

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	* see below	_____	_____	_____	_____
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes X No _____
 Budget Account No: Fund 4100 Department 120 Unit 8320/8430 RSource Various
 Reporting Category _____

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

* Airlines pay a variety of fees for use of Airport facilities including terminal rent, baggage facilities, loading bridge systems, apron areas, and runways. Some charges are variable and are dependant on flight operations and passenger traffic. Fees are calculated based on the Airline Use and Lease Agreement, adjusted annually for current operations and maintenance costs and debt service allocations. Airline revenues are budgeted in total by revenue source based on projected activity.

C. Departmental Fiscal Review: CM Sumner

III. REVIEW COMMENTS

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

* Fiscal impact is indeterminate.

[Signature]
 OFMB VA
 4/23/12
 5/1/12

[Signature] 4/30/12
 Contract Dev. and Control
 4-30-12 [Signature]

B. Legal Sufficiency:

Anne Helgent 5/1/12
 Assistant County Attorney

C. Other Department Review:

 Department Director



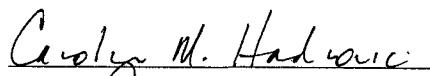
CERTIFICATE

I, Carolyn M. Hadrovic, Corporate Secretary of Air Canada (the "Corporation"), hereby certify that pursuant to a resolution adopted by the Board of Directors of the Corporation under By-Law No. 1 and to the delegated authorities thereunder, Sal Ciotti, Senior Director, Corporate Real Estate and Corporate Development is authorized to execute on behalf of the Corporation the Seventh Amendment to the Airline Operating and Lease Agreement between the Corporation and Palm Beach County effective as of October 30, 2011.

I further certify that this authority has not been revoked and is in full force.

Dated at Montreal, Quebec, this 18th day of December, 2011.

AIR CANADA


Carolyn M. Hadrovic
Corporate Secretary

CERTIFICATE OF INSURANCE**TO:** PALM BEACH COUNTY
DEPARTMENT OF AIRPORTS
Building 846
Palm Beach International Airport
West Palm Beach, Florida 33406

Certificate No. AC-AU104511/210

Date: December 15, 2011

This is to certify that the Policy(ies) of insurance listed below have been issued to the Named Insured identified below for the policy period(s) indicated. This Certificate is issued as a matter of information only and confers no rights upon the Certificate Holder named below other than those provided by the Policy(ies). Notwithstanding any requirement, term or condition of any contract or any other document with respect to which the Certificate may be issued or may pertain, the insurance afforded by the Policy(ies) is subject to all the terms, conditions and exclusions of such Policy(ies). This Certificate does not amend, extend or alter the coverage afforded by the Policy(ies). Limits shown are intended to address contractual obligations of the Named Insured. Limits may have been reduced since policy effective date(s) as a result of a claim or claims.

THIS IS TO CERTIFY that as Insurance Brokers we have effected insurance with UNDERWRITERS AT LLOYD'S and CERTAIN INSURANCE COMPANIES on behalf of

Named Insured: AIR CANADA

Address of Insured: Air Canada Center, Zip 1238, P.O. Box 14000,
Station Airport, Dorval, Quebec H4Y 1H4

Period of Insurance: This Insurance is for a period of 12 months which expires at Noon
Eastern Standard Time December 15, 2012.

Reference: Operating and Lease Agreement between Air Canada and Palm Beach
County Department of Airports with respect to Airline Business at Palm
Beach International Airport.

Coverage: Commercial General Liability Insurance, Aircraft Liability Insurance
including :

- 1) Premises and Operations Liability.
- 2) Bodily Injury and Property Damage
- 3) Personal Injury
- 4) Contractual Liability
- 5) Products and Completed Operations
- 6) Airside Automobile Liability
- 7) Automobile Liability, covering owned, hired or non-owned
vehicles in excess of any specific primary insurance effected by
the Named Insured

Limit(s) of Liability: U.S.\$25,000,000., any one occurrence and annual Aggregate for
Personal Injury and Products and Completed Operations.

Territorial Limits: Worldwide.

Special Conditions:

In accordance with the Operating and Lease Agreement between Air Canada and Palm Beach County Department of Airports, the following insurance provisions apply:

1. Palm Beach County Board of County Commissioners, a political subdivision of the State of Florida, its Officers, Employees and Agents, is included as an additional Insured for their respective rights and interests and will receive protection from the policy in the same manner as if there were a separate policy covering each Insured (subject always to the policy limit of liability).
2. To the extent that it falls within the scope and period of the insurance evidenced above, liability assumed by the Named Insured pursuant to Article 10 (Indemnities) of the Agreement is covered hereunder.
3. Insurers agree to waive their rights of recovery to the extent the Insured has waived its rights of recovery. Upon payment of any loss or claim, the Insurers shall to the extent and in respect of such payment be thereupon subrogated to all legal and equitable rights of parties indemnified hereby.
4. Should any of the policies described herein be cancelled before the expiration date thereof, the insurer affording coverage will endeavour to mail 30 days' written notice to the Certificate Holder named herein, except in the case of War Risks, for which the notice period shall be 7 days, but failure to mail such notice shall impose no obligation or liability of any kind upon the insurer affording coverage, its agents or representatives, or the issuer of this certificate. Such notice will NOT, however, be given at normal expiry date of the insurances or any endorsement.

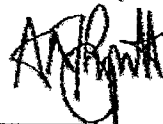
Policy is subject to Aviation Date Recognition Exclusion Clause AVN2000A amended by Date Recognition Limited Coverages Clauses AVN2001A and AVN 2002A.

THE ABOVE DESCRIBED COVERAGES ARE SUBJECT TO POLICY TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS.

SEVERAL LIABILITY NOTICE

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

MARSH CANADA LIMITED



By: _____
Alaster Burpitt

IMPORTANT

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

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

DISCLAIMER

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

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
03/09/2012

PRODUCER USI Insurance Services, LLC/CL P.O. Box 141916 Coral Gables, FL 33114-1916 305 669-6000	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED Air Canada P O Box 14000 Station Airport Dorval, QC H4Y1H4	INSURER A: Liberty Insurance Corporation	42404
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES

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

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE	\$
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
						MED EXP (Any one person)	\$
						PERSONAL & ADV INJURY	\$
						GENERAL AGGREGATE	\$
						PRODUCTS - COMP/OP AGG	\$
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	\$
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE	\$
						AGGREGATE	\$
							\$
							\$
							\$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WC7Z21968758021	07/01/11	07/01/12	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
						E.L. EACH ACCIDENT	\$1,000,000
						E.L. DISEASE - EA EMPLOYEE	\$1,000,000
						E.L. DISEASE - POLICY LIMIT	\$1,000,000
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER IS INCLUDED AS ADDITIONAL INSURED
 30 Day Cancellation Notice, Except for 10 Day Notice for Nonpayment.

CERTIFICATE HOLDER

Palm Beach International Airport
 846 Palm Beach International Airport
 West Palm Beach, FL 33406

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Ben A. Bab

AIR CANADA

Valerie Durand
Counsel, Commercial
Air Canada Law Branch

Air Canada Centre
P.O. Box 7000, Station Airport 1276
730 Cote Vertu West
Dorval, Quebec H4Y 1J2

Tel: (514) 422-5822

Fax: (514) 422-5731

BY FAX - (561) 471-7427

November 18, 2008

Laura Beebe
Deputy Director, Airports Business Affairs
Palm Beach County Department of Airports
846 Palm Beach International Airport
West Palm Beach, FL 33406

Subject: Business Registration with the State of Florida

Dear Ms. Beebe,

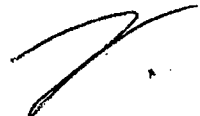
Subsequent to your recent correspondence with Sylvette Chung Lim where you provided information on a requirement for Air Canada to register to do business in the State of Florida.

Please be advised that Air Canada is solely engaged in the United States in the business of international air transportation as a foreign air carrier certified by the U.S. Department of Transportation to provide air services between Canada and the United States. As a foreign carrier operating between points in the USA and points in Canada, Air Canada's business in the USA is strictly in foreign commerce.

We refer you to sub-section 607.1501(2)(i) of the Florida Statutes stating that "transacting business in interstate commerce" does not constitute transacting business in the State of Florida. Consequently, there is no requirement for Air Canada to register to do business in the State of Florida.

Please do not hesitate to contact me at 514-422-5822 should you wish to discuss.

Yours very truly,



Valerie Durand
Counsel, Commercial

VD/la

cc: Daniel Magny, Senior Counsel Senior Counsel, International, Alliance & Regulatory Affairs
Sylvette Chung Lim, Manager Corporate Real Estate

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

THIS SEVENTH AMENDMENT TO THE AIRLINE OPERATING AND LEASE AGREEMENT (this "Amendment") is made and entered into this ____ day of JAN 03 2012, 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 30, 2011, 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:

Jeffrey S. Bolton
Signature **Jeffrey S. Bolton**

Print Name

Debra Reese
Signature
Debra Reese
Print Name

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

BY: *Sam Kelly*
Director, Department of Airports

APPROVED AS TO FORM & LEGAL SUFFICIENCY:

Anne Helgard
County Attorney

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

Celine Bisson
Signature
Celine Bisson
Print Name

Lorraine Murray
Signature
LORRAINE MURRAY
Print Name

AIR CANADA:

By: *Sal Clotti*
Typed or printed name of Corporate Officer
Sal Clotti

Title: **Sr. Director - C.R.E. and Corporate Development**
Dec. 4, 2011

(Seal)

Cecily M. Habraic
Corporate Secretary



JP

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

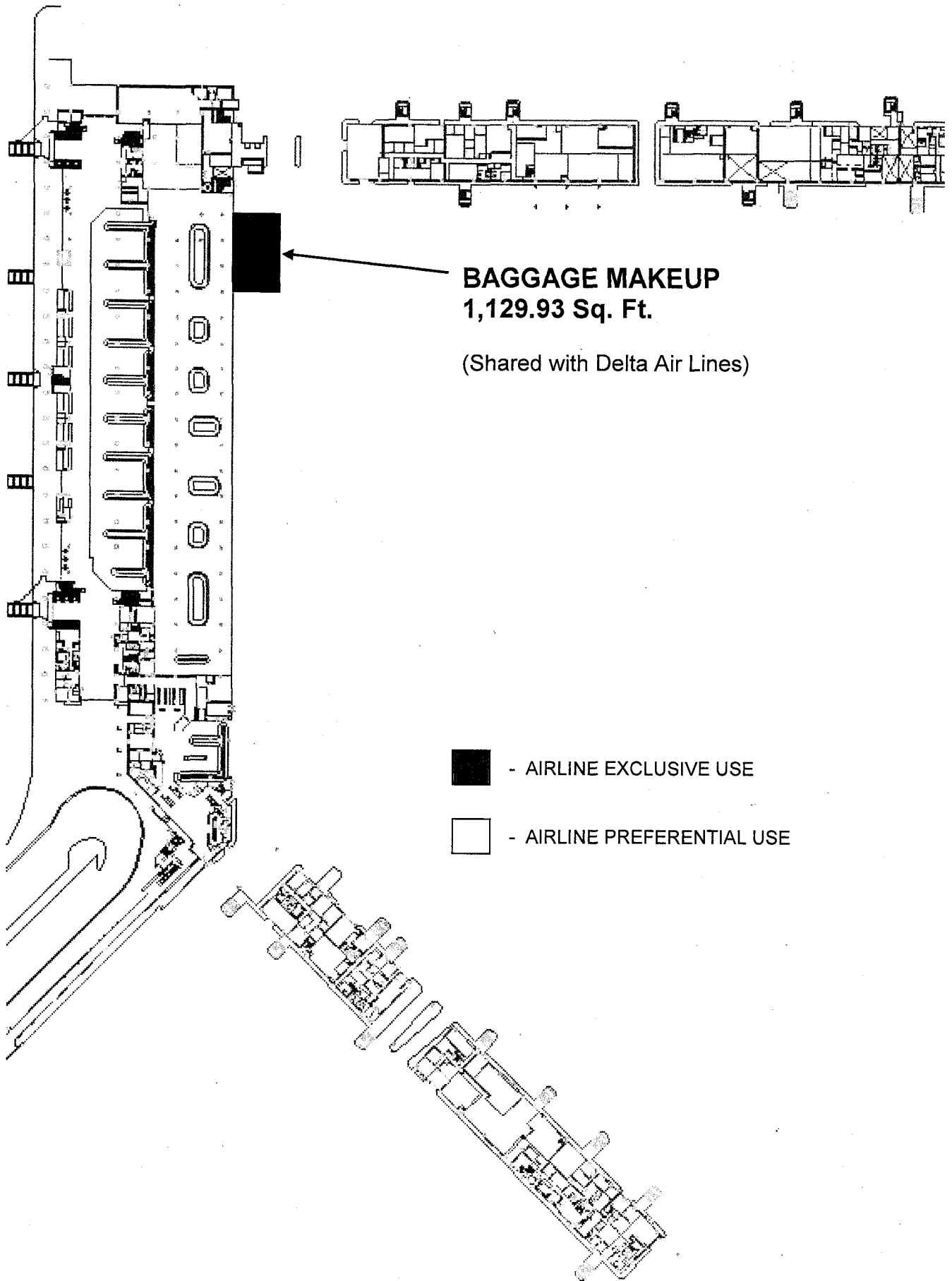


EXHIBIT "B" to Airline Operating and Lease Agreement
AIR CANADA

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

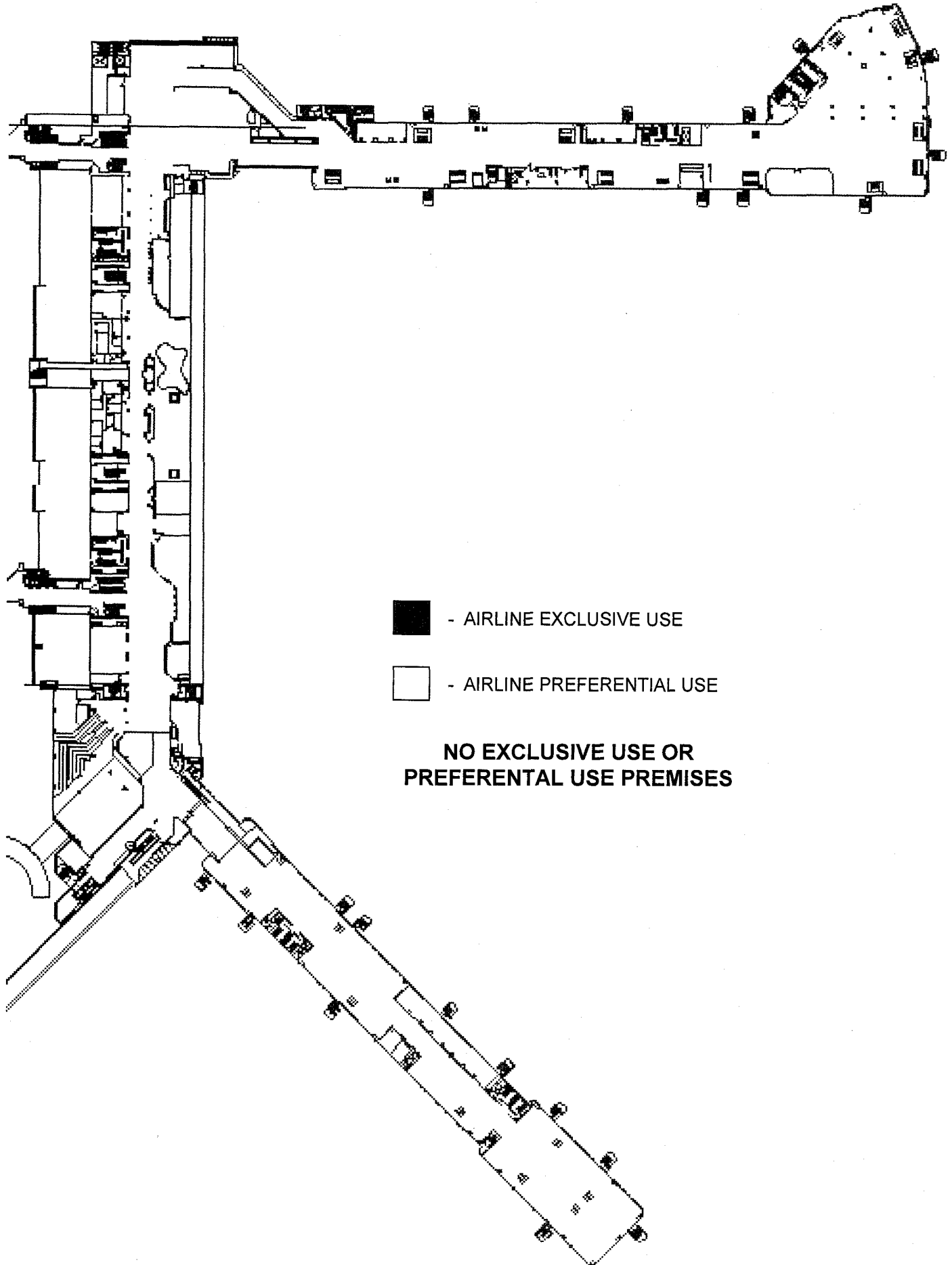


EXHIBIT "B" to Airline Operating and Lease Agreement
AIR CANADA

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

