

AGENDA ITEM
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COUNTY ADMINISTRATION

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: June 2, 2009 [X] Consent [] Regular
[] Workshop [] Public Hearing
Submitted By: Department of Airports

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file: Six (6) original Agreements for the Department of Airports.

- A. Agreement, to Terminate Hangar Lease Agreement with Robert Thrun, Unit 4, Building 11230 at North County Airport, terminating R-2005-0018 on 4/30/2009. (JB)
- B. North County General Aviation Airport Hangar Lease Agreement with Avion Partners, LLC, Unit 4, Building 11230 for one (1) year, automatically renewed at one (1) year intervals, commencing on 5/1/2009. (JB)
- C. North County General Aviation Airport Hangar Lease Agreement with Malcolm S. Easterling, Unit 18, Building 11730 for one (1) year, automatically renewed at one (1) year intervals, commencing on 5/1/2009. (JB)
- D. North County General Aviation Airport Hangar Lease Agreement with Wendy Air, LLC, Unit 18, Building 11300 for one (1) year, automatically renewed at one (1) year intervals, commencing on 5/1/2009. (JB)
- E. License Agreement with Enterprise Leasing Company for sole and exclusive use of parking vehicles at P.B.I.A. in connection with their Concession Agreement and their leasing and wholesale sales business. (JB)
- F. Agreement Covering the Operation of Aircraft at P.B.I.A. with Spirit Airlines, Inc., commencing 11/1/2008, expiring 9/30/2009 and automatically extended on a year-to-year basis (October 1st through September 30th). (JB)

Summary: Delegation of authority for execution of the standard County agreements above was approved by the BCC in R-2004-1367, R-2007-1968, R-2007-2070 and R-2008-1845. Countywide

Background and Justification: N/A

Attachments: Six (6) Standard Agreements for the Department of Airports

Recommended By: *James Kelly* 5/11/09
Department Director Date

Approved By: *[Signature]* 5/19/09
County Administrator Date

**AGREEMENT TO TERMINATE
HANGAR LEASE AGREEMENT
BETWEEN PALM BEACH COUNTY AND
Robert Thrun**

APR 30 2009

This Agreement (this "Agreement") is made and entered into _____, 20__ by and between Palm Beach County, a political subdivision of the State of Florida (the "COUNTY"), and Robert Thrun, whose address is 400 Ocean Trail Way #202, Jupiter, Florida, 33477 (the "LESSEE").

WITNESSETH:

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

WHEREAS, pursuant to that certain Hangar Lease Agreement between COUNTY and LESSEE dated December 8, 2004 (R-2005-0018) (the "Hangar Lease Agreement"), LESSEE leases that certain hangar unit # 4, building 11230 on Airport property; and

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

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

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

1. The recitals set forth above are true and correct and form a part of this Agreement.
2. The parties hereby agree that the Hangar Lease Agreement shall be terminated effective April 30, 2009 (the "Termination Date").
3. COUNTY is holding LESSEE's security deposit for the above hangar in the amount of Fifteen Hundred Sixty Dollars (\$1,560.00). The full amount of deposit shall be returned to LESSEE's within thirty (30) days of the Termination Date, providing that LESSEE has left the hangar in good condition, has no outstanding debt to COUNTY, has returned all gate access cards and keys to the County.
4. This Agreement shall become effective upon execution by the parties hereto.

(Remainder of page left blank intentionally)

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

PALM BEACH COUNTY, a political
Subdivision of the State of Florida
BY ITS DIRECTOR OF AIRPORTS

Witnesses:

Signature

Print Name

Signature

Jeffrey S. Bolton

Print Name

By:

County Administrator or designee

Witnesses:

Signature

Print Name

Signature

Print Name

LESSEE:

By:

Print Name

Title:

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By:

County/Attorney

HANGAR LEASE AGREEMENT

This Lease, is made and entered into this APR 30 2009, 20____, (the "Effective Date") by and between Palm Beach County, a political subdivision of the State of Florida ("COUNTY"), and Avion Partners, LLC, whose address is 1 Cambria Road East, Palm Beach Gardens, Florida 33418, ("LESSEE") (COUNTY and LESSEE are sometimes referred to herein individually as a "Party" and collectively as the "Parties").

WITNESSETH

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

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

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

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

1. **Term.** The term of this Lease shall be for a period of one (1) year commencing on the 1st day of May, 2009, (the "Commencement Date") and terminating on the 30th day of April, 2010. This Lease shall be automatically renewed at one (1) year intervals thereafter; provided, however, either party may elect to not renew this Lease upon providing no less than thirty (30) days advance written notice to the other party prior to the expiration of the then current term.

2. **Premises.** COUNTY hereby leases to LESSEE and LESSEE hereby rents from COUNTY that certain hangar identified as unit number 4, Building 11230, containing a total of 1,400 square feet, located at the Airport, all as more particularly described on Exhibit "A", attached hereto and made a part hereof (the "Premises").

3. **Rental.** LESSEE shall pay COUNTY as the initial annual rental for the Premises, the sum of Six Thousand Two Hundred and Forty Dollars (\$6,240.00), payable in equal monthly installments of Five Hundred and Twenty Dollars (\$520.00), plus any applicable taxes as may be required by law. Payment of rental by LESSEE to County shall commence on the Commencement Date. Rental shall be payable in advance, without demand and without any deduction, holdback or set off whatsoever, on or before the first day of each and every month throughout the term of this Lease, as adjusted in accordance with the provisions of Section 5 below. If the Commencement Date occurs on a day other than the first day of a month, LESSEE shall pay rent from the Commencement Date to the first day of the following month on a per diem basis [calculated on the basis of a thirty (30) day month], payable in advance on the Commencement Date. Any rent payment due hereunder for any other fractional month shall likewise be calculated and paid on such a per diem basis. Rental payable for each month during any renewal term shall be the monthly rental in effect for the prior year, as adjusted in accordance with the provisions of Section 5 below. Rental shall be made payable to Palm Beach County Board of Commissioners and shall be mailed or hand delivered to the following address:

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

COUNTY may, at any time, elect to hire, utilize, or select an agent(s) to administer this Lease and to collect rent payments on behalf of COUNTY and the Department. COUNTY will provide thirty (30) days written notice to LESSEE prior to any change in payment procedure or the payment addresses. COUNTY may offer alternative methods of payment, including, but not limited to, payment by debit card, credit card, or similar method of payment. If LESSEE selects an alternative method of payment, LESSEE agrees to abide by any terms and conditions promulgated by COUNTY in connection with the abovementioned method of payment. LESSEE shall pay interest at the rate of one and one half percent (1.5%) per month on late payments, which shall accrue against the delinquent payment(s) from date due until the date payment is received by the Department. Notwithstanding the foregoing, COUNTY shall not be prevented from terminating this Lease for default in the payment of rentals or from enforcing any other provisions contained herein or implied by law.

4. **Payment of Taxes.** LESSEE shall pay any and all taxes and other costs lawfully assessed against its leasehold interest in the Premises, its improvements and its operations under this Lease. LESSEE shall have the right to contest the amount or validity of any tax or assessment payable by it by appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying, or extending LESSEE's covenants to pay any such tax or assessment, unless the legal proceedings shall operate to prevent the collection of the tax or assessment. Upon termination of such legal proceedings, LESSEE shall pay the amount of any such tax or assessment, or part thereof, as finally determined in such

proceedings, the payment of which may have been deferred during the prosecution thereof, together with any costs, fees, interest, penalties, or other liabilities in connection therewith.

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

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

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

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

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

FAA Registration No. N1409C

Make: Cessna

Model: 182-T

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11. Obligations of COUNTY.

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

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

12. Obligations of LESSEE.

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

B. Alterations, Changes or Additions to the Premises. LESSEE shall not make any improvements, alterations, additions or changes (hereinafter collectively referred to as "Alterations") to the Premises without the Department's prior written consent. Upon written notice by the Department, LESSEE shall remove any Alterations to the Premises, whether or not approved by the Department, and restore the Premises to the condition it was in as of the Commencement Date using materials of like kind and quality. LESSEE shall be responsible for all maintenance or repair to the Premises caused by or resulting from any Alterations made by LESSEE. LESSEE hereby agrees to abide by the decision of the Department with respect to any restoration, removal, maintenance or repair to the Premises caused by or resulting from any Alterations. If LESSEE has not made a good faith effort, as determined by the Department, to perform the required restoration, removal, maintenance or repair, COUNTY shall have the right to enter the Premises and perform the required restoration, removal, maintenance or repair. LESSEE shall pay all costs incurred by COUNTY for any restoration, removal, maintenance or repair, plus a twenty-five percent (25%) administrative overhead, within thirty (30) days of the Department's invoice.

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

D. Vehicle Operations. LESSEE shall provide proof of Automobile Liability Insurance coverage insuring each vehicle operating within the Airport's Air Operations Area ("AOA"), in accordance with Section 14(C) below. LESSEE acknowledges that vehicle access to certain areas of the AOA, including, but not limited to, those areas designated as runways, taxiways and other restricted or limited areas as designated by the Department, requires prior approval by the Department. Conditions of approval of vehicle access within such areas of the AOA may include, but shall not be limited to, lighting and radio requirements for each vehicle, as well as proof of Automobile Liability Insurance coverage for each vehicle, in such amounts and coverage determined by the Department.

13. Indemnification. LESSEE agrees to protect, defend, reimburse, indemnify and hold COUNTY, its agents, employees and elected officers and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including attorney fees at trial and appellate levels) and causes of action of every kind and character against, or in which COUNTY is named or joined, arising out of this Lease or LESSEE's use or occupancy of the Premises, including, without limitation, those arising by reason of any damage to property or the environment, or bodily injury (including death) incurred or sustained by any party hereto, or of any party acquiring any interest hereunder, any agent or employee of any party hereto or of any party acquiring an interest hereunder, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with LESSEE's acts, omissions or operations hereunder, or the performance, non-performance or purported

performance of LESSEE or any breach of the terms of this Lease; provided, however, LESSEE shall not be responsible to COUNTY for damages resulting out of bodily injury (including death) or damages to property which are judicially determined to be solely attributable to the negligence of COUNTY, its respective agents, servants, employees and officers. LESSEE further agrees to hold harmless and indemnify COUNTY for any fines, citations, court judgments, insurance claims, restoration costs or other liability resulting from or in any way arising out of or due to LESSEE's activities or operations or use of the Premises whether or not LESSEE was negligent or even knowledgeable of any events precipitating a claim or judgment arising as a result of any situation involving said activities. This indemnification shall be extended to include all deliverers, suppliers, furnishers of material, or anyone acting for, on behalf of, or at the request of LESSEE. LESSEE recognizes the broad nature of this indemnification and hold-harmless clause, and acknowledges that COUNTY would not have entered into this Lease without the inclusion of such clause, and voluntarily makes this covenant and expressly acknowledges the receipt of Ten Dollars (\$10.00) and such other good and valuable consideration provided by COUNTY in support of this indemnification. The obligations arising under this Section shall survive the expiration or termination of this Lease.

14. Insurance. Without limiting LESSEE's obligation to indemnify COUNTY, as provided herein, LESSEE shall provide, pay for, and maintain in force at all times during the term of this Lease:

A. A policy of Aircraft Liability Insurance to protect against bodily injury liability and property damage liability in an amount of not less than Five Hundred Thousand Dollars (\$500,000) each occurrence.

B. A policy of General Liability Insurance to protect against bodily injury liability and property damage liability arising out of use of the leased Premises in an amount of not less than Five Hundred Thousand Dollars (\$500,000) each occurrence. Coverage must include not less than One Hundred Thousand Dollars (\$100,000) property damage liability for damage to the Premises. This requirement may be satisfied by endorsement to the Aircraft Liability Insurance.

C. LESSEE shall maintain a policy of Automobile Liability Insurance coverage insuring each vehicle operating within the AOA, other than those areas of the AOA designated as runways, taxiways and other restricted or limited areas as designated by the Department, with minimum limits of One Hundred Thousand Dollars (\$100,000) per person, Three Hundred Thousand Dollars (\$300,000) per accident for bodily injury, and Fifty Thousand Dollars (\$50,000) per accident for property damage. For vehicle operations within those areas of the AOA designated as runways, taxiways and other restricted or limited areas as designated by the Department, a policy of Automobile Liability Insurance coverage with higher minimum limits of coverage shall be provided in accordance with Section 12(D) above.

D. A certificate(s) or copy of pertinent pages from the policy(ies) evidencing all required insurance must be provided to COUNTY prior to the Effective Date of this Lease, and renewal certificate(s) or copies of pertinent pages from renewal policy(ies) must be provided throughout the term of this Lease. The certificate(s) or copy of pertinent policy(ies) must clearly indicate:

1. The coverages and limits provided include coverage for liability arising out of and damage to the Premises; and
2. Confirmation that the Aircraft Liability and General Liability includes "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents, c/o Department of Airports, 846 Palm Beach International Airport, West Palm Beach, FL, 33406-1470" as an "additional insured" with respect to the Premises; and
3. Certificate(s) of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage; and
4. If the Named Insured on the Aircraft Liability Policy is other than LESSEE, and the Aircraft Liability Policy provides coverage for the Premises, that LESSEE is clearly identified as a Named Insured.

COUNTY shall have the right to review and modify insurance requirements of this Lease from time to time, provided that COUNTY gives LESSEE ninety (90) days prior written notice of any such change.

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

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

17. Signs and Improvements. No signs, emblems, or advertising shall be placed or erected on or in the Premises.

18. Disclaimer of Liability. COUNTY HEREBY DISCLAIMS, AND LESSEE HEREBY RELEASES COUNTY, FROM ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE AND NUISANCE), FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY LESSEE, ITS EMPLOYEES, AGENTS OR INVITEES DURING THE TERM OF THIS LEASE OR ANY EXTENSION HEREOF INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF LESSEE OR LESSEE'S INVITEES THAT MIGHT BE LOCATED OR STORED ON THE PREMISES, UNLESS SUCH LOSS, DAMAGE OR INJURY IS CAUSED BY COUNTY'S NEGLIGENCE. THE PARTIES EXPRESSLY AGREE THAT UNDER NO CIRCUMSTANCES SHALL COUNTY BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL, OR EXEMPLARY DAMAGES WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE, AND NUISANCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR ANY OTHER DAMAGE RELATED TO THE LEASING OF THE PREMISES PURSUANT TO THIS LEASE. LESSEE RELEASES COUNTY FROM ANY AND ALL LIABILITY RELATING TO ANY INFORMATION PROVIDED BY COUNTY RELATING TO THIS LEASE. FURTHERMORE, LESSEE ACKNOWLEDGES AND AGREES THAT ITS USE OF ANY SUCH INFORMATION, WHETHER PREPARED OR PROVIDED BY COUNTY OR OTHERWISE, IN DETERMINING WHETHER TO ENTER INTO THIS LEASE WAS AT ITS SOLE RISK. THE FOREGOING DISCLAIMER SHALL NOT BE CONSTRUED TO CONSTITUTE AN AGREEMENT BY LESSEE TO INDEMNIFY THE COUNTY FOR THE COUNTY'S NEGLIGENT, WILLFUL OR INTENTIONAL ACTS.

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

A. The vacating or abandonment of the Premises by LESSEE for a period of more than sixty (60) consecutive, calendar days.

B. The failure by LESSEE to make payment of rent or any other payment required to be made by LESSEE, as and when due, where such failure shall continue for a period of three (3) days after written notice from the Department to LESSEE.

C. The failure by LESSEE to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by LESSEE, other than described in paragraph B. above, where such failure shall continue for a period of fifteen (15) days after written notice from the Department; provided, however, that if the nature of LESSEE's default is such that more than fifteen (15) days are reasonably required for its cure, then LESSEE shall not be deemed to be in default if LESSEE has commenced such cure within such fifteen (15) day period and thereafter diligently pursues such cure to completion.

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

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

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

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

B. Terminate LESSEE's right to possession of the Premises by any lawful means and reenter and retake possession of the Premises for the account of LESSEE, in which case

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

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

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

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

Notwithstanding anything in this Lease to the contrary, upon the occurrence of a material default or breach of this Lease by LESSEE, COUNTY shall have the right to bring an action for damages. COUNTY further reserves all rights which the laws of the State of Florida confer upon a landlord against a Tenant in default.

21. Termination by LESSEE. LESSEE may terminate this Lease, if LESSEE is not in default of this Lease, by giving COUNTY sixty (60) days' advance written notice to be served as hereinafter provided, upon or after the happening of any one of the following events:

A. The issuance by any court of competent jurisdiction of an injunction in any way preventing the use of the Airport for Airport purposes or a substantial part of the Premises, which injunction remains in force for a period of at least ninety (90) days.

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

C. The lawful assumption by the United States Government or any authorized agency thereof, of the operation, control, or use of the Airport and facilities, or any substantial part or parts thereof, in such a manner as to substantially restrict the operation of LESSEE, for a period of at least ninety (90) days.

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

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

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

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

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

26. Notice. 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 national overnight delivery service, telecopied or faxed, 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 national 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 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:

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

With a copy to:

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

LESSEE:

Avion Partners, LLC
Attn: Dean Phillips, Manager
1 Cambria Road East
Palm Beach Gardens, FL 33418
E-mail Address: SUN500@mindspring.com
Fax: (561) 799-7020

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

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

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

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

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

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

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

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

34. Non-discrimination. LESSEE for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree (a) that no person on the grounds of race, creed, color, national origin, sex, sexual orientation, gender identity or expression, religion, marital status, age, or disability shall be excluded from participation in or denied the use of the Premises, (b) that in the construction of any improvements on, over, or under such Premises and the furnishing of services, no person on the grounds of race, creed, color, national origin, sex, sexual orientation, 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 (c) that LESSEE shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended from time to time. In the event of the breach of any of the foregoing non-discrimination covenants, COUNTY shall have the right to terminate this Lease and to reenter and repossess said Premises and the facilities hereon, and hold the same as if said Lease had never been made or issued. This cancellation provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed including exercise or expiration of appeal rights.

35. Damage or Destruction. LESSEE hereby assumes full responsibility for the condition of the Premises and character, acts and conduct of all persons admitted to the Premises by or with the actual or constructive consent of LESSEE or by or with the consent of any person acting for or on behalf of LESSEE. If the Premises, improvements, or any part thereof, are damaged in any way whatsoever by the act, default or negligence of LESSEE or its employees, officers, licensees, agents or invitees, LESSEE shall, at its sole cost and expense, restore the Premises to the condition existing prior to such damage. LESSEE shall commence such restoration within thirty (30) days and shall diligently pursue such restoration to completion. Such repairs, replacements or rebuilding shall be made by LESSEE in accordance with the construction requirements established by the Department. If LESSEE fails to restore the Premises as required above, COUNTY shall have the right to enter the Premises and perform the necessary restoration, and LESSEE hereby expressly agrees that it shall fully assume and be liable to COUNTY for payment of the costs incurred by COUNTY, plus twenty-five percent (25%) administrative overhead. Such restoration cost, plus the administrative cost, shall be due and payable within thirty (30) days from date of COUNTY's written notice.

36. Partial Destruction. If any of the improvements on the Premises are damaged or destroyed in part by fire or other casualty, COUNTY may terminate this Lease upon written notice to LESSEE within ninety (90) days after the date of any such damage or destruction or commence restoration of the Premises within a commercially reasonable period of time subject to the limitations set forth herein. In the event of restoration of the Premises by COUNTY pursuant to this paragraph, LESSEE's obligation to pay rental shall be abated proportionately on a square footage basis as to that portion of the Premises rendered unusable by reason of casualty commencing on the date of the casualty. Such abatement shall continue until thirty (30) days after notice by COUNTY to LESSEE that the Premises have been substantially repaired or restored. Notwithstanding any provision of this Lease to the contrary, COUNTY shall have no obligation under this Lease to restore the Premises in the event the casualty was the result of the act, default or negligence of LESSEE or its employees, officers, licensees, agents or invitees. In such event, LESSEE shall be obligated to restore the Premises in accordance with Section 35 above with no abatement in rental.

37. Total Casualty. In the event of a total casualty to the Premises which renders the Premises unusable, as reasonably determined by the Department, either party shall have the right to terminate this Lease within ninety (90) days of the date of the casualty by delivering a written notice of termination to the other party in accordance with the notice provisions in this Lease; provided, however, LESSEE shall not have the right to terminate in the event the casualty was the result of the act, default or negligence of LESSEE or LESSEE's employees, officers, licensees, agents or invitees. In such event, LESSEE shall be obligated to restore the Premises in accordance with Section 35 above with no abatement in rental. In the event neither party terminates this Lease pursuant to this Section 37 and COUNTY elects to restore the Premises, LESSEE's obligation to pay rental shall be abated until thirty (30) days after notice by COUNTY to LESSEE that the Premises have been substantially repaired or restored.

38. Waiver. LESSEE hereby waives any claim against COUNTY for damages or compensation in the event this Lease is terminated pursuant to Sections 36 or 37 above.

39. Limitations. Notwithstanding any provision of this Lease to the contrary, COUNTY shall have no obligation to repair, rebuild or restore LESSEE's personal property or fixtures or any improvements made by LESSEE to the Premises. In the event COUNTY elects to restore or rebuild the Premises following a casualty, COUNTY'S obligation to restore, rebuild or restore the Premises pursuant to this Lease shall exist only to the extent of the insurance proceeds received by COUNTY as a result of such casualty. LESSEE shall not be entitled to and hereby waives any claims against COUNTY for any compensation or damage for any loss of use of the Premises, in whole or in part, or for any inconvenience or annoyance occasioned by any such damage, destruction, repair or restoration. In addition, COUNTY shall not be liable for any damage or inconvenience or interruption of the business of LESSEE occasioned by fire or other casualty.

40. COUNTY not Liable. COUNTY shall not be responsible or liable to LESSEE for any claims for compensation or any losses, damages or injury whatsoever sustained by LESSEE including, without limitation, those resulting from failure of any water supply, heat, air conditioning, electrical current, or sewerage or drainage facility, or caused by natural physical conditions on the Premises, whether on the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tornado, hurricane, act of God or state of war, civilian commotion or riot, or any cause beyond the control of COUNTY. COUNTY shall have the right to limit or restrict LESSEE's access to all or portions of the Airport, including the Premises, prior to, during and after certain emergencies, including, but not limited to, severe weather events such as hurricanes or tropical storms, acts of terrorism, aircraft incursions and other similar emergencies. COUNTY shall have no liability whatsoever for limiting access to the Airport or Premises prior to, during or after an emergency. LESSEE shall cooperate with the Department to ensure the safety and security of the Airport and the Premises prior to, during and after an emergency event. All personal property placed on or moved onto the Premises shall be at the sole risk of LESSEE. COUNTY shall not be liable for any damage or loss of said personal property.

41. Compliance with Laws. Notwithstanding anything to the contrary herein, LESSEE shall not use or permit the use of the Premises or the Airport for any illegal or improper purpose or for any purpose which would invalidate any policies of insurance, now existing or hereafter written on the Premises or the Airport for COUNTY or LESSEE.

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

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

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

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

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

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

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

49. 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.

50. 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.

51. Consent and Approval. In the event this Lease is silent as to the standard for any consent, approval, determination, or similar discretionary action, the standard shall be at the sole, absolute and unfettered discretion of COUNTY or the Department, rather than any implied standard of good faith, fairness or reasonableness. Wherever this Lease requires COUNTY's or the Department's consent or approval or permits COUNTY or the Department to act, such consent, approval or action may be given or performed by the Airport Director. If LESSEE requests the COUNTY or Department's consent or approval pursuant to

any provision of this Lease and COUNTY or the Department fails or refuses to give such consent, LESSEE shall not be entitled to any damages as a result of such failure or refusal, whether or not unreasonable.

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

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

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

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

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

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

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

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

60. 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.

61. 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 the County's public health unit.

Remainder of page left intentionally blank

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

Witnesses:

Corrie Skoffner
Signature

Corrie Skoffner
Print Name

Jeffrey S Bolton
Signature

Jeffrey S. Bolton
Print Name

PALM BEACH COUNTY
BY ITS DIRECTOR OF AIRPORTS

By: [Signature]
Director

Witnesses:

Martha LaVerghetta
Signature

Martha LaVerghetta
Print Name

Jeffrey S Bolton
Signature

JEFFREY S. BOLTON
Print Name

LESSEE: Avion Partners, LLC

By: [Signature]

DEAN C PITCHEPS
Print Name

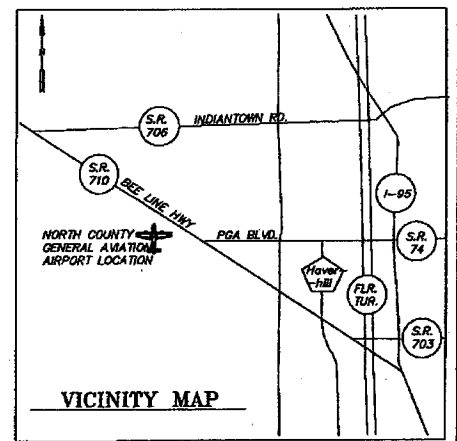
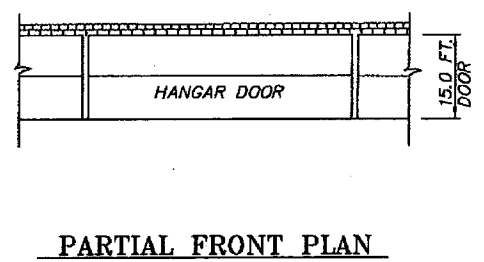
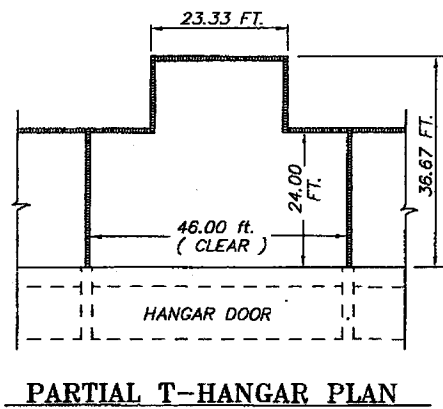
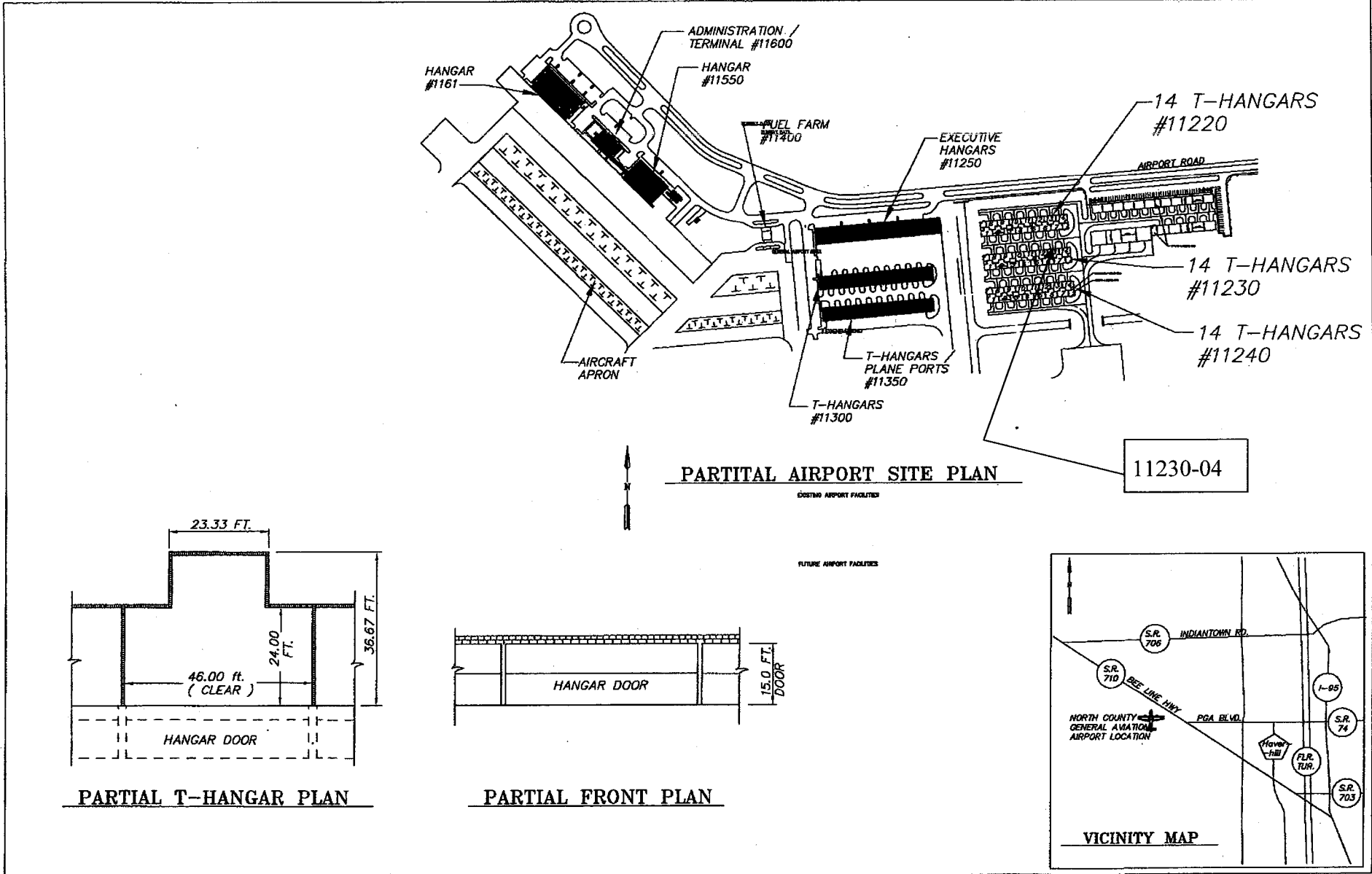
Title: Avion Partners LLC Mgr

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: [Signature]
County Attorney

Exhibit "A"

Tenant: Avion Partners, LLC Building Number: 11230 Unit Number: 4



PARTIAL SITE PLAN / T-HANGARS
 PLANS #11220, 11230 & 11240
 NORTH COUNTY AIRPORT

PALM BEACH COUNTY
 DEPARTMENT OF AIRPORTS
 PALM BEACH INTERNATIONAL AIRPORT

DATE: 9/21/97
 DRAWN BY: DJF
 CHECKED BY: BK

BUILDING #46
 WEST PALM BEACH, FL 33406-1491
 (561) 471-7430

HANGAR LEASE AGREEMENT

This Lease, is made and entered into this ____ day of APR 30 2009, 20____, (the "Effective Date") by and between Palm Beach County, a political subdivision of the State of Florida ("COUNTY"), and Malcolm S. Easterling, whose address is 3386 Cassell Lane, Stuart, Florida 34997 ("LESSEE") (COUNTY and LESSEE are sometimes referred to herein individually as a "Party" and collectively as the "Parties")

WITNESSETH

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

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

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

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

1. **Term.** The term of this Lease shall be for a period of one (1) year commencing on the 1st day of May, 2009, (the "Commencement Date") and terminating on the 30th day of April, 2010. This Lease shall be automatically renewed at one (1) year intervals thereafter; provided, however, either party may elect to not renew this Lease upon providing no less than thirty (30) days advance written notice to the other party prior to the expiration of the then current term.

2. **Premises.** COUNTY hereby leases to LESSEE and LESSEE hereby rents from COUNTY that certain hangar identified as unit number 18, Building 11730, containing a total of 1,399 square feet, located at the Airport, all as more particularly described on Exhibit "A", attached hereto and made a part hereof (the "Premises").

3. **Rental.** LESSEE shall pay COUNTY as the initial annual rental for the Premises, the sum of seven thousand one hundred forty dollars (\$7,140.00), payable in equal monthly installments of five hundred ninety-five dollars (\$595.00), plus any applicable taxes as may be required by law. Payment of rental by LESSEE to County shall commence on the Commencement Date. Rental shall be payable in advance, without demand and without any deduction, holdback or set off whatsoever, on or before the first day of each and every month throughout the term of this Lease, as adjusted in accordance with the provisions of Section 5 below. If the Commencement Date occurs on a day other than the first day of a month, LESSEE shall pay rent from the Commencement Date to the first day of the following month on a per diem basis [calculated on the basis of a thirty (30) day month], payable in advance on the Commencement Date. Any rent payment due hereunder for any other fractional month shall likewise be calculated and paid on such a per diem basis. Rental payable for each month during any renewal term shall be the monthly rental in effect for the prior year, as adjusted in accordance with the provisions of Section 5 below. Rental shall be made payable to Palm Beach County Board of Commissioners and shall be mailed or hand delivered to the following address:

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

COUNTY may, at any time, elect to hire, utilize, or select an agent(s) to administer this Lease and to collect rent payments on behalf of COUNTY and the Department. COUNTY will provide thirty (30) days written notice to LESSEE prior to any change in payment procedure or the payment addresses. COUNTY may offer alternative methods of payment, including, but not limited to, payment by debit card, credit card, or similar method of payment. If LESSEE selects an alternative method of payment, LESSEE agrees to abide by any terms and conditions promulgated by COUNTY in connection with the abovementioned method of payment. LESSEE shall pay interest at the rate of one and one half percent (1.5%) per month on late payments, which shall accrue against the delinquent payment(s) from date due until the date payment is received by the Department. Notwithstanding the foregoing, COUNTY shall not be prevented from terminating this Lease for default in the payment of rentals or from enforcing any other provisions contained herein or implied by law.

4. **Payment of Taxes.** LESSEE shall pay any and all taxes and other costs lawfully assessed against its leasehold interest in the Premises, its improvements and its operations under this Lease. LESSEE shall have the right to contest the amount or validity of any tax or assessment payable by it by appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying, or extending LESSEE's covenants to pay any such tax or assessment, unless the legal proceedings shall operate to prevent the collection of the tax or assessment. Upon termination of such legal proceedings, LESSEE shall pay the amount of any such tax or assessment, or part thereof, as finally determined in such

proceedings, the payment of which may have been deferred during the prosecution thereof, together with any costs, fees, interest, penalties, or other liabilities in connection therewith.

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

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

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

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

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

FAA Registration No.	<u>N787NE</u>
Make:	<u>Self-Made</u>
Model:	<u>RV - 8</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11. Obligations of COUNTY.

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

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

12. Obligations of LESSEE.

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

B. Alterations, Changes or Additions to the Premises. LESSEE shall not make any improvements, alterations, additions or changes (hereinafter collectively referred to as "Alterations") to the Premises without the Department's prior written consent. Upon written notice by the Department, LESSEE shall remove any Alterations to the Premises, whether or not approved by the Department, and restore the Premises to the condition it was in as of the Commencement Date using materials of like kind and quality. LESSEE shall be responsible for all maintenance or repair to the Premises caused by or resulting from any Alterations made by LESSEE. LESSEE hereby agrees to abide by the decision of the Department with respect to any restoration, removal, maintenance or repair to the Premises caused by or resulting from any Alterations. If LESSEE has not made a good faith effort, as determined by the Department, to perform the required restoration, removal, maintenance or repair, COUNTY shall have the right to enter the Premises and perform the required restoration, removal, maintenance or repair. LESSEE shall pay all costs incurred by COUNTY for any restoration, removal, maintenance or repair, plus a twenty-five percent (25%) administrative overhead, within thirty (30) days of the Department's invoice.

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

D. Vehicle Operations. LESSEE shall provide proof of Automobile Liability Insurance coverage insuring each vehicle operating within the Airport's Air Operations Area ("AOA"), in accordance with Section 14(C) below. LESSEE acknowledges that vehicle access to certain areas of the AOA, including, but not limited to, those areas designated as runways, taxiways and other restricted or limited areas as designated by the Department, requires prior approval by the Department. Conditions of approval of vehicle access within such areas of the AOA may include, but shall not be limited to, lighting and radio requirements for each vehicle, as well as proof of Automobile Liability Insurance coverage for each vehicle, in such amounts and coverage determined by the Department.

13. Indemnification. LESSEE agrees to protect, defend, reimburse, indemnify and hold COUNTY, its agents, employees and elected officers and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including attorney fees at trial and appellate levels) and causes of action of every kind and character against, or in which COUNTY is named or joined, arising out of this Lease or LESSEE's use or occupancy of the Premises, including, without limitation, those arising by reason of any damage to property or the environment, or bodily injury (including death) incurred or sustained by any party hereto, or of any party acquiring any interest hereunder, any agent or employee of any party hereto or of any party acquiring an interest hereunder, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with LESSEE's acts, omissions or operations hereunder, or the performance, non-performance or purported

performance of LESSEE or any breach of the terms of this Lease; provided, however, LESSEE shall not be responsible to COUNTY for damages resulting out of bodily injury (including death) or damages to property which are judicially determined to be solely attributable to the negligence of COUNTY, its respective agents, servants, employees and officers. LESSEE further agrees to hold harmless and indemnify COUNTY for any fines, citations, court judgments, insurance claims, restoration costs or other liability resulting from or in any way arising out of or due to LESSEE's activities or operations or use of the Premises whether or not LESSEE was negligent or even knowledgeable of any events precipitating a claim or judgment arising as a result of any situation involving said activities. This indemnification shall be extended to include all deliverers, suppliers, furnishers of material, or anyone acting for, on behalf of, or at the request of LESSEE. LESSEE recognizes the broad nature of this indemnification and hold-harmless clause, and acknowledges that COUNTY would not have entered into this Lease without the inclusion of such clause, and voluntarily makes this covenant and expressly acknowledges the receipt of Ten Dollars (\$10.00) and such other good and valuable consideration provided by COUNTY in support of this indemnification. The obligations arising under this Section shall survive the expiration or termination of this Lease.

14. Insurance. Without limiting LESSEE's obligation to indemnify COUNTY, as provided herein, LESSEE shall provide, pay for, and maintain in force at all times during the term of this Lease:

A. A policy of Aircraft Liability Insurance to protect against bodily injury liability and property damage liability in an amount of not less than Five Hundred Thousand Dollars (\$500,000) each occurrence.

B. A policy of General Liability Insurance to protect against bodily injury liability and property damage liability arising out of use of the leased Premises in an amount of not less than Five Hundred Thousand Dollars (\$500,000) each occurrence. Coverage must include not less than One Hundred Thousand Dollars (\$100,000) property damage liability for damage to the Premises. This requirement may be satisfied by endorsement to the Aircraft Liability Insurance.

C. LESSEE shall maintain a policy of Automobile Liability Insurance coverage insuring each vehicle operating within the AOA, other than those areas of the AOA designated as runways, taxiways and other restricted or limited areas as designated by the Department, with minimum limits of One Hundred Thousand Dollars (\$100,000) per person, Three Hundred Thousand Dollars (\$300,000) per accident for bodily injury, and Fifty Thousand Dollars (\$50,000) per accident for property damage. For vehicle operations within those areas of the AOA designated as runways, taxiways and other restricted or limited areas as designated by the Department, a policy of Automobile Liability Insurance coverage with higher minimum limits of coverage shall be provided in accordance with Section 12(D) above.

D. A certificate(s) or copy of pertinent pages from the policy(ies) evidencing all required insurance must be provided to COUNTY prior to the Effective Date of this Lease, and renewal certificate(s) or copies of pertinent pages from renewal policy(ies) must be provided throughout the term of this Lease. The certificate(s) or copy of pertinent policy(ies) must clearly indicate:

1. The coverages and limits provided include coverage for liability arising out of and damage to the Premises; and
2. Confirmation that the Aircraft Liability and General Liability includes "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents, c/o Department of Airports, 846 Palm Beach International Airport, West Palm Beach, FL, 33406-1470" as an "additional insured" with respect to the Premises; and
3. Certificate(s) of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage; and
4. If the Named Insured on the Aircraft Liability Policy is other than LESSEE, and the Aircraft Liability Policy provides coverage for the Premises, that LESSEE is clearly identified as a Named Insured.

COUNTY shall have the right to review and modify insurance requirements of this Lease from time to time, provided that COUNTY gives LESSEE ninety (90) days prior written notice of any such change.

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

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

17. Signs and Improvements. No signs, emblems, or advertising shall be placed or erected on or in the Premises.

18. Disclaimer of Liability. COUNTY HEREBY DISCLAIMS, AND LESSEE HEREBY RELEASES COUNTY, FROM ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE AND NUISANCE), FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY LESSEE, ITS EMPLOYEES, AGENTS OR INVITEES DURING THE TERM OF THIS LEASE OR ANY EXTENSION HEREOF INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF LESSEE OR LESSEE'S INVITEES THAT MIGHT BE LOCATED OR STORED ON THE PREMISES, UNLESS SUCH LOSS, DAMAGE OR INJURY IS CAUSED BY COUNTY'S NEGLIGENCE. THE PARTIES EXPRESSLY AGREE THAT UNDER NO CIRCUMSTANCES SHALL COUNTY BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL, OR EXEMPLARY DAMAGES WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE, AND NUISANCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR ANY OTHER DAMAGE RELATED TO THE LEASING OF THE PREMISES PURSUANT TO THIS LEASE. LESSEE RELEASES COUNTY FROM ANY AND ALL LIABILITY RELATING TO ANY INFORMATION PROVIDED BY COUNTY RELATING TO THIS LEASE. FURTHERMORE, LESSEE ACKNOWLEDGES AND AGREES THAT ITS USE OF ANY SUCH INFORMATION, WHETHER PREPARED OR PROVIDED BY COUNTY OR OTHERWISE, IN DETERMINING WHETHER TO ENTER INTO THIS LEASE WAS AT ITS SOLE RISK. THE FOREGOING DISCLAIMER SHALL NOT BE CONSTRUED TO CONSTITUTE AN AGREEMENT BY LESSEE TO INDEMNIFY THE COUNTY FOR THE COUNTY'S NEGLIGENT, WILLFUL OR INTENTIONAL ACTS.

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

A. The vacating or abandonment of the Premises by LESSEE for a period of more than sixty (60) consecutive, calendar days.

B. The failure by LESSEE to make payment of rent or any other payment required to be made by LESSEE, as and when due, where such failure shall continue for a period of three (3) days after written notice from the Department to LESSEE.

C. The failure by LESSEE to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by LESSEE, other than described in paragraph B. above, where such failure shall continue for a period of fifteen (15) days after written notice from the Department; provided, however, that if the nature of LESSEE's default is such that more than fifteen (15) days are reasonably required for its cure, then LESSEE shall not be deemed to be in default if LESSEE has commenced such cure within such fifteen (15) day period and thereafter diligently pursues such cure to completion.

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

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

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

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

B. Terminate LESSEE's right to possession of the Premises by any lawful means and reenter and retake possession of the Premises for the account of LESSEE, in which case

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

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

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

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

Notwithstanding anything in this Lease to the contrary, upon the occurrence of a material default or breach of this Lease by LESSEE, COUNTY shall have the right to bring an action for damages. COUNTY further reserves all rights which the laws of the State of Florida confer upon a landlord against a Tenant in default.

21. Termination by LESSEE. LESSEE may terminate this Lease, if LESSEE is not in default of this Lease, by giving COUNTY sixty (60) days' advance written notice to be served as hereinafter provided, upon or after the happening of any one of the following events:

A. The issuance by any court of competent jurisdiction of an injunction in any way preventing the use of the Airport for Airport purposes or a substantial part of the Premises, which injunction remains in force for a period of at least ninety (90) days.

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

C. The lawful assumption by the United States Government or any authorized agency thereof, of the operation, control, or use of the Airport and facilities, or any substantial part or parts thereof, in such a manner as to substantially restrict the operation of LESSEE, for a period of at least ninety (90) days.

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

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

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

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

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

26. Notice. 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 national overnight delivery service, telecopied or faxed, 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 national 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 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:

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

With a copy to:

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

LESSEE:

Malcolm S. Easterling
3386 Cassell Lane
Stuart, Florida 34997
E-mail Address: nickeast@aol.com
Cell: 601-689-0481

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

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

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

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

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

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

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

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

34. Non-discrimination. LESSEE for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree (a) that no person on the grounds of race, creed, color, national origin, sex, sexual orientation, religion, marital status, age, or disability shall be excluded from participation in or denied the use of the Premises, (b) that in the construction of any improvements on, over, or under such Premises and the furnishing of services, no person on the grounds of race, creed, color, national origin, sex, sexual orientation, 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 (c) that LESSEE shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended from time to time. In the event of the breach of any of the foregoing non-discrimination covenants, COUNTY shall have the right to terminate this Lease and to reenter and repossess said Premises and the facilities hereon, and hold the same as if said Lease had never been made or issued. This cancellation provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed including exercise or expiration of appeal rights.

35. Damage or Destruction. LESSEE hereby assumes full responsibility for the condition of the Premises and character, acts and conduct of all persons admitted to the Premises by or with the actual or constructive consent of LESSEE or by or with the consent of any person acting for or on behalf of LESSEE. If the Premises, improvements, or any part thereof, are damaged in any way whatsoever by the act, default or negligence of LESSEE or its employees, officers, licensees, agents or invitees, LESSEE shall, at its sole cost and expense, restore the Premises to the condition existing prior to such damage. LESSEE shall commence such restoration within thirty (30) days and shall diligently pursue such restoration to completion. Such repairs, replacements or rebuilding shall be made by LESSEE in accordance with the construction requirements established by the Department. If LESSEE fails to restore the Premises as required above, COUNTY shall have the right to enter the Premises and perform the necessary restoration, and LESSEE hereby expressly agrees that it shall fully assume and be liable to COUNTY for payment of the costs incurred by COUNTY, plus twenty-five percent (25%) administrative overhead. Such restoration cost, plus the administrative cost, shall be due and payable within thirty (30) days from date of COUNTY's written notice.

36. Partial Destruction. If any of the improvements on the Premises are damaged or destroyed in part by fire or other casualty, COUNTY may terminate this Lease upon written notice to LESSEE within ninety (90) days after the date of any such damage or destruction or commence restoration of the Premises within a commercially reasonable period of time subject to the limitations set forth herein. In the event of restoration of the Premises by COUNTY pursuant to this paragraph, LESSEE's obligation to pay rental shall be abated proportionately on a square footage basis as to that portion of the Premises rendered unusable by reason of casualty commencing on the date of the casualty. Such abatement shall continue until thirty (30) days after notice by COUNTY to LESSEE that the Premises have been substantially repaired or restored. Notwithstanding any provision of this Lease to the contrary, COUNTY shall have no obligation under this Lease to restore the Premises in the event the casualty was the result of the act, default or negligence of LESSEE or its employees, officers, licensees, agents or invitees. In such event, LESSEE shall be obligated to restore the Premises in accordance with Section 35 above with no abatement in rental.

37. Total Casualty. In the event of a total casualty to the Premises which renders the Premises unusable, as reasonably determined by the Department, either party shall have the right to terminate this Lease within ninety (90) days of the date of the casualty by delivering a written notice of termination to the other party in accordance with the notice provisions in this Lease; provided, however, LESSEE shall not have the right to terminate in the event the casualty was the result of the act, default or negligence of LESSEE or LESSEE's employees, officers, licensees, agents or invitees. In such event, LESSEE shall be obligated to restore the Premises in accordance with Section 35 above with no abatement in rental. In the event neither party terminates this Lease pursuant to this Section 37 and COUNTY elects to restore the Premises, LESSEE's obligation to pay rental shall be abated until thirty (30) days after notice by COUNTY to LESSEE that the Premises have been substantially repaired or restored.

38. Waiver. LESSEE hereby waives any claim against COUNTY for damages or compensation in the event this Lease is terminated pursuant to Sections 36 or 37 above.

39. Limitations. Notwithstanding any provision of this Lease to the contrary, COUNTY shall have no obligation to repair, rebuild or restore LESSEE's personal property or fixtures or any improvements made by LESSEE to the Premises. In the event COUNTY elects to restore or rebuild the Premises following a casualty, COUNTY'S obligation to restore, rebuild or restore the Premises pursuant to this Lease shall exist only to the extent of the insurance proceeds received by COUNTY as a result of such casualty. LESSEE shall not be entitled to and hereby waives any claims against COUNTY for any compensation or damage for any loss of use of the Premises, in whole or in part, or for any inconvenience or annoyance occasioned by any such damage, destruction, repair or restoration. In addition, COUNTY shall not be liable for any damage or inconvenience or interruption of the business of LESSEE occasioned by fire or other casualty.

40. COUNTY not Liable. COUNTY shall not be responsible or liable to LESSEE for any claims for compensation or any losses, damages or injury whatsoever sustained by LESSEE including, without limitation, those resulting from failure of any water supply, heat, air conditioning, electrical current, or sewerage or drainage facility, or caused by natural physical conditions on the Premises, whether on the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tornado, hurricane, act of God or state of war, civilian commotion or riot, or any cause beyond the control of COUNTY. COUNTY shall have the right to limit or restrict LESSEE's access to all or portions of the Airport, including the Premises, prior to, during and after certain emergencies, including, but not limited to, severe weather events such as hurricanes or tropical storms, acts of terrorism, aircraft incursions and other similar emergencies. COUNTY shall have no liability whatsoever for limiting access to the Airport or Premises prior to, during or after an emergency. LESSEE shall cooperate with the Department to ensure the safety and security of the Airport and the Premises prior to, during and after an emergency event. All personal property placed on or moved onto the Premises shall be at the sole risk of LESSEE. COUNTY shall not be liable for any damage or loss of said personal property.

41. Compliance with Laws. Notwithstanding anything to the contrary herein, LESSEE shall not use or permit the use of the Premises or the Airport for any illegal or improper purpose or for any purpose which would invalidate any policies of insurance, now existing or hereafter written on the Premises or the Airport for COUNTY or LESSEE.

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

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

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

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

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

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

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

49. 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.

50. 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.

51. Consent and Approval. In the event this Lease is silent as to the standard for any consent, approval, determination, or similar discretionary action, the standard shall be at the sole, absolute and unfettered discretion of COUNTY or the Department, rather than any implied standard of good faith, fairness or reasonableness. Wherever this Lease requires COUNTY's or the Department's consent or approval or permits COUNTY or the Department to act, such consent, approval or action may be given or performed by the Airport Director. If LESSEE requests the COUNTY or Department's consent or approval pursuant to

any provision of this Lease and COUNTY or the Department fails or refuses to give such consent, LESSEE shall not be entitled to any damages as a result of such failure or refusal, whether or not unreasonable.

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

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

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

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

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

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

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

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

60. 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.

61. 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 the County's public health unit.

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

Witnesses:

Connie Shostner
Signature

Connie Shostner
Print Name

[Signature]
Signature

Jeffrey S. Bolton
Print Name

PALM BEACH COUNTY
BY ITS DIRECTOR OF AIRPORTS

By: [Signature]
Director

Witnesses:

[Signature]
Signature

JEFFREY S. BOLTON
Print Name

[Signature]
Signature

Martha K. Laverghetta
Print Name

LESSEE: Malcolm S. Easterling

By: [Signature]

MALCOLM S. EASTERLING
Print Name

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: [Signature]
County Attorney

EXHIBIT "A"

EXISTING TAXILANE "G"

EXISTING TAXILANE "D"

EXISTING TAXILANE "C"

EXISTING TAXILANE "B"

EXISTING TAXILANE "A"

EXISTING TAXILANE "F"

11750

11740

11730

11720

LESSEE

Hangar 11730-18

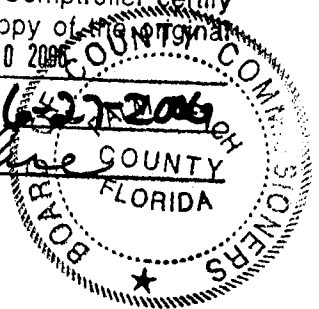
Malcolm S. Easterling



STATE OF FLORIDA, COUNTY OF PALM BEACH
I, SHARON R. BOCK, Clerk & Comptroller certify
this to be a true and correct copy of the original
filed in my office on JUN 20 2006

dated at West Palm Beach, FL on 6-27-2006

By *Judith Crossline* COUNTY CLERK
Deputy Clerk



HANGAR LEASE AGREEMENT

This Lease, is made and entered into this APR 30 2009 day of , 20 , (the "Effective Date") by and between Palm Beach County, a political subdivision of the State of Florida ("COUNTY"), and Wendy Air, LLC, whose address is 416 Northlake Dr., North Palm Beach, Florida, 33408 ("LESSEE") (COUNTY and LESSEE are sometimes referred to herein individually as a "Party" and collectively as the "Parties").

WITNESSETH

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

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

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

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

1. Term. The term of this Lease shall be for a period of one (1) year commencing on the 1st day of May, 2009, (the "Commencement Date") and terminating on the 30th day of April, 2010. This Lease shall be automatically renewed at one (1) year intervals thereafter; provided, however, either party may elect to not renew this Lease upon providing no less than thirty (30) days advance written notice to the other party prior to the expiration of the then current term.

2. Premises. COUNTY hereby leases to LESSEE and LESSEE hereby rents from COUNTY that certain hangar identified as unit number 18, Building 11300, containing a total of 1,126 square feet, located at the Airport, all as more particularly described on Exhibit "A", attached hereto and made a part hereof (the "Premises").

3. Rental. LESSEE shall pay COUNTY as the initial annual rental for the Premises, the sum of Four Thousand Three Hundred Eighty Dollars (\$4,380.00), payable in equal monthly installments of Three Hundred Sixty Five Dollars (\$365.00), plus any applicable taxes as may be required by law. Payment of rental by LESSEE to County shall commence on the Commencement Date. Rental shall be payable in advance, without demand and without any deduction, holdback or set off whatsoever, on or before the first day of each and every month throughout the term of this Lease, as adjusted in accordance with the provisions of Section 5 below. If the Commencement Date occurs on a day other than the first day of a month, LESSEE shall pay rent from the Commencement Date to the first day of the following month on a per diem basis [calculated on the basis of a thirty (30) day month], payable in advance on the Commencement Date. Any rent payment due hereunder for any other fractional month shall likewise be calculated and paid on such a per diem basis. Rental payable for each month during any renewal term shall be the monthly rental in effect for the prior year, as adjusted in accordance with the provisions of Section 5 below. Rental shall be made payable to Palm Beach County Board of Commissioners and shall be mailed or hand delivered to the following address:

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

COUNTY may, at any time, elect to hire, utilize, or select an agent(s) to administer this Lease and to collect rent payments on behalf of COUNTY and the Department. COUNTY will provide thirty (30) days written notice to LESSEE prior to any change in payment procedure or the payment addresses. COUNTY may offer alternative methods of payment, including, but not limited to, payment by debit card, credit card, or similar method of payment. If LESSEE selects an alternative method of payment, LESSEE agrees to abide by any terms and conditions promulgated by COUNTY in connection with the abovementioned method of payment. LESSEE shall pay interest at the rate of one and one half percent (1.5%) per month on late payments, which shall accrue against the delinquent payment(s) from date due until the date payment is received by the Department. Notwithstanding the foregoing, COUNTY shall not be prevented from terminating this Lease for default in the payment of rentals or from enforcing any other provisions contained herein or implied by law.

4. Payment of Taxes. LESSEE shall pay any and all taxes and other costs lawfully assessed against its leasehold interest in the Premises, its improvements and its operations under this Lease. LESSEE shall have the right to contest the amount or validity of any tax or assessment payable by it by appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying, or extending LESSEE's covenants to pay any such tax or assessment, unless the legal proceedings shall operate to prevent the collection of the tax or assessment. Upon termination of such legal proceedings, LESSEE shall pay the amount of any such tax or assessment, or part thereof, as finally determined in such

proceedings, the payment of which may have been deferred during the prosecution thereof, together with any costs, fees, interest, penalties, or other liabilities in connection therewith.

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

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

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

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

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

FAA Registration No. N101NS
Make: Cirrus Design
Model: SR20

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11. Obligations of COUNTY.

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

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

12. Obligations of LESSEE.

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

B. Alterations, Changes or Additions to the Premises. LESSEE shall not make any improvements, alterations, additions or changes (hereinafter collectively referred to as "Alterations") to the Premises without the Department's prior written consent. Upon written notice by the Department, LESSEE shall remove any Alterations to the Premises, whether or not approved by the Department, and restore the Premises to the condition it was in as of the Commencement Date using materials of like kind and quality. LESSEE shall be responsible for all maintenance or repair to the Premises caused by or resulting from any Alterations made by LESSEE. LESSEE hereby agrees to abide by the decision of the Department with respect to any restoration, removal, maintenance or repair to the Premises caused by or resulting from any Alterations. If LESSEE has not made a good faith effort, as determined by the Department, to perform the required restoration, removal, maintenance or repair, COUNTY shall have the right to enter the Premises and perform the required restoration, removal, maintenance or repair. LESSEE shall pay all costs incurred by COUNTY for any restoration, removal, maintenance or repair, plus a twenty-five percent (25%) administrative overhead, within thirty (30) days of the Department's invoice.

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

D. Vehicle Operations. LESSEE shall provide proof of Automobile Liability Insurance coverage insuring each vehicle operating within the Airport's Air Operations Area ("AOA"), in accordance with Section 14(C) below. LESSEE acknowledges that vehicle access to certain areas of the AOA, including, but not limited to, those areas designated as runways, taxiways and other restricted or limited areas as designated by the Department, requires prior approval by the Department. Conditions of approval of vehicle access within such areas of the AOA may include, but shall not be limited to, lighting and radio requirements for each vehicle, as well as proof of Automobile Liability Insurance coverage for each vehicle, in such amounts and coverage determined by the Department.

13. Indemnification. LESSEE agrees to protect, defend, reimburse, indemnify and hold COUNTY, its agents, employees and elected officers and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including attorney fees at trial and appellate levels) and causes of action of every kind and character against, or in which COUNTY is named or joined, arising out of this Lease or LESSEE's use or occupancy of the Premises, including, without limitation, those arising by reason of any damage to property or the environment, or bodily injury (including death) incurred or sustained by any party hereto, or of any party acquiring any interest hereunder, any agent or employee of any party hereto or of any party acquiring an interest hereunder, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with LESSEE's acts, omissions or operations hereunder, or the performance, non-performance or purported

performance of LESSEE or any breach of the terms of this Lease; provided, however, LESSEE shall not be responsible to COUNTY for damages resulting out of bodily injury (including death) or damages to property which are judicially determined to be solely attributable to the negligence of COUNTY, its respective agents, servants, employees and officers. LESSEE further agrees to hold harmless and indemnify COUNTY for any fines, citations, court judgments, insurance claims, restoration costs or other liability resulting from or in any way arising out of or due to LESSEE's activities or operations or use of the Premises whether or not LESSEE was negligent or even knowledgeable of any events precipitating a claim or judgment arising as a result of any situation involving said activities. This indemnification shall be extended to include all deliverers, suppliers, furnishers of material, or anyone acting for, on behalf of, or at the request of LESSEE. LESSEE recognizes the broad nature of this indemnification and hold-harmless clause, and acknowledges that COUNTY would not have entered into this Lease without the inclusion of such clause, and voluntarily makes this covenant and expressly acknowledges the receipt of Ten Dollars (\$10.00) and such other good and valuable consideration provided by COUNTY in support of this indemnification. The obligations arising under this Section shall survive the expiration or termination of this Lease.

14. Insurance. Without limiting LESSEE's obligation to indemnify COUNTY, as provided herein, LESSEE shall provide, pay for, and maintain in force at all times during the term of this Lease:

A. A policy of Aircraft Liability Insurance to protect against bodily injury liability and property damage liability in an amount of not less than Five Hundred Thousand Dollars (\$500,000) each occurrence.

B. A policy of General Liability Insurance to protect against bodily injury liability and property damage liability arising out of use of the leased Premises in an amount of not less than Five Hundred Thousand Dollars (\$500,000) each occurrence. Coverage must include not less than One Hundred Thousand Dollars (\$100,000) property damage liability for damage to the Premises. This requirement may be satisfied by endorsement to the Aircraft Liability Insurance.

C. LESSEE shall maintain a policy of Automobile Liability Insurance coverage insuring each vehicle operating within the AOA, other than those areas of the AOA designated as runways, taxiways and other restricted or limited areas as designated by the Department, with minimum limits of One Hundred Thousand Dollars (\$100,000) per person, Three Hundred Thousand Dollars (\$300,000) per accident for bodily injury, and Fifty Thousand Dollars (\$50,000) per accident for property damage. For vehicle operations within those areas of the AOA designated as runways, taxiways and other restricted or limited areas as designated by the Department, a policy of Automobile Liability Insurance coverage with higher minimum limits of coverage shall be provided in accordance with Section 12(D) above.

D. A certificate(s) or copy of pertinent pages from the policy(ies) evidencing all required insurance must be provided to COUNTY prior to the Effective Date of this Lease, and renewal certificate(s) or copies of pertinent pages from renewal policy(ies) must be provided throughout the term of this Lease. The certificate(s) or copy of pertinent policy(ies) must clearly indicate:

1. The coverages and limits provided include coverage for liability arising out of and damage to the Premises; and
2. Confirmation that the Aircraft Liability and General Liability includes "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents, c/o Department of Airports, 846 Palm Beach International Airport, West Palm Beach, FL, 33406-1470" as an "additional insured" with respect to the Premises; and
3. Certificate(s) of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage; and
4. If the Named Insured on the Aircraft Liability Policy is other than LESSEE, and the Aircraft Liability Policy provides coverage for the Premises, that LESSEE is clearly identified as a Named Insured.

COUNTY shall have the right to review and modify insurance requirements of this Lease from time to time, provided that COUNTY gives LESSEE ninety (90) days prior written notice of any such change.

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

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

17. Signs and Improvements. No signs, emblems, or advertising shall be placed or erected on or in the Premises.

18. Disclaimer of Liability. COUNTY HEREBY DISCLAIMS, AND LESSEE HEREBY RELEASES COUNTY, FROM ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE AND NUISANCE), FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY LESSEE, ITS EMPLOYEES, AGENTS OR INVITEES DURING THE TERM OF THIS LEASE OR ANY EXTENSION HEREOF INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF LESSEE OR LESSEE'S INVITEES THAT MIGHT BE LOCATED OR STORED ON THE PREMISES, UNLESS SUCH LOSS, DAMAGE OR INJURY IS CAUSED BY COUNTY'S NEGLIGENCE. THE PARTIES EXPRESSLY AGREE THAT UNDER NO CIRCUMSTANCES SHALL COUNTY BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL, OR EXEMPLARY DAMAGES WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE, AND NUISANCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR ANY OTHER DAMAGE RELATED TO THE LEASING OF THE PREMISES PURSUANT TO THIS LEASE. LESSEE RELEASES COUNTY FROM ANY AND ALL LIABILITY RELATING TO ANY INFORMATION PROVIDED BY COUNTY RELATING TO THIS LEASE. FURTHERMORE, LESSEE ACKNOWLEDGES AND AGREES THAT ITS USE OF ANY SUCH INFORMATION, WHETHER PREPARED OR PROVIDED BY COUNTY OR OTHERWISE, IN DETERMINING WHETHER TO ENTER INTO THIS LEASE WAS AT ITS SOLE RISK. THE FOREGOING DISCLAIMER SHALL NOT BE CONSTRUED TO CONSTITUTE AN AGREEMENT BY LESSEE TO INDEMNIFY THE COUNTY FOR THE COUNTY'S NEGLIGENT, WILLFUL OR INTENTIONAL ACTS.

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

A. The vacating or abandonment of the Premises by LESSEE for a period of more than sixty (60) consecutive, calendar days.

B. The failure by LESSEE to make payment of rent or any other payment required to be made by LESSEE, as and when due, where such failure shall continue for a period of three (3) days after written notice from the Department to LESSEE.

C. The failure by LESSEE to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by LESSEE, other than described in paragraph B. above, where such failure shall continue for a period of fifteen (15) days after written notice from the Department; provided, however, that if the nature of LESSEE's default is such that more than fifteen (15) days are reasonably required for its cure, then LESSEE shall not be deemed to be in default if LESSEE has commenced such cure within such fifteen (15) day period and thereafter diligently pursues such cure to completion.

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

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

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

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

B. Terminate LESSEE's right to possession of the Premises by any lawful means and reenter and retake possession of the Premises for the account of LESSEE, in which case

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

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

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

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

Notwithstanding anything in this Lease to the contrary, upon the occurrence of a material default or breach of this Lease by LESSEE, COUNTY shall have the right to bring an action for damages. COUNTY further reserves all rights which the laws of the State of Florida confer upon a landlord against a Tenant in default.

21. Termination by LESSEE. LESSEE may terminate this Lease, if LESSEE is not in default of this Lease, by giving COUNTY sixty (60) days' advance written notice to be served as hereinafter provided, upon or after the happening of any one of the following events:

A. The issuance by any court of competent jurisdiction of an injunction in any way preventing the use of the Airport for Airport purposes or a substantial part of the Premises, which injunction remains in force for a period of at least ninety (90) days.

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

C. The lawful assumption by the United States Government or any authorized agency thereof, of the operation, control, or use of the Airport and facilities, or any substantial part or parts thereof, in such a manner as to substantially restrict the operation of LESSEE, for a period of at least ninety (90) days.

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

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

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

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

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

26. Notice. 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 national overnight delivery service, telecopied or faxed, 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 national 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 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:

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

With a copy to:

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

LESSEE:

Wendy Air, LLC
Attn: David Hetzel
413 Northlake Dr.
North Palm Beach, Florida 33408
E-mail Address: davidnorthpalm@aol.com
Phone: 561-719-4499

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

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

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

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

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

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

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

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

34. Non-discrimination. LESSEE for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree (a) that no person on the grounds of race, creed, color, national origin, sex, sexual orientation, gender identity or expression, religion, marital status, age, or disability shall be excluded from participation in or denied the use of the Premises, (b) that in the construction of any improvements on, over, or under such Premises and the furnishing of services, no person on the grounds of race, creed, color, national origin, sex, sexual orientation, 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 (c) that LESSEE shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended from time to time. In the event of the breach of any of the foregoing non-discrimination covenants, COUNTY shall have the right to terminate this Lease and to reenter and repossess said Premises and the facilities hereon, and hold the same as if said Lease had never been made or issued. This cancellation provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed including exercise or expiration of appeal rights.

35. Damage or Destruction. LESSEE hereby assumes full responsibility for the condition of the Premises and character, acts and conduct of all persons admitted to the Premises by or with the actual or constructive consent of LESSEE or by or with the consent of any person acting for or on behalf of LESSEE. If the Premises, improvements, or any part thereof, are damaged in any way whatsoever by the act, default or negligence of LESSEE or its employees, officers, licensees, agents or invitees, LESSEE shall, at its sole cost and expense, restore the Premises to the condition existing prior to such damage. LESSEE shall commence such restoration within thirty (30) days and shall diligently pursue such restoration to completion. Such repairs, replacements or rebuilding shall be made by LESSEE in accordance with the construction requirements established by the Department. If LESSEE fails to restore the Premises as required above, COUNTY shall have the right to enter the Premises and perform the necessary restoration, and LESSEE hereby expressly agrees that it shall fully assume and be liable to COUNTY for payment of the costs incurred by COUNTY, plus twenty-five percent (25%) administrative overhead. Such restoration cost, plus the administrative cost, shall be due and payable within thirty (30) days from date of COUNTY's written notice.

36. Partial Destruction. If any of the improvements on the Premises are damaged or destroyed in part by fire or other casualty, COUNTY may terminate this Lease upon written notice to LESSEE within ninety (90) days after the date of any such damage or destruction or commence restoration of the Premises within a commercially reasonable period of time subject to the limitations set forth herein. In the event of restoration of the Premises by COUNTY pursuant to this paragraph, LESSEE's obligation to pay rental shall be abated proportionately on a square footage basis as to that portion of the Premises rendered unusable by reason of casualty commencing on the date of the casualty. Such abatement shall continue until thirty (30) days after notice by COUNTY to LESSEE that the Premises have been substantially repaired or restored. Notwithstanding any provision of this Lease to the contrary, COUNTY shall have no obligation under this Lease to restore the Premises in the event the casualty was the result of the act, default or negligence of LESSEE or its employees, officers, licensees, agents or invitees. In such event, LESSEE shall be obligated to restore the Premises in accordance with Section 35 above with no abatement in rental.

37. Total Casualty. In the event of a total casualty to the Premises which renders the Premises unusable, as reasonably determined by the Department, either party shall have the right to terminate this Lease within ninety (90) days of the date of the casualty by delivering a written notice of termination to the other party in accordance with the notice provisions in this Lease; provided, however, LESSEE shall not have the right to terminate in the event the casualty was the result of the act, default or negligence of LESSEE or LESSEE's employees, officers, licensees, agents or invitees. In such event, LESSEE shall be obligated to restore the Premises in accordance with Section 35 above with no abatement in rental. In the event neither party terminates this Lease pursuant to this Section 37 and COUNTY elects to restore the Premises, LESSEE's obligation to pay rental shall be abated until thirty (30) days after notice by COUNTY to LESSEE that the Premises have been substantially repaired or restored.

38. Waiver. LESSEE hereby waives any claim against COUNTY for damages or compensation in the event this Lease is terminated pursuant to Sections 36 or 37 above.

39. Limitations. Notwithstanding any provision of this Lease to the contrary, COUNTY shall have no obligation to repair, rebuild or restore LESSEE's personal property or fixtures or any improvements made by LESSEE to the Premises. In the event COUNTY elects to restore or rebuild the Premises following a casualty, COUNTY'S obligation to restore, rebuild or restore the Premises pursuant to this Lease shall exist only to the extent of the insurance proceeds received by COUNTY as a result of such casualty. LESSEE shall not be entitled to and hereby waives any claims against COUNTY for any compensation or damage for any loss of use of the Premises, in whole or in part, or for any inconvenience or annoyance occasioned by any such damage, destruction, repair or restoration. In addition, COUNTY shall not be liable for any damage or inconvenience or interruption of the business of LESSEE occasioned by fire or other casualty.

40. COUNTY not Liable. COUNTY shall not be responsible or liable to LESSEE for any claims for compensation or any losses, damages or injury whatsoever sustained by LESSEE including, without limitation, those resulting from failure of any water supply, heat, air conditioning, electrical current, or sewerage or drainage facility, or caused by natural physical conditions on the Premises, whether on the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tornado, hurricane, act of God or state of war, civilian commotion or riot, or any cause beyond the control of COUNTY. COUNTY shall have the right to limit or restrict LESSEE's access to all or portions of the Airport, including the Premises, prior to, during and after certain emergencies, including, but not limited to, severe weather events such as hurricanes or tropical storms, acts of terrorism, aircraft incursions and other similar emergencies. COUNTY shall have no liability whatsoever for limiting access to the Airport or Premises prior to, during or after an emergency. LESSEE shall cooperate with the Department to ensure the safety and security of the Airport and the Premises prior to, during and after an emergency event. All personal property placed on or moved onto the Premises shall be at the sole risk of LESSEE. COUNTY shall not be liable for any damage or loss of said personal property.

41. Compliance with Laws. Notwithstanding anything to the contrary herein, LESSEE shall not use or permit the use of the Premises or the Airport for any illegal or improper purpose or for any purpose which would invalidate any policies of insurance, now existing or hereafter written on the Premises or the Airport for COUNTY or LESSEE.

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

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

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

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

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

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

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

49. 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.

50. 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.

51. Consent and Approval. In the event this Lease is silent as to the standard for any consent, approval, determination, or similar discretionary action, the standard shall be at the sole, absolute and unfettered discretion of COUNTY or the Department, rather than any implied standard of good faith, fairness or reasonableness. Wherever this Lease requires COUNTY's or the Department's consent or approval or permits COUNTY or the Department to act, such consent, approval or action may be given or performed by the Airport Director. If LESSEE requests the COUNTY or Department's consent or approval pursuant to

any provision of this Lease and COUNTY or the Department fails or refuses to give such consent, LESSEE shall not be entitled to any damages as a result of such failure or refusal, whether or not unreasonable.

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

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

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

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

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

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

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

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

60. 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.

61. 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 the County's public health unit.

Remainder of page left intentionally blank

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

Witnesses:

[Signature]
Signature

Conny Shottner
Print Name

[Signature]
Signature

Jeffrey S. Bolton
Print Name

PALM BEACH COUNTY
BY ITS DIRECTOR OF AIRPORTS

By: [Signature]
Director

Witnesses:

[Signature]
Signature

Martha K. LaVerghetta
Print Name

[Signature]
Signature

JEFFREY S. BOLTON
Print Name

LESSEE: Wendy Air, LLC

By: [Signature]

David Hetzel
Print Name

Title: Manager

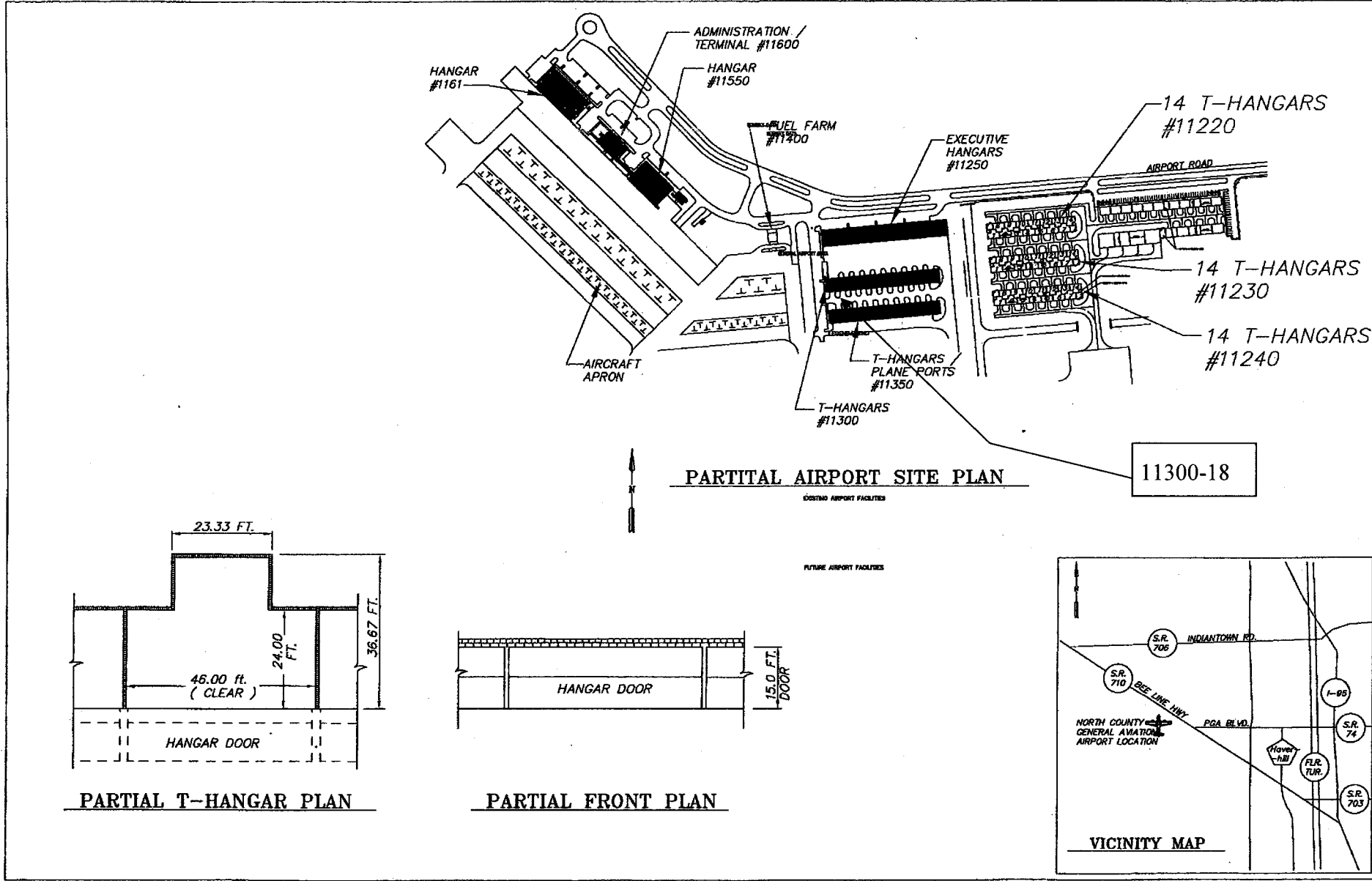
APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: [Signature]
County Attorney

EXHIBIT "A"

Exhibit "A"

Tenant: Wendy Air, LLC Building Number: 11300 Unit Number: 18



PARTIAL SITE PLAN / T-HANGARS
 PLANS #11220, 11230 & 11240
 NORTH COUNTY AIRPORT

PALM BEACH COUNTY
 DEPARTMENT OF AIRPORTS
 PALM BEACH INTERNATIONAL AIRPORT

DATE: 5/21/07
 DRAWN BY: DJG
 CHECKED BY: BI

BUILDING 848
 2711 PALM BEACH BL.
 PALM BEACH, FL 33408-1401
 (561) 871-7400

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "Agreement") made and entered into this 30 day of APRIL, 2009, by and between Palm Beach County, a political subdivision of the State of Florida, hereinafter referred to as ("County") and Enterprise Leasing Company, a Florida corporation whose principal place of business is located at 5105 Johnson Road, Coconut Creek, FL 33073, hereinafter referred to as ("Licensee").

WITNESSETH:

WHEREAS, County, by and through its Department of Airports (the "Department"), is the owner and operator of the Palm Beach International Airport (the "Airport"); and

WHEREAS, County is the owner of that certain real property as more particularly described on the attached Exhibit "A"; and

WHEREAS, County is willing to grant Licensee a revocable license to use the Property for the purposes hereinafter defined.

NOW THEREFORE, in consideration of the covenants and agreements hereinafter set forth on the part of the Licensee to be observed and performed, the County hereby grants the Licensee a non-exclusive, revocable license to use the Property (as hereinafter defined) upon the following terms and conditions:

ARTICLE 1 BASIC PROVISIONS

1.01 Recitals. The foregoing recitals are true and correct and incorporated herein.

1.02 Property. The Property, which is the subject of this Agreement, is a portion of the paved parking area in the southerly portion of 1440 Perimeter Road at the Airport, more particularly identified in Exhibit "A", attached hereto and incorporated herein (the "Property"). The Property shall consist of the paved parking lot areas designated as the "Base Area", containing 43,560 square feet, more or less, and any portion of the Property approved for use by the Department and designated in writing as "Overflow Area", pursuant to Section 3.02 of this Agreement.

ARTICLE 2 LENGTH OF TERM AND COMMENCEMENT DATE

The term of this Agreement shall be for the period commencing on April 14, 2009 (the "Commencement Date") and expiring on May 31, 2009 (the "Initial Term"), unless terminated earlier as provided for herein. This Agreement shall be automatically renewed for one (1) month intervals thereafter (the "Renewal Term"), unless terminated earlier as provided for herein; provided, however, either party may elect to not renew this Agreement upon providing no less than fifteen (15) days advance written notice to the other party prior to the expiration of the then current term. The Initial Term and Renewal Term shall be collectively referred to as the "Term".

**ARTICLE 3
LICENSE FEE**

3.01 License Fee for Base Area of the Property. Licensee shall pay County, for the use and occupancy of the Base Area of the Property, a license fee for the Initial Term, together with applicable sales taxes thereon, in the amount of Three Thousand Seven Hundred Dollars (\$3,700.00), together with applicable sales taxes thereon. For each Renewal Term, Licensee shall pay County, for the use and occupancy of the Base Area of the Property, a license fee for the in the amount of Two Thousand Three Hundred Sixty Dollars (\$2,360.00) per month, together with applicable sales taxes thereon. The license fee for the Base Area shall be payable in advance, without demand and without any deduction, holdback or set off whatsoever, on or before the first day of each and every month throughout the Term of this Agreement with the first payment becoming due and payable on the Commencement Date.

3.02 License Fee for Overflow Area of the Property. Subject to availability, and upon written approval by the Department, which approval may be granted or withheld in the Department's sole and absolute discretion, Licensee may use certain portions of the Property outside of the Base Area, designated as "Overflow Area" by the Department. The Department's approval shall specify the Overflow Area approved for use, as well as the commencement and expiration dates for Licensee's use of the Overflow Area. Licensee shall pay County, for each day of approved use and occupancy of the Overflow Area of the Property, a license fee in the amount of Two Dollars and Twenty-Five Cents (\$2.25) per one thousand (1,000) square feet of designated Overflow Area, together with applicable sales taxes thereon. Licensee shall submit payment of the license fee for use of the Overflow Area, together with applicable sales taxes thereon, no later than thirty (30) days following Licensee's receipt of the County's invoice.

**ARTICLE 4
CONDUCT OF BUSINESS AND USE OF PROPERTY BY LICENSEE**

4.01 Use of Property. Licensee shall use the Property solely and exclusively for parking of vehicles in connection with Licensee's Airport Rental Car Lease and Concession Agreement at the Airport, and for parking of vehicles owned by, or leased to, Licensee, in connection with Licensee's automotive leasing and wholesale sales business. Licensee shall not use, permit or suffer the use of the Property for any other business or purpose whatsoever.

4.02 Improvements. Licensee shall make no improvements, alterations or additions to the Property whatsoever, without the prior written consent of the Department, which may be granted or withheld in the Department's sole and absolute discretion.

4.03 Condition of Property. Licensee accepts the Property in its "As is", "Where is" condition as of the Commencement Date. Licensee further acknowledges that County has not made any warranties or representations of any nature whatsoever regarding the Property including, but not limited to, any warranties or representations relating to the physical condition of the Property or any improvements located therein, or the suitability of the Property or any improvements for the Licensee's intended use.

4.04 Waste or Nuisance. Licensee shall not commit or suffer to be committed any waste upon the Property or any nuisance or other act or thing which may result in damage or depreciation of value of the Property.

4.05 Compliance with Laws. Licensee shall, at its sole cost and expense, secure any and all required licenses and permits and shall comply with all local, state and federal laws pertaining to Licensee or its use of the Property, including all applicable zoning, building and fire laws and regulations. Licensee acknowledges and agrees that County has made no representations whatsoever regarding Licensee's ability to use the Property for the purposes set forth in this Agreement. Licensee shall ensure that its invitees, guests and any all other persons entering the Property with or without Licensee's consent or knowledge comply with all applicable laws on the Property. Licensee shall indemnify, defend and save County harmless from any and all penalties, fines, costs, expenses, suits, claims, or damages resulting from Licensee's failure to perform its obligations specified in this Section. The foregoing indemnification agreement shall survive the expiration or earlier termination of this Agreement.

4.06 Non-Discrimination. Licensee for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree (a) that no person on the grounds of race, creed, color, national origin, sex, sexual orientation, gender identity or expression, religion, marital status, age, or disability shall be excluded from participation in or denied the use of the Property, (b) that in the construction of any improvements on, over, or under such Property and the furnishing of services, 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 (c) that Licensee shall use the Property in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended from time to time. In the event of the breach of any of the foregoing non-discrimination covenants, County shall have the right to terminate this Agreement and to reenter and repossess the Property and the facilities hereon, and hold the same as if the Agreement had never been made or issued. This cancellation provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed including exercise or expiration of appeal rights.

4.07 Surrender of Property. Upon expiration or earlier termination of Licensee's license to use the Property, Licensee, at its sole cost and expense, shall surrender the Property to the County in at least the same condition as the Property was in as of the Commencement Date of this Agreement.

4.08 County's Right to Enter. County shall have the right to enter the Property at any time, without notice, for any purpose whatsoever. County agrees to exercise reasonable efforts to minimize interference with or disruption of Licensee's operations on the Property; provided, however, County shall not be required to expend additional sums of money in order to comply with the foregoing requirement. In the event that a County work activity must take place within the Property during Licensee's operating

hours, which will disrupt or interfere with the Licensee's operations, County will endeavor to provide prior notice to Licensee. The notice requirements provided under Section 10.04 shall not apply to this Section.

ARTICLE 5 REPAIRS AND MAINTENANCE OF PROPERTY/SECURITY

5.01 Repairs & Maintenance. County shall not be obligated or required to make or conduct any maintenance or repairs whatsoever to the Property. All portions of the Property and all improvements erected on the Property shall be kept in good repair and condition by Licensee. Licensee shall maintain the Property free of trash and debris. Upon expiration or earlier termination of this Agreement, Licensee shall deliver the Property to County in good repair and condition as specified herein, free of all improvements constructed by Licensee, if any. In the event of any damage to the Property, County may complete the necessary repairs or maintenance of the Property and Licensee shall reimburse County for all expenses incurred by County in doing so, plus a twenty five percent (25%) overhead, within fifteen (15) days after written request for reimbursement from County.

5.02 Security. Licensee acknowledges and accepts full responsibility for the security and protection of the Property and any and all personal property and improvements now existing or hereafter placed on or installed in or upon the Property, and for the prevention of unauthorized access to the Property. Licensee fully understands that the police security protection provided by County is limited to that provided to any other business situated in Palm Beach County by the Palm Beach County Sheriff's Office and expressly acknowledges that any special security measures deemed necessary or desirable for additional protection of the Property, shall be the sole responsibility of Licensee and shall involve no additional cost to County.

ARTICLE 6 INSURANCE

6.01 Maintenance of Insurance. Licensee agrees to maintain, on a primary basis and at its sole expense, at all times during the Term of this Agreement, and any extension thereof, the insurance coverages and limits set forth in Exhibit "B", attached hereto and incorporated herein. The requirements contained herein, as well as County's review or acceptance of insurance maintained by Licensee is not intended to and shall not in any manner limit or qualify the liabilities or obligations assumed by Licensee under this Agreement.

ARTICLE 7 INDEMNIFICATION

Licensee shall indemnify, defend and save County harmless from and against any and all claims, actions, damages, liability and expense in connection with: (i) loss of life, personal injury and/or damage to or destruction of property arising from or out of any occurrence in, upon or at the Property; (ii) the occupancy or use by Licensee of the Property or any part thereof; or (iii) any act or omission of Licensee, its agents, contractors, employees or invitees. In the event the County is made a party to any litigation commenced against Licensee or by Licensee against any third party, then

Licensee shall protect and hold County harmless and pay all costs and attorney's fees incurred by County in connection with such litigation, and any appeals thereof. Licensee recognizes the broad nature of this indemnification provision and specifically acknowledges the receipt of good and value separate consideration in support thereof. This provision shall survive expiration or earlier termination of this Agreement.

ARTICLE 8 ASSIGNMENT

Licensee may not assign, sublet or rent any portion of the Property.

ARTICLE 9 REVOCATION OF LICENSE/DEFAULT

9.01 Revocation of License. Notwithstanding any provision of this Agreement to the contrary, the rights granted to Licensee hereunder amount only to a non-exclusive license to use the Property, which license is expressly revocable by County for any reason whatsoever upon notice to Licensee. Upon notice from County of the revocation of the license granted hereby, this Agreement shall terminate and County shall be relieved of all further obligations hereunder accruing subsequent to the date of such termination.

9.02 Termination for Convenience by Licensee. Licensee may terminate this Agreement for convenience upon five (5) days prior written notice to County, whereupon the parties shall be relieved of all further obligations hereunder with the exception of those obligations accruing prior to the date of such termination and those obligations which expressly survive termination of this Agreement.

9.03 Default. Failure to perform or observe any of the agreements, covenants or conditions contained in this Agreement to be performed or observed by such party upon five (5) days prior written notice shall constitute a default of this Agreement.

ARTICLE 10 MISCELLANEOUS

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

10.02 Subordination to State/Federal Agreements. This Agreement shall be subject and subordinate to all the terms and conditions of any instrument and documents under which the County acquired the land or improvements thereon, of which the Property are a part, and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. Licensee understands and agrees that this Agreement

shall be subordinate to the provisions of any existing or future agreement between County and the United States of America, the State of Florida or any of their respective agencies, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

10.03 Entire Agreement. This Agreement and any Exhibits attached hereto and forming a part thereof as if fully set forth herein, constitute all agreements, conditions and understandings between County and Licensee concerning the Property. All representations, either oral or written, shall be deemed to be merged into this Agreement. Except as herein otherwise provided, no subsequent alteration, waiver, change or addition to this Agreement shall be binding upon County or Licensee unless reduced to writing and signed by them.

10.04 Notices. All notices and elections (collectively, "notices") to be given or delivered by or to any party hereunder, shall be in writing and shall be (as elected by the party giving such notice) hand delivered by messenger, courier service or overnight mail, 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 mail, 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 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:

- (a) If to the County at:
Palm Beach County Department of Airports
846 Palm Beach International Airport
West Palm Beach, FL 33406-1470
Attn: Deputy Director, Airports Business Affairs
Fax: (561) 471-7427

- (b) If to the Licensee at:
Enterprise Leasing Company, a Florida corporation
5105 Johnson Road
Coconut Creek, FL 33073
Fax: (866) 346-1547

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

10.05 Recording. Licensee shall not record this Agreement or any memorandum or short form thereof.

10.06 Waiver of Jury Trial. The parties hereto waive trial by jury in connection with proceedings or counterclaims brought by either of the parties hereto against the other, in connection with this Agreement.

10.07 Governing Law and Venue. This Agreement shall be governed by and interpreted according to the laws of the State of Florida and venue shall be in Palm Beach County.

10.08 Time of Essence. Time is of the essence with respect to the performance of every provision of this Agreement in which time of performance is a factor.

10.09 Captions. The captions and section designations set forth herein are for convenience only and shall have no substantive meaning.

10.10 Severability. In the event that any section, paragraph, sentence, clause, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, such shall not affect the remaining portions of this Agreement and the same shall remain in full force and effect.

10.11 Waiver. No waiver of any provision of this Agreement shall be effective against any party hereto unless it is in writing and signed by the party waiving such provision. A written waiver shall only be effective as to the specific instance for which it is obtained and shall not be deemed a continuing or future waiver.

10.12 Liability of County. Licensee shall look solely to the estate and property of the County in the Property for the collection of any judgment, or in connection with any other judicial process, requiring the payment of money by County in the event of any default by County with respect to any of the terms, covenants and conditions of this Agreement to be observed and performed by County, and no other property or estates of County shall be subject to levy, execution or other enforcement procedures for the satisfaction of Licensee's remedies and rights under this Agreement.

10.13 Effective Date. This Agreement shall become effective when executed by the parties hereto and approved by the Palm Beach Board of County Commissioners.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, County and Licensee have executed this Agreement, or have caused the same to be executed as of the day and year first above written.

WITNESSES:

Connie Shottner
Signature
Connie Shottner
Typed or Printed Name

Ray Walter
Signature
RAY WALTER
Typed or Printed Name

**PALM BEACH COUNTY, FLORIDA,
A POLITICAL SUBDIVISION OF THE
STATE OF FLORIDA**

By: *James Bell*
Director, Department of Airports

**APPROVED AS TO FORM
AND LEGAL SUFFICIENCY**

By: *James Brink*
County Attorney

WITNESSES:

Ulan D. Meyers
Signature
Ulan D. Meyers
Typed or Printed Name

Larry Henderson
Signature
Larry Henderson
Typed or Printed Name

**LICENSEE:
ENTERPRISE LEASING COMPANY
a Florida corporation**

By: *Avram Levins*
Signature
Avram LEVINS
Typed or Printed Name
Title: GM VP

(Corporate Seal)

EXHIBIT "A"
THE PROPERTY
 (a portion of the southerly/rear paved parking lot at 1440 Perimeter Road)

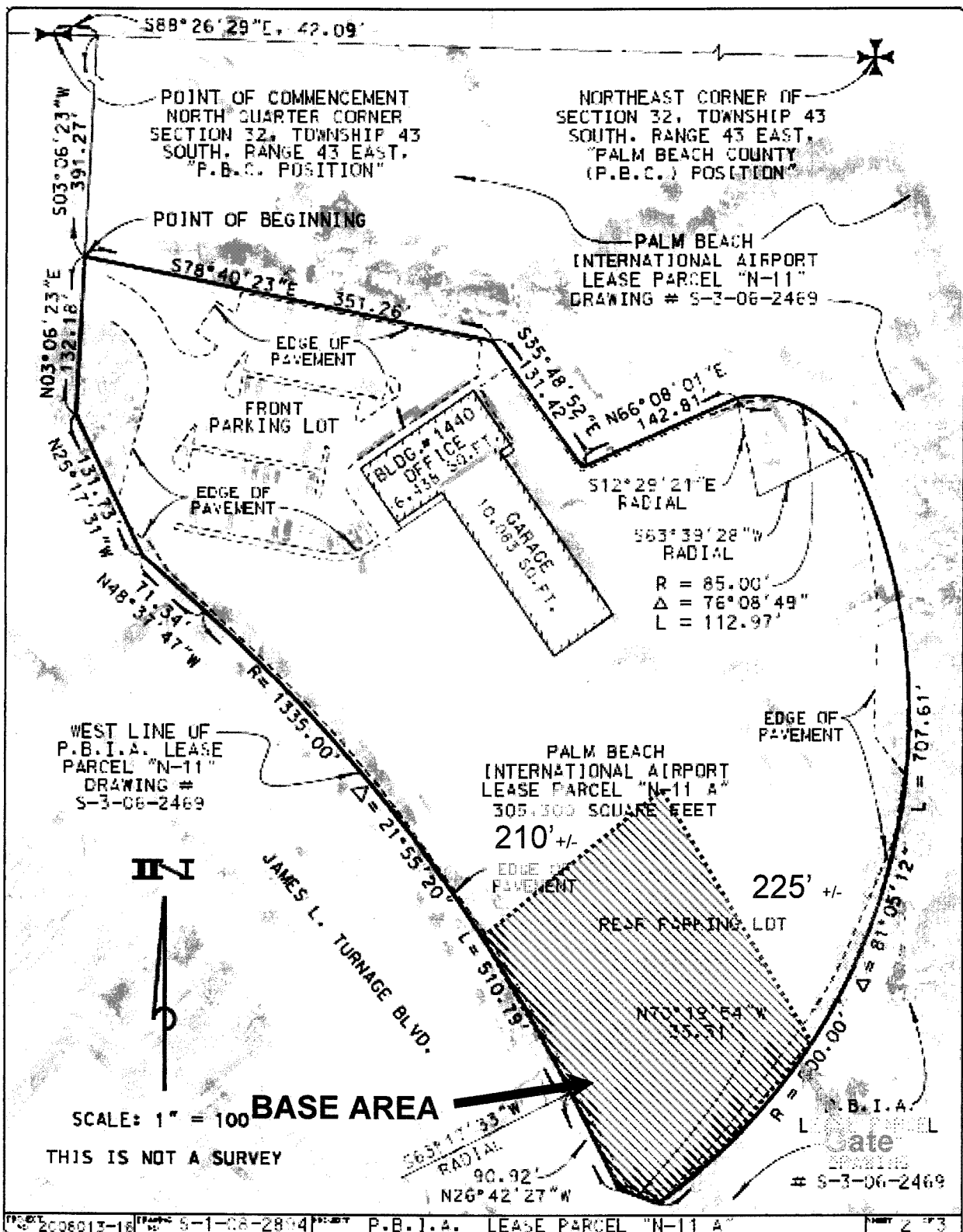


EXHIBIT "B" INSURANCE

Commercial General Liability. Licensee shall maintain Commercial General Liability Insurance at a limit of liability of not less than Five Million Dollars (\$5,000,000) each occurrence. Coverage shall not contain any endorsement(s) excluding or limiting Premises/Operations, Damage to Rented Property, Personal Injury, Product/Completed Operations, Contractual Liability, Severability of Interests or Cross Liability. Coverage shall be provided on a primary basis.

Business Automobile Liability. Licensee shall maintain Business Automobile Liability Insurance at a limit of liability of not less than One Million Dollars (\$1,000,000) each occurrence. Coverage shall include liability for Owned, Non-Owned & Hired automobiles. In the event the Licensee does not own automobiles, Licensee agrees to maintain coverage for Hired & Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Business Auto Liability policy. Coverage shall be provided on a primary basis.

Additional Insured. Licensee shall endorse the County as an Additional Insured with a "CG026 Additional Insured - Designated Person or Organization" endorsement to the Commercial General Liability policy. The additional insured endorsement shall read "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents." Coverage shall be provided on a primary basis.

Waiver of Subrogation. Licensee agrees by entering into this Agreement to a Waiver of Subrogation for each policy required herein. When required by the insurer, or should a policy condition not permit Licensee to enter into any pre-loss agreement to waive subrogation without an endorsement, then Licensee agrees to notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, which includes a condition specifically prohibiting such an endorsement, or voids coverage should Licensee enter into such an agreement on a pre-loss basis.

Certificate(s) of Insurance. Licensee shall provide the County with Certificate(s) of Insurance evidencing that all coverages, limits and endorsements required herein are maintained and in full force and effect. The Certificate(s) of Insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation (ten (10) days for nonpayment of a premium) or non-renewal of coverage. The Certificate Holder address 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.

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

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

SPIRIT AIRLINES, INC.

AGREEMENT COVERING THE OPERATION OF AIRCRAFT
AT PALM BEACH INTERNATIONAL AIRPORT

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AGREEMENT COVERING THE OPERATION OF AIRCRAFT
AT PALM BEACH INTERNATIONAL AIRPORT

THIS AGREEMENT is made and entered into MAY 07 2009, by and between PALM BEACH COUNTY, a political subdivision of the State of Florida (hereinafter referred to as the "COUNTY"), and Spirit Airlines, Inc. a Florida corporation, having its office and principal place of business at 2800 Executive Way, Miramar, FL 33025 (hereinafter referred to as the "AIRLINE").

WITNESSETH:

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

WHEREAS, AIRLINE owns and operates aircraft engaged in commercial aviation and hereby desires to operate its air transportation business at the Airport; and

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

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

ARTICLE I
TERM

This Agreement shall commence on the 1st day of November, 2008, and shall terminate on the 30th day of September, 2009, and shall automatically be extended on a year-to-year basis (October 1st through September 30th), unless either party hereto, with the Department acting on behalf of the COUNTY, shall advise, by at least thirty (30) days advance written notice, the other party of its desire or intent to amend or terminate this Agreement.

ARTICLE II
USE

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

ARTICLE III
FEES AND CHARGES

3.01 Fees and Charges.

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

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

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

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

3.02 Payment.

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

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

B. Payment for fees and charges based upon AIRLINE's monthly activity, including but not limited to (i) landing fees; (ii) law enforcement officer fees; (iii) Federal Inspection Facility fees; (iv) Environmental Operating Fees; and (v) commuter operating area and apron fees, if applicable, shall be due without demand or invoicing on the tenth (10th) day following the month in which said activity occurred. Said fees and charges shall be deemed delinquent if payment is not received by the twentieth (20th) day following the month in which the activity occurred.

Department agrees to provide invoices to AIRLINE for said fees and charges solely for the purpose of AIRLINE's information and documentation; provided, however, said invoice shall not be deemed to be evidence of the accuracy of the amount so invoiced, and further, shall not be deemed a waiver of any of COUNTY's rights hereunder.

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

D. Department agrees to provide timely notice of any and all payment delinquencies; provided, however, interest at the rate of one and one-half percent (1½%) per month shall accrue against any and all delinquent payment(s) from the date due until the date payment is received by the Department. COUNTY agrees that said interest rate shall not be adjusted more often than annually. This provision shall not preclude COUNTY from terminating this Agreement as provided for herein for default in the payment of fees or charges, or from enforcing any other provisions contained herein or provided by law.

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

3.03 Partial Month Charges. In the event the commencement or termination date with respect to any of the particular rights, licenses, services, or privileges as herein provided falls on any date other than the first or last day of a calendar month, the applicable fees and charges for that month shall be paid for said month on a prorata basis according to the number of days during which said particular rights, licenses, services, or privileges were enjoyed during that month.

3.04 Information to be Supplied by AIRLINE.

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

B. In the event AIRLINE fails to provide the written report(s) specified in Paragraph 3.04 (A) hereinabove, within the time specified herein, or if the data set forth on said written report(s) submitted to Department is questionable, the Department may, based on previous reports or other information available to Department, estimate AIRLINE's activity for said month and issue invoices based thereon. AIRLINE shall be liable to COUNTY for any deficiencies in payments based upon such estimates. If such estimates result in an overpayment by AIRLINE, COUNTY shall remit or at COUNTY's option credit such overpayment to AIRLINE. Said invoice shall be deemed delinquent if payment is not received by the twentieth (20th) day following the month in which such estimated activity occurred.

3.05 Audit.

A. AIRLINE shall maintain and keep books, ledgers, accounts, or other records, accurately recording the total number of Revenue and Non-Revenue Landings at the Airport, the

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

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

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

- (1) The audit reveals an underpayment of more than five percent (5%) of the fees and charges which are based on monthly activity, due hereunder, as determined by said audit;
- (2) AIRLINE has failed to maintain true and complete books, records, accounts, and supportive source documents in accordance with Article 3.04 hereinabove.

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

3.06 Contract Security.

A. Prior to the commencement of operations by AIRLINE, AIRLINE shall provide COUNTY, and shall keep in full force and effect throughout the entire term of this Agreement, a Clean Irrevocable Letter of Credit or Surety Bond ("Contract Security") in the amount of an amount equal to the Department's estimate of three (3) months' fees and charges payable by AIRLINE pursuant to this Article III, whichever is greater. Such Contract Security shall guarantee the faithful performance by AIRLINE of its obligations under this Agreement and the payment of all fees and charges due hereunder. In addition, said Contract Security shall be in such form and with such company licensed to do business in the State of Florida as shall be reasonably acceptable to COUNTY. In the event that any such Contract Security shall be for a period of less than the full period required by this Agreement, or if such Contract Security may be cancelled, AIRLINE shall provide a renewal or replacement Contract Security for the period following the expiration or cancellation of such Contract Security previously provided at least sixty (60) days prior to the date on which such previous Contract Security expires or at least sixty (60) days prior to the effective date of such cancellation.

B. Department may adjust the amount of said Contract Security required hereunder, annually during the term of this Agreement or any renewal thereof; provided, however, that

Department shall have the right to adjust the amount of said Contract Security at any time, if and when AIRLINE changes its operating schedule, including the type of aircraft operated, or if COUNTY revises the fees and charges pursuant to Article 3.01 hereinabove. In such event, AIRLINE shall submit such adjusted Contract Security within thirty (30) days of receipt of Department's notice thereof.

C. Failure to maintain Contract Security as required herein shall constitute a material default by AIRLINE and shall be grounds for immediate termination of this Agreement.

ARTICLE IV **INDEMNIFICATION**

AIRLINE shall protect, defend, and hold COUNTY and its officers, employees and agents completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to reasonable attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to AIRLINE's conduct of its business under this Agreement and/or in its use or occupancy of the Airport or the negligent or willful acts or omissions of AIRLINE's officers, agents, employees, contractors, subcontractors, licensees, or invitees, regardless of where the injury, death, or damage may occur, unless such injury, death or damage is caused by the sole negligence or willful misconduct of the COUNTY, its officers, agents or employees. Nothing herein shall be deemed to abrogate AIRLINE's Common Law or Statutory rights to contribution from COUNTY for liability legally established as attributable to COUNTY's negligence. Each party shall give to the other reasonable notice of any such claims or actions. The provisions of this Article shall survive the expiration or early termination of this Agreement.

ARTICLE V **INSURANCE**

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

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

- (1) Aircraft Liability in respect of all aircraft owned, leased or operated by the AIRLINE for bodily injury (including death) and property damage liability in a Combined Single Limit Amount of not less than \$25,000,000 per occurrence.
- (2) Automobile Liability covering all Owned, Hired, and Non-Owned Vehicles used on the Airport in an amount of not less than \$1,000,000 Combined Single Limit per occurrence for Bodily Injury (including death) and Property Damage Liability; provided however, that if the scope and conduct of the AIRLINE's operations under this Agreement require vehicle access to areas designated for the parking and maneuvering of aircraft (ramp area) said liability insurance shall be in an amount not less than \$5,000,000 Combined Single Limit per occurrence for Bodily Injury (including death) and Property Damage Liability. Notwithstanding the foregoing, if the scope and conduct of the AIRLINE's operations under this Agreement do not

involve the operation, ownership or use of any vehicle, then this requirement shall be waived.

- (3) Comprehensive or Commercial General Liability. Coverage shall be underwritten by a company or companies, acceptable to COUNTY, in its reasonable discretion. Required coverage must have limits of not less than \$5,000,000 Combined Single Limit per occurrence for Personal Injury, Bodily Injury (including death) and Property Damage Liability and shall include, but not be limited to Premises and Operations, Product and Completed Operations and Contractual.
- (4) Occurrence form general liability insurance is highly preferred; however, in the event that AIRLINE is only able to secure Claims-Made general liability insurance, the following special conditions apply:
 - a. Any Certificate of Insurance issued to the COUNTY must clearly indicate whether the Claims-Made Commercial General Liability or similar form applies. Further it must indicate if the limits are aggregated. In the event aggregate limits are applicable, the COUNTY requires that the AIRLINE's aggregate amount of insurance be no less than three times the basic limit of liability required in Paragraphs 5.01 (A.1.) through (A.3.), hereinabove, for each accident or occurrence.
 - b. Should coverage be afforded on a Claims-Made basis, the AIRLINE shall be obligated by virtue of this Agreement to maintain insurance coverage in effect with no less limits of liability nor any more restrictive terms and/or conditions for a period of not less than thirty-six (36) months from the termination of the Agreement. The retroactive date shall be no later than the commencement date of this Agreement and shall be maintained for all subsequently required policies.

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

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

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

E. Notwithstanding anything to the contrary herein, COUNTY through its Risk Management Department, may allow insurance coverage required herein through AIRLINE's

self-insurance plan. Any request for approval of AIRLINE's self-insurance plan must be approved in advance, in writing, by the COUNTY's Risk Management Department.

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

G. AIRLINE shall not knowingly use or permit the use of the Airport for any illegal or improper purposes, and further notwithstanding anything to the contrary herein, AIRLINE shall not knowingly use or permit the use of the Airport for any purpose which would invalidate any policies of insurance, now existing or hereafter written on the Airport for the COUNTY or AIRLINE. In the event AIRLINE knowingly performs or allows any act, or failure to act, that shall cause an increase in the premiums for insurance for the Airport, or any part thereof, then AIRLINE shall immediately upon demand by COUNTY pay the amount of such increase. If any AIRLINE act or failure to act shall cause cancellation of any policy, then AIRLINE shall immediately, upon notification by COUNTY, take such action as is necessary to cause reinstatement of said insurance.

5.02 Waiver of Subrogation. COUNTY and AIRLINE hereby mutually waive any and all rights of recovery against the other party arising out of damage or destruction of the Airport terminal facilities or any other property from causes included under any property insurance policies to the extent such damage or destruction is covered by the proceeds of such policies but only to the extent that the insurance policies then in force permit such waiver.

ARTICLE VI **ASSIGNMENT BY AIRLINE**

AIRLINE shall not in any manner assign, transfer, mortgage, pledge, encumber, hypothecate or otherwise convey an interest in this Agreement without the prior written consent of COUNTY. Such consent shall not be unreasonably withheld. The foregoing shall not prevent the assignment of this Agreement to any corporation with which AIRLINE may merge or consolidate; provided however, such successor corporation, not later than thirty (30) days prior to the date of such merger, consolidation or succession, shall provide written acknowledgment by a duly authorized corporate officer to COUNTY that it has assumed all obligations of AIRLINE and will fully honor all terms and conditions set forth in this Agreement, and further will provide such documentation as COUNTY requires in its reasonable discretion.

ARTICLE VII **GOVERNMENT INCLUSION**

7.01 Non-discrimination. AIRLINE for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree (1) that no person on the grounds of race, creed, color, national origin, sex, gender identity or expression, age or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of services of AIRLINE, and (2) that AIRLINE shall use the Airport in

compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations (CFR), Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. In the event of breach of any of the above non-discrimination covenants, COUNTY shall have the right to terminate this Agreement and hold the same as if said Agreement had never been made or issued. This provision shall not be effective until the procedures of Title 49, CFR, Part 21 are followed and completed, including exercise or expiration of appeal rights.

7.02 Minority Business Enterprise/Affirmative Action. AIRLINE acknowledges that the provisions of 49 CFR, Part 23, Minority Business Enterprises (MBE), and 14 CFR, Part 152, Affirmative Action Employment Programs, may be applicable to the activities of AIRLINE under the terms of this Agreement, unless exempted by said regulations, and hereby agrees, if such provisions are applicable, to comply with all requirements of the Department, the Federal Aviation Administration, and the U.S. Department of Transportation, in reference thereto. These requirements may include, but not be limited to, the compliance with MBE and/or Employment Affirmative Action participation goals, the keeping of certain records of good faith compliance efforts, which would be subject to review by the various agencies, the submission of various reports, and including, if directed by the Department, the contracting of specified percentages of goods and service contracts to Minority Business Enterprises. Failure to comply with these requirements, if applicable, shall be grounds for default and cancellation of this Agreement. Any cancellation pursuant to this Article 7.02 shall not be effective until the procedures specified in said Federal regulations and such other procedures that are established by COUNTY are completed, including exercise or expiration of any appeal rights.

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

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

ARTICLE VIII **LAWS, REGULATIONS, PERMITS, TAXES AND COMPLIANCE**

8.01 Rules and Regulations.

A. AIRLINE expressly covenants, warrants, guarantees, and agrees that throughout the term of this Agreement, AIRLINE shall at all times be and shall remain in full and complete compliance with all applicable statutes, regulations, rules, rulings, orders, or ordinances of any kind or nature without limitation, as the same may be supplemented or amended, of any or all Federal, State, Municipal, or local governmental bodies now or hereafter having jurisdiction over AIRLINE, AIRLINE's operations conducted under this Agreement or over those persons and entities performing any work or services on behalf of AIRLINE or at AIRLINE's expressed or implied

request. AIRLINE further covenants, warrants, guarantees and agrees that it shall comply with all ordinances of COUNTY, including but not limited to the "Rules and Regulations of the Department of Airports, of Palm Beach County, Florida" (Currently set forth in Resolution R-98-220 as may be amended, supplemented or otherwise superseded by the Board of County Commissioners) all operational orders issued thereunder, and any and all other laws, ordinances, regulations, rules, and orders of any governmental entity which may be applicable to AIRLINE or in any way to AIRLINE's business operations under this Agreement, as said laws, ordinances, regulations, rules, and orders now exist, or are hereafter amended, promulgated or otherwise imposed on AIRLINE by law. COUNTY and AIRLINE agree that nothing in this Agreement shall affect or impair AIRLINE's right to legally challenge any such statute, regulation, rule, ruling, order or ordinance, and providing that AIRLINE remains in compliance with all such statutes, regulations, rules, rulings, orders or ordinances during said legal challenge, AIRLINE shall not be held in default of this Agreement during or on account of AIRLINE's legal challenge to any such statute, regulation, rule, ruling, order or ordinance.

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

C. COUNTY has enacted certain regulations and may, in the future, enact other regulations, for the purpose of minimizing, abating, and mitigating noise resulting from the operation of the Airport. COUNTY asserts the authority, as Airport proprietor, to enact such regulations, including, but not limited to, imposition of noise-related fees and charges and restrictions upon the types of aircraft and numbers and time of aircraft operations. AIRLINE may contest the validity of such regulations under the Constitution, laws, regulations, and grant agreements of the United States and/or the State of Florida. COUNTY and AIRLINE agree that nothing in this Agreement shall be deemed to impair or in any way affect COUNTY's right as Airport proprietor, to the extent of such right, to enact such regulations for this purpose, as long as such regulations are otherwise valid under applicable law, or to affect or impair AIRLINE's right to challenge any such regulations on any ground other than as a breach or impairment of this Agreement.

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

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

8.03 Safety and Fire Regulations. Airline shall conduct its operations and activities under this Agreement in compliance with all safety regulations of the Department and applicable Federal, State, and local laws. AIRLINE shall procure and maintain such fire prevention and extinguishing devices as required by COUNTY and shall at all times be familiar and comply with the fire regulations and orders of COUNTY and the fire control agency with jurisdiction at the Airport, as same may now exist or hereafter come into being. AIRLINE agrees, for itself and any employee, contractor, or other person working for or on behalf of AIRLINE, to exercise due care at all times.

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

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

ARTICLE IX **GENERAL PROVISIONS**

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

9.02 County Not Liable. COUNTY shall not be responsible or liable to AIRLINE for any claims for compensation for any losses, damages, or injury sustained by AIRLINE resulting from failure of any water supply, heat, air conditioning, electrical power, or sewerage or drainage facility, or caused by natural physical conditions on the Airport, whether on the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tornado, act of God, or state of war, civilian commotion or riot, or any cause beyond the control of COUNTY. COUNTY shall not be liable for any damage to, or loss of personal property, except to the extent that said damage or loss resulted from the negligence or willful misconduct of COUNTY, its officers, agents or employees.

9.03 Quiet Enjoyment. COUNTY covenants that so long as AIRLINE timely pays all fees and charges due hereunder, and fully and faithfully performs all of its obligations as provided herein, and otherwise is not in default of any of the terms and conditions of this Agreement, AIRLINE shall peacefully and quietly have, hold and enjoy the privileges granted herein, free from any unauthorized interference by COUNTY during the term hereof.

ARTICLE X **AGENT FOR SERVICE**

It is expressly understood and agreed that if AIRLINE is not a resident of the State of Florida, or is an association or partnership without a member or partner resident of said State, or is a foreign corporation not licensed to do business in Florida, then in any such event, AIRLINE shall

appoint an agent for the purpose of service of process, in any court action between AIRLINE and COUNTY, arising out of or based upon this Agreement. AIRLINE shall immediately notify COUNTY, in writing, of the name and address of said agent. The service shall be made as provided by the laws of the State of Florida for service upon a non-resident. It is further expressly agreed, covenanted, and stipulated that, as an alternative method of service of process, should AIRLINE fail to appoint said agent, or fail to notify COUNTY of the name and address of said agent as aforesaid, AIRLINE may be personally served with such process out of this State by the registered mailing of such complaint and process to AIRLINE at the address set forth in Article XIII hereinbelow.

ARTICLE XI
NO INDIVIDUAL LIABILITY

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

ARTICLE XII
TERMINATION AND CANCELLATION OF AGREEMENT

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

12.02 COUNTY's Right of Cancellation. In addition to other cancellation or termination rights contained in this Agreement, COUNTY may, to the extent allowed by law, cancel this Agreement by giving AIRLINE thirty (30) days advance written notice, to be served as hereinafter provided, upon the happening of any one of the following events:

- A. The filing by AIRLINE of a voluntary petition for bankruptcy.
- B. The institution of proceedings in bankruptcy against AIRLINE and adjudication of AIRLINE as a bankrupt pursuant to said proceeding.
- C. The taking of AIRLINE's assets by a Court of competent jurisdiction of AIRLINE, pursuant to proceedings brought under the provision of any federal reorganizational act and said proceeding is not dismissed, discontinued or vacated within thirty (30) days.
- D. The appointment of a receiver of AIRLINE's assets.
- E. The divestiture of AIRLINE's estate herein by operation of law.
- F. AIRLINE shall voluntarily discontinue its operations at the Airport for a period of thirty (30) days unless otherwise approved by Department, in advance, in writing.
- G. The conduct of any business or performance of any acts at the Airport not specifically authorized herein or within other validly executed Agreements between AIRLINE and COUNTY and said business or acts do not cease within thirty (30) days of receipt of written notice by Department to cease said business or acts.
- H. Default in the performance of any of the covenants and conditions required herein (except Contract Security, and insurance requirements as hereinbefore set forth, and payment of fees and charges as hereinafter set forth) and said default is not cured within thirty (30) days of receipt of written notice by Department to do so, or if by reason of the nature of such default, the same cannot be remedied within thirty (30) days following receipt by AIRLINE of written demand from Department to do so,

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

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

12.03 Cancellation for Default in Payments. If AIRLINE fails to pay the whole or any part of the fees and charges due hereunder and continues to fail to pay said amounts in full within ten (10) days from Department's transmittal to AIRLINE of a written past due statement therefor, such occurrence shall also be a material default under this Agreement, and COUNTY may, at its option, immediately cancel this Agreement thereafter by written notice thereof. In such event, AIRLINE shall be deemed to have no further rights hereunder.

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

- A. COUNTY fails after receipt of written notice from AIRLINE to keep, perform or observe any term, covenant or condition herein contained to be kept, performed, or observed by COUNTY and such failure continues for thirty (30) days or if by its nature such default cannot be cured within such thirty (30) day period, if COUNTY shall not commence to cure or remove such default within said thirty (30) days and/or continue diligently to cure or remove the same as promptly as reasonably practicable.
- B. COUNTY closes Airport to flights in general or to the flights of AIRLINE, for reasons other than weather, acts of God or other reasons beyond its control, and fails to reopen Airport to such flights within thirty (30) days from such closure.
- C. The Airport is permanently closed as an air carrier airport by act of any Federal, state or local government agency having competent jurisdiction, or AIRLINE is unable to use Airport for a period of at least thirty (30) days due to any law or any order, rule or regulation of any governmental authority having jurisdiction over the operations of the Airport, or any court of competent jurisdiction issues an injunction preventing COUNTY and AIRLINE from using Airport for airport purposes, and such injunction remains in force for a period of at least thirty (30) days.
- D. The United States Government or any authorized agency of the same (by executive order or otherwise) assumes the operation, control or use of the Airport and its facilities in such a manner as to substantially restrict AIRLINE from conducting its operations, if such restriction be continued for a period of thirty (30) days or more; provided, however, that flow restrictions or capacity restraints of any type imposed by the FAA as part of its air traffic management plans at the Airport shall not be construed as being one of the aforementioned restrictions.

ARTICLE XIII NOTICE

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

TO COUNTY:

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

TO AIRLINE:

Spirit Airlines, Inc.
Attn: Senior Director
Corporate Real Estate and Airport Administration
2800 Executive Way
Miramar, FL 33025

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

ARTICLE XIV **SUBORDINATION**

14.01 Subordination to Bond Resolution. This Agreement and all rights granted to AIRLINE hereunder are expressly subordinated and subject to the lien and provisions of the pledges, transfers, hypothecations, or assignment made by COUNTY to secure Bonds and to the terms and conditions of the Palm Beach County Airport System Revenue Bond Resolution dated April 3, 1984, as amended and supplemented (the "Bond Resolution"), and COUNTY and AIRLINE agree that to the extent required by Law or by the Bond Resolution, the holders of the Bonds or any Trustee may exercise any and all rights of COUNTY hereunder to the extent such possession, enjoyment and exercise are necessary to insure compliance by AIRLINE and COUNTY with the terms and provisions of this Agreement and the Bond Resolution.

14.02 Subordination to Federal Agreements. This Agreement and all provisions hereof shall be subject and subordinate to all the terms and conditions of any instruments and documents under which COUNTY acquired the Airport and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. AIRLINE understands and agrees that this Agreement shall be subordinate to the provisions of any and all existing or future agreements between COUNTY and the United States government, or other governmental authority relative to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of Federal funds or other governmental authority funds for the development of the Airport.

ARTICLE XV **REMEDIES CUMULATIVE**

COUNTY's rights and remedies with respect to any of the terms and conditions of this Agreement shall be cumulative and not exclusive and shall be in addition to all other rights and remedies of COUNTY.

ARTICLE XVI **WAIVERS**

The failure of COUNTY to insist on a strict performance of any of the agreements, terms, covenants and conditions hereof shall not be deemed a waiver of any rights or remedies that

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

ARTICLE XVII
COUNTY'S GOVERNMENTAL AUTHORITY

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

ARTICLE XVIII
RIGHTS RESERVED TO COUNTY

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

ARTICLE XIX
INVALIDITY OF CLAUSES

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

ARTICLE XX
VENUE

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

ARTICLE XXI
GOVERNING LAW

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

ARTICLE XXII
(Intentionally left blank)

ARTICLE XXIII
PARAGRAPH HEADINGS

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

ARTICLE XXIV
BINDING EFFECT

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

ARTICLE XXV
PERFORMANCE

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

ARTICLE XXVI
FORCE MAJEURE

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

ARTICLE XXVII
PUBLIC ENTITY CRIMES

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

ARTICLE XXVIII
ENTIRETY OF AGREEMENT

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

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the COUNTY has caused this Agreement Covering the Operation of Aircraft at Palm Beach International Airport to be signed by the County Administrator or the Director of the Department of Airports, pursuant to the authority granted by said Board, and the AIRLINE, Spirit Airlines, Inc, has caused these presents to be signed in its corporate name by its duly authorized officer, the SVP, acting on behalf of said AIRLINE, and the seal of said AIRLINE to be affixed hereto and attested by the Secretary of said AIRLINE, the day and year first written above.

WITNESS:

PALM BEACH COUNTY, FLORIDA

Connie Spoffner
Signature
Connie Spoffner
Name typed or printed

By: [Signature]
Director - Department of Airports

[Signature]
Signature
Jeffrey S. Bolton
Name typed or printed

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: [Signature]
County Attorney

ATTEST:

AIRLINE:
SPIRIT AIRLINES, INC.

By: [Signature]
Secretary

By: [Signature]
David Lancelot
SVP & CFO
Name of Corporate Officer (typed or printed)

(Corporate Seal)

Title: _____

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

[Signature]
Signature
JANE FIVENS
Name typed or printed

[Signature]
Signature
Berna R. Fisher
Name typed or printed

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1. Average Terminal Rental Rate and Landing Fee Rate. This Exhibit sets forth the method to be used in calculating the average Terminal rental rate and Landing Fee Rate for each rate setting period (generally each Fiscal Year). Average terminal rates shall be calculated by determining the Net Requirement divided by the total amount of budgeted Signatory Airline space for the rate setting period. Landing Fees shall be determined by the Net Requirement divided by the budgeted Maximum Gross Landed Weight for all Signatory Airlines for the rate setting period.

2. Differential Terminal Rental Rates.

- A. Terminal building space shall be classified according to type of space for the purpose of establishing differential rates by location and function as set forth below:

<u>Types of Space</u>	<u>Location/Function</u>	<u>Weighted Value</u>
1	Ticket Counter	1.00
2	Ticket Offices and Upper Level Offices; V.I.P. Rooms; Hold Rooms	0.90
3	Bag Claim; Concourse Areas	0.80
4	Bag Make-up; Curbside Offices; Operation Areas including Baggage Service Office; Commuter Operating Area	0.70
5	Tug Drives	0.25

- B. The amount of each type of space identified above shall be determined by the Department on an annual basis. The space totals identified on Attachment 5 of this Exhibit are for the period of October 1, 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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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.

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- (b) Baggage claim conveyors and devices. Each Scheduled Air Carrier shall pay its relative share of costs (including Debt Service and Operations and Maintenance Expenses) of the baggage claim system. The relative share of costs shall be calculated using a two tier cost formula where 10% of baggage claim costs will be allocated among the Scheduled Air Carriers and 90% of baggage claim costs will be allocated using the individual Scheduled Air Carrier's share of Deplaned Passengers.

The Department reserves the right to exempt minor Scheduled Air Carriers from standard two tier 10%/90% calculations set forth above if the minor Schedule Air Carrier's passenger volume is expected to be less than one half of one percent. The Department will charge the minor carrier a fee that approximates the Signatory Airlines' average cost per passenger.

5. Commuter Operating Charge. Any Air Transportation Company using the Commuter Operating Area will be assessed a fee based on Total Passengers (Enplaned Passengers plus Deplaned Passengers), as established by the Department. The Commuter Operating Charge will be established to maximize revenues while maintaining a reasonable cost per passenger for commuter operations. The Commuter Operating Charge covers the use of the Commuter Operating Area, including gate, holdroom seating, and concourse areas in Concourse A and the Commuter Apron. Air Transportation Companies using the Commuter Operating Area will not be assessed the Joint Use Premises fee described in Section 2.D. above or the Aircraft Parking Apron Rate described in Section 3 of this Exhibit.
6. Federal Inspection Services (FIS) Facility Rate. The FIS facility rate for the period shall be based upon the costs attributable to the Air Carrier FIS Facility divided by estimated total international Deplaned Passengers using the Air Carrier FIS Facility during the period.
7. Per Use Gate Charge. The Per Use Gate Charge for each use of non-assigned gate facilities shall be based on the cost (including Operation and Maintenance Expenses and Debt Service) of loading bridge, aircraft support systems, holdroom furnishings, holdroom area, and parking apron using the budgeted costs for the rate setting period. The Per Use Gate Charge shall be calculated by dividing the cost by an assumed usage of 2.5 times per day. An electric surcharge shall be payable as determined by the Department and may be changed annually.
8. Overnight Aircraft Fee. Storage of an aircraft overnight at a Department passenger loading bridge will be assessed an Overnight Aircraft Fee in addition to any Per Use Gate Charges. Overnight storage at any other designated ramp/apron location will also be charged an Overnight Aircraft Fee. For purposes of this Exhibit, "overnight" generally means a period between the hours of 10 pm and 6 am (not exceeding an 8 hour duration). The Department may waive the Overnight Aircraft Storage Fee if an Air Transportation Company is required to relocate within this time period to accommodate another Air Transportation Company, or for any other valid reason. The Department also may allow park an aircraft in excess of 8 hours without incurring additional Per Use Gate Charges if no other Air Transportation Company wishes to use the gate.

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

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10. Statement of Rates for the Current Rate-Setting Period, October 1, 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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NOTES TO EXHIBIT E

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

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

A. EXPLANATION OF EXHIBIT E LINE ITEMS

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

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

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

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

4. Debt Service Charges Coverage: Twenty-five percent of Direct and Indirect Debt Service and such other amounts as may be required for Subordinated Indebtedness, and/or Other Debt Service, if any, shall be included in the calculation of Terminal Rentals and Landing Fees.
5. Debt Service Charges Reserve Requirement: Allocable portions of required deposits to the Debt Service Reserve Requirement, calculated based on the Direct and Indirect Debt Service attributed to the Terminal and Airside cost centers shall be included in the calculation of Terminal Rentals and Landing Fees, respectively. Allocable portions of reserve requirements, if any, for Subordinated Debt Service and/or Other Debt Service shall also be included.

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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 to results in an invoice from COUNTY, which exceeds 5% of annual fees and charges actually paid by the Signatory Airline for the preceding period, COUNTY will invoice the Signatory Airline for amounts due in two equal monthly installments.
12. Transfers: Amounts credited to the Transfer Account, as determined in accordance with Attachment 4, shall be credited against the Terminal rentals and landing fees requirements.
13. Average Terminal Rental Rate: Terminal rentals Net Requirement shall be divided by rentable Terminal area to calculate the required Average Terminal Rental Rate.

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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 avigation 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.
<u>INDIRECT COST CENTERS</u>	
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.

Attachment to Exhibit "E"
to the Airline-Airport Use and Lease Agreement
Palm Beach County-Department of Airports
Rate and Fee Schedule
for the period October 1, 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 TerminalRate/Landing Fee	59.39	1.204
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

Attachment to Exhibit "E"
to the Airline-Airport Use and Lease Agreement
Palm Beach County-Department of Airports
Rate and Fee Schedule
for the period October 1, 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	3,964	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

Attachment to Exhibit "E"
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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

Attachment to Exhibit "E"
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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	9,069,026	9,870,357	8,420,819
	<u>4,534,513</u>	<u>4,935,179</u>	<u>4,210,410</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
	<u>4,534,513</u>	<u>4,935,179</u>	<u>4,210,410</u>
Credit to Airlines	4,534,513	4,935,179	4,210,410

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

Type of Space	Ticket Counter Sq. Ft.	Ticket & Upper Level Offices Sq. Ft.	VIP Rooms Sq. Ft.	Hold Rooms Sq. Ft.	Bag Claim Sq. Ft.	Concourse Areas Sq. Ft.	Bag Make-Up Sq. Ft.	Curbside Office Sq. Ft.	Bag Svce Office Sq. Ft.	Operations Area Sq. Ft.	Commuter Operating Area Sq. Ft.	Tug Drive Sq. Ft.	Airline Total Sq. Ft.	Non-Airline Sq. Ft.	Total Sq. Ft.
	(1)*[1]	(2)*[1]	(2)*[1]	(2)**[1]	(3)**[1]	(3)**[1]	(4)*[2]	(4)*[1]	(4)*[1]	(4)*[1]	n/a	(5)**[2]			
AirTran	462.00	879.2		2,714.98			763.4	89.36	0	100.59			5,009.53		5,009.53
American	576.18	1,089.89		2,714.98			1,145.10	90.64	357.00	1,809.59			7,783.38		7,783.38
Continental	1,358.50	2,324.99		5,858.73			4,453.13	144.00	719.90	2,990.92			17,850.17		17,850.17
Delta	1,571.34	1,686.57	4,619.00	9,924.73			5,326.36	192.00	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	4,699.22			12,771.53		12,771.53
Northwest	711.26	649.77		2,478.84			1,781.25	93.28	345.63	1,900.00			7,960.03		7,960.03
Southwest	1,149.50	1,859.27		3,377.12			1,375.04	90.64	222.18	4,269.94			12,343.69		12,343.69
United	665.00	1,164.00		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	532.75	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 County-Gate B-2				3,379.89										57,315.80	57,315.80
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														126,376.57	126,376.57
Administration Areas														21,813.23	21,813.23
Mechanical/Utility														45,614.50	45,614.50
Sub-Total Non-rentable														244,850.60	171,991.07
Total Terminal Area	11,346.50	20,643.93	8,497.96	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.

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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	3	C-x,x,x			3	375
Sub-Total	12		16		28	4,300
Commuter Apron						660
Total Apron						4,960

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.