

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date: November 17, 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: Seven (7) original Agreements for the Department of Airports.

- A.** Agreement to Terminate Hangar Lease Agreement with Roger Breton, Unit 12, Building 11740 at North County Airport, terminating R-2005-1697 on 11/1/2009. **(AH)**
- B.** Agreement to Terminate Hangar Lease Agreement with Lighthouse Systems, Inc., Unit 9, Building 11300 at North County Airport, terminating R-2003-1637 on 9/30/2009 **(AH)**
- C.** Hangar Lease Agreement with Johanna Kyrklund, Unit 5, Building 11210, at North County General Aviation Airport for one (1) year, automatically renewed at one (1) year intervals, commencing on 10/21/2009; terminating Hangar Lease Agreement with Robert C. Nevens, III, (R-2003-2008) for Unit 14, Building 11220 at North County General Aviation Airport, same date. **(AH)**
- D.** Hangar Lease Agreement with N919CS, LLC, Unit 3, Building 11230, at North County General Aviation Airport for one (1) year, automatically renewed at one (1) year intervals, commencing on 11/1/2009. **(AH)**
- E.** Third Amendment to Airlines Operating and Lease Agreement with Air Canada replacing Exhibit "B" showing baggage makeup area, effective 10/19/2009. **(AH)**
- F.** General Aeronautical Services Agreement with G2 Secure Staff, LLC, commencing 10/1/2009, terminating 9/30/2010, automatically extended on a year-to-year basis (10/1 through 9/30). **(AH)**
- G.** Agreement for Rental Car Lease and Concession at Palm Beach International Airport with The Hertz Corporation for two (2) years commencing 10/1/2009, terminating 9/30/2011. **(AH)**

Summary: Delegation of authority for execution of the standard County agreements above was approved by the BCC in R-93-801, R-2004-1367, R-2007-1968, R-2008-1845 and R-2009-0974. **Countywide**

Background and Justification: N/A

Attachments: Seven (7) Standard Agreements for the Department of Airports

Recommended By:

Department Head

Date _____

Approved By:

County Administrator

Date _____

**AGREEMENT TO TERMINATE
HANGAR LEASE AGREEMENT
BETWEEN PALM BEACH COUNTY AND
ROGER BRETON**

This Agreement (this "Agreement") is made and entered into OCT 21 2009, 20__ by and between Palm Beach County, a political subdivision of the State of Florida (the "COUNTY"), and Roger Breton, whose address is 112 San Marco Drive, Palm Beach Gardens, FL 33418 (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 July 6, 2005 (R-2005-1697) (the "Hangar Lease Agreement"), LESSEE leases that certain hangar unit # 12, building 11740 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 November 1, 2009 (the "Termination Date").
3. COUNTY shall not return LESSEE's security deposit.
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:

Martha L. Loberghetta
Signature

Martha Loberghetta
Print Name

Jeffrey S. Bolton
Signature

Jeffrey S. Bolton
Print Name

By: James Kelly
County Administrator or designee

Witnesses:

Jeffrey S. Bolton
Signature

Jeffrey S. Bolton
Print Name

Micheline Lemaux Breton
Signature

MICHELINE LEMAX BRETON
Print Name

LESSEE:

By: Roger Breton

Roger Breton
Print Name

Title: _____

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: Anne Delgant
County Attorney

**AGREEMENT TO TERMINATE
HANGAR LEASE AGREEMENT
BETWEEN PALM BEACH COUNTY AND
Lighthouse Systems, Inc.**

This Agreement (this "Agreement") is made and entered into OCT 21 2009, 20__ by and between Palm Beach County, a political subdivision of the State of Florida (the "COUNTY"), and Lighthouse Systems Inc., whose address is 2319 Palm Deer Drive, Loxahatchee, Florida 33470 (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 May 1st, 2003 (R-2003-1637) (the "Hangar Lease Agreement"), LESSEE leases that certain hangar unit # 9, building 11300 on Airport property; and

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

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

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


1. The recitals set forth above are true and correct and form a part of this Agreement.
2. The parties hereby agree that the Hangar Lease Agreement shall be terminated effective September 30, 2009 (the "Termination Date").
3. COUNTY shall not return LESSEE's security deposit.
4. This Agreement shall become effective upon execution by the parties hereto.

(Remainder of page left blank intentionally)

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

Witnesses: Walter L. Legi-
Signature

Martha LaVerghetta
Print Name

Signature 

Jeffrey S. Bolton
Print Name

By: 
County Administrator or designee

LESSEE: Lighthouse Systems, Inc.

Signature

JEFFREY S. BOLTON
Print Name

Signature Charles LaRue

Martha LaVerghetta
Print Name

By: Keith Corrado
Keith Corrado
 Print Name

Title: Pres.

By: Anne Gelfant
County Attorney

HANGAR LEASE AGREEMENT

This Lease, is made and entered into this 20 day of OCT 20 2009, 2009, (the "Effective Date") by and between Palm Beach County, a political subdivision of the State of Florida ("COUNTY"), and Johanna Kyrklund, whose address is 624 Marbella Lane, North Palm Beach, FL 33403 ("LESSEE") (COUNTY and LESSEE are sometimes referred to herein individually as a "Party" and collectively as the "Parties"), joined by, Robert C. Nevins III, whose address is 624 Marbella Lane, North Palm Beach, FL 33403 ("TERMINATING PARTY").

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 21st day of October, 2009, (the "Commencement Date") and terminating on the 20th day of October, 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 5, Building 11210, containing a total of 1,742 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 Three Hundred Twenty Dollars (\$7,320.00), payable in equal monthly installments of Six Hundred Ten Dollars (\$610.00), 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,

Attest:
County Clerk

Notary
Public

Tenant:
J. Kyrklund

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>N2964U</u>
Make:	<u>Piper</u>
Model:	<u>PA32</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.

F. A default by LESSEE of any other agreement or lease between COUNTY and LESSEE, which default has not been cured within the applicable cure period provided in such agreement or lease.

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:

Ms. Johanna Kyrklund
624 Marbella Lane
North Palm Beach, FL 33403
(561) 373-1218

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.

62. Termination of Prior Agreement. Upon the Effective Date of this Lease, that certain North County General Aviation Airport Hangar Lease Agreement between County and Robert C. Nevins, III, dated September 1, 2003 (R-2003-2008), for that certain hangar identified as unit number 14, Building 11220, shall be terminated in its entirety, provided, however, that any claim, cause of action, or other obligation to Aero Lease of South Florida, Inc. or to County then accrued, shall survive said termination. The security deposit in the amount of One Thousand Five Hundred and Sixty Dollars (\$1,560.00), as of the Effective Date, shall be transferred from TERMINATING PARTY to LESSEE.

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

Martha LaVerghetta
Print Name

[Signature]
Signature

JEFFREY S. DOLTON
Print Name

PALM BEACH COUNTY
BY ITS DIRECTOR OF AIRPORTS

By: [Signature]
Director

Witnesses:

[Signature]
Signature

Robert C. Nevins III
Print Name

[Signature]
Signature

Martha LaVerghetta
Print Name

LESSEE: Johanna Kyrklund

By: [Signature]
Johanna Kyrklund
Print Name

Title: _____

Witnesses:

[Signature]
Signature

Johanna Kyrklund
Print Name

[Signature]
Signature

Martha LaVerghetta
Print Name

TERMINATING PARTY: Robert C. Nevins, III

By: [Signature]
Robert C. Nevins, III
Print Name

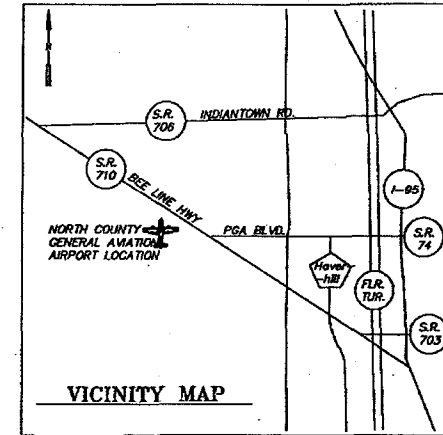
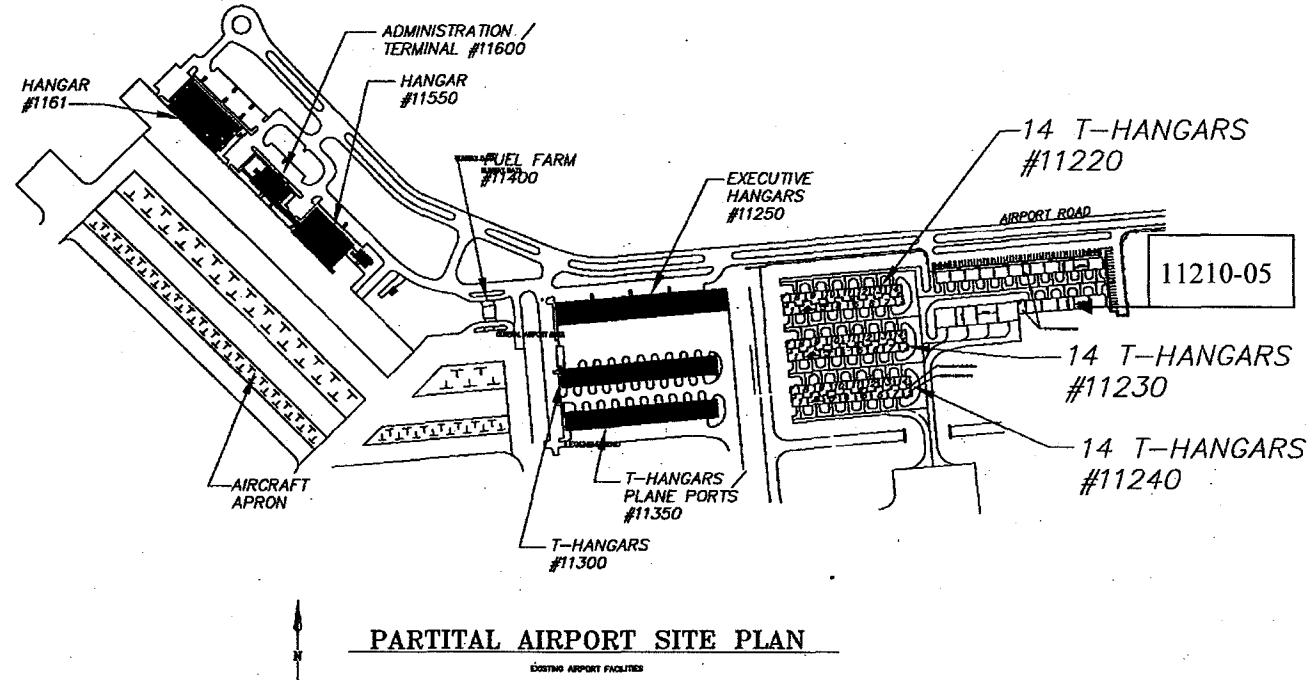
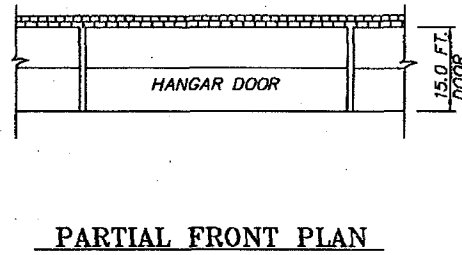
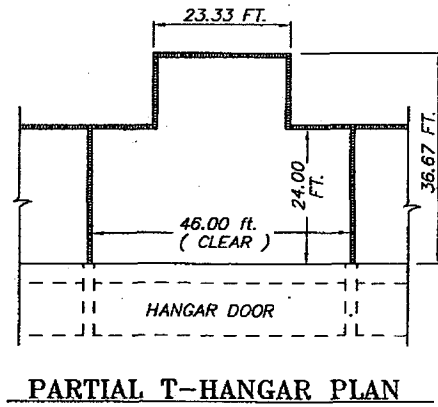
Title: _____

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: [Signature]
County Attorney

Exhibit "A"

Tenant: Johanna Kyrklund Building Number: 11210 Unit Number: 5



PALM BEACH COUNTY
DEPARTMENT OF AIRPORTS
PALM BEACH INTERNATIONAL AIRPORT
BUILDING #48
DATE: 5/31/97
DRAWN BY: JLF
CHECKED BY: BK
WEST PALM BEACH, FL 33406-1491
(888) 477-7430

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

HANGAR LEASE AGREEMENT

OCT 21 2009

This Lease, is made and entered into this ____ day of _____, 20____, (the "Effective Date") by and between Palm Beach County, a political subdivision of the State of Florida ("COUNTY"), and N919CS, LLC whose address is 615 Lacey Road, Forked River, NJ 08731 ("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 November, 2009, (the "Commencement Date") and terminating on the 31st day of October, 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 3, 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 Forty Dollars (\$6,240.00), payable in equal monthly installments of Five Hundred 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.	<u>N919CS</u>
Make:	<u>Beechcraft</u>
Model:	<u>Baron BE58</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.

F. A default by LESSEE of any other agreement or lease between COUNTY and LESSEE, which default has not been cured within the applicable cure period provided in such agreement or lease.

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:

N919CS, LLC
Attn: Mr. David Stone
615 Lacey Road
Forked River, NJ 08731
E-mail Address: dstone@oceansidemortgage.net
Fax: (609) 971-8411

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:

Martha LaVerghetta
Signature

Martha LaVerghetta
Print Name

Jeffrey S. Bolton
Signature

Jeffrey S. Bolton
Print Name

PALM BEACH COUNTY
BY ITS DIRECTOR OF AIRPORTS

By: Jim Kelly
Director

Witnesses:

Diana Welch
Signature

Diana Welch
Print Name

Cheri Sievers
Signature

Cheri Sievers
Print Name

LESSEE:

By: David Stone

DAVID STONE
Print Name

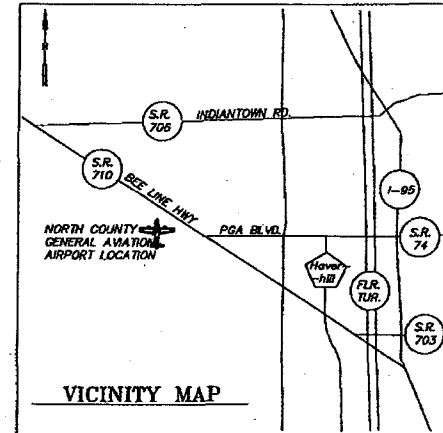
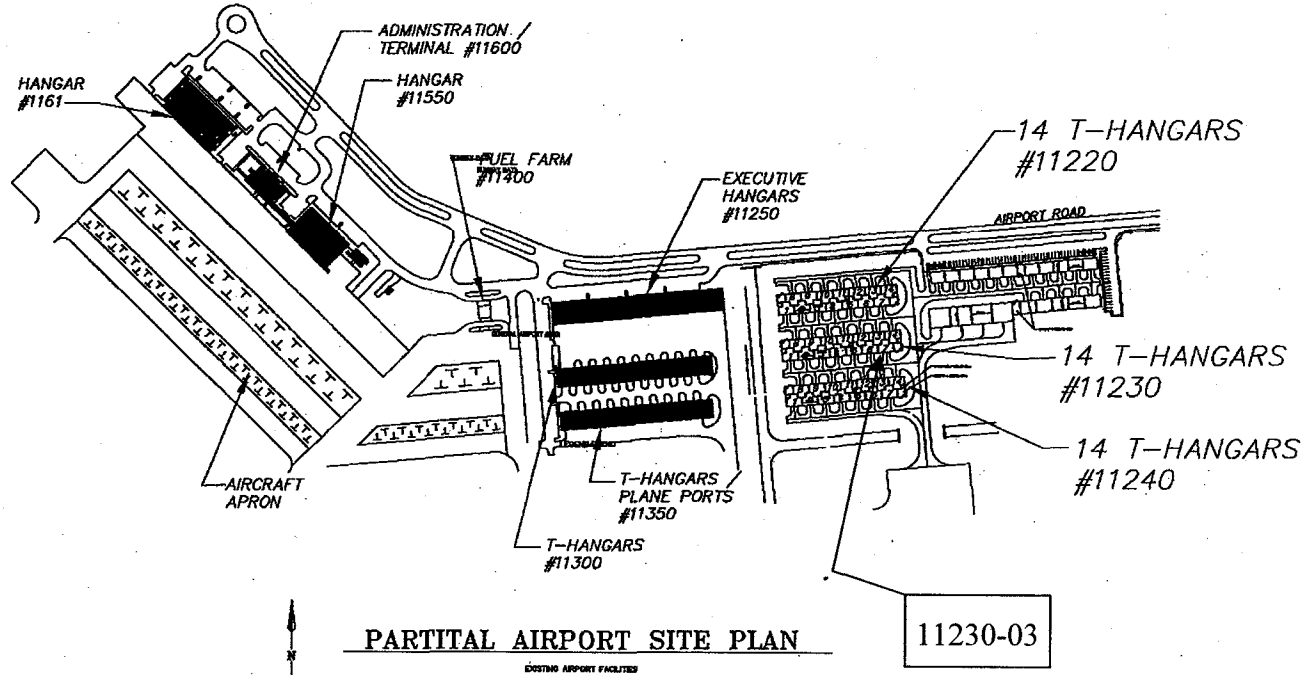
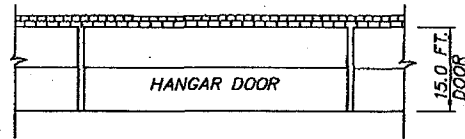
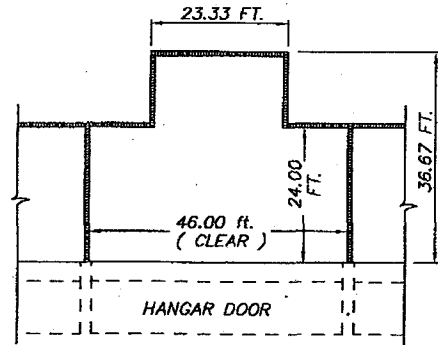
Title: Member

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: Anne Helgert
County Attorney

Exhibit "A"

Tenant: N919CS, LLC Building Number: 11230 Unit Number: 3



PALM BEACH COUNTY
DEPARTMENT OF AIRPORTS
PALM BEACH INTERNATIONAL AIRPORT
BUILDING 946
WEST PALM BEACH, FL 33406-1491
(561) 471-1490
DATE: 9/21/97
DRAWN BY: DLF
CHECKED BY: BH

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

**THIRD AMENDMENT TO AIRLINE OPERATING AND LEASE AGREEMENT
BETWEEN PALM BEACH COUNTY AND AIR CANADA**

THIS THIRD AMENDMENT TO THE AIRLINE OPERATING AND LEASE AGREEMENT (this "Amendment") is made and entered into this _____ day of OCT 14 2009, 2009, by and between Palm Beach County, a political subdivision of the State of Florida ("COUNTY"), and Air Canada, a Canadian Corporation, having its offices and principal place of business at 7373 Cote Vertu West, Ville Saint Laurent, Quebec, Canada ("AIRLINE").

WITNESSETH:

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

WHEREAS, pursuant to the Airline Operating and Lease Agreement between COUNTY and AIRLINE dated December 2, 2008 (R-2009-0081), as amended (collectively the "Agreement"), AIRLINE leases various Airport Terminal facilities and equipment in connection with its operations as a commercial air carrier; and

WHEREAS, the Director of the Department has been delegated the authority to execute certain amendments to the Agreement pursuant to County Resolution No. 2007-1968; and

WHEREAS, the parties desire to amend the Agreement as provided for herein.

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

1. The foregoing recitals are true and correct and are hereby incorporated herein by reference and made a part hereof. Terms not defined herein shall have the meaning ascribed to them in the Agreement.

2. The parties agree that effective October 19, 2009, Exhibit "B" to the Agreement shall be replaced with the Exhibit "B" to this Amendment.

3. Exhibits attached hereto and referenced herein shall be deemed to be incorporated in this Amendment by such reference.

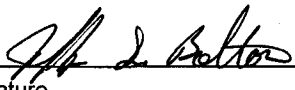
4. Except as specifically modified herein, all of the terms and conditions of the Agreement shall remain unmodified and in full force and effect and are hereby ratified and confirmed by the parties hereto.

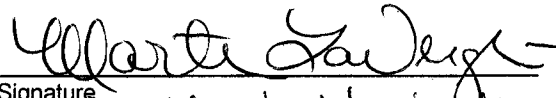
5. This Amendment shall become effective when signed by both the parties hereto and approved by the Palm Beach County Board of County Commissioners.

(Remainder of page intentionally left blank)

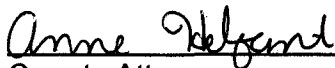
IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the day and year first above written

Signed, sealed and delivered in the presence of two (2) witnesses for COUNTY:



Signature
Jeffrey S. Bolton
Print Name



Signature
Martha LaVerghetta
Print Name

APPROVED AS TO FORM & LEGAL SUFFICIENCY:

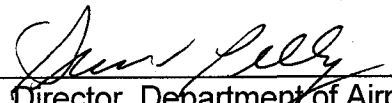

County Attorney

Signed, sealed and delivered in the presence of two (2) witnesses for AIRLINE:



Signature
Celine Bisson
Print Name


Signature
DAVID ROSSI
Print Name

PALM BEACH COUNTY, a political subdivision of the State of Florida

BY: 
Director, Department of Airports

AIRLINE:

By: 
SAL Clotti
Typed or printed name of Corporate Officer

Title: SR Director Financial Services Operatu
+ CRE
(Seal) JP



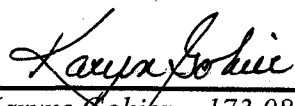

Karyne Gohier - 173 086
Affirmed solemnly in front of me,
Montreal, Quebec, Canada
Date: SEPT. 30, 2009

EXHIBIT "B"

EXHIBIT "B" to Airline Operating and Lease Agreement
AIR CANADA

EXCLUSIVE & PREFERENTIAL USE PREMISES (Terminal Areas)
First Level Plan – Palm Beach International Airport

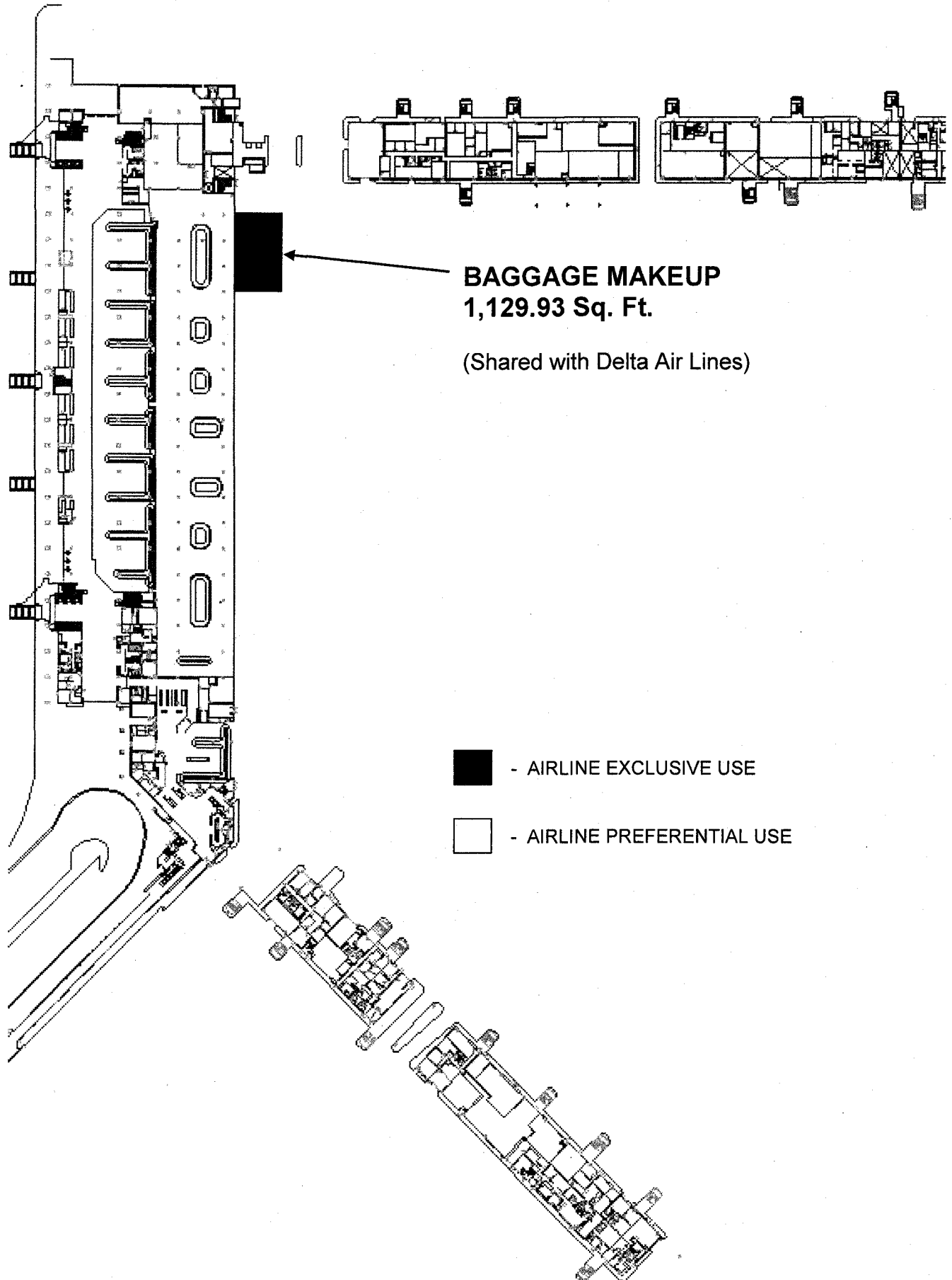


EXHIBIT "B" to Airline Operating and Lease Agreement
AIR CANADA

EXCLUSIVE & PREFERENTIAL USE PREMISES (Terminal Areas)
Second Level Plan – Palm Beach International Airport

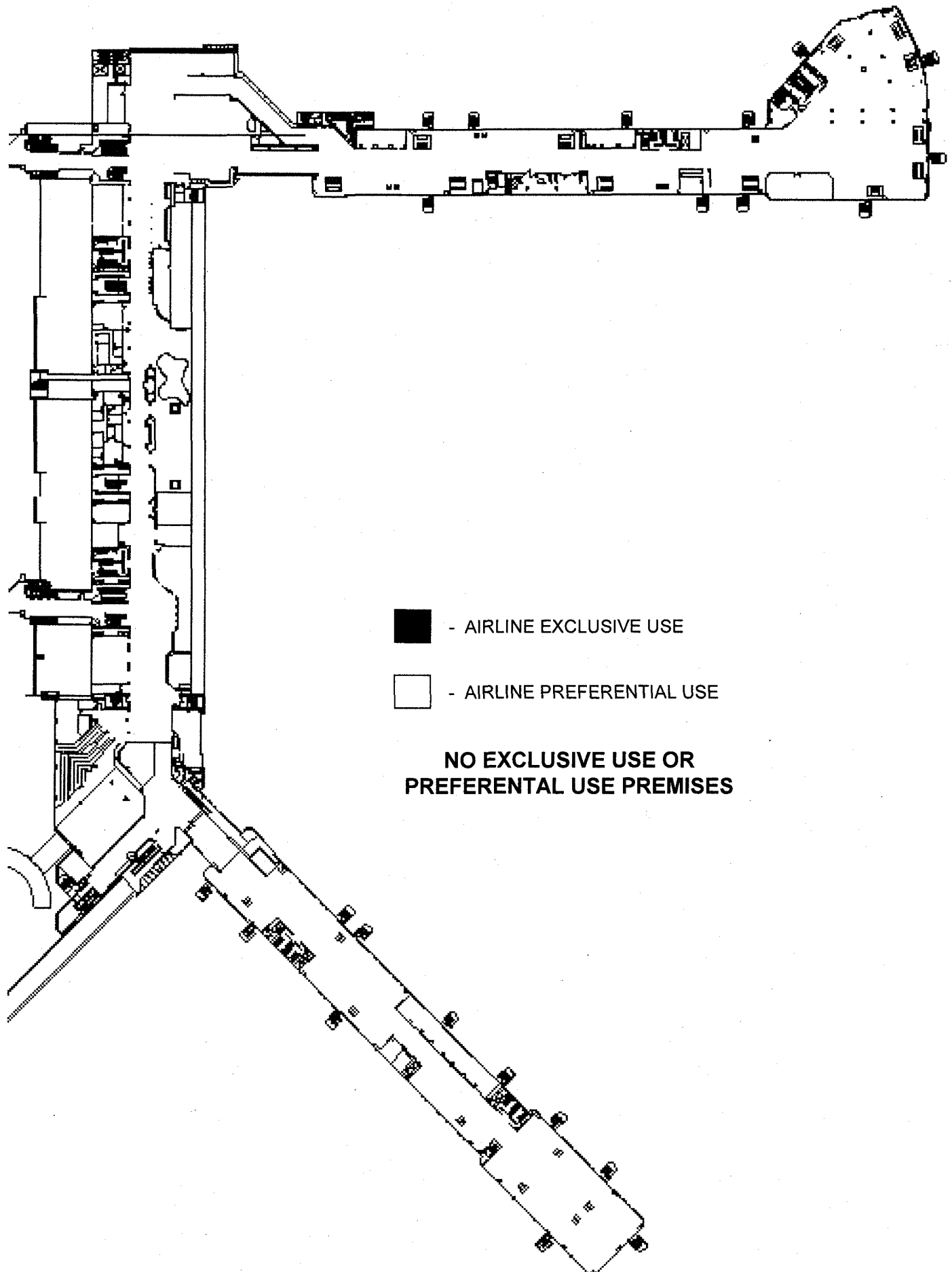
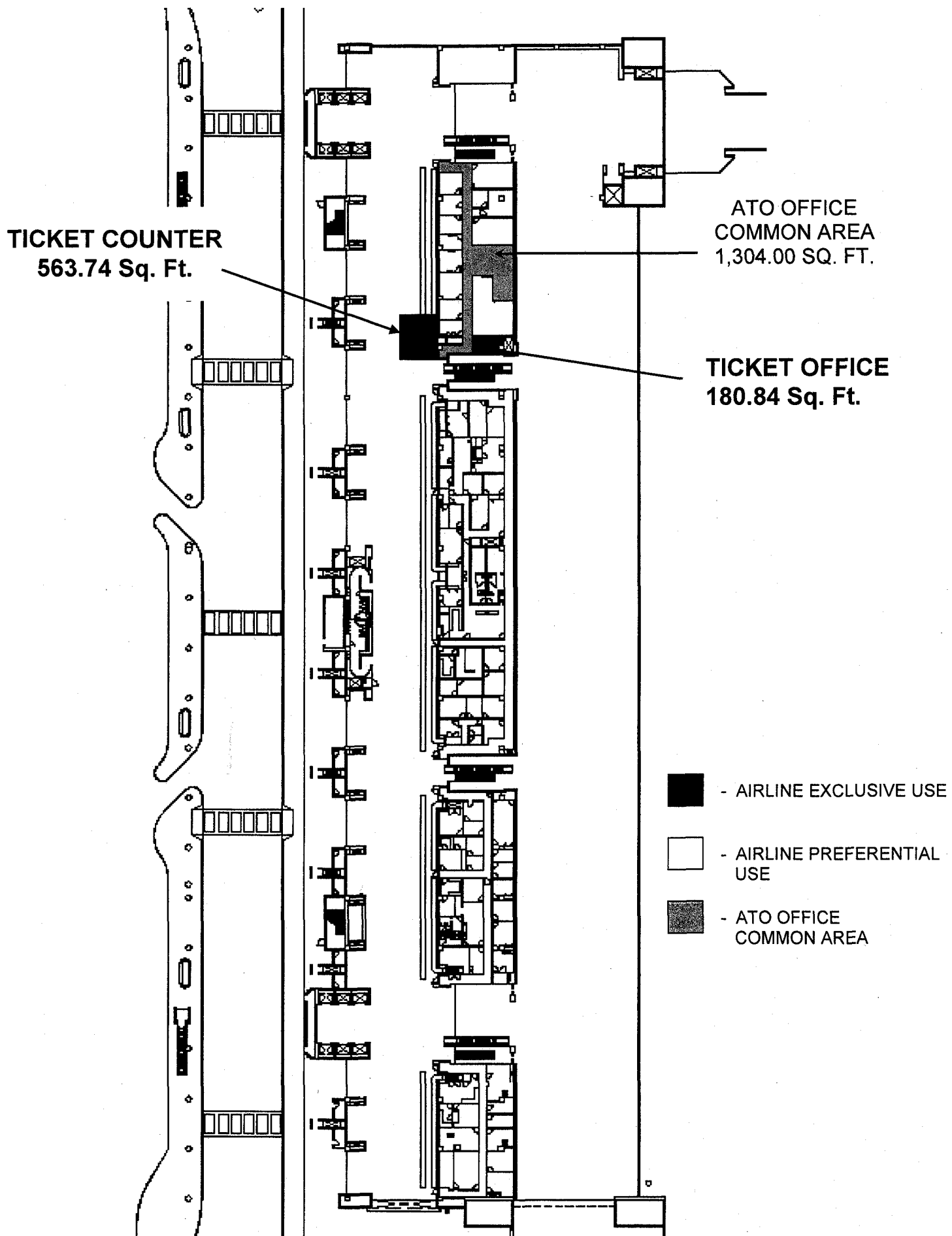


EXHIBIT "B" to Airline Operating and Lease Agreement
AIR CANADA

EXCLUSIVE & PREFERENTIAL USE PREMISES (Terminal Areas)
Third Level Plan – Palm Beach International Airport



GENERAL AERONAUTICAL SERVICES AGREEMENT

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

G2 Secure Staff, LLC

GENERAL AERONAUTICAL SERVICES AGREEMENT
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GENERAL AERONAUTICAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into _____ by and between PALM BEACH COUNTY, a political subdivision of the State of Florida (hereinafter referred to as the "COUNTY"), and G2 Secure Staff, LLC, a Texas Limited Liability Company, having its office and principal place of business at 5010 Riverside DR. Suite 300, Irving, Texas, 75039, Federal I. D. # 562521673 is (hereinafter referred to as the "SERVICE PROVIDER").

WITNESSETH:

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

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

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

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

ARTICLE I **TERM OF AGREEMENT**

This Agreement shall commence on the 1st day of October, 2009, and shall terminate on the 30th day of September, 2010, and shall automatically be extended on a year-to-year basis (October 1st through September 30th), unless either party hereto, with the Department acting on behalf of the COUNTY, shall advise, by at least ninety (90) days advance written notice, the other party of its desire or intent to amend or terminate this Agreement.

ARTICLE II **PRIVILEGES AND AUTHORIZED SERVICES**

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

- A. The general use, in common with others, of all public Airport facilities and improvements which are now or may hereafter be connected with or appurtenant to said Airport, (including airfield access) to be used by SERVICE PROVIDER in connection with its operations hereunder. For the purpose of this Agreement "public Airport facilities" shall include all necessary roadways, sidewalks, or other public facilities appurtenant to said Airport, not specifically leased to or under the contractual control of others.

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

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

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

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

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

A. Aircraft Ramp Service:

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

B. Aircraft and Equipment Maintenance Service:

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

C. Aircraft Interior Cleaning and Waste Disposal Service:

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

D. Porter Assistance Service:

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

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

E. **Baggage Delivery Service:**

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

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

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

ARTICLE III
PAYMENTS AND REPORTS

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

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

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

therein. Said statements shall be signed by a responsible accounting officer of the SERVICE PROVIDER which shall certify the accuracy of said Gross Revenues and facility usage.

3.03 Unpaid Service Fees. In the event the SERVICE PROVIDER fails to make timely payment of any Service Fees due and payable in accordance with the terms of this Agreement, then interest at the rate of one and one half percent (1.5%) per month shall accrue against the delinquent payment(s) from date due until the date payment is received by Department. Notwithstanding the foregoing, COUNTY shall not be prevented from terminating this Agreement for default in the payment of Service Fees or from enforcing any other provisions of this Agreement.

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

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

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

3.06 Accounting Records. The SERVICE PROVIDER shall maintain during the entire term of this Agreement all books of account and records customarily used in this type of operation, in accordance with Generally Accepted Accounting Practices (GAAP). COUNTY, at all times, throughout the term of this Agreement and for up to three (3) years following termination, shall have the right to audit and examine during normal working hours all such records and books of account relating to SERVICE PROVIDER's operations hereunder, provided that SERVICE PROVIDER shall not be required to retain such books of account and

records for more than three (3) years after the end of each year of this Agreement. Upon COUNTY's request for examination of such books of account and records and should said books of account and records be kept at locations other than the Airport, SERVICE PROVIDER shall arrange for them to be brought to a location convenient to the auditors for the COUNTY in order for the COUNTY to conduct the audits and inspections as set forth in this Article. If, as a result of said audit, the COUNTY determines that the SERVICE PROVIDER has understated the monthly Service Fees due to COUNTY by five percent (5%) or more, the entire expense to COUNTY of said audit shall be assumed by and be the sole responsibility of the SERVICE PROVIDER. All additional Service Fees due COUNTY and reasonable expenses associated with said audit (if any) shall forthwith be paid by the SERVICE PROVIDER to COUNTY, with interest thereon calculated in accordance with Article 3.03 hereof.

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

ARTICLE IV **OBLIGATIONS OF COUNTY**

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

ARTICLE V **OBLIGATIONS OF SERVICE PROVIDER**

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

- A. A copy of this Agreement shall become a part of all service contracts entered into at the Airport by the SERVICE PROVIDER, and shall be attached thereto by the SERVICE PROVIDER so that the other contracting parties are aware of the rights, duties and responsibilities of the SERVICE PROVIDER.
- B. The SERVICE PROVIDER shall at its sole cost and expense maintain all facilities owned or provided by the COUNTY at the Airport for use by the SERVICE PROVIDER in carrying out the services permitted under this Agreement, in a safe and presentable condition consistent with good business practice and in accordance with all applicable laws, regulations and rules of any government agency. SERVICE PROVIDER shall repair all damages to said Airport premises caused by its employees, patrons, invitees, suppliers of service or furnishers of material, or any other persons whomsoever, and all damages caused by or resulting from or in any way arising out of SERVICE PROVIDER's operations thereon. The SERVICE PROVIDER hereby agrees that it shall abide by the decision of the Department with respect to any and all maintenance requirements. Department shall be the sole judge of SERVICE PROVIDER's performance under this Article, as to the quality of maintenance. Upon written notice by the Department to SERVICE PROVIDER, SERVICE PROVIDER shall perform the required maintenance in accordance with the Department's decision. If SERVICE PROVIDER has not made a good faith effort, as

determined by the Department, to begin to perform said maintenance within ten (10) days written notice, and to diligently pursue the same to completion, Department shall have the right to perform the necessary maintenance, and SERVICE PROVIDER hereby expressly agrees that it shall fully assume and be liable to Department for payment of the costs therefor. Such maintenance costs shall be due and payable within thirty (30) days from date of Department's billing therefor.

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

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

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

- H. The SERVICE PROVIDER shall furnish good, prompt and efficient service adequate to meet all the demands for its service at the Airport, and furnish said service on a fair, equal, and non discriminatory basis to all users thereof. The SERVICE PROVIDER shall charge fair, reasonable, and nondiscriminatory prices for each unit of service.

ARTICLE VI INSURANCE

6.01 Personal Injury and Property Damage Liability Insurance.

- A. Occurrence Form Basis. In addition to such insurance as may be required by law, SERVICE PROVIDER agrees to maintain in full force and effect throughout the term of this Agreement or any extension thereof, Comprehensive or Commercial General Liability on an Occurrence form basis. Coverage shall be underwritten by a company or companies authorized to conduct business in the state of Florida and shall hold a current Policyholder's Alphabetic and Financial Size Category Rating of not less than A XII according to *Best's Insurance Reports*. Required coverage must have limits of not less than **\$1,000,000** Combined Single Limit each and every occurrence for Personal Injury including Bodily Injury/Death and Property Damage Liability and shall include, but not be limited to, Products-Completed Operations, Contractual and Broad Form Property Damage.
- B. Conditions Applicable to 1986 Claims-Made Commercial General Liability Policies or Any Other Policies that Follow a Similar Format. Occurrence form general liability insurance is highly preferred. However, in the event the SERVICE PROVIDER is only able to secure Claims-Made general liability insurance special conditions apply:
1. Any Certificate of Insurance issued to the COUNTY must clearly indicate whether the Claims-Made Commercial General Liability or similar form applies to it. Further, it must indicate if the limits are aggregated. In the event of aggregate limits being applicable, the COUNTY requires that the SERVICE PROVIDER's aggregate amount of insurance be no less than three times the basic limit of liability required above for each accident or occurrence.
 2. Should coverage be afforded on a Claims-Made basis, the SERVICE PROVIDER shall be obligated by virtue of this Agreement to maintain insurance coverage in effect with no less limits of liability nor any more restrictive terms and/or conditions for a period of not less than thirty-six (36) months from the termination of this Agreement. The retroactive date shall be no later than the date of inception of this Agreement and shall be maintained for all subsequently required policies.
- C. Auto Liability. Automobile Liability covering all Owned, Hired and Non-Owned Vehicles in an amount not less than **\$1,000,000** Combined Single Limit per occurrence for bodily Injury (including death) and Property Damage Liability; provided however, that if the scope and conduct of SERVICE PROVIDER's operations under this Agreement require vehicle access to areas designated for the parking and maneuvering of aircraft (ramp area) said liability insurance shall be in an amount not less than **\$5,000,000.00** Combined Single Limit per occurrence for Bodily Injury (including death) and Property Damage Liability. Notwithstanding the foregoing, if the scope and conduct of SERVICE PROVIDER's operations under this Agreement do not involve the operation, ownership or use of any vehicle, and SERVICE PROVIDER furnishes written notification thereof to the Department, then this requirement shall be waived.

6.02 Insurance Certificate.

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

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

ARTICLE VII
RELATIONSHIP OF THE PARTIES

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

ARTICLE VIII
INDEMNIFICATION

SERVICE PROVIDER agrees to protect, defend, reimburse, indemnify and hold the COUNTY, its agents, employees and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including

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

ARTICLE IX
TERMINATION OF AGREEMENT, CANCELLATION,
ASSIGNMENT AND TRANSFER

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

9.02 COUNTY's Right of Cancellation.

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

1. The filing by SERVICE PROVIDER of a voluntary petition for bankruptcy.
2. The institution of proceedings in bankruptcy against SERVICE PROVIDER and adjudication of SERVICE PROVIDER as a bankrupt pursuant to said proceeding.
3. The taking by a Court of jurisdiction of SERVICE PROVIDER and its assets pursuant to proceedings brought under the provision of any federal reorganizational act and said proceeding is not dismissed, discontinued or vacated within thirty (30) days.

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

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

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

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

- A. Issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport for airport purposes, and the remaining in force of such injunction for a period of at least ninety (90) days.

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

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

ARTICLE X SIGNS

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

ARTICLE XI LAWS, REGULATIONS, PERMITS AND TAXES

11.01 General.

A. SERVICE PROVIDER expressly covenants, warrants, guarantees and agrees that throughout the term of this Agreement, SERVICE PROVIDER shall at all times be and shall remain in full and complete compliance with all applicable statutes, regulations, rules, rulings, orders, ordinances and/or directives of any kind or nature without limitation, as same may be amended, of any and/or all Federal, State, Municipal and/or local governmental bodies now or

hereafter having jurisdiction over SERVICE PROVIDER, SERVICE PROVIDER's operations conducted under this Agreement on the Airport premises and/or over those persons and entities performing any work or services on behalf of SERVICE PROVIDER or at SERVICE PROVIDER's actual or constructive request. SERVICE PROVIDER further covenants, warrants, guarantees and agrees that it shall comply with all ordinances of COUNTY, including but not limited to the "Rules and Regulations of the Department of Airports," (Ordinance No. 70-1 as amended, and as may be amended), of Palm Beach County, Florida, all operational orders issued thereunder, and any and all other laws, ordinances, regulations, rules and orders of any governmental entity which may be applicable to SERVICE PROVIDER or in any way to SERVICE PROVIDER's business operations under this Agreement as said laws, ordinances, regulations, rules and orders now exist, or are hereafter amended, promulgated or otherwise imposed on SERVICE PROVIDER by law.

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

11.02 Permits and Licenses General. The SERVICE PROVIDER expressly covenants, warrants and agrees that it shall, at its sole cost and expense, be strictly liable and responsible for obtaining, paying for, and maintaining current, and fully complying with, any and all permits, licenses and other governmental authorizations, however designated, as may be required at any time throughout the entire term of this Agreement by any Federal, State, or local governmental entity or any Court of Law having jurisdiction over the SERVICE PROVIDER or the SERVICE PROVIDER's operations and activities, for any activity of the SERVICE PROVIDER conducted on the Airport and for any and all operations conducted by the SERVICE PROVIDER including ensuring that all legal requirements, permits and licenses necessary for or resulting, directly or indirectly, from the SERVICE PROVIDER's operations and activities on the Airport have been obtained and are in full legal compliance. Upon the written request of the Department, the SERVICE PROVIDER shall provide to the Department certified copies of any and all permits and licenses which the Department may request.

11.03 Air and Safety Regulations. The SERVICE PROVIDER covenants warrants, guarantees and agrees that it shall conduct its operations and activities under this Agreement in a safe manner, shall comply with all safety regulations of the Department and with safety standards imposed by applicable Federal, State and local laws and regulations and shall require the observance thereof by all employees, contractors, business invitees and all other persons transacting business with or for the SERVICE PROVIDER resulting from, or in any way related to, the conduct of the SERVICE PROVIDER's business on the Airport. The SERVICE PROVIDER shall procure and maintain such fire prevention and extinguishing devices as required by the COUNTY and shall at all times be familiar and comply with the fire regulations

and orders of the COUNTY and the fire control agency with jurisdiction at the Airport, as same may now exist or hereafter come into being. The SERVICE PROVIDER understands that any equipment, vehicles, tanks or improvements now existing or hereinafter placed upon the Airport may not have been cleaned or may contain a residue of volatile or flammable products. The SERVICE PROVIDER agrees, for itself and any employee, contractor or other person working for or on behalf of the SERVICE PROVIDER, to observe due care at all times as required by its knowledge herein and of circumstances. The SERVICE PROVIDER hereby agrees that neither the SERVICE PROVIDER, nor any employee or contractor or any person working for or on behalf of the SERVICE PROVIDER, shall require any personnel engaged in the performance of the SERVICE PROVIDER's operations to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his or her health or safety, as determined by standards adopted pursuant to the Occupational Safety and Health Act of 1970, as same may be amended from time to time, as well as all State and local laws, regulations and orders relative to occupational safety and health.

11.04 Environmental and Natural Resource Laws, Regulations and Permits.

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

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

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

D. The SERVICE PROVIDER hereby expressly assumes and accepts full responsibility and liability for compliance with all such governmental laws and regulations in the handling and disposal of any and all hazardous waste and/or toxic materials, and all pollutants or contaminants of any kind, resulting from or arising out of the SERVICE PROVIDER's operations, and the SERVICE PROVIDER shall, prior to commencement of any such operations pursuant to this Agreement, secure any and all permits, and properly make all necessary notifications as may be required by any and all governmental agencies having jurisdiction over parties or the subject matter hereof. The SERVICE PROVIDER further represents, warrants, guarantees and covenants to COUNTY, upon which COUNTY hereby expressly relies, that the SERVICE PROVIDER, its employees, agents, contractors, and all persons working for, or on behalf of, the SERVICE PROVIDER have been fully and properly trained in the handling of all such hazardous and toxic waste materials, and other pollutants and contaminants, and that such training, at a minimum, complies with any and all applicable Federal, State and local laws, ordinances, regulations, rulings, orders and standards which are now or are hereinafter promulgated.

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

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

G. If the SERVICE PROVIDER is deemed to be a generator of hazardous waste, as defined by State or Federal or local laws, the SERVICE PROVIDER shall obtain an EPA identification number and the appropriate generator permit and shall comply with all

requirements imposed upon a generator of hazardous waste including, but not limited to, ensuring that the appropriate transportation and disposal of such materials are conducted in full compliance with the law.

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

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

The SERVICE PROVIDER agrees that an emergency coordinator and phone number shall be furnished to the Department of Airports, to the Palm Beach County Risk Management Department/Safety Division and to all appropriate Governmental entities having jurisdiction thereof in case of any spill, leak or other emergency situation involving hazardous, toxic, flammable and/or other pollutant/contaminated materials.

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

11.05 Payment of Taxes. The SERVICE PROVIDER shall pay any and all taxes and other costs as may be lawfully assessed against its interest in the Airport premises, including but not limited to its operations under this Agreement. SERVICE PROVIDER shall have the

right to contest the amount or validity of any tax or assessment payable by its appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying, or extending SERVICE PROVIDER's covenants to pay any such tax or assessment, unless the legal proceedings shall operate to prevent the collection of the tax or assessment. Upon termination of such legal proceedings, SERVICE PROVIDER shall pay the amount of any such tax or assessment, or part thereof, as finally determined in such proceedings, the payment of which may have been deferred during the prosecution thereof, together with any costs, fees, interest, penalties, or other liabilities in connection therewith.

ARTICLE XII **DISCLAIMER OF LIABILITY**

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

ARTICLE XIII **REMEDIES CUMULATIVE**

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

ARTICLE XIV **GOVERNMENTAL RESTRICTIONS**

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

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

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

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

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

ARTICLE XV **NO DISCRIMINATION**

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

15.02 Disadvantaged Business Enterprise/Affirmative Action. The SERVICE PROVIDER acknowledges that the provisions of 49 CFR Part 26, Disadvantaged Business Enterprise (DBE), and 14 CFR Part 152, Affirmative Action Employment Programs, may become applicable to the activities of the SERVICE PROVIDER under the terms of this Agreement, unless exempted by said regulations, and hereby agrees at such time to comply with all requirements of the Department, the Federal Aviation Administration and the U.S.

Department of Transportation in reference thereto. These requirements may include, but not be limited to, the compliance with DBE and/or Employment Affirmative Action participation goals, the keeping of certain records of good faith compliance efforts, which would be subject to review by the various agencies, and the submission of various reports, and including, if directed by the Department, the contracting of specified percentages of goods and services contracts to Disadvantaged Business Enterprises. Failure to comply with these requirements shall be grounds for default and cancellation of this Agreement. Any cancellations pursuant to this Article XV shall not be effective until the procedures specified in said Federal regulations or established by the COUNTY are completed, including exercise or expiration of appeal rights.

ARTICLE XVI
NON-EXCLUSIVE AGREEMENT

The SERVICE PROVIDER expressly understands and agrees that the rights and privileges granted under this Agreement are nonexclusive, and the COUNTY herein reserves the right to grant similar rights and privileges to others at the Airport.

ARTICLE XVII
COUNTY NOT LIABLE

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

ARTICLE XVIII
AUTHORIZED USES ONLY

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

ARTICLE XIX
WAIVERS

The failure of either party to insist on a strict performance of any of the agreements, terms, covenants and conditions hereof shall not be deemed a waiver of any rights or remedies that such party may have for any subsequent breach, default, or non-performance, and such

party's right to insist on strict performance of this Agreement shall not be affected by any previous waiver or course of dealing.

ARTICLE XX
SUBORDINATION

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

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

ARTICLE XXI
CONSENT AND APPROVAL

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

ARTICLE XXII
RIGHTS RESERVED TO THE COUNTY

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

ARTICLE XXIII
INVALIDITY OF CLAUSES

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

ARTICLE XXIV
VENUE

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

ARTICLE XXV
GOVERNING LAW

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

ARTICLE XXVI
(Intentionally left blank)

ARTICLE XXVII
INSPECTIONS

The authorized employees and representatives of the COUNTY and any applicable Federal, State, and local governmental entity having jurisdiction hereof shall have the right of access to the Airport premises at all reasonable times for the purposes of inspection for compliance with the provisions of the Agreement and the services permitted herein.

ARTICLE XXVIII
NOTICE

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

To COUNTY:

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

To SERVICE PROVIDER:

G2 Secure Staff, LLC
Attn:
5010 Riverside Drive Suite 300
Irving, TX 75039

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

ARTICLE XXIX
PARAGRAPH HEADINGS

The headings of the various articles and sections of this Agreement, and its Table of Contents, are for convenience and ease of reference only, and shall not be construed to define,

limit, augment or describe the scope, context or intent of this Agreement or any part or parts of this Agreement.

ARTICLE XXX
BINDING EFFECT

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

ARTICLE XXXI
PERFORMANCE

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

ARTICLE XXXII
PUBLIC ENTITY CRIMES

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

ARTICLE XXXIII
ENTIRETY OF AGREEMENT

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

Remainder of page left blank

IN WITNESS WHEREOF, the COUNTY has caused this Agreement to be signed by the County Administrator or the Director of the Department of Airports pursuant to the authority granted by said Board, and the SERVICE PROVIDER, G2 Secure Staff, LLC, has caused these presents to be signed in its corporate name by its duly authorized officer, the CFO, acting on behalf of said SERVICE PROVIDER, and the seal of said SERVICE PROVIDER to be affixed hereto and attested by the Secretary of said SERVICE PROVIDER, the day and year first written above.

WITNESS:

PALM BEACH COUNTY, FLORIDA

Jeffrey S. Bolton
Witness Signature
Jeffrey S. Bolton

By: [Signature]
Director - Department of Airports

(typed or printed)
Ellen LaVerghetta
Witness Signature
Martha LaVerghetta
(typed or printed)

WITNESS:

G2 SECURE STAFF, LLC

Felix Massey
Witness Signature
FELIX MASSEY
(typed or printed)

By: [Signature]
CFO
Title

Beth Jordan
Witness Signature
Robbie Jordan
(typed or printed)

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: Anne Helgert
County Attorney

**AGREEMENT FOR RENTAL CAR LEASE AND CONCESSION
AT THE PALM BEACH INTERNATIONAL AIRPORT**

This Agreement is made and entered into OCTOBER 1, 2009, by and between Palm Beach County, a political subdivision of the State of Florida (the "County"), and The Hertz Corporation, a corporation organized and existing under the laws of the State of Delaware, having its office and principal place of business at 225 Brae Boulevard, Park Ridge, NJ 07656 (the "Concessionaire").

WITNESSETH:

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

WHEREAS, Concessionaire operates rental car concession at the Airport, which includes the non-exclusive right to lease space in the terminal for the purpose of conducting Concessionaire's business; and

WHEREAS, Concessionaire has indicated a willingness and demonstrated the ability to properly finance, operate, and manage an Airport concession in accordance with the terms of this 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:

ARTICLE 1
RECITALS

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

ARTICLE 2
DEFINITIONS

- 2.01 "Airport" means the Palm Beach International Airport.
- 2.02 "Annual Percentage Payment" means ten percent (10%) of Concessionaire's annual Gross Revenues.
- 2.03 "Assigned Premises" means 477.38 square feet of reservation counter and office area in the Terminal, as more particularly described on Exhibit "A".
- 2.04 "Bond Resolution" means the Palm Beach County Airport System Revenue Bond Resolution dated April 3, 1984 (R-84-427), as amended and supplemented, which is hereby incorporated herein by reference and made a part hereof.

- 2.05 "Brand" means a word, mark, symbol, design, term or combination of these used for the purpose of identifying a product or service.
- 2.06 "Concession" means the rental car concession operated by Concessionaire pursuant to the terms and conditions of this Agreement.
- 2.07 "Concession Fees" means the fees payable by Concessionaire to County pursuant to Article 5.01(A) and (B).
- 2.08 "Contract Year" means the twelve (12) month period, beginning on October 1, 2009 and ending on September 30, 2010, and each twelve (12) month period thereafter, until the termination of this Agreement.
- 2.09 "Department" means the Palm Beach County Department of Airports.
- 2.10 "Disadvantaged Business Enterprise" or "DBE" has the same meaning as set forth in Title 49, Part 23 of the Code of Regulations, as now or hereafter amended or any successor regulation.
- 2.11 "FAA" means the Federal Aviation Administration.
- 2.12 "Facility Rental" means the annual rental rate payable by Concessionaire to County for Concessionaire's use and occupancy of the Assigned Premises pursuant to Article 5.03.
- 2.13 "Gross Revenues" means all monies due Concessionaire, whether paid or unpaid, from any and all customers for the use, rental or lease of vehicles and any additional services or accessories contracted for, delivered, supplied or rented at or from the Airport regardless of where, how (cash, credit, barter or otherwise) or by whom payment is made; whether the customer is transported from the Airport to an off-Airport place of business; or where the vehicle is picked up or returned. Unless revenues are expressly and specifically excluded from Gross Revenues, all revenues derived from, arise out of or become payable on account of the Concession, whether directly or indirectly, shall be included in Gross Revenues. Gross Revenues shall include, but shall not be limited to:
1. the time and/or mileage charges, after discounts, assessed by Concessionaire to its customers;
 2. the premiums on any and all insurance sold, including personal accident insurance, personal effects and cargo insurance, life insurance and any other insurance sold in connection with a vehicle rental;
 3. any and all add-on fees and charges including extra driver coverage, underage driver coverage and vehicle upgrade charges;

4. any and all fees and charges for equipment, supplies and incidental items which are made available and charged for separate from the vehicle including, but not limited to, sporting equipment, cellular telephones, pagers, child restraint seats, video equipment, and any other incidental items and services;
5. charges commonly referred to as "drop charges" or "intercity fees"; and
6. any fee or charge to Concessionaire's customers related to the Concession Fee, including, but not limited to Concession Recoupment Fees as defined in Article 5.13.

Gross Revenues shall not include:

1. the amount of any sales taxes or other similar excise taxes, now or hereafter levied or imposed, which are separately stated and collected from customers;
2. sums received from customers for Collision Damage Wavier (CDW) protection and Loss Damage Waiver (LDW) protection;
3. any sums received as insurance proceeds, or payments from Concessionaire's customers or insurers for damage to vehicles or other property of Concessionaire;
4. sums received as the result of the loss, conversion, or abandonment of Concessionaire's vehicles;
5. sums received from the sale of vehicles or other equipment used in the operation of the Concession, the use of which Concessionaire wishes to discontinue;
6. amounts charged to customers for fuel; or
7. Local Revenue.

2.14 "Local Revenue" means revenue derived from a vehicle rental transaction with a customer who has not deplaned at the Airport, as evidenced by the customer's drivers license number, the zip code included on the customer's drivers license indicating the customer resides in Palm Beach County and the certification provided in Article 5.10 below.

2.15 "Minimum Annual Guarantee" means a minimum amount to be paid to County on an annual basis during each Contract Year as set forth in Article 5.01(A).

2.16 "Monthly Percentage Payment" means ten percent (10%) of Concessionaire's monthly Gross Revenues.

2.17 "Terminal" means the passenger terminal building located at the Airport.

2.18 "TSA" means the Transportation Security Administration.

ARTICLE 3
EFFECTIVE DATE AND TERM

3.01 Effective Date. This Agreement shall become effective when signed by the parties hereto.

3.02 Term. The term of this Agreement shall be for a period of two (2) years, commencing on October 1, 2009 (the "Commencement Date") and terminating on September 30, 2011 (the "Term"), unless sooner terminated as provided herein.

ARTICLE 4
PRIVILEGES AND PREMISES

4.01 Description of Specific Privileges, Uses and Rights. County hereby grants to Concessionaire the following non-exclusive specific privileges, uses and rights, all of which shall be subject to the terms, conditions and covenants set forth herein:

- A. To conduct and operate a high quality rental car concession at the Airport from the Assigned Premises.
- B. To offer for rent additional services or accessories to complement the basic vehicle rental from the Assigned Premises. Such additional services or accessories may include the right to offer for sale related loss and collision damage waiver protection, personal injury and accident insurance, supplemental liability, uninsured motorist, and personal effects insurance; and to provide customer service features such as baby car seats and cellular telephones.
- C. To load and unload its customers into and from its courtesy shuttle vehicles within locations at the Airport designated by the Department.

4.02 Description of General Privileges, Uses and Rights. In addition to the specific privileges granted pursuant to Article 4.01, County hereby grants to Concessionaire:

- A. the nonexclusive use of the public areas within the Terminal for Concessionaire, its employees, contractors, patrons, invitees, suppliers of service, agents and authorized sublessees, if any, in connection with its operations hereunder. For purposes of this Agreement, "Public Areas" means the public corridors, restrooms and other areas within the Terminal that the general public has the right to access. Public Areas shall at all times be subject to the exclusive control and management of County. County shall the full right and authority to make all rules and regulations as County may in its sole discretion deem proper, pertaining to the proper operation and maintenance of the Public Areas; and

- B. the nonexclusive right of ingress to and egress from the Terminal over and across public roadways and walkways serving the Airport for Concessionaire, its employees, contractors, patrons, invitees, suppliers of service, agents and authorized sublessees, if any, in connection with its operations hereunder.

Nothing herein contained shall be construed to grant to Concessionaire, its employees, contractors, patrons, invitees, suppliers of service, agents or authorized sublessees, if any, the right to use or occupy any space or area at the Airport improved or unimproved that is leased or assigned to a third party, or, except as expressly set forth in Article 4.02(A) and (B) above, County has not leased to Concessionaire pursuant to this Agreement. The general privileges, uses and rights granted in this Article 4.02 shall be subject to the terms, conditions and covenants set forth herein.

- 4.03 Restrictions of Privileges, Uses and Rights. The rights granted hereunder are expressly limited to the operation and management of a rental car concession. Concessionaire covenants and agrees that the Assigned Premises shall be used solely for the uses permitted in Articles 4.01 and 4.02 above and for no other purposes whatsoever. Concessionaire acknowledges and agrees that Concessionaire shall not have the exclusive right to conduct a rental car concession at the Airport, and County may arrange with others for similar activities at the Airport. Concessionaire acknowledges that County may enter into agreements and/or permits with companies providing rental car services from off-Airport locations.
- 4.04 Condition of the Assigned Premises and Airport. Concessionaire expressly acknowledges that it has inspected the Assigned Premises and Airport and accepts the same "As Is, Where Is" in the condition existing as of the Effective Date, together with all defects latent and patent, if any. Concessionaire further acknowledges that County has made no representations or warranties of any nature whatsoever regarding the Airport or the Assigned Premises, including, but not limited to, the physical and/or environmental condition of the Assigned Premises, or any improvements located thereon, or the value of the Assigned Premises or improvements, or the suitability of the Assigned Premises, or any improvements, or Concessionaire's legal ability to use the Assigned Premises for Concessionaire's intended use thereof.
- 4.05 Dual Branding. Concessionaire acknowledges and agrees that Concessionaire shall not be entitled to substitute, modify or add to the Brands of rental car service companies being marketed or operated from the Assigned Premises during the Term. The Brand(s) permitted to be marketed or operated from the Assigned Premises shall be Hertz and Advantage Rent A Car. In the event Concessionaire markets or operates two (2) Brands of rental car services companies from the Assigned Premises, Concessionaire shall provide a separate Statement of Gross Revenues (as hereinafter defined) for each Brand pursuant to Article 5.09 below and shall provide separate schedules of revenues and vehicle transactions for each Brand pursuant to Article 5.11(A) and (B) below.

ARTICLE 5
CONCESSION FEES, FACILITY RENTAL AND ACCOUNTABILITY

5.01 Concession Fees. For the concession privileges granted hereunder, Concessionaire shall pay to County Concession Fees equal to the greater of the Minimum Annual Guarantee or Annual Percentage Payment for each Contract Year throughout the Term of this Agreement. Concession Fees shall be payable in advance by installment as provided for herein and shall be reconciled on an annual basis in accordance with the provisions of Article 5.11 below.

- A. Minimum Annual Guarantee. Concessionaire shall pay to County commencing upon the Commencement Date and on the first day of each and every month throughout the Term of this Agreement, one-twelfth (1/12) of the Minimum Annual Guarantee for the applicable Contract Year without demand, deduction, holdback or setoff. Concessionaire agrees the Minimum Annual Guarantee for each of the following Contract Years shall be as follows:

Contract Year	Minimum Annual Guarantee
First Contract Year	Two Million, Two Hundred Four Thousand, Five Hundred Dollars (\$2,204,500.00)
Second Contract Year	Ninety percent (90%) of the Annual Percentage Payment for the first Contract Year, or the Minimum Annual Guarantee for the first Contract Year, whichever is higher.

- B. Percentage Payment. Within twenty (20) days after the beginning of each and every month throughout the Term of this Agreement, Concessionaire shall deliver a Statement of Gross Revenues (as hereinafter defined) for the preceding month to the Department. In the event the Monthly Percentage Payment is greater than (1/12) of the Minimum Annual Guarantee for the applicable Contract Year, Concessionaire shall pay the difference to County with the Statement of Gross Revenues.

5.02 Abatement of Minimum Annual Guarantee. In the event for any reason the number of passengers deplaning on scheduled airline flights at the Airport during any calendar month shall be less than seventy-five percent (75%) of the number of such deplaning passengers in the same month in the base calendar year of 2001, Concessionaire shall not be required to pay to County that portion of the Minimum Annual Guarantee that would otherwise be due and payable in accordance with the requirements of Article 5.01(A) above for that month. During the abatement period, Concessionaire shall continue to pay to County the Monthly Percentage Payment with the Statement of Gross Revenues (as hereinafter defined), and, if applicable, County shall credit Concessionaire a pro-rated portion of any payment of the Minimum Annual Guarantee as may have been paid in advance. Concessionaire acknowledges and agrees that Concessionaire shall remain liable for payment of the full Annual Percentage Payment notwithstanding County's waiver of its right to receive any portion of the Minimum Annual Guarantee.

- 5.03 Facility Rental. In addition to the Concession Fees, Concessionaire shall pay to County for the use and occupancy of the Assigned Premises, an annual Facility Rental determined in accordance with this Article 5.03, payable in equal monthly installments, in advance, without demand, deduction, holdback, or setoff, by the first day of each and every month throughout the Term of this Agreement together with applicable sales tax thereon. Payment of Facility Rental by Concessionaire to County shall commence upon the Commencement Date. Each October 1st through the Term of this Agreement, the annual Facility Rental shall be adjusted in accordance with the Airline-Airport Use and Lease Agreement adopted by the Board pursuant to Resolution No. 2006-1906, as such agreement and rates may be amended from time to time or any successor resolution or agreement adopted by the Board establishing rental rates for similar space within the Terminal, which resolution is hereby incorporated herein by reference and made a part hereof. The Assigned Premises shall be considered Type One (1) Space (ticket counter), as defined in the aforementioned Airline-Airport Use and Lease Agreement, for purposes of rental adjustments under this Article 5.03. This Agreement shall be considered amended to reflect the new annual Facility Rental rate without formal amendment hereto.
- 5.04 Unpaid Fees. In the event Concessionaire fails to make payment of any fees or charges when due and payable in accordance with the terms of this Agreement, interest at the rate of one and one-half percent [1 ½%] per month shall accrue against the delinquent payment(s) from the date due until the date payment is received by the Department. Notwithstanding the foregoing, County shall not be prevented from terminating this Agreement for default in payment due to County pursuant to this Agreement or from exercising any other remedies contained herein or implied by law.
- 5.05 This section has been intentionally left blank.
- 5.06 Sales and Use Tax. Concessionaire shall pay monthly to County any sales, use or other tax, or any imposition in lieu thereof (excluding State and/or Federal Income Tax) now or hereinafter imposed upon the rents, use or occupancy of the Assigned Premises imposed by the United States of America, the State of Florida, or Palm Beach County, notwithstanding the fact that the statute, rule, ordinance or enactment imposing the same may endeavor to impose the tax on County.
- 5.07 Net Agreement. This Agreement in every sense shall be without cost or expense to County including without limitation, cost and expenses relating to the development, maintenance, improvements and operation of the Assigned Premises.
- 5.08 Place of Payments. All payments required to be made by the Concessionaire under this Agreement shall be made payable to "Palm Beach County," and shall be paid to the Finance Division, Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406-1470, or to such other office or address as may be substituted therefor.

- 5.09 Monthly Reports of Gross Revenues. Within twenty (20) days after close of each month throughout the Term of this Agreement, Concessionaire shall submit to the Department, in a form and detail satisfactory to the Department, a Statement of Gross Revenues that: (1) details Gross Revenues for the prior calendar month and (2) separately identifies any exclusions from Gross Revenues. The Department may require the Statement of Gross Revenues to be submitted electronically.
- 5.10 Accounting Records. Concessionaire shall keep, throughout the Term of this Agreement, all books of accounts and records customarily used in this type of operation, and as from time to time may be required by the Department, in accordance with Generally Accepted Accounting Principals prescribed by the American Institute of Certified Public Accountants or any successor agency thereto. Such books of accounts and records shall be retained and be available for three (3) years from the end of each Contract Year, including three (3) years following the expiration or termination of this Agreement. County shall have the right to audit and examine during normal business hours all such books of accounts and records relating to Concessionaire's operations hereunder. If the books of accounts and records are kept at locations other than the Airport, Concessionaire shall, at its sole cost and expense, arrange for them to be brought to a location convenient to the auditors for County in order for County to conduct the audits and inspections as set forth in this Article. Concessionaire shall maintain a record of each vehicle rental agreement written at the Airport, including a copy of each original agreement signed by Concessionaire's customer. Concessionaire shall also maintain a copy of the customer's drivers license number and the zip code included on the customer's driver license indicating that the customer resides in Palm Beach County with each vehicle rental agreement resulting in Local Revenue along with a written statement signed by the customer certifying that the customer did not deplane at the Airport prior to renting the vehicle described in the vehicle rental agreement. The vehicle rental agreement shall indicate that the Airport is the originating location. Accountability for the numerical sequence of contracts issued and unissued shall be maintained. Accounting records of Concessionaire shall be stored sequentially, or in such other manner approved by the Department, to provide reasonable and expeditious access for audit purposes hereunder. Failure to maintain books of accounts and records as required under this Article 5.10 shall be deemed to be a material breach of this Agreement. The obligations arising under this Article 5.10 shall survive the expiration or termination of this Agreement
- 5.11 Audit Requirements. On or before December 31st of each year, Concessionaire shall provide to the Department an audit report on all Gross Revenues from operations at the Airport and from the operations of any of Concessionaire's subsidiaries, contractors, management companies, or related or affiliated companies involved in providing services covered by this Agreement. The audit report shall cover the preceding Contract Year. The audit report shall be in the format required by the Department and shall be prepared by an independent Certified Public Accountant, not a regular employee of Concessionaire, in accordance with Generally Accepted Auditing Standards prescribed by the

American Institute of Certified Public Accountants or any successor agency thereto. The audit report shall include the following:

- A. Schedule of all revenues by category and month and a schedule of the payments made to County.
- B. Schedule summarizing the total number of vehicle rental transactions and any sales taxes collected by month.
- C. The total amount of Concession Fees that have been paid to County in accordance with this Agreement.
- D. The audit report shall include an opinion on the schedule of all revenues by category and by month, the schedule of payments to County, and the calculation of Concession Fees during the period.

Delivery of an audit report containing a qualified opinion, an adverse opinion, or a disclaimer of opinion, as defined by the American Institute of Certified Public Accountants or any successor agency thereto, shall be deemed to be a material breach of this Agreement. If the audit report indicates that the amount of Concession Fees (together with any sales taxes thereon) due and owing for any Contract Year is greater than the amount paid by Concessionaire to County during such Contract Year, the Concessionaire shall pay the difference to County with the audit report. If amount of Concession Fees actually paid by Concessionaire to County during any Contract Year exceeds the Concession Fees due and owing for such Contract Year, the Department shall credit the overpayment in the following order: (i) against any past due amounts owed to County by Concessionaire, including interest and late fees; (ii) against currently outstanding, but not yet due, Concession Fees owed to County by Concessionaire; (iii) against future Concession Fees which will become due during the succeeding Contract Year; and (iv) against any other sums payable by Concessionaire to County. Notwithstanding the foregoing, in the event of an overpayment by Concessionaire during the last Contract Year, the Department shall credit the overpayment against any remaining amounts owed to County, including interest and late fees, and refund to Concessionaire any overpayment amount in excess of the credit.

- 5.12 Audit by County. Notwithstanding any provision in this Agreement to the contrary, County or its representative(s) may at any time perform audits of all or selected operations performed by Concessionaire under the terms of this Agreement. In order to facilitate the audit performed by County, Concessionaire agrees to make suitable arrangements with the Certified Public Accountant, who is responsible for preparing the audit report on behalf of Concessionaire pursuant to Article 5.11 above, to make available to County's representative(s) any and all working papers relevant to the audit performed by the Certified Public Accountant. County or its representative(s) shall make available to Concessionaire a copy of the audit report prepared by or on behalf of County. Concessionaire shall have thirty (30) days from receipt of the audit report from County or its representative(s) to provide a written response to the Department regarding the audit report.

Concessionaire agrees that failure of Concessionaire to submit a written response to the audit report in accordance with the requirements of this Article 5.12 shall constitute acceptance of the audit report as issued.

- 5.13 Concession Pass-Through. County will not prohibit Concessionaire from charging each of its customers the Concession Fees paid by Concessionaire to County (a "Concession Recoupment Fee") attributable to the customer's transaction. Concession Recoupment Fees shall be collected as a percentage of all items leased or sold and services provided to Concessionaire's customers which fall within the definition of Gross Revenues. Concessionaire shall not charge a Concession Recoupment Fee for any transaction resulting in Local Revenue. Concessionaire acknowledges and understands that County does not require or endorse the practice of charging or collecting a Concession Recoupment Fee. Notwithstanding the foregoing, in the event Concessionaire charges a Concession Recoupment Fee to its customers, Concessionaire shall clearly identify the charge in a separate line item on customer invoices as a "Concession Recoupment Fee". Concessionaire shall not refer to or imply the Concession Recoupment Fee is a tax on any customer's invoice nor shall Concessionaire or any of its employees, including its counter personnel and reservation agents, identify, imply or refer to the Concession Recoupment Fee as a tax or County or Airport-imposed charge. Concessionaire agrees that it shall only be entitled to charge and collect a Concession Recoupment Fee to its customers in accordance with the requirements of this Article 5.13. Failure to comply with the requirements of this Article 5.13 shall be deemed a material default of this Agreement.
- 5.14 Security for Payment. Prior to the Effective Date, Concessionaire shall post a security deposit with County in an amount equivalent to fifty percent (50%) of the highest Contract Year Minimum Annual Guarantee ("Security Deposit"). The Security Deposit shall serve as security for the payment of all sums due to County and shall also secure the performance of all obligations of Concessionaire hereunder. The Security Deposit shall be either in the form of a clean, Irrevocable Letter of Credit ("Letter of Credit") or a Surety Bond ("Bond") in form and substance satisfactory to County. In the event of any failure by Concessionaire to pay any sums, rentals or charges to County when due or upon any other failure to perform any of its obligations or other default under this Agreement, then, in addition to any other rights and remedies available to County at law or in equity, County shall be entitled to draw on the Security Deposit and apply same to all amounts owed. Upon notice of any such draw, Concessionaire shall immediately replace the Security Deposit with a new Letter of Credit or Bond in the full amount of the Security Deposit required hereunder. The Security Deposit shall be kept in full force and effect throughout the Term of this Agreement and for a period of six (6) months after the termination of this Agreement. Not less than thirty (30) calendar days prior to any expiration date of a Letter of Credit or Bond, Concessionaire shall submit evidence in form satisfactory to County that such security instrument has been renewed. Failure to renew a Letter of Credit or Bond as required by this Article 5.14 shall: (i) entitle County to draw down the full amount of such Security Deposit, and (ii) constitute a default of this Agreement entitling County to all available remedies. The Security Deposit shall not be returned to Concessionaire until all obligations under this Agreement are

performed and satisfied. Prior to consent from County to any assignment of this Agreement by Concessionaire, Concessionaire's assignee shall be required to provide a Security Deposit to County in accordance with the terms and conditions of this Article 5.14. The obligations arising under this Article 5.14 shall survive the expiration or termination of this Agreement.

ARTICLE 6

CONSTRUCTION OF IMPROVEMENTS

- 6.01 Required Improvements. Concessionaire shall, at its sole cost and expense, install all improvements and trade fixtures necessary and customary for the operation of a rental car concession within the Assigned Premises in accordance with the requirements of this Article 6.
- 6.02 Alterations, Improvements or Additions. Concessionaire shall make no alterations, additions or improvements to the Assigned Premises, without the prior written approval of the Department, which approval may be granted or withheld by the Department in its sole discretion.
- 6.03 Construction Requirements. All improvements, alterations and additions made by Concessionaire to the Assigned Premises shall be of high quality and meet all applicable Federal, State and local laws, regulations, rules and requirements. Prior to the commencement of construction, one (1) full and complete set of plans and specifications for all improvements, alterations and/or additions shall be submitted to the Department for approval, which approval may be granted or withheld in the Department's sole discretion. All improvements shall be completed in accordance with construction standards established by the Department and the plans and specifications approved by the Department.
- 6.04 Construction Bonds. Concessionaire shall ensure that all improvements are constructed to completion in accordance with the approved plans and specifications and that all persons or entities performing work or providing materials relating to such improvements including, but not limited to, all contractors, subcontractors, sub-subcontractors, laborers, materialmen, suppliers and professional, are paid in full for such services and materials. Concessionaire, at its sole cost and expense, shall cause to be made, executed and delivered to County prior to commencement of any improvements to the Assigned Premises, a bond, drawn in a form and issued by a company approved by County, guaranteeing compliance by Concessionaire of its obligations arising under this Article 6.
- 6.05 Contractor Requirements. Concessionaire shall require contractors to furnish for the benefit of County a public construction bond as required under Section 255.05, Florida Statutes in a form approved by County. Concessionaire shall also require contractors to furnish satisfactory evidence of statutory Worker's

Compensation insurance, comprehensive general liability insurance, comprehensive auto insurance and physical damage insurance on a Builder's Risk form with the interest of County endorsed thereon, in such amounts and in such manner as County's Risk Management Department may reasonably require. County's Risk Management Department may require additional insurance for any alterations, additions or improvements approved pursuant to this Agreement in such amount(s) as County's Risk Management Department reasonable determines to be necessary.

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

ARTICLE 7

TITLE TO IMPROVEMENTS

- 7.01 Title to Improvements. All fixtures and improvements that are constructed or placed upon the Assigned Premises, excluding furnishings, equipment and trade fixtures, (the "Improvements") shall become the absolute property of County upon termination or expiration of this Agreement and County shall have every right, title, and interest therein, free and clear of any liens, mortgages encumbrances.
- 7.02 Evidence of Transfer of Ownership. Upon the request of County, Concessionaire shall provide County with a bill of sale or other evidence of the transfer of ownership of the Improvements together with evidence satisfactory to County that the Improvements are free from liens, mortgages and other encumbrances.
- 7.03 Removal of Improvements. Notwithstanding anything in this Agreement to the contrary, County shall be entitled, at its option, to have the Assigned Premises returned to County free and clear of some or all of the Improvements at Concessionaire's sole cost and expense. In such event, County shall provide timely notification to Concessionaire of its election to require removal of Improvements and, to the extent possible, County shall notify Concessionaire at

least sixty (60) days prior to the expiration or termination of this Agreement. Concessionaire shall have sixty (60) days from date of notice within which to remove the Improvements. If Concessionaire fails to remove the Improvements, County may remove the Improvements. Concessionaire agrees that Concessionaire shall fully assume and be liable to County for payment of all costs of removal of the Improvements (whether direct or indirect) incurred by County, plus a twenty-five percent (25%) administrative overhead fee, which costs and administrative overhead fee shall be due and payable County within thirty (30) days from the date of the written notice provided by the Department. The obligations arising under this Article 7 shall survive the expiration or termination of this Agreement.

ARTICLE 8

OBLIGATIONS OF CONCESSIONAIRE

- 8.01 **Maintenance and Repair.** Concessionaire shall, at its sole cost and expense, maintain the Assigned Premises and improvements and appurtenances thereto, in a safe and presentable condition consistent with good business practice, industry standards and in accordance with all applicable Federal, State and local laws, regulations and rules. Concessionaire shall repair all damages to the Assigned Premises caused by its employees, patrons, invitees, suppliers of service, or furnishers of material, or any other person whomsoever, and all damages caused by or resulting from or in any way arising out of Concessionaire's operations thereon or Concessionaire's use of the Assigned Premises. Concessionaire shall maintain and repair all equipment thereon. Concessionaire shall repaint and refurbish its facilities as may be deemed necessary in the reasonable discretion of the Department. The Department may inspect the Assigned Premises to identify items in need of maintenance or repair and report in writing to the Concessionaire those items in need of maintenance and repair. Concessionaire agrees that it shall abide by the decision of the Department with respect to any and all such maintenance or repair. The Department shall reasonably judge Concessionaire's performance under this Article 8.01 as to the quality of maintenance and repair. Upon written notice by the Department to Concessionaire, Concessionaire shall perform the required maintenance or repair in accordance with the Department's decision. If Concessionaire has not made a good faith effort, as determined by the Department, to begin to perform the maintenance or repair within ten (10) days after receipt of the Department's written notice and to diligently pursue the same to completion, County shall have the right to enter the Assigned Premises and perform the necessary maintenance or repair, and Concessionaire hereby expressly agrees that it shall fully assume and be liable to County for payment of the costs thereof, plus twenty-five percent (25%) administrative overhead. Such maintenance or repair cost, plus the administrative cost, shall be due and payable within thirty (30) calendar days of the Department's billing therefor.

8.02 Concession Service Standards.

- A. Subject to the terms and conditions of this Agreement, Concessionaire shall operate and manage the Concession for the purpose of providing rental car services to the traveling public and shall conform in all respects to all applicable Federal, State and local laws, regulations and rules.
- B. The Assigned Premises shall be staffed and operated seven (7) day per week, commencing not less than thirty (30) minutes prior to the first scheduled flight and ending not less than thirty (30) minutes after the last scheduled flight, except as otherwise approved in writing by the Department.
- C. Concessionaire shall cause its employees to conduct themselves at all times in a courteous manner towards the public and to provide prompt, efficient and safe service.
- D. Concessionaire shall provide and maintain a high standard of service, quality and value.
- E. For the convenience of Concessionaire's customers, Concessionaire shall provide, at its sole cost and expense, courtesy shuttle service between the Terminal and Concessionaire's ready-return/auto storage and service area. At no time shall Concessionaire utilize any Terminal area location for the parking of rental cars to be picked-up or returned by Concessionaire's customers.
- F. Concessionaire recognizes that from time-to-time the Department may cause quality assurance reviews of the Concession to be conducted. Such reviews may include inspection of Concessionaire's courtesy shuttle vehicles and the rental cars used in the operation of the Concession. Concessionaire agrees to fully cooperate in such quality assurance reviews and to immediately take whatever action is necessary to correct any deficiencies. In the event that it is reasonably determined that a courtesy shuttle vehicle or rental car is unsafe, unsightly or in need of repair, the Department reserves the right to disapprove Concessionaire's continued use of such vehicle. Upon written notice to Concessionaire, the subject vehicle shall be immediately removed from service until such time all deficiencies are corrected.

8.03 Concession Operational Standards.

- A. Concessionaire shall furnish its services and sales on a fair, equal, and non-discriminatory basis to all customers, and charge fair, reasonable, and non-discriminatory prices for all sales and services.

- B. Concessionaire shall make all reasonable efforts, in a proper and ethical business manner, to maintain and develop the Concession and shall not divert or cause to be diverted and rental car business from the Airport.
- C. Concessionaire shall not permit its employees or any other person under its control to engage in open or public disputes or conflicts.
- D. The Assigned Premises shall be operated and maintained in a safe, clean, orderly and inviting condition at all times.
- E. Concessionaire shall be strictly prohibited from installing or posting any signage, promotional materials, displays and/or advertisements within its Assigned Premises or at the Airport with the exception of: (1) advertisements promoting the services or products offered by Concessionaire within its Assigned Premises; (2) advertising and promotional items purchased from the Airport's advertising concessionaire; or (3) permanent identifying, directional or informational signage approved by the Department for installation within the Assigned Premises. Notwithstanding the foregoing, Concessionaire acknowledges and agrees that all advertising, promotional materials and signage to displayed within the Assigned Premises shall be subject to approval of the Department. The Department shall have the right, in its sole and absolute discretion, to require Concessionaire to remove any advertising, displays or promotional materials determined by the Department to be in conflict with its advertising concession or any other Airport concession. All signage, advertisements, displays and promotional materials installed or posted within the Assigned Premises shall be made of high quality materials and professionally manufactured and installed. Concessionaire shall not post handwritten signage, fabric or plastic banners or other similar signage within the Assigned Premises.
- F. Concessionaire shall not, in any manner, solicit customers from the Assigned Premises or elsewhere within the Terminal or its vicinity. This restriction shall include the approaching of any person by an employee or any other representative of Concessionaire for the purpose of offering information regarding Concessionaire or conducting surveys. This restriction shall apply at all times and at all Terminal locations.
- G. Though the public access area located in front of Concessionaire's reservation counter may be cordoned-off, at the option of Concessionaire, for the purpose of customer queuing, the area is not included in the Assigned Premises and therefore is not considered in the calculation of Facility Rental. The public access area extends the length of Concessionaire's reservation counter and ten feet (10") from the front of

the counter. Such use of the public access area requires that Concessionaire utilize only such barrier stanchions as specifically designated by the Department and that the placement and condition of such stanchions be maintained in a neat and orderly manner and in good repair at all times.

- H. Concessionaire's courtesy shuttle vehicles shall only utilize those certain Airport locations which are designated by the Department for the picking-up or dropping-off of customers. In addition, the time such vehicles are within these areas shall be strictly limited to that which is necessary to safely drop-off or pick-up customers.
- I. Concessionaire shall not represent itself as a provider of for-hire transportation services nor render services which are customarily provided by the operators of such transportation services.
- J. Nothing contained herein shall require Concessionaire to own, unconditionally or otherwise, vehicles used in the operation of the Concession; provided, however, all vehicles used in the operation of the Concession shall be owned, leased, or rented by Concessionaire or an affiliate. Concessionaire may obtain such vehicles from any supplier.
- K. All contracts, advertising, solicitation and publicity regarding Concessionaire shall be made in Concessionaire's lawful name and shall not in any manner misrepresent the relationship between County and Concessionaire or County's interest herein.
- L. The day-to-day operation and management of the Concession shall be under the direct supervision of an active, qualified and competent manager who shall at all times be subject to the direction and control of Concessionaire.
- M. Prior to the Commencement Date, Concessionaire shall designate in writing to the Department the name, address and telephone number of the manager who at all times shall be the authorized representative of Concessionaire for all matters relating to the Concession. Concessionaire shall provide written notice to the Department of any change in its manager within seven (7) days of the change and shall include any change of address or telephone number.
- N. Concessionaire, its agents, employees and suppliers shall not block any areas used for ingress and egress by Airport traffic and shall not interfere with the activities of County, its agents, employees, any other Airport Concessionaires or tenants, or any other authorized person.

- O. The services provided by Concessionaire shall be strictly limited to those permitted herein. Concessionaire shall not engage in any other business activity from the Assigned Premises or any other location on the Airport without benefit of a validly executed agreement entered into with County for the provision and conduct of such other business activity.
- P. Concessionaire shall provide and install, at its sole cost and expense, within the Assigned Premise, office furnishings, fixtures and communication systems and equipment as may be necessary for the effective and efficient operation of the Concession.
- 8.04 Utilities. County shall provide electricity and water used or consumed in or on the Assigned Premises. Concessionaire will connect into all utilities, at its own cost, in accordance with the utility's standards. Notwithstanding the foregoing, Concessionaire acknowledges and agrees that County may pro-rate utility charges to Terminal tenants, including to Concessionaire. In such event, Concessionaire hereby expressly agrees that Concessionaire shall assume and be liable to County for payment of all such utility costs. Such utility costs shall be due and payable within thirty (30) consecutive days from Department's billing therefor.
- 8.05 Cleanliness of Premises. The Assigned Premises and all equipment and materials used by Concessionaire shall at all times be clean, sanitary and free from rubbish, refuse, food scraps, garbage, just, dirt, rodents, insects, and other offensive or unclean materials. Concessionaire, at its sole cost and expense, shall be responsible for the provision of all janitorial services in its Assigned Premises. Concessionaire shall remove or cause to be removed, at its sole cost and expense, all waste, garbage, rubbish, and/or refuse and agrees to deposit same in the area of the Airport designated by Department for such purpose at the end of each shift and as often as necessary to maintain compliance with the provisions of this Article 8.05. The Department shall reasonably determine whether Concessionaire is in compliance with the obligations as provided for herein and shall provide Concessionaire with written notice of any violations of Concessionaire's obligations. Immediately upon Concessionaire's receipt of Department's written notice of violation, Concessionaire shall commence such corrective action as required by Department or as may be necessary to remedy such non-compliance to satisfaction of receipt of Department. If corrective action is not initiated within ten (10) days of receipt of Department's written notice and pursued to completion in a diligent manner, the Department may cause the same to be accomplished and Concessionaire hereby expressly agrees that Concessionaire shall assume and be liable to County for payment of all such costs, plus twenty-five percent (25%) for administrative overhead. Such costs, plus the administrative cost, shall constitute additional rent and shall be due and payable within thirty (30) consecutive days from Department's billing therefor.

- 8.06 Security. Concessionaire acknowledges and accepts full responsibility for the security and protection of the Assigned Premises and any and all inventory and equipment now existing or hereafter placed on or installed at the Airport, and for the prevention of unauthorized access to its facilities and expressly agrees to comply with all rules and regulations of County and of any and all other governmental entities that now or may hereafter have jurisdiction over such security. Concessionaire fully understands that the police security protection provided by County is limited to that provided by the Palm Beach County Sheriff's Office to any other business situated at the Airport, and expressly acknowledges that any special security measures deemed necessary or desirable for additional protection of the Assigned Premises shall be the sole responsibility of Concessionaire and shall involve no cost to County.
- 8.07 Airport Security Program. Concessionaire agrees to observe all security regulations and other requirements of any agency of the Federal government, including, but not limited to, the FAA and TSA, applicable to Concessionaire, as such regulations or requirements have been or may be amended, including without limitation, Title 14, Part 139 of the Code of Federal Regulations and Title 49, Part 1500 of the Code of Federal Regulations. Concessionaire agrees to comply with the Airport Security Program and the Air Operations Area (AOA) Vehicle Access Program, and amendments thereto, and to comply with such other rules and regulations as may be reasonably prescribed by County, and to take such steps as may be necessary or directed by County to insure that sublessees, employees, invitees and guests observe these requirements. Concessionaire shall conduct background checks of its employees to the extent required by any Federal, State or local law or if, to the extent permitted by law, required by the Department. The Department shall have the right to require the removal or replacement of any employee of Concessionaire at the Airport that the Department has reasonably determined may present a risk to public safety or the security of the Airport. If as a result of the acts or omissions of Concessionaire, its sublessees, employees, invitees or guests, County incurs any fines and/or penalties imposed by the FAA or TSA; any expense in enforcing the regulations of the FAA or TSA or the rules or regulations of County; or any expense in enforcing the Airport Security Program, then Concessionaire agrees to pay to County all such costs and expenses, including all costs of administrative proceeding, court costs, and attorneys fees and all costs incurred by County in enforcing this provision. Concessionaire further agrees to rectify any security deficiency or other deficiency as may be determined by County, the FAA or TSA. In the event Concessionaire fails to remedy any such deficiency, County may do so at the cost and expense of Concessionaire. Concessionaire acknowledges and agrees that County may take whatever action is necessary to rectify any security deficiency or any other deficiency identified by County, the FAA or TSA.

ARTICLE 9

INSURANCE

Concessionaire shall, at its sole expense, maintain in full force and effect at all times during the Term of this Agreement, the insurance limits, coverages and endorsements required herein. Neither the requirements contained in this Article 9 nor County's review or acceptance of insurance shall in any manner limit or qualify the liabilities and obligations assumed by Concessionaire under this Agreement.

- 9.01 Commercial General Liability. Concessionaire shall maintain Commercial General Liability insurance with limits of liability of not less than One Million Dollars (\$1,000,000) Each Occurrence including coverage for, but not limited to, Premises/Operations, Products/Completed Operations, Contractual Liability, Personal/Advertising Injury and Cross Liability. Fire Legal Liability insurance with a limit of not less than One Hundred Thousand Dollars (\$100,000). Medical Payments insurance (when available) with a limit of not less than Five Thousand Dollars (\$5,000). Coverage shall be provided on a primary basis.
- 9.02 Business Auto Liability. Concessionaire shall maintain Business Automobile Liability insurance with limits of liability of not less than One Million Dollars (\$1,000,000) Each Occurrence for owned, non-owned and hired automobiles. In the event Concessionaire has no owned automobiles, Concessionaire shall only be required to maintain Hired & Non-Owned Auto Liability insurance. This amended coverage may be satisfied by way of endorsement to the Commercial General Liability insurance or separate Business Auto Liability insurance. Coverage shall be provided on a primary basis.
- 9.03 Workers' Compensation & Employers Liability. Concessionaire shall maintain Workers' Compensation & Employers Liability insurance in accordance with applicable law. This coverage shall be provided on a primary basis. In the event Concessionaire subcontracts any portion of the work or services required or permitted by this Agreement to another party, Concessionaire shall be responsible for ensuring the subcontractor maintains Worker's Compensation & Employers Liability insurance, or Concessionaire shall provide coverage under its own Worker's Compensation & Employers Liability policy on behalf of the subcontractor.
- 9.04 Additional Insured Endorsement. Concessionaire shall endorse County as an Additional Insured on each liability insurance policy required to be maintained by Concessionaire, except for Worker's Compensation and Business Auto Liability insurance policies. The CG 2011 Additional Insured - Managers or Lessors of Premises or CG 2026 Additional Insured - Designated Person or Organization endorsements, or their equivalent, shall be endorsed to the Commercial General Liability policy. Other policies, when required, shall provide a standard Additional Insured endorsement offered by the insurer. The Additional Insured

endorsements shall provide coverage on a primary basis. The Additional Insured endorsement shall read "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents, c/o Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406."

- 9.05 Certificate of Insurance. Concessionaire shall provide County with a certificate of insurance evidencing limits, coverages and endorsements required herein. The certificate of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage. In the event coverage cancels or non-renews during the Term of this Agreement, Concessionaire shall furnish a new certificate of insurance evidencing replacement coverage thirty (30) days prior to the expiration of such insurance.
- 9.06 Waiver of Subrogation. Concessionaire agrees by way of entering this Agreement in writing to a Waiver of Subrogation for each required policy providing coverage during the Term of this Agreement. When required by the insurer or should a policy condition not allow a pre-loss agreement to waive subrogation without an endorsement, Concessionaire shall notify its 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 prohibiting such an endorsement, or voiding coverage should Concessionaire enter into such an agreement on a pre-loss basis.
- 9.07 Deductibles, Coinsurance, & Self-Insured Retention. Concessionaire shall be fully and solely responsible for any deductible, coinsurance penalty or self-insured retention, including any losses, damages or expenses not covered due to an exhaustion of limits or failure to comply with a policy.
- 9.08 Right to Review or Reject Insurance. County's Risk Management Department may review, modify, reject or accept any required policies of insurance, including, but not limited to, limits, coverages or endorsements, required by this Article 9 from time to time throughout the Term of this Agreement. County may also reject any insurer or self-insurance plan providing coverage because of poor financial condition or failure to operate legally. In such event, County shall provide Concessionaire a written notice of rejection, and Concessionaire shall comply within thirty (30) days of receipt of the notice.
- 9.09 No Representation of Coverage Adequacy. Concessionaire acknowledges the limits, coverages and endorsements required by this Article 9 are intended to minimize liability for County. Concessionaire agrees that it will not rely upon the requirements of this Article 9 when assessing the extent or determining appropriate types or limits of insurance coverage to protect Concessionaire against any loss exposures, whether as a result of this Agreement or otherwise.

ARTICLE 10
RELATIONSHIP OF THE PARTIES

Concessionaire, or any successor in interest to this Agreement, is and shall be deemed to be an independent contractor and operator and shall be solely responsible to all parties for its respective acts or omissions, and County shall in no way be responsible therefor.

ARTICLE 11
INDEMNIFICATION

Concessionaire 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 Agreement or Concessionaire's use or occupancy of the Assigned 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, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with Concessionaire's acts, omissions or operations hereunder, or the performance, non-performance or purported performance of Concessionaire or any breach of the terms of this Agreement: provided, however, Concessionaire 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. Concessionaire 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 Concessionaire's activities or operations or use of the Assigned Premises whether or not Concessionaire was negligent or even knowledgeable of any events precipitating a claim or judgment arising as a result of any situation involving the 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 Concessionaire. Concessionaire recognizes the broad nature of this indemnification and hold-harmless provision, and acknowledges that County would not enter into this Agreement without the inclusion of such clause, and voluntarily makes this covenant and expressly acknowledges the receipt of Ten Dollars (\$10.00) and such other good and valuable consideration provided by County in support of this indemnification in accordance with laws of the State of Florida. The obligations arising under this Article 11 shall survive the expiration or termination of this Agreement.

ARTICLE 12
DAMAGE OR DESTRUCTION OF PREMISES/IMPROVEMENTS

- 12.01 Concessionaire's Obligations. Concessionaire hereby assumes full responsibility for the condition of the Assigned Premises and character, acts and conduct of all persons admitted to the Assigned Premises by or with the actual or constructive consent of Concessionaire or by or with the consent of any person acting for or on behalf of Concessionaire. If the Assigned Premises, improvements, or any part thereof, are damaged in any way whatsoever, whether by act of God, by the act, default or negligence of Concessionaire, or of Concessionaire's members, agents, employees, officers, representatives, guests, invitees, contractors, patrons, or any person admitted to the Assigned Premises by Concessionaire or otherwise, Concessionaire shall, at its sole cost and expense, restore the Assigned Premises to the condition existing prior to such damage. Concessionaire 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 Concessionaire in accordance with the construction requirements contained herein and as established by the Department. If Concessionaire fails to restore the Assigned Premises as required above, County shall have the right to enter the Assigned Premises and perform the necessary restoration, and Assigned Premises hereby expressly agrees that it shall fully assume and be liable to County for payment of the costs therefor, 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 written notice therefor.
- 12.02 Right to Cancel. If any of the improvements on the Assigned Premises are damaged or destroyed in whole or in part by fire or other casualty, Concessionaire may, subject to approval of County, be relieved of the obligation to repair, replace or rebuild the same and have the right to cancel this Agreement. In such event, Concessionaire shall provide County written notice within thirty (30) days after the date of any such damage or destruction and, upon approval by County, this Agreement shall terminate and the insurance proceeds received or receivable under any policy of insurance shall be paid to and retained by County. All fees and other sums due hereunder payable under this Agreement shall be prorated and paid to the date of such termination. The receipt and acceptance of insurance proceeds by County under this Article 12 will relieve Concessionaire from any responsibility to restore the Assigned Premises to its former condition; provided, however, that Concessionaire expressly agrees, covenants and warrants that nothing herein shall serve to relieve Concessionaire of its liability for penalties or expenses associated with, arising out of, or in any way resulting from any impairment of or damage to the environment of the Assigned Premises, and Concessionaire further waives any claim against County for damages or compensation, should this Agreement be so terminated.

- 12.03 Insurance Proceeds. Upon receipt by Concessionaire of the proceeds of the insurance policy or policies, the proceeds shall be deposited in an escrow account approved by the Department so as to be available to pay for the cost of such repair, replacement or rebuilding. Such proceeds shall be disbursed during construction to pay the cost of such work. If the amount of such insurance proceeds is insufficient to pay the costs of the necessary repair, replacement or rebuilding of such damaged improvements, Concessionaire shall pay any additional sums required into the escrow account. If the amount of such insurance proceeds is in excess of the costs thereof, the amount of such excess shall be remitted to Concessionaire.
- 12.04 Termination Upon Destruction or Other Casualty. In the event the Assigned Premises, or any part thereof, shall be destroyed or damaged in whole or in part by fire, water or any other cause, or if unforeseen occurrence shall likewise render the fulfillment of this Agreement by County impossible, then County, at its sole option, may terminate this Agreement. Concessionaire shall pay all fees, rental and costs and satisfy all of its obligations hereunder arising prior to the time of such termination, whereupon this Agreement shall terminate and the parties shall be relieved of all further obligations hereunder other than those which expressly survive expiration or termination of this Agreement. Concessionaire hereby waives any claim for damages or compensation should this Agreement be so terminated.

ARTICLE 13

TERMINATION OF AGREEMENT, DEFAULT, AND REMEDIES

- 13.01 Termination. This Agreement shall automatically terminate and expire at the end of the Term.
- 13.02 Default. The occurrence of any one or more of the following events shall constitute a material default and breach of this Agreement by Concessionaire:
- A. The vacating or abandonment of the Assigned Premises by Concessionaire.
 - B. The failure by Concessionaire to make payment of Concession Fees, Facility Rental or any other payment required to be made by Concessionaire hereunder, as and when due, where such failure continues for a period of three (3) days after written notice thereof from County to Concessionaire.
 - C. The failure by Concessionaire to observe or perform any of the covenants, conditions or provisions of this Agreement to be observed or performed by Concessionaire, other than those

described in paragraph B above, where such failure shall continue for a period of thirty (30) days after written notice from County to Concessionaire; provided, however, that if the nature of Concessionaire's default is such that more than thirty (30) days are reasonably required for its cure, then Concessionaire shall not be deemed to be in default if Concessionaire commenced such cure within such thirty (30) day period and thereafter diligently pursues such cure to completion.

- D. To the extent permitted by law, (i) the making by Concessionaire or any guarantor hereof of any general assignment, or general arrangement for the benefit of creditors; (ii) the filing by or against Concessionaire of a petition to have Concessionaire 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 Concessionaire, the same is dismissed within sixty (60) days]; (iii) the appointment of a trustee or receiver to take possession of substantially all of Concessionaire's assets located at the Assigned Premises or of Concessionaire's interest in this Agreement, where possession is not restored to Concessionaire within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Concessionaire's assets located at the Assigned Premises or of Concessionaire's interest in this Agreement, where such seizure is not discharged within thirty (30) days.
- E. The discovery by County that any information given to County by Concessionaire relating to this Agreement was materially false.

13.03 Remedies. In the event of any such material default or breach by Concessionaire, County may, with or without notice or demand, pursue any available right or remedy at law or equity including the right, at its option, to immediately terminate this Agreement, by giving written notice to that effect. Upon such termination, Concessionaire shall immediately surrender the Assigned Premises to County and shall cease its operations at the Airport. Such termination shall be without prejudice to County to any remedy for arrearages or payments due hereunder or breach of covenant or damages for the balance of the Concession Fees and other sums due hereunder, payable through the full Term of this Agreement, or any other damages or remedies whatsoever. Upon termination of this Agreement, County shall have the right to engage another Concessionaire to provide the services required hereunder for such period or periods at such fees and upon other terms and conditions as County may, in good faith, deem advisable.

13.04 Termination by Concessionaire. Concessionaire may terminate this Agreement, if Concessionaire is not in default of this Agreement (including, but not limited to, its payments to County hereunder), by giving County sixty (60) days advance written notice to be served as hereinafter provided, upon or after the happening of any one of the following events:

- A. Issuance by any court of competent jurisdiction of an injunction in any way preventing the use of the Airport for Airport purposes and the remaining in force of such injunction for a period of at least ninety consecutive (90) days.
- B. The default by County in the performance of any covenant or agreement herein required to be performed by County and the failure of County to remedy such default for a period of sixty (60) consecutive days after receipt from Concessionaire of written notice to remedy same provided, however, that if the nature of County's obligations is such that more than sixty (60) days are required for performance then County shall not be in default if County commences performance within such sixty (60) day period and thereafter diligently prosecutes the same to completion. Notwithstanding the foregoing, a notice of cancellation shall not be of any force or effect if County has remedied the default prior to receipt of Concessionaire's notice of cancellation.
- C. The lawful assumption by the United States Government or any authorized agency thereof, of the operation, control, or use of the Airport and facilities, or any substantial part or parts thereof, in such a manner as to substantially restrict the operation of Concessionaire, for a period of at least ninety (90) consecutive days.

13.05 Surrender of Assigned Premises. Notwithstanding the obligations of Concessionaire and rights of County provided for herein, Concessionaire expressly agrees that upon termination or cancellation of this Agreement it shall immediately surrender the Assigned Premises to County free and clear of all personal property of Concessionaire. All repairs and obligations for which Concessionaire is responsible shall be completed by the earliest practical date prior to surrender. Any personal property of Concessionaire not removed in accordance with this provision may be removed and placed in storage by the Department at the sole cost of Concessionaire. Failure on the part of Concessionaire to reclaim same, as provided by law, shall constitute a gratuitous transfer of title to County for whatever disposition is deemed to be in the best interest of County.

ARTICLE 14
ASSIGNMENT AND TRANSFER

Concessionaire shall not, in any manner, assign, transfer or otherwise convey an interest in this Agreement, or sublet the Assigned Premises or any portion thereof ("Assignment"), without the prior written consent of the County, which consent may be granted or withheld by the County in its sole discretion. Any such attempted Assignment without County approval shall be null and void. In the event the County consents in writing to an Assignment, Concessionaire shall have the right to the extent permitted by the County's consent to such Assignment, provided that the use of the Assigned Premises shall be limited to the same uses as are permitted under this Agreement. Any permitted Assignment shall be subject to the same conditions, obligations and terms as set forth herein and Concessionaire shall be fully responsible for the observance by its assignees of the terms and covenants contained in this Agreement. Notwithstanding any provision of this Agreement to the contrary, in the event of an approved Assignment, Concessionaire shall remain primarily liable to County for fulfilling all obligations, terms, and conditions of this Agreement, throughout the Term of this Agreement. County may freely assign this Agreement at any time without the consent of Concessionaire, and upon assumption by such assignee of County's obligations hereunder, County shall be released from all liability and obligation arising hereunder after such assignment.

ARTICLE 15
SIGNS

No signs, posters, or similar devices shall be erected, displayed, or maintained by Concessionaire in view of the general public in, on, or about the Assigned Premises or elsewhere on the Airport, without the prior written approval of the Department, which approval may be granted or withheld by the Department in its sole discretion. Any signs that are not approved by the Department shall be immediately removed at the sole cost and expense of Concessionaire. All signs approved for Concessionaire's operations at the Airport shall be at the cost of the Concessionaire.

ARTICLE 16
LAWS, REGULATIONS, PERMITS AND TAXES

16.01 General.

- A. Concessionaire agrees that throughout the Term of this Agreement, Concessionaire shall at all times be and shall remain in full and complete compliance with all applicable Federal, State and local laws, statutes, regulations, rules, rulings, orders, ordinances and directives of any kind or nature without limitation, as now or hereafter amended, including, but not limited to FAA Advisory Circulars and Airport Rules and Regulations.

- B. Concessionaire agrees that it shall require its appropriate managers, supervisors, and employees to attend such training and instructional programs as the Department may, from time to time require, in connection with the Airport Rules and Regulations and policies and procedures related to certification of the Airport under Title 14, Part 139 of the Code of Federal Regulations, as now or hereafter amended.

16.02 Permits and Licenses Generally. Concessionaire agrees that it shall, at its sole cost and expense, be strictly liable and responsible for obtaining, paying for, and maintaining current, and fully complying with, any and all permits, licenses and other governmental authorizations, however designated, as may be required at any time throughout the Term of this Agreement by any Federal, State or local governmental entity or any court of law having jurisdiction over Concessionaire or Concessionaire's operations and activities, for any activity of Concessionaire's conducted on the Assigned Premises and for any and all operations conducted by Concessionaire including ensuring that all legal requirements, permits, and licenses necessary for or resulting, directly or indirectly, from Concessionaire's operations and activities on the Assigned Premises have been obtained and are in full legal compliance. Upon the written request of the Department, Concessionaire shall provide to Department certified copies of any and all permits and licenses which Department may request.

16.03 Air and Safety Regulation. Concessionaire agrees that it shall conduct its operations and activities under this Agreement in a safe manner, shall comply with all safety regulations of the Department and with safety standards imposed by applicable Federal, State and local laws and regulations and shall require the observance thereof by all employees, contractors, business invitees and all other persons transacting business with or for Concessionaire resulting from, or in any way related to, the conduct of Concessionaire's business on the Assigned Premises. Concessionaire shall procure and maintain such fire prevention and extinguishing devices as required by County and by law and shall at all times be familiar and comply with the fire regulations and orders of County and the fire control agency with jurisdiction at the Airport, as same may now exist or hereafter come into being. Concessionaire hereby agrees that neither Concessionaire, nor employee or contractor or any person working for or on behalf of Concessionaire, shall require any personnel engaged in the performance of Concessionaire's operations to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his or her health or safety, as determined by standards adopted pursuant to the Occupational Safety and Health Act of 1970, as same may be amended from time to time, as well as all State and local laws, regulations, and orders relative to occupational safety and health.

16.04 Payment of Taxes. Concessionaire shall pay any and all taxes and other costs lawfully assessed against its interest in the Assigned Premises, its improvements and its operations under this Agreement. Concessionaire 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 Concessionaire'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, the Concessionaire shall pay the amount of any such tax or assessment, or part thereof, as finally determined in such proceedings, the payment of which may have been deferred during the prosecution thereof, together with any costs, fees, interest, penalties, or other liabilities in connection therewith.

ARTICLE 17 **DISCLAIMER OF LIABILITY**

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

ARTICLE 18
NOTICES

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

County:

Palm Beach County Department of Airports
ATTN: Deputy Director Airports Business Affairs
846 Palm Beach International Airport
West Palm Beach, FL 33406-1470

With copy to:

Palm Beach County Attorneys' Office
ATTN: Airport Real Estate Attorney
301 North Olive Avenue, Suite 601
West Palm Beach, Florida 33401

Concessionaire:

The Hertz Corporation
225 Brae Boulevard
Park Ridge, NJ 07656

With copy to:

Director, Properties
The Hertz Corporation
6121 Memorial Drive
Stone Mountain, GA 30083

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

ARTICLE 19
GOVERNMENTAL RESTRICTIONS

- 19.01 Federal Right to Reclaim. In the event a United States governmental agency shall demand and take over the entire facilities of the Airport or the portion thereof wherein the Premises are located, for public purposes for a period in excess of ninety (90) days, either party may terminate this Agreement 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 Article 19.01 shall not act or be construed as a waiver of any rights Concessionaire may have against the United States as a result of such taking.
- 19.02 Federal Review. Concessionaire acknowledges this Agreement may be subject to review or inspection by the FAA to determine satisfactory compliance with Federal law or grant assurances and agrees that this Agreement shall be in full force and effect and binding upon both parties pending such review or inspection by the FAA, if applicable; provided, however, that upon such review or inspection all parties hereto agree to modify any of the terms of this Agreement which shall be determined by the FAA to be in violation of existing laws, regulations, grant assurances or other requirements.
- 19.03 County Tax Assessment Right. None of the terms, covenants and conditions of this Agreement shall in any way be construed as a release or waiver on the part of County, as a political subdivision of the State of Florida, or any of the public officials of County of Palm Beach, of the right to assess, levy, and collect any ad valorem, non ad valorem, license, personal, intangible, occupation, or other tax which shall be lawfully imposed on the Assigned Premises, the business or property of Concessionaire.
- 19.04 Right of Flight. County reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Assigned 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.
- 19.05 Operation of Airport. Concessionaire expressly agrees for itself, its subleases, successors and assigns, to prevent any use of the Assigned Premises which would interfere with or adversely affect the operation, maintenance or development of the Airport, or otherwise constitute an Airport hazard.
- 19.06 Release. Concessionaire acknowledges that noise and vibration are inherent to the operation of Airport and hereby releases County from any and all liability relating to the same.

ARTICLE 20
NON-DISCRIMINATION

20.01 Non-discrimination. Concessionaire 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, age, handicap, religion, marital status, familial status, or gender expression or identity shall be excluded from participation in or denied the use of said Assigned Premises, (b) that in the construction of any improvements on, over, or under such Assigned Premises and the furnishing of services, no person on the grounds of race, creed, color, national origin, sex, age, handicap, religion, marital status, familial status, or gender expression or identity shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (c) that Concessionaire shall use the Assigned Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulation, Department of Transportation, Subtitle A, Office of 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 have been or may be amended. In the event of the breach of any of the foregoing non-discrimination covenants, County shall have the right to terminate this Agreement and to reenter and repossess said Assigned Premises and the facilities hereon, and hold the same as if said Agreement had never been made or issued. This cancellation provision shall not be effective until the procedures of Title 49, Code of Federal Regulation, Part 21, are followed and completed including exercise or expiration of appeal rights.

20.02 Disadvantaged Business Enterprises/Affirmative Action. Concessionaire acknowledges that the provisions of Title 49, Part 23, Subpart F of the Code of Federal Regulations, Disadvantaged Business Enterprises (DBE), and Title 14, Part 152 of the Code of Federal Regulations, Affirmative Action Employment Programs, are applicable to the activities of Concessionaire under the terms of this Agreement, unless exempted by said regulations, and hereby agrees to comply with said regulations, as now or hereafter amended or any successor regulations, and all requirements of the Department, the FAA and the U.S. Department of Transportation, in reference thereto. These requirements include, but are not limited to, the compliance with DBE and/or Employment Affirmative Action participation goals, the keeping of certain records of good faith compliance efforts, which would be subject to review by the various agencies, the submission of various reports, and including, if directed by Department, the contracting of specified percentages of goods and services contracts to Disadvantaged Business Enterprises in accordance with the goals established in Article 20.03. Failure to comply with these requirements shall be grounds for default and termination of this Agreement. Concessionaire agrees that it will not discriminate against any business owner because of the owner's race, color, national origin or sex in connection with the award of performance of any

concession agreement covered by Title 49, Part 23, Subpart F of the Code of Federal Regulations, as now or hereafter amended or any successor regulation. Concessionaire agrees to include the preceding statement in any subsequent concession agreements that it enters and cause those businesses to similarly include the statement in further agreements. Any termination pursuant to this Article 20.02 shall not be effective until the procedures specified in said federal regulations or established by County are completed, including exercise or expiration of any appeal rights.

- 20.03 Disadvantaged Business Enterprise Participation Goals. Notwithstanding the foregoing, Concessionaire hereby agrees that for each twelve (12) month period throughout the Term of this Agreement, the total amount expended for the purchase of products, goods and services used in the operation of the Concession and supplied by Department certified DBE's shall be at least equal to fifteen percent (15%) of Concessionaire's gross receipts for the same period. For the purpose of verifying Concessionaire's good faith efforts, Concessionaire shall keep and maintain such books of account and records as necessary for compliance with Title 49, Part 23, Subpart F of the Code of Federal Regulations, as now or hereafter amended or any successor regulation, County's and Concessionaire's commitment to such DBE participation. Concessionaire shall provide annual reports to the Department as to the percentage of purchases made from Department certified DBE's during the previous year. In the event that Concessionaire's annual report reveals that Concessionaire did not meet the established fifteen percent (15%) DBE participation goal for the previous twelve (12) month period, Concessionaire shall also furnish a detailed report as to reason(s) that the participation goal was not met together with documentation of Concessionaire's good faith efforts and a corrective action plan for meeting the DBE goal. Within thirty (30) days following the Department's receipt of Concessionaire's reports, the Department shall prepare and submit to Concessionaire a statement with approving or disapproving Concessionaire's corrective action plan.

ARTICLE 21

MISCELLANEOUS

- 21.01 County Not Liable. County shall not be responsible or liable to Concessionaire for any claims for compensation or any losses, damages or injury sustained by Concessionaire resulting from (a) cessation for any reason of air carrier operations at the Airport Terminal or (b) diversion of passenger traffic to any other facility. County shall not be responsible or liable to Concessionaire for any claims for compensation or any losses, damages or injury whatsoever sustained by Concessionaire including, but not limited to, those resulting from failure of any water supply, heat, air conditioning or electrical current or from an act of God, state of war, terrorism, civilian commotion or riot or any cause beyond the control of County. All personal property placed on or moved on to the Assigned

Premises shall be at the sole risk of Concessionaire. County shall not be liable for any damage or loss of any personal property placed or moved on to the Assigned Premises.

- 21.02 Authorized Uses Only. Notwithstanding anything to the contrary herein, Concessionaire shall not use or permit the use of the Assigned 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 Airport for County or Concessionaire.
- 21.03 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, and County's right to insist on strict performance of this Agreement shall not be affected by any previous waiver or course of dealing.
- 21.04 Subordination to Bond Resolution. This Agreement and all rights granted to Concessionaire 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 Concessionaire 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 Concessionaire and County with the terms and provisions of this Agreement and Bond Resolution.
- 21.05 Subordination to Federal Agreements. This Agreement 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 and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. Concessionaire understands and agrees that this Agreement shall be subordinate to the provisions of any existing or future agreement between County and the United States of America, or any of its agencies, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.
- 21.06 County's Governmental Authority. Nothing in this Agreement shall be construed to waive or limit County's governmental authority as a political subdivision of the State of Florida to regulate Concessionaire or its operations.
- 21.07 Rights Reserved to County. All rights not specifically granted Concessionaire by this Agreement are reserved to County.

- 21.08 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.
- 21.09 Venue. To the extent allowed by law, the venue for any action arising from this Agreement shall be in Palm Beach County, Florida.
- 21.10 Governing Law. This Agreement shall be governed by and in accordance with the laws of the State of Florida.
- 21.11 Inspections. The authorized employees and representatives of County and any applicable federal, state, and local governmental entity having jurisdiction hereof shall have the right of access to the Assigned Premises at all reasonable times for the purposes of inspection for compliance with the provisions of this Agreement and/or applicable laws.
- 21.12 Remedies Cumulative. The rights and remedies of the parties with respect to any of the terms and conditions of this Agreement shall be cumulative and not exclusive and shall be in addition to all other rights and remedies of the parties.
- 21.13 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.
- 21.14 Binding Effect. The terms, conditions and covenants of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors, assigns and sublessees, if any. This provision shall not constitute a waiver of any conditions against assignment or subletting.
- 21.15 Performance. The parties expressly agree that time is of the essence in this Agreement and the failure by Concessionaire to complete performance within the time specified, or within a reasonable time if no time is specified herein, shall, at the option of County without liability, in addition to any other rights or remedies, relieve County of any obligation to accept such performance.
- 21.16 Public Entity Crimes. As provided in Section 287.132-133, Florida Statutes by entering into this Agreement or performing any work in furtherance hereof, Concessionaire 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. This notice is required by Section 287-133(3)(a), Florida Statutes.

- 21.19 Excusable Delay. Any party in performing under this Agreement 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 Agreement.
- 21.20 Consent or Approval. Wherever this Agreement requires the County or Department's consent or approval or permits the County or Department to act, such consent, approval or action may be given or performed by the Director of the Department.
- 21.21 Entirety of Agreement. The parties agree that this Agreement sets forth the entire agreement between the parties, and there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Agreement may be added to, modified, superseded or otherwise altered except by written instrument executed by the parties hereto.
- 21.22 No recording. Neither this Agreement, nor any memorandum or short form hereof, shall be recorded in the Public Records of Palm Beach County, Florida.
- 21.23 Construction. Neither party shall be considered the author of this Agreement. The terms of this Agreement shall not be strictly construed against one party as opposed to the other based upon who drafted it.
- 21.24 Radon. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed Federal and State guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from County's public health unit.

{Remainder of page intentionally left blank}

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

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

Connie Hoffman
Signature

Connie Hoffman
Print Name

Ray Walter
Signature

RAY WALTER
Print Name

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: Anne Helgent
County Attorney

PALM BEACH COUNTY, a political subdivision of the State of Florida

By: [Signature]
Director, Department of Airports

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

Robert M. Hurwitz
Signature

Robert M. Hurwitz
Print Name

Jane Bonamarte
Signature

Linda Dravin Jane Bonamarte
Print Name

THE HERTZ CORPORATION

initials

By: [Signature]
Signature


Simon Ellis
Print Name
Vice President,
Global Real Estate & Concessions
Title

(Seal)

EXHIBIT "A"
ASSIGNED PREMISES

EXHIBIT "A" - ASSIGNED PREMISES

POSITION	CONCESSIONAIRE	SQ. FT. OF RESERVATION COUNTERS/OFFICES
1	DTG Operations, Inc. (Thrifty)	494.13
2	Hertz	477.38
3	Budget	460.63
4	DTG Operations (Dollar)	460.63
5	Avis	477.38
6	Vanguard (Alamo and National)	494.13
7	Enterprise	148.50

SCALE: NONE		DATE: OCT. 1, 2003	
DRAWN BY: DLP	CHECKED BY: SF	APPROVED BY: SS	SHEET 1 OF 1
DEPARTMENT OF AIRPORTS PALM BEACH INTERNATIONAL AIRPORT 			
AIRPORT RENTAL CAR CONCESSION AGREEMENT			

BUILDING 440 WEST PALM BEACH, FL 33406 (601) 771-7450

