Total Requirement is the basis for calculating the Aircraft Parking Apron Rate and is therefore deducted in determining the Landing Fees Adjusted Requirement.
11. Settlement: The Department will calculate the difference between budgeted Operations and Maintenance Expenses and actual Operations and Maintenance Expenses for Terminal and Airfield cost centers, including the aircraft parking apron. Terminal and Airfield differences will be disclosed to the Signatory Airlines by March 31 of each year, allocated to each Signatory Airline based on each Signatory Airline's Airline Premises and landed weight, respectively. On or about each July 1 of each year, the Department will issue invoices to the Signatory Airlines for amounts due to COUNTY or payments to each Signatory Airlines for amounts due to the Signatory Airline. In the event an individual Signatory Airline's settlement results in an invoice from COUNTY, which exceeds 5% of annual fees and charges actually paid by the Signatory Airline for the preceding period, COUNTY will invoice the Signatory Airline for amounts due in two equal monthly installments.
12. Transfers: Amounts credited to the Transfer Account, as determined in accordance with Attachment 4, shall be credited against the Terminal rentals and landing fees requirements.
13. Average Terminal Rental Rate: Terminal rentals Net Requirement shall be divided by rentable Terminal area to calculate the required Average Terminal Rental Rate.

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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:

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.

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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.

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

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

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

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

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

Rate and Fee Schedule
for the period October 1, 2008 through September 30, 2009

Summary of Rate Calculation

	Terminal Rents	Landing Fees
1. Direct Operation and Maintenance	14,108,882	1,971,598
2. Indirect Operation and Maintenance Expense	4,687,339	4,892,737
TOTAL OPERATION AND MAINTENANCE EXPENSE	18,796,221	6,864,335
3. Direct and Indirect Debt Service Charges	5,738,015	1,154,978
4. 25% Debt Service Coverage	1,434,504	288,744
5. Debt Service Reserve Requirement	0	0
6. O & M Reserve Retention	128,468	69,994
7. Amortization Charges for capital projects	770,894	129,213
8 TOTAL REQUIREMENT	26,868,102	8,507,264
LESS:		
9 Ten percent (10%) of Landing Fees Total Requirement (recovered by Aircraft Parking Apron Rate)	-	850,726
10 Applicable Direct Revenue and Reimbursements, as follows:		
a. Airline Catering (25% of total)	30,000	30,000
b. Non-signatory landing fees	-	132,158
c. Airfield Services	-	60,000
d. Aviation fueling	-	831,000
e. Per Use Gate Fee, holdroom component	410,872	-
f. Commuter Concourse Revenue	240,839	-
g. Air Carrier FIS Facility	52,000	-
h. General Aviation Landing Fee Revenue (Net)	-	937,793
11 Adjusted Requirement	26,134,391	5,665,586
12 Total Rentable terminal area	348,862	-
13 Average Terminal Rent before Transfers	74.91	-
14 Signatory Airlines Leased Square Footage	239,280	-
15 Adjusted Requirement	17,925,281	-
16 Less Transfers (Revenue Sharing)	3,713,756	928,439
17 Net Requirement	14,211,525	4,737,148
18 Signatory Airlines Leased Square Footage	239,280	-
19 Signatory Landed Weight (1,000 pounds)	-	3,934,861
20 Terminal Rate/Landing Fee	59.39	1.304
21 Non-signatory Average	65.33	1.324
Differential Terminal Rates	Signatory	Non-signatory
Type 1	78.53	86.39
Type 2	70.68	77.75
Type 3	62.83	69.11
Type 4	54.97	60.47
Type 5	19.63	21.60

Rate and Fee Schedule
for the period October 1, 2008 through September 30, 2009

Detail of Revenues

	FY 2007 Audited	FY 2008 Re-Estimated	FY 2009 Budgeted
AIRSIDE			
Sig. Airline Landing Fees	4,642,587	4,663,408	4,737,148
Non-sig. Airline landing fees	127,636	175,638	132,158
GA Landing Fee PBIA (gross)	0	0	1,103,286
Apron/Commuter/Overnight fees	1,256,911	1,106,740	1,250,726
Airfield services	62,850	50,000	60,000
Aviation Fueling	849,009	854,000	831,000
Miscellaneous Revenues	512,740	508,000	508,000
Sub-Total	7,451,733	7,357,786	8,622,318
TERMINAL			
Airline Terminal Rental signatory	12,226,262	12,176,238	14,211,525
Non-Signatory/per use fees	523,860	400,000	300,000
Car Rental Terminal Rents	223,457	225,000	225,000
Food and Beverage Concessions	1,898,806	1,890,000	1,900,000
News and Gift Concessions	2,304,826	2,400,000	2,400,000
Advertising and Other Concessions	452,239	557,000	532,000
Tenant Equipment Charges	1,798,487	1,616,953	1,626,959
FAR 107/108 Reimbursements	(42)	0	0
Non-airline Rents and Misc.	654,230	864,500	932,000
Sub-Total	20,082,125	20,129,691	22,127,484
Terminal F.I.S.	29,335	52,000	52,000
GROUND TRANSPORTATION			
Automobile parking	17,738,639	17,000,000	17,000,000
Ground Rental	567,844	557,676	557,676
On-airport car rental	11,589,359	11,391,254	11,391,254
Off-airport car rental	119,747	130,000	120,000
Taxi/Limo	255,712	255,000	255,000
Miscellaneous Revenues	222,953	230,000	230,000
Sub-Total	30,494,254	29,563,930	29,553,930
AVIATION SERVICES			
Building/Hangar Rentals	1,572,584	1,611,115	1,461,115
Ground Rentals	1,514,853	1,375,742	1,375,742
Airline Catering	111,422	155,000	120,000
Miscellaneous Revenues	82,605	96,500	96,500
Sub-Total	3,281,464	3,238,357	3,053,357
Air Cargo Facility	235,469	79,580	79,580
NON-AVIATION SERVICES			
Building Rentals	1,039,266	640,320	640,320
Ground Rentals	245,728	313,326	263,326
Miscellaneous Revenues	3,954	5,200	5,200
Sub-Total	1,288,958	958,846	908,846
Non-Aviation: Section 6	1,164,994	1,064,312	954,040
LANTANA AIRPORT	134,959	140,844	140,844
GLADES AIRPORT	9,765	8,500	17,700
NORTH COUNTY AIRPORT	1,153,246	1,244,300	1,361,600
ADMINISTRATION	3,531,461	2,643,000	2,231,000
Other	544,336	52,153	23,000
TOTAL	69,402,099	66,533,299	69,125,699

Rate and Fee Schedule
for the period October 1, 2008 through September 30, 2009

Detail of Operation and Maintenance
Expense and Debt Service

	FY 2007 Audited	FY 2008 Re-Estimated	FY 2009 Budgeted
DIRECT EXPENSES			
Airside	1,798,069	1,825,906	1,971,598
Terminal	12,466,680	13,539,549	14,108,882
Ground Transportation	6,624,845	7,462,222	8,359,707
Aviation	575,900	604,670	649,287
Non-Aviation	312,192	333,013	375,518
GA FIS Facility	24,036	17,665	60,788
Terminal FIS Facility	140,005	135,849	164,504
Lantana Airport	208,343	242,539	265,025
Glades Airport	459,656	508,951	530,916
North County Airport	1,051,843	1,104,764	1,258,408
Air Cargo Building	81,422	106,706	112,428
Tenant Equipment	947,293	1,064,809	1,120,433
Sub-Total	24,690,283	26,946,644	28,977,494
INDIRECT EXPENSES			
Administration, Operations, and Rescue	7,697,222	8,306,637	8,946,407
Maintenance	3,166,206	3,404,343	3,668,220
Fire Department (not incl. Rescue)	5,125,209	5,250,002	5,534,180
Sub-Total	15,988,637	16,960,982	18,148,807
TOTAL EXPENSES	40,678,920	43,907,626	47,126,301
Debt Service-Total			
Airside	1,146,962	1,152,939	1,154,978
Terminal	5,698,193	5,727,885	5,738,015
Ground Transportation	6,050,233	6,063,946	6,068,625
Other	1,169,405	1,175,499	1,177,578
Tenant Equipment	1,165,862	1,171,937	1,174,009
Total Debt Service	15,230,655	15,292,206	15,313,205
Debt Service-signatory Airlines			
Airside	1,146,962	1,152,939	1,154,978
Terminal	5,698,193	5,727,885	5,738,015
Tenant Equipment	1,165,862	1,171,937	1,174,009
Total Debt Service-signatory airlines	8,011,017	8,052,761	8,067,002

Rate and Fee Schedule
for the period October 1, 2008 through September 30, 2009

Deposit to the Transfers Account

	Budgeted FY 2008	Reestimated FY 2008	Budgeted FY 2009
Airline Revenues	21,661,156	20,438,977	22,258,516
Non-airline Revenue	47,504,700	46,094,322	46,867,183
Prior Year Transfer	5,655,115	5,655,115	4,935,179
	<u>74,820,971</u>	<u>72,188,414</u>	<u>74,060,878</u>
LESS:			
O & M Expense	47,061,876	43,907,626	47,126,301
O & M Reserve	817,757	538,118	536,446
Debt Service	15,292,206	15,292,206	15,313,205
Debt Service Reserve	0	0	0
Amortization Charges	900,107	900,107	900,107
R & R Allowance	1,680,000	1,680,000	1,764,000
Subordinated Debt payments	0	0	0
Funds Remaining	<u>9,069,026</u>	<u>9,870,357</u>	<u>8,420,819</u>
Credit to Airlines	4,534,513	4,935,179	4,210,410
Detail of Transfers Account			
Tenant Equipment (Coverage)	292,984	292,984	293,502
Terminal Rentals	3,393,223	3,713,756	3,133,526
Landing Fees	848,306	928,439	783,381
Credit to Airlines	<u>4,534,513</u>	<u>4,935,179</u>	<u>4,210,410</u>

Rate and Fee Schedule
for the period October 1, 2008 through September 30, 2009

Budgeted Terminal Space summary for FY 2009
Dated as of: June 2008

Type of Space	Ticket Counter Sq. Ft. (1)^(1)	Ticket & Upper Level Offices Sq. Ft. (2)^(1)	VIP Rooms Sq. Ft. (2)^(1)	Hold Rooms Sq. Ft. (2)^(1)	Bag Claim Sq. Ft. (3)^(1)	Concourse Areas Sq. Ft. (3)^(1)	Bag Make-Up Sq. Ft. (4)^(2)	Curbside Office Sq. Ft. (4)^(1)	Bag Svce Office Sq. Ft. (4)^(1)	Operations Area Sq. Ft. (4)^(1)	Commuter Operating Area Sq. Ft. n/a	Tug Drive Sq. Ft. (5)^(2)	Airline Total Sq. Ft.	Non-Airline Sq. Ft.	Total Sq. Ft.
AirTran	462.00	879.2		2,714.98			763.4	89.36	0	100.59			5,009.53		5,009.53
American	576.18	1,089.89		2,714.98			1,145.10	90.64	357.00	1,809.59			7,783.38		7,783.38
Continental	1,358.50	2,324.99		5,858.73			4,453.13	144.00	719.90	2,990.82			17,850.17		17,850.17
Delta	1,571.34	1,686.57	4,619.00	9,924.73			5,326.36	182.00	805.76	10,871.49			34,997.25		34,997.25
JetBlue	969.40	867.49		2,970.18			2,850.00	192.00	223.24	4,899.22			12,771.63		12,771.63
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	1,148.60	1,859.27		3,377.12			1,375.04	90.64	222.18	4,269.94			12,343.69		12,343.69
United	665.00	1,164.00		2,714.98			2,078.13	96.00	179.43	450.21			7,347.75		7,347.75
USAirways	1,331.00	2,580.51		3,517.40			4,156.25	280.00	632.75	4,967.31			17,365.22		17,365.22
Unassigned	2,552.32	7,542.24	3,878.96	15,570.91			5,180.70	101.36	0.00	14,059.33			48,885.82		48,885.82
Unassigned New Concourse C				6,500.00						7,280.00			13,780.00		13,780.00
Space Sub-Total	11,346.50	20,643.93	8,497.96	58,342.85			29,109.36	1,369.28	3,385.89	53,398.60			186,094.37		186,094.37
Joint Use Space					30,557.68	40,017.73					4,797.73	26,698.74	102,071.88		102,071.88
Airline Total Space	11,346.50	20,643.93	8,497.96	58,342.85	30,557.68	40,017.73	29,109.36	1,369.28	3,385.89	53,398.60	4,797.73	26,698.74	288,166.25		288,166.25
Concessions/TSA Space														57,315.80	57,315.80
County-Gate B-2				3,379.89										3,379.89	3,379.89
Sub-Total Rentable	11,346.50	20,643.93	8,497.96	61,722.74	30,557.68	40,017.73	29,109.36	1,369.28	3,385.89	53,398.60	4,797.73	26,698.74	291,546.14	60,695.69	348,861.94
Unenclosed Areas														22,876.00	22,876.00
FIS Space														28,170.30	28,170.30
Public Areas														126,378.57	126,378.57
Administration Areas														21,813.23	21,813.23
Mechanical/Utility														45,614.50	45,614.50
Sub-Total Non-rentable														244,850.60	171,991.07
Total Terminal Area	11,346.50	20,643.93	8,497.96	61,722.74	30,557.68	40,017.73	29,109.36	1,369.28	3,385.89	53,398.60	4,797.73	26,698.74	291,546.14	305,546.29	597,092.43

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*.

Rate and Fee Schedule
for the period October 1, 2008 through September 30, 2009

Budget Summary of Gates and Aircraft Parking Apron
Dated as of: July 1, 2008

	Number of Narrow Body Gates	Narrow Body Gate Positions	Number of Wide Body Gates	Wide Body Gate Positions	Total Gate Positions	Total Linear Feet
AirTran			1	C-6	1	175
American			1	C-11	1	175
Continental			2	B-4,6	2	350
Delta			4	C-1,2,3,4	4	700
Independence						0
JetBlue	2	B-8,10			2	250
Northwest			1	B-14	1	175
Southwest	2	B-3,5			2	250
United			1	C-10	1	175
USAirways	2	B-7,9	1	B-11	3	425
County			1	B-2	1	175
Unassigned	3	B-1,12, C-8	4	C-5,7,9,12	7	1,075
Unassigned new Concourse C	<u>3</u>	<u>C-x,x,x</u>			<u>3</u>	<u>375</u>
Sub-Total	12		16		28	4,300
Commuter Apron						<u>660</u>
Total Apron						<u><u>4,960</u></u>

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.




Certificate of Insurance No. 2091508822
Lease No. 09-0211

This certificate is issued as a matter of information only and confers no rights upon the certificate holder.
This certificate does not amend, extend or alter the coverage afforded by the policies listed below.
Cancellation: Should any of the described policies be cancelled, the issuing company will endeavor to mail 30 days written notice to the below named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company.

Named Insured:
Federal Express Corporation
3620 Hacks Cross Rd, Building B, 3rd Floor
Memphis, TN 38125

SEVERABILITY LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligation.

NAME AND ADDRESS OF CERTIFICATE HOLDER		PRODUCER	
Palm Beach County Board of County Commissioners c/o Palm Beach County Department of Airports 846 Palm Beach International Airport West Palm Beach, Florida 33406		Aon Risk Services Southwest, Inc. 2711 N. Haskell Avenue, Suite 800 Dallas, Texas 75204 Contact: Michelle Pitt 214-989-0000	
TYPE OF COVERAGE	AMOUNT OF LIABILITY	POLICY PERIOD (MM/DD/YY)	INSURANCE COMPANY AND POLICY NUMBER
A. <u>AIRCRAFT LIABILITY</u> in respect of all aircraft owned, leased, or operated by the Named Insured, worldwide	\$25,000,000 Bodily Injury and Property Damage Combined	7/1/2008 - 7/1/2009	Global Aerospace Policy No. 282940/08 Various Insurers through Aon Group Limited, Aviation Policy No. AM0809201 Subscribing members of Institute of London Underwriters for percentages as on file with Aon Group Limited, Aviation Subscribing Insurance Companies for percentages as on file with Aon Group Limited, Aviation ARCH Insurance Co. (Per International-Aero) Policy No. 11CAA5464702 Starnet Insurance Co. (Per Berkley Aviation) Policy No. BA08A1041S National Union Fire Company of Pittsburgh PA Policy No. HL1863210-05 National Marine & Fire Insurance Company Policy No. 92CVS101504 AXA Corporate Solutions Policy No. 86015 XL Specialty Insurance Co. (Per XL Aerospace) Policy No. UA00001150AV08A Allianz Global Risks US Insurance Company Policy No. A1AL000136608AM Tiger International Insurance Ltd. Policy No. TIG70108MAIN
B. <u>AIRCRAFT HULL INSURANCE</u> In respect of all insured aircraft owned or leased by the Named Insured, worldwide			
C. <u>COMPREHENSIVE GENERAL LIABILITY</u> in respect of all Ground Operations of the Named Insured, including but not limited to Premises Operations, Contractual, Products and Completed Operations, Cargo Legal Liability, Vehicles operated on restricted access airport premises, Hangarskeepers Liability	\$5,000,000 Bodily Injury & Property Damage Combined Per Occurrence		
D. <u>COMPREHENSIVE AUTOMOBILE LIABILITY</u> in respect of all Owned, Hired, and Non-Owned Automobiles			
E. <u>PROPERTY</u> Direct Physical Loss or Damage of Real and Personal Property, on a repair or replacement cost basis			
Nature of Interest: Loss Payee - As their interests may apply. Mortgagee Additional Insured - As their interests may apply Other			
Each of the above Insurers, Individually, has authorized Aon Risk Services Southwest, Inc. to issue this certificate on its behalf. Aon Risk Services Southwest, Inc. is not an insurer and has no liability of any sort under the above policies, nor as a result of the issuance of this Certificate. Each of the above Insurers is participating for its own part and not one for the other. The policy is subject to an Electronic Date Recognition Exclusion and Electronic Date Change Recognition Exclusion Coverage Endorsement.			
Description of Operations: RE: Air Cargo Building at the Palm Beach International Airport FedEx Personal Property including Betterments and Improvements are covered under a Special Form Property Policy with Replacement Cost, Flood, Windstorm, Ordinance and Law coverage. Certificate holder is listed as Loss Payee ATIMA.		Date Issued: 2/9/2009 By:  Larry A. Phillips FEC.802	

Attachment to Certificate No. 2091508822

2b. ADDITIONAL INSURED:

"As required by contract, but subject to the terms, conditions and exclusions of the policy, Palm Beach County, a Political Subdivision of the State of Florida, its Board of County Commissioners, Officers, Employees and Agents, c/o Palm Beach County Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406 is (are) included as additional insured(s) as respects operations performed by or for the named insured.

3a. CANCELLATION NOTICE:

"In the event the insurance described on this certificate of insurance is cancelled, non-renewed or there is a reduction in coverage/material change which effects the interest of Palm Beach County, a Political Subdivision of the State of Florida, its Board of County Commissioners, Officers, Employees and Agents, c/o Palm Beach County Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406, or if this insurance is allowed to lapse for non-payment of premium, the issuing company will mail thirty (30) days prior written notice to Palm Beach County, a Political Subdivision of the State of Florida, its Board of County Commissioners, Officers, Employees and Agents, c/o Palm Beach County Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406."

ACORD™ CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 02/09/2009		
PRODUCER MARSH 1000 RIDGEWAY LOOP ROAD MEMPHIS, TN 38120 Attn: Diane Franczyk P: 901.684.3532 F: 901.684.7432		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.		
966896--Liab-08 09				
INSURED FEDERAL EXPRESS CORPORATION 3620 HACKS CROSS ROAD. BUILDING B, 3RD FLOOR MEMPHIS, TN 38125-8800	INSURERS AFFORDING COVERAGE		NAIC #	
	INSURER A: ACE American Insurance Company		22667	
	INSURER B:			
	INSURER C:			
	INSURER D:			
		INSURER E:		

COVERAGES							
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.							
NSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GENERAL AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE	\$
						DAMAGE TO RENTED PREMISES(Ea occurrence)	\$
						MED EXP (Any one person)	\$
						PERSONAL & ADV INJURY	\$
						GENERAL AGGREGATE	\$
						PRODUCTS - COMP/OP AGG	\$
A	X	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> Deductible \$3,000,000 Per Occurrence	ISAH08242604	10/01/08	10/01/09	COMBINED SINGLE LIMIT (Ea accident)	\$ 10,000,000
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$				AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
						EACH OCCURRENCE	\$
						AGGREGATE	\$
							\$
							\$
							\$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER				WC STATU-TORY LIMITS	OTH-ER
						E.L. EACH ACCIDENT	\$
						E.L. DISEASE - EA EMPLOYEE	\$
						E.L. DISEASE - POLICY LIMIT	\$
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS Reference: Air Cargo Building at the Palm Beach International Airport Palm Beach County, A Political Subdivision of the State of Florida, its Board of County Commissioners, Officers, Employees and Agents, c/o Palm Beach County Department of Airports is an additional insured under auto liability as required by written contract with respects to the Air Cargo Building at Palm Beach International Airport.							

CERTIFICATE HOLDER ATL-001701258-01	CANCELLATION
Palm Beach County Board of County Commissioners; c/o Palm Beach County Dept of Airports 846 Palm Beach International Airport West Palm Beach, FL 33406	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
	AUTHORIZED REPRESENTATIVE of Marsh USA Inc. William J. Lammell <i>William J. Lammell</i>

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 02/09/2009												
PRODUCER MARSH 1000 RIDGEWAY LOOP ROAD MEMPHIS, TN 38120 Attn: Diane Franczyk P: 901.684.3532 F: 901.684.7432 966896--Liab-08 09		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.												
INSURED FEDERAL EXPRESS CORPORATION 3620 HACKS CROSS ROAD. BUILDING B, 3RD FLOOR MEMPHIS, TN 38125-8800		<table><tr><td>INSURERS AFFORDING COVERAGE</td><td>NAIC #</td></tr><tr><td>INSURER A: ACE American Insurance Company</td><td>22667</td></tr><tr><td>INSURER B:</td><td></td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr></table>	INSURERS AFFORDING COVERAGE	NAIC #	INSURER A: ACE American Insurance Company	22667	INSURER B:		INSURER C:		INSURER D:		INSURER E:	
INSURERS AFFORDING COVERAGE	NAIC #													
INSURER A: ACE American Insurance Company	22667													
INSURER B:														
INSURER C:														
INSURER D:														
INSURER E:														

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.							
INSR, ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GENERAL AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC				EACH OCCURRENCE	\$
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
						MED EXP (Any one person)	\$
						PERSONAL & ADV INJURY	\$
						GENERAL AGGREGATE	\$
						PRODUCTS - COM/OP AGG	\$
A	X	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> Deductible \$3,000,000 Per Occurrence	ISAH08242604	10/01/08	10/01/09	COMBINED SINGLE LIMIT (Ea accident)	\$ 10,000,000
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$				AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
						EACH OCCURRENCE	\$
						AGGREGATE	\$
							\$
							\$
							\$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER				WC STATUTORY LIMITS	OTH-ER
						E.L. EACH ACCIDENT	\$
						E.L. DISEASE - EA EMPLOYEE	\$
						E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
Reference: Air Cargo Building at the Palm Beach International Airport
Palm Beach County, A Political Subdivision of the State of Florida, its Board of County Commissioners, Officers, Employees and Agents, c/o Palm Beach County Department of Airports is an additional insured under auto liability as required by written contract with respects to the Air Cargo Building at Palm Beach International Airport.

CERTIFICATE HOLDER ATL-001701258-01 Palm Beach County Board of County Commissioners; c/o Palm Beach County Dept of Airports 846 Palm Beach International Airport West Palm Beach, FL 33406	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE of Marsh USA Inc. <i>William J. Lammell</i> William J. Lammell
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IMPORTANT

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ACORD™ CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 02/09/2009		
PRODUCER MARSH 1000 RIDGEWAY LOOP ROAD MEMPHIS, TN 38120 Attn: Diane Franczyk Ph:901.684.3532 FX:901.684.7432		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.		
966896--WC-09-10				
INSURED FEDERAL EXPRESS CORPORATION 3620 HACKS CROSS ROAD. BUILDING B, 3RD FLOOR MEMPHIS, TN 38125-8800	INSURERS AFFORDING COVERAGE		NAIC #	
	INSURER A: ACE American Insurance Company		22667	
	INSURER B: Indemnity Ins Co Of North America		43575	
	INSURER C:			
	INSURER D:			
		INSURER E:		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GENERAL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO <input type="checkbox"/> JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WLRC44355024 AOS	01/15/09	01/15/10	X WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ 5,000,000 E.L. DISEASE - EA EMPLOYEE \$ 5,000,000 E.L. DISEASE - POLICY LIMIT \$ 5,000,000
A		OTHER EXCESS WORKERS COMP & EMPLOYERS LIABILITY	SCFC44354949 WI RETRO	01/15/09	01/15/10	STATUTORY WORK COMP 5,000,000 EMPLOYERS LIABILITY 5,000,000
A			WCUC44354901* AOS	01/15/09	01/15/10	
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS Reference: Air Cargo Building at the Palm Beach International Airport						

CERTIFICATE HOLDER ATL-001701256-01	CANCELLATION
Palm Beach County Board of County Commissioners; c/o Palm Beach County Dept of Airports 846 Palm Beach International Airport West Palm Beach, FL 33406	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE of Marsh USA Inc. William J. Lammel <i>William J. Lammel</i>

IMPORTANT

If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

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ADDITIONAL INFORMATION

ATL-001701256-01

DATE (MM/DD/YY)
02/09/2009**PRODUCER**

MARSH
1000 RIDGEWAY LOOP ROAD
MEMPHIS, TN 38120
Attn: Diane Franczyk Ph:901.684.3532 FX:901.684.7432

966896--WC-09-10

INSURERS AFFORDING COVERAGE

NAIC #

INSURED

FEDERAL EXPRESS CORPORATION
3620 HACKS CROSS ROAD.
BUILDING B, 3RD FLOOR
MEMPHIS, TN 38125-8800

INSURER F:

INSURER G:

INSURER H:

INSURER I:

TEXT

Workers Compensation Policy Number: WCUC44354901*

Policy Limits:

Part I Statutory Excess of Self Insured Retentions
Part II \$4,750,000 excess of \$250,000 SIR (AZ, HI, NM)
\$4,700,000 excess of \$300,000 SIR (KS)
\$3,000,000 excess of \$2,000,000 SIR (MI)
\$4,500,000 excess of \$500,000 SIR (All Other States)

Schedule of Self-Insured Retentions:

Per Accident \$250,000 AZ, HI & NM
Per Accident \$300,000 KS
Per Accident \$500,000 All Other States
Per Accident \$2,000,000 MI

CERTIFICATE HOLDER

Palm Beach County Board of County
Commissioners; c/o Palm Beach County Dept of Airports
846 Palm Beach International Airport
West Palm Beach, FL 33406

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.
William J. Lammel

William J. Lammel

LEASE BOND

KNOW ALL MEN BY THESE PRESENTS, that we FEDERAL EXPRESS CORPORATION, as Principal, and TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, licensed to do business in the State of Florida, as Surety, are held and firmly bound unto Palm Beach County Board of Commissioners, as Oblige, in the penal sum of ONE HUNDRED TWENTY THOUSAND AND 00/100----(\$120,000.00) lawful money of the United States of America, for the payment of which sum, well and truly to be made, the Principal and Surety do bind themselves, their heirs, executors, administrators, and successors and assigns, jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION IS SUCH, that whereas the above bounden Principal has on the 17th day of March, 2009 entered into a certain lease in reference to Air Cargo Building Lease #09-0211 at the Palm Beach International Airport.

NOW, THEREFORE, if Principal, its executors, administrators, successors and assigns shall promptly and faithfully perform all matters and things undertaken to be performed under said Agreement, according to the terms, stipulations, or conditions thereof, then this obligation shall become null and void; otherwise to remain in full force and effect. This bond is executed by the Surety and accepted by the Oblige subject to the following express condition:

Notwithstanding the provision of the contract, the term of this bond shall be effective March 17, 2009 and ending March 17, 2010 and may be continued from year to year with a Continuation Certificate. This bond may be cancelled or nonrenewed by the Surety upon giving the Oblige Sixty (60) days written notice of its desire to cancel or nonrenew this bond by providing a written cancellation certificate sent to the Palm Beach County Board of Commissioners, Department of Airports, 846 Palm Beach International Airport, West Palm Beach, FL 33406. However, Surety shall not be discharged from any liability already accrued under this bond or which shall accrue hereunder before the expiration of said sixty (60) day period. Neither nonrenewal by the Surety, nor the failure or inability of the Principal to file a replacement bond in the event of non renewal, shall itself constitute a loss to the obligee recoverable under this bond or any renewal or continuation thereof. The liability of the Surety under this bond shall not be cumulative and shall in no event exceed the amount as set forth in this bond or in any additions, riders or endorsements properly issued by the Surety as supplements thereto.

Sealed with our seals and dated this 11th day of February, 2009

FEDERAL EXPRESS CORPORATION

By: 

TRAVELERS CASUALTY AND SURETY
COMPANY OF AMERICA

By: 

Elizabeth A. Hartzberg, Attorney-in-Fact



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 218200

Certificate No. 002488944

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

E. J. Pennisi Jr., Deborah S. Hudgins, Tim J. Brandt, John A. Goley, and Elizabeth A. Hartzberg

of the City of Nashville, State of Tennessee, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 20th day of July, 2007

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: George W. Thompson
George W. Thompson, Senior Vice President

On this the 20th day of July, 2007, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2011.



Marie C. Tetreault
Marie C. Tetreault, Notary Public