Agenda Item: 3F5

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: May 7, 2013 Department:	[X]	Consent Ordinance	[] Regular [] Public Hearing
Submitted By: Department of Airpo	rts		
Submitted For: Department of Airpo	rts =======		

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:

- A. adopt a Resolution of the Board of County Commissioners of Palm Beach County Florida, authorizing the lease of certain real property to the Workforce Alliance, Inc., pursuant to Florida State Statute Section 125.38; and providing for an effective date.
- **B.** approve a Lease Agreement (Lease) with Workforce Alliance, Inc., a Florida non-profit corporation, for lease of the building located at 3400 Belvedere Road (Building 3400) and vehicular parking areas at the Palm Beach International Airport, providing for an initial annual rental of \$335,483.60, and for renovations in an amount not to exceed \$700,000 at County's cost, commencing on January 1, 2014, for an initial term of 10 years with one five-year option to renew.
- **C. approve** a Budget Transfer of \$700,000 in the Airports Improvement and Development fund from Reserves to provide budget to fund the capital improvements at Building 3400.

SUMMARY: The Workforce Alliance provides job placement, recruitment and training services and has offices in Boca Raton. West Palm Beach and Belle Glade and desires to consolidate its operations in a central location. The Lease provides for the lease of Building 3400, which consists of approximately 28,921 square feet of building space; associated parking areas adjacent to Building 3400; and an additional parking area to consist of approximately 60 parking spaces to accommodate the employee and customer parking needs of the Workforce Alliance. The initial term of the Lease is 10 years with one five-year option to renew. The initial annual rental is \$335,483.60. Building 3400 was formerly leased by the Department of Juvenile Justice (DJJ), which made specialized improvements to allow it to be utilized for the evaluation, processing and treatment of juveniles. Building 3400 will require renovations in order to make it functionally usable for the Workforce Alliance's business operations, including replacement of flooring, interior painting, removal of existing juvenile detention and treatment facilities, removal and replacement of specialized door hardware and bathroom renovations. This Lease provides that the County will cause renovations to be made to Building 3400 in an amount not to exceed \$700,000, which are mutually agreed to by the Department and Workforce Alliance. The County will also maintain responsibility for the general maintenance and repair of Building 3400, including the roof and HVAC system. In addition to generating lease revenue in the long term, the Lease will provide a funding source for necessary improvements and repairs to Building 3400. Countywide (HJF)

Background and Justification: The Workforce Alliance has been designated by the Board as the entity responsible for administering funding sources made available for workforce development activities in Palm Beach County. Building 3400 was recently vacated by the Department of Juvenile Justice and is in need of substantial renovation and repairs prior to occupancy in order to place it in a leasable condition. A significant portion of Building 3400 was used for the evaluation, processing and short-term detention of juveniles and includes specialized improvements, which render it unusable for general office use. The Resolution is required by Florida Statute Section 125.38, which allows for the lease of property to nonprofits organized for the purposes of promoting community interest and welfare without a competitive process.

Attachments:

- 1. Resolution
- 2. Lease (3)
- 3. Budget Transfer

o. Budget Hanelei		
Recommended By:	San Pelly	4/11/13
	Department Director	Date
Approved By:	adres	4/2/13
	County/Deputy/Assistant County Adminis	strator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact: **Fiscal Years** 2013 2014 2015 2016 2017 **Capital Expenditures** 700,000 **Operating Costs** 20.250 27.000 27,000 27.000 **External Revenues** (335,484)(335,484)(335,484)(251,613) **Program Income (County) In-Kind Match (County) NET FISCAL IMPACT** 700,000 (231,363) (308,484) (308,484) (308,484)

Is Item Included In Current Budget? Yes No Budget Account No: Fund 4100/4111 Department 120/121 Unit 8452/A267 RSource/Object 4413/6504 Reporting Category

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

Revenue earned for the base contract period will be a minimum of \$3,354,836. The lease requires Airports to spend up to \$700,000 in interior renovations plus general maintenance and repair cost which is estimated at \$270,000 over the ten year term. Airports is also responsible for general rehabilitation of the building including roof, HVAC and parking areas; costs which are necessary to restore the building to rentable condition. The rehabilitation contract which is estimated at \$800,000 will be brought to the Board at a later date for approval. All revenues and expenditures are airport revenues and have no impact on the County's general fund.

C. **Departmental Fiscal Review**

III. REVIEW COMMENTS

4-14-13

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

Contract Dev. and/Control

B wheel

122113

В. Legal Sufficiency:

No. ADDITIONAL FTE **POSITIONS (Cumulative)**

Assistant County Attorney

C. Other Department Review:

Department Director

REVISED 9/03 ADM FORM 01 (THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

RESOLUTION NO. 2013-

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AUTHORIZING THE LEASE OF CERTAIN REAL PROPERTY TO WORKFORCE ALLIANCE, INC., PURSUANT TO FLORIDA STATUTE SECTION 125.38; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Workforce Alliance, Inc, a not for profit corporation authorized to do business in the State of Florida ("Workforce"), has made application to the Board of County Commissioners of Palm Beach County (the "Board") requesting that Palm Beach County lease certain real property owned by Palm Beach County to Workforce for use by Workforce for office administration and job placement, recruitment and training services to the public and related activities; and

WHEREAS, the Board finds that the aforementioned use constitutes a use for the community interest and welfare; such real property is required for such use; and such real property is not needed for County purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

Section 1. Recitals.

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

Section 2. Authorization to Extend Lease of Real Property.

The Board shall lease to Workforce, pursuant to the Lease attached hereto as Attachment "1" and incorporated herein by reference, commencing on January 1, 2014, and expiring on December 31, 2023, with an option to renew for one (1) additional five (5) year period, and an annual initial rental in the amount of Three Hundred Thirty Five Thousand Four Hundred Eighty Three Dollars and 60/100

Attachment #/	/
---------------	---

(\$335,483.60), the real property identified in such Lease for the use identified above.

Section 3. Conflict with Federal or State Law or County Charter.

Any statutory or charter provisions in conflict with this Resolution shall prevail.

Section 4. <u>Effective Date.</u>

The	provisions	of t	his	Resolution	shall	be	effective	immediately	upon
adoption her	reof.								

The foregoing reso	olution was offered b	y Commissioner	who
moved its adoption	n. The Motion was s	seconded by Commissioner	,
and upon being pu	t to a vote, the vote	was as follows:	
CON CON CON CON	IMISSIONER PRIS IMISSIONER HAL IMISSIONER PAU IMISSIONER SHEI IMISSIONER MAR	LETTE BURDICK LLEY VANA	
The Chairperson th	nereupon declared th	e resolution duly passed and adopted thi	s
day of		, 20	
		PALM BEACH COUNTY, a political subdivision of the State of Floridal BOARD OF COUNTY COMMISSION SHARON R. BOCK	
		CLERK & COMPTROLLER	
		By:	
APPROVED AS T LEGAL SUFFICE		APPROVED AS TO TERMS AND CONDITIONS	
By:Assistant Cor	unty Attorney	By: Sem Selly Department Director	_

ATTACHMENT "1" TO RESOLUTION

LEASE AGREEMENT

Department of Airports

Palm Beach County, Florida

and

Workforce Alliance, Inc.

Building 3400 Lease - Final 3-21-13.DOC

Attachment #

LEASE AGREEMENT

	THIS	LEASE	AGREEMENT	(this	"Lease")	is	made	and	entered	into
this _		day of _		, 20	, by and	betw	een Pa	lm Be	ach Cou	ntv. a
politica	al subdiv	vision of th	ne State of Florida	("Cou	nty"), and V	Vorkf	orce Al	liance.	Inc., a F	lorida
nonpro	fit corp	oration, h	aving an office ar	nd its	principal pl	ace o	of busin	ness at	315 S.	Dixie
Highw	ay, Suite	e 102, Wes	t Palm Beach, FL 3	33401 (("Tenant").					

WITNESSETH:

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

WHEREAS, Tenant is a not for profit corporation operating for the community interest and welfare; and

WHEREAS, County is willing to lease certain real property on the Airport, and managed by the Department on behalf of County, to Tenant for the use set forth hereinafter.

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

ARTICLE 1 RECITALS

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

ARTICLE 2 DEFINITIONS

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

- 2.01 "Additional Insured" has the meaning set forth in Section 11.06.
- 2.02 <u>"Additional Parking Area"</u> means sixty (60) vehicular parking spaces to be located in the area generally depicted in the attached Exhibit "B", which may consist of a shellrock and/or asphalt surface, as determined by County.
- 2.03 "Additional Rent" has the meaning set forth in Section 5.08.
- 2.04 "Adjustment Date" has the meaning set forth in Section 5.04(A).
- 2.05 <u>"Airport"</u> means the Palm Beach International Airport located in Palm Beach County, Florida.

- 2.06 <u>"Airport Rules and Regulations"</u> means the Palm Beach County Airport Rules and Regulations adopted by Resolution No. R-98-220, as now or hereafter amended, and any successor ordinance or resolution regulating activities or operations on the Airport.
 - 2.07 "Assignment" has the meaning set forth in Article 16.
- 2.08 <u>"Base Rental"</u> means the initial annual rental established in Section 5.01 during the Initial Term and the initial annual rental established in Section 5.04(C) during the Renewal Term.
- 2.09 <u>"Base Rental Year"</u> means calendar year 2014 for purposes of the Initial Term and calendar year 2022 for purposes of the Renewal Term.
 - 2.10 "Bond" has the meaning set forth in Section 5.06.
- 2.11 <u>"Bond Resolution"</u> 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.
- 2.12 "Board" means the Board of County Commissioners of Palm Beach County, Florida.
 - 2.13 "Certificate" has the meaning set forth in Section 5.07.
 - 2.14 "Consumer Price Index" has the meaning set forth in Section 5.04(D).
 - 2.15 "Commencement Date" has the meaning set forth in Section 3.01.
 - 2.16 "Department" means the Palm Beach County Department of Airports.
 - 2.17 "Director" means the Director or Acting Director of the Department of Airports.
- 2.18 "Derelict Vehicle" means a vehicle designed for use on the roadways that is in a wrecked, dismantled or partially dismantled condition, or which is discarded and in an inoperable condition.
- 2.19 <u>"Effective Date"</u> means the date that this Lease is approved by the Palm Beach County Board of County Commissioners and signed by all parties.
 - 2.20 <u>"FAA"</u> means the Federal Aviation Administration.
 - 2.21 "Governing Entities" has the meaning set forth in Section 15.04(C).
- 2.22 <u>"Initial Improvements"</u> means the initial improvements to the Premises to be made by County as defined in Section 6.01.
 - 2.23 <u>"Initial Term"</u> has the meaning set forth in Section 3.01.

- 2.24 <u>"Lease"</u> means this Lease and all exhibits attached hereto, which are incorporated herein by this reference. Words such as "herein," "hereafter," "hereof," "hereby" and "hereunder" when used with reference to this Lease, refer to this Lease as a whole, unless context otherwise requires.
 - 2.25 <u>"Letter of Credit"</u> has the meaning set forth in Section 5.06.
 - 2.26 "Plans" have the meaning set forth in Section 6.02(A).
- 2.27 <u>"Premises"</u> means the real property more particularly described on Exhibits "A" and "B", subject to easements, rights-of-way and any other encumbrances of record, together with all buildings, structures, pavements, facilities, and other improvements now or hereafter constructed thereon.
 - 2.28 "Renewal Term" has the meaning set forth in Section 3.02.
- 2.29 <u>"Risk Management Department"</u> means the Palm Beach County Risk Management Department.
 - 2.30 "Security Deposit" has the meaning set forth in Section 5.06.
 - 2.31 <u>"Term"</u> means the Initial Term and Renewal Term.
- 2.32 <u>"TSA"</u> means the Transportation Security Administration or any successor agency responsible for airport security.

ARTICLE 3 TERM

- 3.01 <u>Initial Term.</u> The initial term of this Lease shall commence on January 1, 2014 (the "Commencement Date"), and shall expire on December 31, 2023, unless sooner terminated pursuant to the terms of this Lease (the "Initial Term").
- 3.02 <u>Renewal Term.</u> Provided that no default (or event which with the passage of time or giving of notice would constitute a default) then exists by Tenant under this Lease, Tenant shall have the option to renew this Lease for one (1) additional period of five (5) years ("Renewal Term") upon the terms and conditions set forth herein, by notifying County in writing of Tenant's intent to exercise its option to renew not later than one hundred eighty (180) days prior to the expiration of the Initial Term.

ARTICLE 4 PREMISES AND PRIVILEGES

4.01 <u>Description of Premises.</u> County hereby demises and leases to Tenant, and Tenant rents from County the Premises, subject to the terms, conditions and covenants set forth

herein. Tenant acknowledges and agrees that County shall have the right to utilize the Additional Parking Area for overflow parking from time-to-time on an as-needed basis.

- 4.02 <u>Description of Specific Privileges</u>, <u>Uses and Rights</u>. Tenant shall have the right to use the Premises solely and exclusively for office administration and job placement, recruitment and training services to the public. The Premises may also be occupied by employees of the Palm Beach County Workforce Consortium and service partners of Tenant, as they may be identified from time to time in writing to County. County acknowledges that Tenant and its service partners provide services to members of the general public who will be in the Premises on a regular basis.
- 4.03 <u>Prohibited Uses, Products and Services.</u> Tenant agrees the Premises shall be utilized solely for the uses permitted herein and for no other purpose whatsoever. Tenant shall not utilize the Premises to provide any products or services not specifically authorized by this Lease or the Department, including, but not limited to, the following products and services:
 - (A) Paid parking;
 - (B) Overnight parking, with the exception of the parking spaces located within the "sally port" area;
 - (C) Retail operations of any kind;
 - (D) Parking or storage of unattended vehicles, except for the personal vehicles of Tenant's visitors and employees currently working on the Premises, and vehicles and equipment owned by Tenant and stored on the Premises in support of Tenant's business operations;
 - (E) Valet, shuttle or ground transportation services, including administration or support activities for such services; and
 - (F) Maintenance activities on any vehicles/equipment; and
 - (G) Any use prohibited by law.

4.04 Restrictions on Privileges, Uses and Rights.

- (A) The rights granted hereunder are expressly limited to the improvement, maintenance, and operation of the Premises pursuant to the terms and conditions of this Lease, and nothing herein shall be construed to give Tenant any exclusive rights to operate a particular business, or to sell or distribute any particular product(s) or service(s). Tenant covenants and agrees that the Premises shall be utilized solely for the uses permitted in this Lease, including, without limitation, the uses described in section 4.02 above, and for no other purpose whatsoever.
- (B) Parking of boats, motor homes or inoperable vehicles and the stockpiling or storage of inoperable equipment, machinery and containers on the Premises is strictly prohibited.

- (C) All storage and dumpsters must be screened or concealed from public view, and storage shall be limited to the storage incidental to Tenant's overall operation on the Premises.
- (D) Persons, including, but not limited to Tenant's employees, shall not loiter or remain overnight on the Premises or elsewhere at the Airport. The foregoing will not preclude Tenant's and Tenant's service partners' personnel from being present on the Premises while on-duty.
- 4.05 <u>Inspections and Condition and Use of the Premises.</u>
- (A) Tenant expressly acknowledges that County has made no representations or warranties of any nature whatsoever regarding the Premises, including, but not limited to, the physical and/or environmental condition of the Premises or any improvements located thereon; the value of the Premises or improvements; the zoning of the Premises (except that the use described above is permitted); title to the Premises (except that the County has the right to enter into the Lease and permit Tenant to occupy and use the Premises); the suitability of the Premises or any improvements for Tenant's intended use; or Tenant's legal ability to use the Premises for Tenant's intended use.
- (B) Notwithstanding the foregoing, the parties acknowledge that County has engaged REP Associates, Inc., an environmental consulting and engineering firm, to conduct pre-renovation, environmental inspections of the building located on the Premises. The County will cause any conditions identified by its consultant as being hazardous to human safety or health to be remediated, including, but not limited to, abatement of mold, prior to occupancy by Tenant in accordance with the recommendations of County's consultant. Prior to Tenant's occupancy of the building located on the Premises, County will cause its consultant to conduct a post-renovation inspection of the building located on the Premises based upon a scope of work mutually agreed upon by the parties. In the event the postrenovation inspection identifies any conditions determined to be hazardous to human safety or health by County's consultant, County will cause such conditions to be remediated prior to occupancy by Tenant, at County's sole cost and expense. Tenant reserves the right to have the condition of the building located on the Premises inspected by a properly certified and licensed firm with experience in environmental building inspection, at Tenant's sole expense, at any time, including, but not limited to, prior to taking occupancy of the Premises. If any such inspection discloses any environmental condition that may be hazardous to human safety or health, including, but not limited to, mold, the condition shall be remediated by the County, at its sole expense; provided, however, if County desires to have the discovered condition further examined, County and Tenant shall, at the sole cost and expense of County, select a properly certified and licensed firm with experience in environmental building inspection, which shall perform such further examination, and the results of the further examination shall be binding on the parties with respect to the condition, which shall then be promptly remediated if proven to exist. Notwithstanding the foregoing, the

parties agree that any condition caused solely by Tenant or Tenant's employees that requires remediation shall be remediated at the cost and expense of Tenant.

ARTICLE 5 RENTAL, FEES, CHARGES AND SECURITY DEPOSIT

- 5.01 Rental. Tenant shall pay to County initial annual rental in the amount of Eleven Dollars and 60/100 (\$11.60) per square foot for Twenty-Eight Thousand Nine Hundred Twenty-One (28,921) square feet, or Twenty-Seven Thousand Nine Hundred Fifty Six Dollars and 97/100 (\$27,956.97) monthly, plus any applicable sales or use taxes, if any.
- Three Hundred Thousand Dollars (\$300,000.00) in rental, which shall be credited by County against Tenant's first lease year's rental obligations hereunder. With the exception of pre-paid rental, rental shall be payable in equal monthly installments, in advance, without demand and without any deduction, holdback or set off whatsoever, on or before the first (1st) day of each and every month. Any rent payment due hereunder for a fractional month shall be calculated and paid on a per diem basis calculated on the basis of a thirty (30) day month.
- 5.03 <u>Place of Payment.</u> All sums due hereunder shall be delivered to the Palm Beach County Department of Airports, ATTN: Finance, 846 Palm Beach International Airport, West Palm Beach, Florida 33406, or at such other address as may be directed by the Department from time to time.

5.04 Adjustment of Rentals.

- On October 1, 2016, and each three (3) year anniversary thereof (the (A) "Adjustment Date"), the then current rental rate shall be adjusted in accordance with the provisions of this paragraph. The new rental rate shall be determined by an appraisal obtained by County, which shall set forth the fair market rental rate, taking into consideration County's leasehold obligations, including, but not limited to, County's maintenance and insurance obligations hereunder. The appraisal shall be performed, at County's sole cost and expense, by a qualified appraiser selected by County. County shall notify Tenant in writing of the fair market rental of the Premises as established by the appraisal, which shall become the new rental rate for the Premises. Tenant shall commence paying the new rental rate on the Adjustment Date. The new rental rate shall not be less than the rental rate for the prior period. This Lease shall automatically be considered as amended to reflect the new rental rate, without formal amendment hereto, upon County's written notification of the establishment of the new rental rate applicable to the Premises.
- (B) Except as otherwise provided in Section 5.04(C), the rental payable hereunder shall not exceed the lesser of: (i) an increase of five percent (5%); or (ii) an amount that would be obtained by multiplying the Base Rental established as of the Base Rental Year by a fraction, the numerator of which shall be the "Consumer Price Index" (as hereinafter defined)

figure for May of the calendar year in which such adjustment is to become effective and the denominator of which shall be the Consumer Price Index figure for April of the Base Rental Year.

- (C) The initial annual rental applicable to the Renewal Term shall be the lesser of: (i) the fair market rental rate as determined by an appraisal obtained by County in accordance with Section 5.04(A) for the rental adjustment to become effective on October 1, 2022; or (ii) an increase of ten percent (10%). The initial annual rental established for the Renewal Term shall not be subject to the limitations set forth in Section 5.04(B); provided however, subsequent rental adjustments occurring during the Renewal Term shall be subject to the provisions of Section 5.04(B).
- (D) For the purposes hereof, the "Consumer Price Index" shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers, United States city average, all items (1982 1984 = 100), not seasonally adjusted, or any successor thereto as promulgated by the Bureau of Labor Statistics of the United States Department of Labor. In the event that the Consumer Price Index ceases to use the 1982 1984 average of one hundred (100) as the standard reference index base period, the then current standard reference index base period shall be utilized. In the event the Consumer Price Index (or successor or substitute Consumer Price Index) is not available, a reliable governmental or other nonpartisan publication evaluating information theretofore used in determining the Consumer Price Index shall be used.
- (E) Notwithstanding any provision of this Lease to the contrary, Tenant acknowledges and agrees that County shall have the right to establish and maintain the rental rates hereunder to ensure compliance with the provisions of Section 710 (rate covenant) of the Bond Resolution. County warrants and represents that the rental rates under this Lease are consistent with the requirements of the Bond Resolution including, without limitation, the provisions of Section 710.
- (F) Any delay or failure of County in computing the adjustment in rental, as hereinabove provided, shall not constitute a waiver of or in any way impair the continuing obligation of Tenant to pay such adjusted annual rental from the applicable Adjustment Date.
- 5.05 <u>Late Payments Interest.</u> Tenant shall pay to County interest at the rate of one and one-half percent (1.5%) per month on any late payments commencing thirty (30) days after the amounts are due. To the extent permitted by law, acceptance of late payments by County shall not constitute a waiver of Tenant's default by County with respect to such overdue amount, nor prevent County from terminating this Lease for default in the payment of rentals, fees or charges due to County pursuant to this Lease or from enforcing any other provisions, rights, or remedies granted herein, or conferred by law.
 - 5.06 Security Deposit. Prior to the Effective Date of this Lease, Tenant shall post a

security deposit with County in an amount equal to one month's rental (the "Security Deposit"). The Security Deposit shall serve as security for the payment of all sums due to County and shall also secure the performance of all obligations of Tenant to County. The Security Deposit shall be either in the form of a clean, Irrevocable Letter of Credit ("Letter of Credit") or a Surety Bond ("Bond") in form and substance satisfactory to County, or, upon express written approval by County, cash. In the event the Security Deposit is in the form of cash, it shall be held by County, without the obligation to pay or earn interest thereon, and may be commingled with other County funds. In the event of any failure by Tenant to pay any rentals, fees or charges when due or upon any other failure to perform any of its obligations or other default under this Lease, then in addition to any other rights and remedies available to County at law or in equity, County shall be entitled to draw on the Security Deposit and apply same to all amounts owed. Upon notice of any such draw, Tenant shall promptly replace the Security Deposit with a new Letter of Credit or Bond, or cash as applicable, in the full amount of the Security Deposit required hereunder. Tenant shall promptly increase the amount of the Security Deposit to reflect any increases in rental. The Security Deposit shall be kept in full force and effect throughout the Term of this Lease and any extension thereof and for a period of three (3) months after the termination of this Lease. Not less than forty-five (45) days prior to any expiration date of a Letter of Credit or Bond, Tenant shall submit evidence in form satisfactory to County that such security instrument has been renewed. Failure to renew a Letter of Credit or Bond or to increase the amount of the Security Deposit as required by this Section 5.06 shall: (i) entitle County to draw down the full amount of such Security Deposit, and (ii) constitute a default of this Lease entitling County to all available remedies. The Security Deposit shall not be returned to Tenant until all obligations under this Lease are performed and satisfied. Prior to consent from County to any assignment of this Lease by Tenant, Tenant's assignee shall be required to provide a Security Deposit to County in accordance with the terms and conditions of this Section 5.06.

- 5.07 Sales and Use Tax Tenant hereby covenants and agrees to pay monthly to County, as "Additional Rent," any sales, use or other tax, or any imposition in lieu thereof (excluding state and /or federal income tax) now or hereinafter imposed upon the rents, use or occupancy of the Premises imposed by the United States of America, the State of Florida or Palm Beach County, notwithstanding the fact that the statute, ordinance or enactment imposing the same may endeavor to impose the tax upon County as Landlord, to the extent as applicable. Tenant has provided a copy of its Consumer Certificate of Exemption ("Certificate") issued by the Florida Department of Revenue, expiring on March 31, 2013. Tenant shall provide County with an updated Certificate prior the expiration of the current Certificate and shall maintain a current Certificate on file with County so long as Tenant claims an exemption from the payment of sales tax. For such period as Tenant retains a Florida sales tax exemption as evidenced by a current Certificate, County will not collect sales tax on this Lease from Tenant.
- 5.08 Additional Rent. Any and all sums of money or charges required to be paid by Tenant under this Lease, if any, other than annual rental shall be considered "Additional Rent", whether or not the same is specifically so designated and County shall have the same rights to enforce due and timely payment by Tenant of all Additional Rent as are available to County regarding annual rent.
- 5.09 <u>Licenses, Fees and Taxes.</u> Tenant shall pay, on or before their respective due dates, all federal, state and local taxes and fees, and all special assessments of any kind as described below, which are now or may hereafter be levied upon the Premises (including

improvements) or the estate hereby granted, or upon Tenant, or upon the business conducted on the Premises, or upon any of Tenant's property used in connection therewith, or upon any rentals or other sums payable hereunder, including, but not limited to any ad valorem taxes (based upon Tenant's pro rata share according to the area of the Premises), and sales or excise taxes on rentals, and personal property taxes against tangible and intangible personal property of Tenant. Tenant shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by Tenant. Tenant shall be responsible for special assessments having a useful life of less than ten (10) years; County shall pay all other special assessments. As of the Effective Date, the parties acknowledge that no real estate taxes are assessed against the Premises.

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

ARTICLE 6 CONSTRUCTION OF IMPROVEMENTS

- 6.01 Construction of Initial Improvements by County. County acknowledges that Tenant desires certain renovations and improvements to the Premises in order to make the Premises more functionally usable for Tenant's business operations, including, but not limited to, interior painting, replacement of flooring, non-damaged ceiling tiles and door hardware, removal and restoration of certain interior walls, and renovation of restroom facilities. County agrees to cause renovations and improvements to be made to the Premises in an amount not to exceed a total amount of Seven Hundred Thousand Dollars (\$700,000), which are mutually agreed to in writing by the Department and Tenant ("Initial Improvements"), at County's sole cost. Notwithstanding the foregoing, the parties acknowledge and agree that the cost of the Initial Improvements shall be in addition to any costs incurred and to be paid by County to satisfy its obligations under Sections 4.05(B) and Article 20.
- 6.02 Tenant Construction Requirements. Tenant shall make no additions, alterations or improvements to the Premises, or improvements constructed thereon, without the prior written consent of the Department, which consent shall not be unreasonably withheld or delayed. Any such additions, alterations or improvements shall be made in accordance with the construction requirements contained herein and as established by the Department. All improvements constructed or placed on the Premises, including drainage and landscaping, shall comply with any and all applicable governmental laws, regulations, rules and orders; follow standard construction methods; and be constructed in accordance with the requirements of this Article.
 - (A) <u>Construction Requirements.</u> Prior to Tenant's construction of any improvements that require building permit approval on the Premises (excluding the Initial Improvements), Tenant, without cost to County, shall prepare detailed preliminary construction plans and specifications for the improvements (hereinafter collectively referred to as the "Plans") in accordance with standards established by the Department and deliver the

preliminary Plans to the Department for review, comment and adjustment. The Department shall review the preliminary Plans and provide a written response to Tenant after receipt of the preliminary Plans. In the event the Department does not approve the preliminary Plans, Tenant will be notified of the reasons for the disapproval and the necessary modifications and/or alterations to the Plans. Tenant shall resubmit modified Plans to the Department within thirty (30) days of the date of the Department's written notice of disapproval. Within one hundred twenty (120) days following approval of the preliminary Plans by the Department, Tenant shall prepare or cause to be prepared final working Plans in substantial conformity to the approved preliminary Plans and shall submit the final working Plans to the Department for approval. Upon approval of the final working Plans by the Department, Tenant shall obtain all permits and other government approvals required for the commencement of Prior to commencement of construction, Tenant shall deliver to the Department one complete set of the final working Plans as approved by the governmental agencies exercising jurisdiction thereover. Minor changes from the final working Plans shall be permitted if such changes may be reasonably inferred from the final working Plans, or if they are made to comply with requirements of any governmental agency exercising jurisdiction thereover.

- (B) Within sixty (60) days following Tenant's receipt of a certificate of occupancy or certificate of completion, as appropriate, if applicable, for improvements constructed pursuant to this Section 6.02, Tenant, at its sole cost and expense, shall have prepared and deliver to the Department one (1) complete set of as-built Mylar drawings and one (1) set of Auto CADD files in the latest version acceptable by the Department.
- (C) Except as provided in Section 6.01, all improvements constructed upon the Premises shall be completed at Tenant's sole cost and expense and shall be completed in accordance with the standards established by the Department.
- (D) Approval of County shall extend to and include architectural and aesthetic matters and County reserves the right at its reasonable discretion to reject any design proposals submitted and to require Tenant to resubmit any such design proposals until they receive County's approval.
- 6.03 <u>Construction Bonds.</u> Other than the Initial Improvements to be constructed by the County, Tenant shall ensure that all improvements constructed by Tenant are constructed to completion in accordance with the approved Plans and that all persons or entities performing work or providing materials relating to such improvements including, but not limited to, all contractors, subcontractors, laborers, materialmen, suppliers and professionals, are paid in full for such services and materials. Prior to Tenant's commencement of any improvements to the Premises, the estimated cost of which exceeds Fifty Thousand Dollars (\$50,000), Tenant shall cause to be made, executed and delivered to County at Tenant's sole cost a bond that is in a form and substance reasonably satisfactory to County, that a company reasonably acceptable to

County issues, and that guarantees Tenant's compliance with its obligations arising under this Section. Tenant may not subdivide improvements or phase projects for the purpose of avoiding the foregoing bond requirement. County shall be named as the obligee on the bonds.

- 6.04 <u>Contractor Requirements.</u> Tenant shall require its contractors to furnish for the benefit of County a public construction bond as required under Section 255.05, Florida Statutes, in a form approved by County. Tenant shall require its contractors to name County as a dual obligee on the bond(s). Tenant shall also require its 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 the Risk Management Department may require. The Risk Management Department may require additional insurance for any alterations or improvements approved hereunder, in such amounts as the Risk Management Department reasonably determines to be necessary.
- as consent by County to subject the estate of County to liability under the Construction Lien Law of the State of Florida and understands that County's estate shall not be subject to such liability. Tenant shall notify any and all parties or entities performing work or providing materials relating to any improvements made by Tenant of this provision of this Lease. If so requested by County, Tenant shall file a notice satisfactory to County in the Public Records of Palm Beach County, Florida, stating that County's estate shall not be subject to liens for improvements made by Tenant. In the event that a construction lien is filed against the Premises or other County property in connection with any work performed by or on behalf of Tenant, Tenant shall satisfy such claim, or transfer same to security, within thirty (30) days from the date of filing. In the event that Tenant fails to transfer or satisfy such claim within the thirty (30) day period, County may do so and thereafter charge Tenant all costs incurred by County in connection with the satisfaction or transfer of such claim, including attorneys' fees, and Tenant shall promptly pay to County all such costs upon demand, as Additional Rent.

ARTICLE 7 OBLIGATIONS OF TENANT

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

7.02 <u>Noise and Vibrations.</u> Tenant shall take all reasonable measures to:

(A) Reduce to a minimum, vibrations tending to damage any equipment, structure, building or portion of a building that is on the Premises or is a part thereof, or is located elsewhere on the Airport; and

- (B) Keep the sound level of its operations as low as possible.
- 7.03 Regulation of Conduct. Tenant shall control the conduct, demeanor and appearance of its employees, subtenants, invitees and others doing business at the Premises. Subject to the County's obligation to maintain and repair the Premises as provided for herein, Tenant assumes full responsibility for the condition of the Premises assumes full responsibility for the condition of the Premises and the character, acts and conduct of all persons admitted to the Premises with the actual or constructive consent of Tenant or any person acting for or on behalf of Tenant.
- 7.04 <u>Garbage and Debris.</u> Tenant shall be responsible for the provision of trash removal services for the Premises at Tenant's sole cost and expense and agrees to deposit trash, garbage and debris in appropriate containers for collection.
- 7.05 <u>Nuisance, Waste or Injury.</u> Tenant shall not commit any nuisance, waste or injury on the Premises and shall not do, or permit to be done, anything which may result in the creation, commission or maintenance of such nuisance, waste or injury on the Premises.
- 7.06 <u>Vapors, Fumes or Emissions.</u> Tenant shall not create, nor permit to be caused or created upon the Premises any obnoxious odor, smoke, noxious gases or vapors; provided, however, that fumes resulting from the normal operations of properly certified and maintained trucks and other vehicles shall be excepted from this provision. Tenant shall ensure that emissions generated by any such trucks, and other vehicles shall comply with all provisions of applicable environmental emissions laws and regulations.
- 7.07 <u>Utilities Systems.</u> Tenant shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the utilities systems installed or located on or about the Premises that are also used by other occupants, customers or users of the Airport.
- 7.08 Overloading of Floor or Paved Areas. Tenant shall not overload any floor or paved area on the Premises and shall repair at its sole cost and expense, any floor, including supporting members, and any paved area damaged by overloading.
- 7.09 <u>Hazardous Conditions.</u> Tenant shall not do or permit to be done any act or thing upon the Premises that:
 - (A) Will invalidate or conflict with any insurance policies covering the Premises or the Airport; or
 - (B) May constitute a hazardous condition that increases the risk normally attendant upon the operations permitted by this Lease.
- 7.10 <u>Flammable Liquids</u>. All flammable liquids that are kept or stored at the Premises must at all times be handled, stored and used in accordance with all applicable Federal, State and local laws.
- 7.11 <u>Fire Extinguishing System.</u> From time to time and as often as reasonably required by the Department or any governmental authority having jurisdiction, County shall conduct

pressure, water flow, and other appropriate tests of the fire extinguishing system and apparatus, which are maintained by County.

- 7.12 <u>Derelict Vehicles</u>. Tenant shall not permit the temporary or permanent storage of any Derelict Vehicles on the Premises. Tenant shall cause Derelict Vehicles to be removed from the Premises within twenty-four (24) hours after written notice from the Department.
- 7.13 <u>Emergency Evacuation and Hurricane Plans.</u> Tenant shall provide the Department with emergency evacuation and hurricane plans within thirty (30) calendar days of the Effective Date. These plans shall be detailed procedures of actions to be taken by Tenant and its subtenants, if any, in the event of an emergency evacuation or hurricane warning. Tenant shall update its emergency evacuation and hurricane plans annually, if requested by the Department.

ARTICLE 8 MAINTENANCE AND REPAIR

- Maintenance/Repair of Premises by County. Except as otherwise provided for herein, County shall be responsible for any repairs and maintenance of the Premises, which are necessary to ensure that the building and other improvements remain in tenable condition and repair throughout the Term, including, but not limited to, maintenance and repair of the roof, HVAC system and structural repairs to the exterior of the building. Tenant shall promptly notify County in writing of any items in need of repair or maintenance. Maintenance of the landscaping on the Premises by County shall be limited to mowing and trimming of grass, trees, shrubbery and other vegetation. County shall use reasonable efforts to minimize disruption or inconvenience to Tenant's business operations, but in no event shall County be required to incur additional expenses for work to be done during hours or days other than regular business hours or days. Notwithstanding any provision of this Lease to the contrary, County shall have no obligation whatsoever to maintain or repair Tenant's personal property, trade fixtures, interior decorations or signage or any improvements or alterations made by Tenant to the Premises. In addition, Tenant shall be responsible for repair or maintenance of the Premises, or any portion thereof, to the extent the need for repair or maintenance results from damage caused by the act, default or negligence of Tenant, or Tenant's agents, employees, officers, representatives, guests, invitees, contractors, patrons or any person admitted to the Premises by Tenant.
- 8.02 Tenant's Obligations. Tenant shall maintain the Premises in a neat, orderly, sanitary, clean and presentable condition and shall cause routine janitorial services to be provided for the Premises. With the exception of the Initial Improvements, Tenant shall be responsible for minor routine maintenance and refurbishment of the interior of the Premises, including, but not limited to, replacement of light bulbs, interior painting or replacement of other wall coverings, and replacement of worn carpeting or other flooring. Notwithstanding the foregoing, County shall be responsible for routine maintenance of the HVAC system. Tenant shall maintain vehicular parking areas in a clean and neat manner, free from debris. Tenant shall keep the buildings located on the Premises free of insects, vermin and other pests.
- 8.03 <u>Inspections.</u> The Department shall have the right to enter the Premises at reasonable times to inspect same for the purpose of determining whether Tenant is in compliance

with the requirements of this Lease. In the event Tenant is not in compliance with this Lease, as reasonably determined by the Department, the Department shall provide Tenant with written notice of such noncompliance. Tenant shall commence corrective action to remedy such noncompliance to the satisfaction of the Department upon receipt of the notice of noncompliance. If corrective action is not immediately initiated and pursued in a diligent manner to completion, the Department may cause the same to be accomplished. Tenant agrees that Tenant shall assume and be liable to County for payment of all costs incurred by County, plus a twenty-five percent (25%) administrative overhead fee, which costs and administrative overhead fee shall constitute Additional Rent hereunder and shall be due and payable within thirty (30) calendar days of the date of the Department's written notice.

ARTICLE 9 UTILITIES

- 9.01 <u>Utility Costs.</u> Tenant shall pay for all electric and all other utility charges for the Premises. Metering devices shall become the property of County upon installation. Extension of utility mains or services shall be at the expense of Tenant and shall become the property of County upon installation.
- 9.02 <u>Interruption of Service.</u> No failure, delay or interruption in supplying any services for any reason whatsoever (whether or not a separate charge is made therefore) shall be construed to be an eviction of Tenant or grounds for any diminution or abatement of rental or shall be grounds for any claim by Tenant under this Lease for damages, consequential or otherwise.
- 9.03 <u>Water and Sanitary Sewage Systems.</u> The County shall operate and maintain, at its sole cost and expense, all the components of any and all water and sanitary sewage system(s) and storm water drainage facilities serving the Premises.

ARTICLE 10 AIRPORT SECURITY PROGRAM

- 10.01 <u>Compliance with Security Requirements</u>. Tenant agrees to observe all security requirements and other requirements of the FAA, TSA, County and Department applicable to Tenant operations, as now or hereafter amended, including, but not limited to, Title 49, Parts 1500 et al., of the Code of Federal Regulations, to the extent applicable to Tenant and Tenant's activities hereunder.
- 10.02 <u>Criminal History Background Checks</u>. Tenant acknowledges that Tenant and its employees, contractors and agents may be subject to federal and state criminal history record check requirements under federal, state and/or local laws, as may now exist or as may hereafter be enacted, including, but not limited to the Palm Beach County Criminal History Record Check Ordinance (Chapter 2, Article IX, Palm Beach County Code), which laws may require Tenant to remove or restrict access of individuals who are not in compliance with the requirements of such laws. Tenant agrees to comply with and to require its employees, contractors and agents to comply with all federal, state and local criminal history record check requirements, including, but not limited to, the Palm Beach County Criminal History Record Check Ordinance and any access restrictions imposed thereunder. Tenant acknowledges and agrees that its employees,

contractors and agents, who will have access to a "critical facility", as defined in the Palm Beach County Criminal History Record Check Ordinance, will be subject to a national and state fingerprint based criminal history records check. Tenant shall be solely responsible for the financial, scheduling and staffing implications associated with complying with the Palm Beach County Criminal History Record Check Ordinance. The parties acknowledge that the Premises has not been designated as a "critical facility" as of the Effective Date; therefore, criminal history record checks are not currently required. Notwithstanding the foregoing, Tenant acknowledges that the requirements related to criminal history record checks may be modified during the Term of this Lease.

10.03 <u>Security Deficiency</u>. Tenant agrees to rectify any security deficiency or other deficiency as may be determined as such by the Department, County, FAA or TSA. In the event Tenant fails to remedy any such deficiency, County may do so at the cost and expense of Tenant. Tenant acknowledges and agrees that County shall have the right to take whatever action is necessary to rectify any security deficiency or other deficiency as may be determined by the Department, County, FAA or TSA.

ARTICLE 11 INSURANCE REQUIREMENTS

Unless otherwise specified in this Lease, Tenant shall, at its sole expense, maintain in full force and effect at all times during the Term and any extension thereof, the insurance limits, coverages and endorsements required herein. Tenant acknowledges and agrees that the requirements contained in this Article, or County's review or acceptance of insurance, shall not in any manner limit or qualify the liabilities and obligations assumed by Tenant under this Lease.

- 11.01 <u>Commercial General Liability</u>. Tenant shall maintain Commercial General Liability Insurance with limits of liability not less than One Million Dollars (\$1,000,000) each occurrence, including coverage for, but not limited to, Premises/Operations, Products/Completed Operations, Contractual Liability, Personal/Advertising Injury and Cross Liability. This coverage shall be provided on a primary basis.
- 11.02 <u>Business Auto Liability</u>. Tenant shall maintain Business Automobile Liability Insurance with limits of liability not less than One Million Dollars (\$1,000,000) each occurrence for owned, non-owned and hired automobiles. In the event Tenant has no owned automobiles, Tenant shall maintain only Hired & Non-Owned Auto Liability Insurance. This coverage may be satisfied by way of endorsement to the Commercial General Liability/Airport Liability policy, or a separate Business Auto Liability policy. This coverage shall be provided on a primary basis.
- 11.03 <u>Property Insurance</u>. Tenant shall maintain property insurance in an amount not less than 100% of the total replacement cost of any betterments and improvements made by or on behalf of Tenant as well as Tenant's contents located on the Premises. The settlement clause shall be on a Replacement Cost basis. Coverage shall be written with a Special Cause of Loss (All-Risk) form. Coverage shall be provided on a primary basis.
- 11.04 <u>Worker's Compensation & Employers Liability.</u> Tenant shall maintain Worker's Compensation & Employers Liability in accordance with Chapter 440, Florida Statutes, and Federal law. This coverage shall be provided on a primary basis.

- 11.05 <u>Umbrella or Excess Liability</u>. If necessary, Tenant may satisfy the minimum limits required above Commercial General Liability and/or Business Auto Liability coverage under Umbrella or Excess Liability Insurance. The Umbrella or Excess Liability policy shall have an aggregate limit not less than the highest "each occurrence" limit for the Commercial General Liability, Business or Auto Liability. County shall be specifically endorsed as an "Additional Insured" on the Umbrella or Excess Liability policy, unless the Certificate of Insurance notes the Umbrella or Excess Liability policy provides coverage on a "Follow-Form" basis.
- Insured" on each liability insurance policy required to be maintained by Tenant, except for Worker's Compensation and Business Auto Liability policies. The CG 2011 Additional Insured—Managers or Lessors of Premises, or its equivalent, shall be an endorsement 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. "Additional Insured" endorsements shall read "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents, c/o Palm Beach County Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406," or as otherwise acceptable to the Risk Management Department.
- 11.07 <u>Certificate of Insurance.</u> A signed Certificate or Certificates of Insurance, evidencing that required insurance coverage(s) has been procured or maintained by Tenant in the types and amount(s) required hereunder, shall be delivered to County prior to occupancy of any portion of the Premises by Tenant. The Certificate(s) of Insurance shall clearly state that Palm Beach County is an "Additional Insured" as required herein. Certificate(s) of Insurance shall also endeavor to provide thirty (30) days written notice to County prior to cancellation (ten (10) days for nonpayment of premium) or non-renewal of coverage. Required insurance shall be subject to the review, acceptance and approval of County, at its reasonable discretion, as to form and types of coverage. Tenant's failure to maintain all insurance policies required herein shall constitute a material default of this Agreement by Tenant, entitling County to exercise any remedies available to it under this Agreement, at law and in equity, including the right to immediately terminate this Agreement.
- 11.08 <u>Claims-Made Liability</u>. When any of Tenant's liability insurance policies is provided under a Claims-Made Liability form, Tenant agrees to the following additional special conditions:
 - (A) The Certificate of Insurance issued to County shall clearly indicate whether the Claims-Made Liability form applies, include the retroactive date of coverage and indicate if the limits are subject to annual aggregate. In the event aggregate limits are applicable, Tenant shall maintain an aggregate limit not less than three (3) times the per occurrence limit of liability required in Section 11.01 above.
 - (B) Tenant shall purchase a Supplemental Extended Reporting Period providing an additional reporting period of not less than three (3) years in the event a Claims-Made liability policy is canceled, non renewed,

switched to an Occurrence Form, renewed with an advanced retroactive date, or any other event triggering the right to purchase a Supplemental Extended reporting Period during the term of this Agreement. All insurance policies required hereunder may be written to include a reasonable deductible or self-insured retention, unless otherwise stated or limited. Limits on said deductible amounts may be subject to review and approval. When requested, Tenant shall submit a copy of most recent financial statement in order to justify a particular deductible or self-insured retention amount.

- 11.09 <u>Waiver of Subrogation</u>. By entering into this Lease, Tenant agrees to a Waiver of Subrogation for each required policy. When required by the insurer, or should a policy condition not permit an insured to enter into a pre-loss agreement to waive subrogation without an endorsement, Tenant shall notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. The requirements of this paragraph shall not apply to any policy, a condition to which the policy specifically prohibits such an endorsement, or voids coverage if Tenant enters into such an agreement on a pre-loss basis.
- 11.10 Premiums and Proceeds. Tenant shall not keep, use, sell or offer for sale in or upon the Premises any article which may be prohibited by any, condition, provision, or limitation of the property, flood or wind insurance policies. Tenant shall be responsible for all premiums, including increases, for property, flood and wind insurance policies. Tenant agrees that all property, flood and windstorm insurance proceeds shall be made available for use to promptly replace, repair or rebuild the building, betterments and improvements, including, but not limited to, those made by or on behalf of Tenant.
- 11.11 <u>Deductibles, Coinsurance & Self-Insured Retention.</u> Tenant shall be fully and solely responsible for any deductible, coinsurance penalty or self-insured retention; including any losses, damages, or expenses not covered due to an exhaustion of limits or failure to comply with the policy.
- 11.12 Right to Review or Adjust Insurance. The 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 from time to time throughout the Term and any extension thereof. 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 Tenant a written notice of rejection, and Tenant shall comply within thirty (30) days of receipt of the notice.
- 11.13 No Representation of Coverage Adequacy. Tenant acknowledges the limits, coverages and endorsements required by this Article are intended to minimize liability for County. Tenant agrees that it will not rely upon the requirements of this Article when assessing the extent or determining appropriate types or limits of insurance coverage to protect Tenant against any loss exposures, whether as a result of this Lease or otherwise.

ARTICLE 12 DAMAGE TO OR DESTRUCTION OF PREMISES

- 12.01 Rights of the Parties. Except as otherwise provided for herein, if a fire or other insured casualty renders the Premises untenable, County shall repair and restore the same (exclusive of Tenant's personal property, trade fixtures, decorations, signs, betterments, improvements and contents) substantially to the condition that the Premises was in before such damage or destruction. Tenant shall repair, replace and restore Tenant's trade fixtures, decorations, signs, betterments, improvements and contents to substantially the condition that they were in prior to the damage or destruction. County may elect to repair and restore the Premises or terminate this Lease upon written notice to Tenant within sixty (60) days after the date of the fire or other insured casualty if: (i) the building located on the Premises is rendered wholly unable to be occupied as reasonably determined by County; (ii) the building located on the Premises is damaged to an extent of twenty five percent (25%) or more of the replacement value of the building; or (iii) the casualty loss occurs within the last twelve (12) months of the Initial Term, if Tenant has not exercised its option to renew, or the last twelve (12) months of the Renewal Term. If the estimated date for completion of the repairs and restoration is more than ninety (90) days after the date of the occurrence of the casualty, either party may terminate this Lease by delivering written notice to the other party. In the event of repair and restoration of the Premises by County pursuant to this Section 12.01, Tenant's obligation to pay rental shall be abated as provided in Section 12.02 below.
- 12.02 Rent Abatement. If the building located upon the Premises is rendered wholly unable to be occupied, rental will be fully abated. If the building located on the Premises is only partially damaged, rental will be abated proportionally on a square footage basis as to that portion the building rendered untenable. Abatement of rental shall continue until the first to occur of: (i) thirty (30) days after written notice from County to Tenant that the Premises has been substantially repaired and restored; or (ii) the date on which Tenant's business operations are restored to the entire Premises. If the damage or destruction to the Premises is caused by the negligence or willful misconduct of Tenant or Tenant's agents, employees, officers, representatives, guests, invitees, contractors, patrons or any person admitted to the Premises by Tenant, there shall be no abatement of rental.
- 12.03 <u>Limitations</u>. If this Lease is not terminated in accordance with this Article 12, County's obligation to restore or rebuild the Premises shall only exist to the extent of: (i) the insurance proceeds payable to County as the result of a fire or other casualty; and (ii) amounts received by County from Tenant towards the costs of repair and restoration pursuant to Section 12.04, if any. Except for abatement of rental as provided in Section 12.02, Tenant shall not be entitled to and hereby waives any claims against County for any compensation or damage for any loss of use of the Premises, in whole or in part, or for any inconvenience or annoyance occasioned by any damage, destruction, repair or restoration of the Premises. County shall not be liable for any damage or inconvenience or interruption of the business of Tenant occasioned by fire or other casualty. In the event this Lease is terminated in accordance with this Article, County shall remain entitled to receive all proceeds payable in respect of the insurance that County maintains. Upon termination of this Lease pursuant to this Article, the parties shall be released from all further obligations under this Lease with the exception of those obligations

arising prior to termination or that expressly survive the termination of this Lease.

12.04 <u>Insurance Proceeds</u>. Upon receipt by Tenant of the proceeds of any applicable insurance policy or policies that covers damage to the Premises (as distinguished from policies covering damage to Tenant's betterments or improvements or to personal property that Tenant places in or about the Premises), if any, the proceeds shall be deposited in an escrow account approved by the Department so as to be available to pay for the cost of such repair, replacement or rebuilding. Any insurance proceeds shall be disbursed during construction to pay the costs of such work. If the amount of the insurance proceeds is in excess of the costs of repair, replacement or rebuilding, the amount of such excess shall be remitted to Tenant.

ARTICLE 13 ENCUMBRANCES

Tenant shall not, in any manner, mortgage, pledge or otherwise encumber this Lease, the Premises or any improvements now existing or hereinafter erected or constructed upon the Premises. Tenant shall cause to be removed any and all liens of any nature arising out of or resulting out of or resulting from the performance of any work or labor performed upon the Premises or the furnishing of any materials for use upon the Premises, by, on behalf of or at the direction of Tenant, its employees, agents, contractors or subcontractors. This provision shall be construed to include a prohibition against any mortgage, pledge, or encumbrance by operation of law, legal process, receivership, bankruptcy, or otherwise, whether voluntary or involuntary.

ARTICLE 14 TITLE TO IMPROVEMENTS

All buildings, structures and improvements constructed or placed upon the Premises as of the Commencement Date, including the Initial Improvements, shall be the absolute property of County, and County shall have every right, title and interest therein, free and clear of any liens; and any interest in such buildings, structures, and improvements, and absolute title thereto, shall be vested in County. All improvements and constructed or placed upon the Premises by Tenant during the Term pursuant to Article 6, shall be the absolute property of Tenant during the Term; provided, however, that County shall be entitled, at its option, to have the Premises returned to County free and clear of some or all improvements constructed or placed by Tenant, at Tenant's sole cost and expense. In such event, County shall provide timely notification to Tenant of its election to require removal of the improvements and to the extent possible, County shall notify Tenant at least sixty (60) days prior to the termination of this Lease. If Tenant fails to so remove said improvements, County may remove same at Tenant's sole cost and expense. Tenant agrees that Tenant shall fully assume and be liable to County for payment of all costs for the removal of improvements required to be removed by Tenant (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 to County within thirty (30) days from the date of the written notice provided by the Department. For any improvements constructed or placed upon the Premises by Tenant which County expressly allows to remain on the Premises following the expiration or earlier termination of the Lease, County shall have every right, title and interest therein, free and clear of any liens; and any interest in such buildings, structures, and improvements, and absolute title thereto, shall be vested in County. The provisions of this Article 14 shall survive expiration or termination of this Lease.

ARTICLE 15 EXPIRATION OF LEASE, DEFAULTS, REMEDIES AND TERMINATION

- 15.01 Expiration. This Lease shall automatically terminate at the end of the Term.
- 15.02 <u>Default.</u> The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:
 - (A) The vacating or abandonment of the Premises by Tenant.
 - (B) The failure by Tenant to make payment of rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of three (3) days after the date due to County. County shall have no obligation to provide an invoice or notice of delinquent payment to Tenant.
 - (C) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than described in paragraph (B) above, where such failure continues for a period of thirty (30) days after written notice thereof from County to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commenced such cure within such thirty (30) day period and thereafter diligently pursues such cure to completion. Notwithstanding any provision of this Lease to the contrary, including the cure provisions provided for in this Section 15.02, Tenant acknowledges and agrees that the County may require Tenant to immediately cease any activity which could result in an airport hazard or endanger the safety of any other airport user, as determined by the Department.
 - (D) To the extent permitted by law, (i) the making by Tenant or any guarantor thereof of any general assignment, or general arrangement for the benefit of creditors; (ii) the filing by or against Tenant of a petition to have Tenant adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy [unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days]; (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

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

Department.

- 15.03 <u>Remedies.</u> In the event of any default or breach by Tenant, 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) Subject to the Tenant's right to terminate as provided in Section 15.04(C), declare the entire rent for the balance of the Term or any part thereof due and payable forthwith, and bring an action for the recovery thereof.
 - Terminate Tenant's right to possession of the Premises by any lawful (B) means and reenter and retake possession of the Premises for the account of Tenant, in which case the rent and other sums hereunder shall be accelerated and due in full, and Tenant 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 Tenant. Upon such reletting, all rentals received by County shall be applied, first to the payment of any indebtedness, other than rent due hereunder from Tenant; second, to the payment of any reasonable costs and expenses of such reletting, which shall include all damages incurred by County due to Tenant's default including, but not limited to, the reasonable cost of recovering possession of the Premises including reasonable attorneys' fees, and reasonable 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 Tenant.
 - (C) Treat this Lease as terminated and re-enter and re-take possession of the Premises for the account of County, thereby terminating any further liability under this Lease on the part of Tenant 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 Tenant liable for the rent as it comes due.
 - (E) Pursue any other remedy now or hereinafter available to County under the laws of the State of Florida.

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

15.04 <u>Termination by Tenant</u>. Tenant may terminate this Lease, if Tenant is not in default of this Lease (including, but not limited to, its payments to County hereunder), by giving

County sixty (60) days advance written notice, upon or after the happening of any one of the following events:

- (A) The issuance by any court of competent jurisdiction of an injunction in any way preventing the use of the Airport for Airport purposes or a substantial part of the Premises for the purposes permitted hereunder, which injunction remains in force for a period of at least ninety (90) days.
- (B) The default by County in the performance of any covenant or agreement herein required to be performed by County and the failure of County to remedy such default for a period of thirty (30) days after receipt from Tenant of written notice to remedy same; provided, however, that no notice of cancellation, as provided herein, shall be of any force or effect if County shall have remedied the default prior to receipt of Tenant's notice of cancellation; or in the event the same cannot be cured within such thirty (30) day period and County has commenced such cure and thereafter diligently pursues the same until completion.
- (C) In the event that the Tenant's funding is reduced by the United States of America, the State of Florida or the Board ("Governing Entities") during the Term of this Lease, or the laws or regulations applicable to the funding of Tenant's programs are materially altered by the Governing Entities or any agency thereof, Tenant may terminate this Lease, and amounts payable to County hereunder shall be prorated up to the date of termination. Notwithstanding the foregoing, Tenant's right to terminate this Lease, as provided in this subsection (C), shall not apply during Tenant's fiscal year commencing on July 1, 2013 and ending on June 30, 2014. Tenant hereby warrants and represents to County that sufficient funding has been appropriated for Tenant's fiscal year commencing on July 1, 2013 and ending on June 30, 2014 to permit Tenant to satisfy its payment obligations hereunder.

15.05 <u>Surrender of Premises</u>. Tenant expressly agrees that it shall immediately surrender the Premises to County in good 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. In the event Tenant shall holdover, refuse, or fail to give up the possession of the Premises at the termination of this Lease, Tenant shall be liable to County for any and all damages, and in addition thereto, Tenant shall also be strictly liable to pay to County during the entire time period of such holdover, double rental, as provided for in Section 83.06, Florida Statutes. Tenant shall remove all of its personal property from the Premises prior to the expiration of this Lease. Any personal property of Tenant not removed by Tenant shall, at the option of County, become the property of County.

ARTICLE 16 ASSIGNMENT, TRANSFER AND SUBLETTING

Tenant shall not, in any manner, assign, transfer, sublease or otherwise convey an interest in this Lease, the Premises or any portion thereof ("Assignment"), without the prior written consent of the Department, which consent may be granted or withheld by the Department in its sole discretion for any reason or no reason at all. Any attempted Assignment without Departmental approval shall be null and void. In the event the Department consents in writing to an Assignment, Tenant shall have the right to assign this Lease to the extent permitted by Department's consent to such Assignment, provided that the use of the Premises shall be limited to the same uses as are permitted under this Lease. Any permitted Assignment shall be subject to the same conditions, obligations and terms as set forth herein. County may freely assign this Lease at any time without the consent of Tenant, and upon assumption by such assignee of County's obligations hereunder, County shall be released from all liability and obligation arising hereunder upon such assignment.

ARTICLE 17 INDEMNIFICATION

To the extent permitted by law, Tenant agrees to protect, defend, reimburse, indemnify and hold County, its agents, employees and elected officers and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including attorney fees at trial and appellate levels) and causes of action of every kind and character against, or in which County is named or joined, arising out of this Lease or Tenant's use or occupancy of the Premises, including, without limitation those arising by reason of any damage to property or the environment, or bodily injury (including death) incurred or sustained by any party hereto, or of any party acquiring any interest hereunder, any agent or employee of any party hereto or of any party acquiring an interest hereunder, and any third or other party whomsoever, or any governmental agency, arising out of, or incident to, or in connection with Tenant's acts, omissions or operations hereunder, or the performance, nonperformance or purported performance of Tenant, or any breach of the terms of this Lease; provided, however, Tenant 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 attributable to the comparative negligence of County its respective agents, servants, employees and officers. Tenant further agrees to hold harmless and indemnify County for any fines, citations, court judgments, insurance claims, restoration costs or other liability resulting from or in any way arising out of or due to Tenant's activities or operations or use of the Premises whether or not Tenant was negligent or even knowledgeable of any events precipitating a claim or judgment arising as a result of any situation involving said activities. Said indemnification shall be extended to include all deliverers, suppliers, furnishers of material, or anyone acting for, on behalf of, or at the request of Tenant. Tenant acknowledges the broad nature of this indemnification and hold-harmless clause and that County would not enter into this Lease without the inclusion of such clause, and voluntarily makes this covenant and expressly acknowledges the receipt of 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 17 shall survive the expiration or termination of this Lease.

ARTICLE 18 ALTERATION OR ADDITIONS, SIGNS

- 18.01 <u>Alterations or Additions</u>. Tenant shall make no alterations or additions to the Premises or improvements constructed thereon, which require building permit approval, without the prior written consent of the Department. Any such additions, alterations or improvements shall be made in accordance with the construction requirements contained herein and as established by the Department.
- 18.02 <u>Signs.</u> No signs, posters, or similar devices shall be erected, displayed, or maintained by Tenant on the Premises without the written consent of the Department, which consent will not be unreasonably withheld by the Department. The Department may impose reasonable conditions on the size, location and type of signage. All signs not approved by the Department shall be immediately removed at the sole cost and expense of Tenant upon written demand therefore by the Department. The signage depicted in Exhibit "C" shall be deemed approved by the Department; provided, however, Tenant agrees that the signage shall be modified so that both signs shall be a single color. Tenant acknowledges and agrees that the Department's approval does not constitute any approval that may be required by County, acting in its regulatory capacity.

ARTICLE 19 LAWS, REGULATIONS AND PERMITS

- 19.01 General. Tenant agrees that throughout the Term and any extension thereof, Tenant 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.
- 19.02 Permits and Licenses Generally. Tenant 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 Lease or any extension thereof by any federal, state or local governmental entity or any court of law having jurisdiction over Tenant or Tenant's operations and activities, for any activity of Tenant's conducted on the Premises and for any and all operations conducted by Tenant including ensuring that all legal requirements, permits, and licenses necessary for or resulting, directly or indirectly, from Tenant's operations and activities on the Premises have been obtained and are in full legal compliance. Upon the written request of the Department, Tenant shall provide to the Department certified copies of any and all permits and licenses which Department may request.
- 19.03 <u>Safety Regulation</u>. Tenant agrees that it shall conduct its operations and activities under this Lease in a safe manner, shall comply with all safety regulations of the Department and with safety standards imposed by applicable federal, state and local laws and regulations and shall require the observance thereof by all employees, subtenants, contractors, business invitees and all other persons transacting business with or for Tenant resulting from, or in any way related to, the conduct of Tenant's business on the Premises. Tenant shall procure and maintain such fire prevention and extinguishing devices as required by County and by law and shall at all

times be familiar 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. Tenant hereby agrees that neither Tenant, nor employee or contractor or any person working for or on behalf of Tenant, shall require any personnel engaged in the performance of Tenant's operations to work in surroundings or under working conditions 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.

ARTICLE 20 AMERICANS WITH DISABILITIES ACT

Tenant shall comply with the applicable requirements of the Americans with Disabilities Act and the State of Florida Accessibility Requirements Manual, and any similar or successor laws, ordinances, rules, and regulations, including cooperation with County, concerning the same subject matter ("ADA"). Notwithstanding the foregoing, the parties acknowledge and agree that County shall cause renovations to be made to the public restroom facilities and replacement of door handles to the extent necessary to ensure compliance with the ADA, at County's sole cost and expense.

ARTICLE 21 DISCLAIMER OF LIABILITY

COUNTY HEREBY DISCLAIMS, AND TENANT HEREBY RELEASES COUNTY, FROM ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE AND NUISANCE), FOR ANY LOSS, DAMAGE, OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY TENANT, ITS EMPLOYEES, AGENTS, OR INVITEES DURING THE TERM OF THIS LEASE OR ANY EXTENSION THEREOF INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF TENANT OR TENANT'S BUSINESS INVITEES THAT MIGHT BE LOCATED OR STORED ON THE PREMISES, UNLESS SUCH LOSS, DAMAGE OR INJURY IS JUDICIALLY DETERMINED TO HAVE BEEN CAUSED BY COUNTY'S COMPARATIVE NEGLIGENCE OR IS CAUSED BY COUNTY'S BREACH OF ITS OBLIGATIONS UNDER THIS LEASE. THE PARTIES HERETO EXPRESSLY AGREE THAT UNDER NO CIRCUMSTANCES SHALL COUNTY BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL, OR EXEMPLARY DAMAGES WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE, AND NUISANCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR ANY OTHER DAMAGE RELATED TO THE LEASING OF THE PREMISES PURSUANT TO THIS LEASE. TENANT RELEASES COUNTY FROM ANY AND ALL LIABILITY RELATING TO ANY INFORMATION PROVIDED BY COUNTY RELATING TO THIS LEASE. FURTHERMORE, TENANT ACKNOWLEDGES AND AGREES THAT ITS USE OF ANY SUCH INFORMATION, WHETHER PREPARED OR PROVIDED BY COUNTY OR OTHERWISE, DETERMINING WHETHER TO ENTER INTO THIS LEASE WAS AT ITS SOLE RISK.

ARTICLE 22 GOVERNMENTAL RESTRICTIONS

- 22.01 Federal Right to Reclaim. In the event a United States governmental agency shall demand and take over the entire facilities of the Airport or the portion thereof wherein the Premises are located for public purposes for a period in excess of ninety (90) days, either party may terminate this Lease by providing written notice of such termination to the other party and the parties shall thereupon be released and fully discharged from any and all liability hereunder arising after such termination or as a result thereof. This Section shall not act or be construed as a waiver of any rights Tenant may have against the United States as a result of such taking.
- 22.02 Federal Review. Tenant acknowledges this Lease may be subject to review or inspection by the FAA to determine satisfactory compliance with Federal law or grant assurances and agrees that this Lease 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 Lease which shall be determined by the FAA to be in violation of existing laws, regulations, grant assurances or other requirements.
- 22.03 County Tax Assessment Right. None of the terms, covenants and conditions of this Lease shall in any way be construed as a release or waiver on the part of County, as a political subdivision of the State of Florida, or any of the public officials of 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 Premises, the business or property of Tenant.
- 22.04 <u>Height Restriction</u>. Tenant expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Premises to such a height so as to comply with Title 14, Part 77 of the Code of Federal Regulations, as now or hereafter amended.
- 22.05 <u>Right of Flight.</u> County reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises together with the right to cause in said airspace such noise as may be inherent in the operations of aircraft now known or hereafter used, for navigation of, or flight in, said airspace for landing on, taking off from, or operating on the Airport.
- 22.06 Operation of Airport. Tenant expressly agrees for itself, its sublessees, 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.
- 22.07 <u>Release.</u> Tenant acknowledges that noise and vibration are inherent to the operation of the Airport and hereby releases County from any and all liability relating to the same.
 - 22.08 Exclusive Rights. Notwithstanding any provision of this Lease to the contrary,

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

22.09 <u>Hazardous Wildlife Attractants</u>. Tenant shall be prohibited from using the Premises in a manner which attracts, or has the potential to attract, hazardous wildlife to or in the vicinity of the Airport. Tenant acknowledges that water detention and retention areas are considered wildlife attractants and shall request the approval of the Department prior to constructing a water detention or retention area within the Premises. If approved by the Department, water detention or retention areas shall be in compliance with the siting, design and construction requirements of the Department. Tenant further agrees to comply with the provisions of Federal Aviation Administration Advisory Circular No. 150/5200-33, as now or hereafter amended, as such circular is interpreted by the Department.

ARTICLE 23 NON-DISCRIMINATION

Tenant for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that no person on the grounds of race, color, creed, religion, disability, sex, age, national origin, ancestry, marital status, familial status, sexual orientation, or gender identity and expression shall be excluded from participation (i) in or denied the use of the Premises; (ii) in the construction of any improvements on, over, or under the Premises; or (iii) in the furnishing of services. Tenant shall use the Premises in compliance with all requirements imposed by or pursuant to Title 49, Part 21 of Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, as now or hereafter amended. 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 thereon, and hold the same as if this Lease had never been made or issued. This cancellation provision shall not be effective until the procedures of Title 49, Part 21 of the Code of Federal Regulations are followed and completed including exercise or expiration of appeal rights.

ARTICLE 24 COUNTY NOT LIABLE

County shall not be responsible or liable to Tenant for any claims for compensation or any losses, damages or injury whatsoever sustained by Tenant resulting from failure of any water supply, heat, air conditioning, electrical current, or 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; provided, however, County agrees to use commercially reasonable efforts to mitigate the effect of any such occurrence. All personal property placed on or moved on to the Premises shall be at the sole risk of Tenant. County shall not be liable for any damage or loss of any personal property placed or moved on to the Premises.

ARTICLE 25 AUTHORIZED USES ONLY

Notwithstanding anything to the contrary herein, Tenant shall not use or permit the use of the Premises or the Airport for any illegal or improper purpose or for any purpose which would invalidate any policies of insurance, now existing or hereafter written on the Premises or the Airport for County or Tenant.

ARTICLE 26 MISCELLANEOUS

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

26.02 Subordination.

- (A) Subordination to Bond Resolution. This Lease and all rights granted to Tenant hereunder are expressly subordinated and subject to the lien and provisions of the pledge, transfer, hypothecation or assignment made by County in the Bond Resolution, and County and Tenant agree that to the extent permitted by authorizing legislation, the holders of the bonds or their designated representatives shall exercise any and all right of County hereunder to the extent such possession, enjoyment and exercise are necessary to insure compliance by Tenant and County with the terms and provisions of this Lease and Bond Resolution
- (B) Subordination to Federal Agreements. This Lease shall be subject and subordinate to all the terms and conditions of any instrument and documents under which County acquired the land or improvements thereon, of which the Premises are a part, and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. Tenant understands and agrees that this Lease shall be subordinate to the provisions of any existing or future agreement between County and the United States of America or State of Florida, or any of their agencies, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of state or federal funds for the development of the Airport.
- 26.03 <u>Easement</u>. Nothing in this Lease shall impair any existing utility easements, nor impair the right of access to any existing utility lines. County reserves the right to grant utility easements, licenses and rights-of way to others over, under, through, across or on the Premises; provided, however, that such grant is not materially detrimental to the proper conduct of Tenant's operations.

- 26.04 <u>Independent Contractor</u>. Tenant or any successor in interest to this Lease, is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions, and County shall in no way be responsible therefor.
- 26.05 Governmental Authority. Nothing in this Lease shall be construed to waive or limit the County's governmental authority as a political subdivision of the State of Florida to regulate Tenant or its operations. The County's obligations under this Lease are made in a proprietary capacity, rather than in a governmental capacity and such agreements shall not be construed as limiting, prohibiting or eliminating the obligation of the parties to comply with all applicable rules, regulations, ordinances, statues and laws, nor alter or impair the County's governmental functions, including, without limitation, the County's right to lawfully exercise its regulatory authority over the development of the Premises, nor as enabling, permitting, or creating any cause of action or claim arising out of the lawful exercise of the County's governmental authority.
- 26.06 <u>Rights Reserved to the County.</u> All rights not specifically granted Tenant by this Lease are reserved to County.
- 26.07 <u>Invalidity of Clauses</u>. 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.
- 26.08 Governing Law. This Lease shall be governed by and in accordance with the laws of the State of Florida.
- 26.09 <u>Venue</u>. Venue in any action, suit or proceeding in connection with this Lease shall be filed and held in a State court of competent jurisdiction located in Palm Beach County, Florida.
- 26.10 <u>Inspections.</u> Notwithstanding any provision of this Lease to the contrary, Tenant agrees that authorized employees and representatives of County and any federal, state and local governmental entity having jurisdiction over Tenant's operations or activities on the Premises shall have the right of access to the Premises at all reasonable times for the purposes of inspection for compliance with the provisions of this Lease and applicable laws.
- 26.11 Notices. All notices and elections (collectively, "notices") to be given or delivered by or to any party hereunder, shall be in writing and shall be (as elected by the party giving such notice) hand delivered by messenger, courier service or overnight mail, telecopied or faxed (provided in each case a receipt is obtained), or alternatively shall be sent by United States Certified Mail, with Return Receipt Requested. The effective date of any notice shall be the date of delivery of the notice if by personal delivery, courier services or overnight mail, or on the date of transmission with confirmed answer back if by telecopier or fax if transmitted before 5PM on a business day and on the next business day if transmitted after 5PM or on a non-business day, or if mailed, upon the date which the return receipt is signed or delivery is refused or the notice designated by the postal authorities as non-deliverable, as the case may be. The parties hereby 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:

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

Fax: 561-471-7427

With a copy to:

Attn: Airport Real Estate Attorney Palm Beach County Attorney's Office 301 North Olive Ave, Suite 601 West Palm Beach, FL 33401

Fax: 561-355-4398

Tenant:

Attn: President
Workforce Alliance, Inc.
315 S. Dixie Highway
Suite 102
West Palm Beach, FL 33401
Fax: (561) 340-1062

With a copy to:

David H. Baker, Esq. Alley Maass Rogers & Lindsay, P.A. P.O. Box 431 Palm Beach, FL 33480 Fax: (561) 833-2261

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

- 26.12 <u>Paragraph Headings</u>. 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.
- 26.13 <u>No Recording.</u> Neither this Lease, nor any memorandum or short form hereof, shall be recorded in the Public Records of Palm Beach County, Florida, without the prior written consent of the Department.
- 26.14 <u>Binding Effect</u>. The terms, conditions and covenants of this Lease shall inure to the benefit of and be binding upon the parties hereto and their successors, assigns and subtenants, if any. This provision shall not constitute a waiver of any conditions against assignment or subletting.
- 26.15 <u>Performance</u>. The parties expressly agree that time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

- 26.16 Construction. No party shall be considered the author of this Lease since the parties hereto have participated in extensive negotiations and drafting and redrafting of this document to arrive at a final Lease. Thus, the terms of this Lease shall not be strictly construed against one party as opposed to the other party based upon who drafted it. In the event that any section, paragraph, sentence, clause, or provision hereof, shall be held by a court of competent jurisdiction to be invalid, such shall not affect the remaining portions of this Lease and the same shall remain in full force and effect.
- 26.17 No Broker. Tenant represents and warrants that Tenant has not dealt with any real estate salesperson, agent, finder or broker in connection with this Lease and further agrees to indemnify, defend and hold harmless County from and against any claims or demands of any such salesperson, agent, finder or broker claiming to have dealt with Tenant. The foregoing indemnification shall include all costs, expenses and fees, including reasonable attorney's fees plus cost at trial and all appellate levels, expended or incurred in the defense of any such claim or demand. The obligations set forth in this paragraph shall survive the termination of this Lease.
- 26.18 <u>Public Entity Crimes.</u> As provided in Section 287.132-133, Florida Statutes, by entering into this Lease or performing any work in furtherance hereof, Tenant certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the thirty-six (36) months immediately preceding the effective date hereof. This notice is required by Section 287.133(3)(a), Florida Statutes.
- 26.19 <u>Consent or Action.</u> In the event that 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 Department, rather than any implied standard of good faith, fairness or reasonableness. Wherever this Lease requires County or Department's consent or approval or permits County or Department to act, such consent, approval or action may be given or performed by the Director.
- 26.20 Entirety of Agreement. The parties agree that this Lease sets forth the entire agreement between the parties, and there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Lease may be added to, modified, superseded or otherwise altered except by written instrument executed by the parties hereto.
- 26.21 <u>Remedies Cumulative.</u> The rights and remedies of the parties hereto with respect to any of the terms and conditions of this Lease shall be cumulative and not exclusive and shall be in addition to all other rights and remedies of the parties.
- 26.22 <u>Incorporation by References.</u> All terms, conditions, specifications of the Bid, Tenant's Response and all exhibits attached hereto and referenced herein shall be deemed to be incorporated in this Lease by such reference.
- 26.23 <u>Radon.</u> 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.

- 26.24 <u>Inspector General.</u> County has established the Office of the Inspector General in Palm Beach County Code, Section 2-421 2-440, as may be amended. The Inspector General's authority includes but is not limited to the power to review past, present and proposed County contracts, transactions, accounts and records, to require the production of records, and to audit, investigate, monitor, and inspect the activities of Tenant, its officers, agents, employees and lobbyists in order to ensure compliance with contract requirements and detect corruption and fraud. Failure to cooperate with the Inspector General or interfering with or impeding any investigation shall be in violation of Palm Beach County Code, Section 2-421 2-440, and punished pursuant to Section 125.69, Florida Statutes, in the same manner as a second degree misdemeanor.
- 26.25 No Third Party Beneficiaries. No provision of this Lease is intended to, or shall be construed to, create any third party beneficiary or to provide any rights to any person or entity not a party to this Lease, including but not limited to any citizen or employees of County and/or Tenant.
- 26.26 <u>Survival</u>. Notwithstanding any early termination of this Lease, Tenant shall remain obligated hereunder to perform any duty, covenant or obligation imposed upon Tenant hereunder arising prior to the date of such termination.
- 26.27 <u>Annual Appropriation</u>. Nothing in this Lease shall obligate County, during any fiscal year, to expend money or incur any liability that involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. County's obligations under this Lease, which involve the expenditure of money, shall be subject to annual budgetary funding and appropriations by the Palm Beach County Board of County Commissioners in accordance with Chapter 129, Florida Statutes, as it may be amended.

(Remainder of page left blank intentionally)

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

SHARON R. BOCK, CLERK AND COMPTROLLER By: Deputy Clerk	PALM BEACH COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA, BY ITS BOARD OF COUNTY COMMISSIONERS By: Steven L. Abrams, Mayor APPROVED AS TO TERMS AND CONDITIONS By: Director, Department of Airports				
APPROVED AS TO FORM AND LEGAL SUFFICIENCY By:County Attorney					
Signed, sealed and delivered in the presence of two witnesses for TENANT: Signature Print Name Butlet Signature Butlet Signature Botlek Print Name	TENANT: WORKFORCE ALLIANCE, INC. Signature Steve Craig Print Name President + CEO Title				

(Corporate Seal)

EXHIBIT "A" PREMISES

STATE OF FLORIDA

BOARD OF COUNTY COMMISSIONERS

P. B. I. A.

WORKFORCE ALLIANCE, INC. LEASE (N - 3)

HAL R. VALECHE

PAULETTE BURDICK

STEVEN L. ABRAMS DISTRICT 4

SHELLEY VANA DISTRICT 3

MARY LOU BERGER DISTRICT 5

PRISCILLA A. TAYLOR

SURVEYOR'S REPORT (CONTINUING)

NO VESETATION INDETIFICATION OR LOCATIONS WERE REQUESTED BY THE CLIENT.

UNDERGROUND FOUNDATIONS AND UTILITIES MAY BE PRESENT. NO UNDERGROUND FOUNDATIONS OR UTILITIES WERE LOCATED BY THIS

DATUM = NAD 83. 1990 ADJUSTMENT

LINEAR UNITS = US SURVEY FOOT

GROUND DISTANCE X SCALE FACTOR = GRID DISTANCE

GLENN W. MARK PLS FLORIDA CERTIFICATE NO. 5304

DATE

COUNTY OF PALM BEACH

PROJECT NO. 2005013-03

BOUNDARY SURVEY

DISTRICT 1

DISTRICT 2

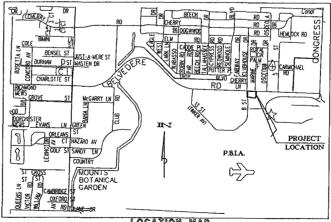
JESS R. SANTAMARIA

DISTRICT 6



DISTRICT 7

SECTION 31, TOWNSHIP 43 SOUTH, RANGE 43 EAST



LOCATION MAP

NO VERTICAL TOPOGRAPHY WAS REQUESTED BY THE CLIENT.

SAID PARCEL CONTAINING 3.556 ACRES OR 154.906 SQUARE FEET MORE OF LESS.

BEARINGS ARE BASED ON A GRID (NAD 83, 1990 ADJUSTED! REARING OF NORTH 88"22"59" WEST ALONG THE MOMUMENTED MORTH LINE OF SECTION 31. TOWNSHIP 43 SOUTH. RANGE 43 EAST (AS SHOWN ON THIS SURVEY) AND ALL OTHER BEARINGS ARE RELATIVE THERETO.

THIS INSTRUMENT PREPARED BY GLENN W. MARK, P.L.S. IN THE OFFICE OF THE COUNTY ENGINEER. 2300 NORTH JOG ROAD. MEST PALM BEACH. FLORIDA 33411.

NO SEARCH OF THE PUBLIC RECORDS HAS BEEN MADE BY THE SIGNING SURVEYOR

SEE THE RECORDED DOCUMENTS CITED ON THIS DRAWING FOR ADDITIONAL

THE SURVEY WAS LAST REVIEWED IN THE FIELD ON THE FOLLOWING DATE: 07/12/05, UPDAET INSPECTION 02/20/2013.

THE FOLLOWING STATIONS WERE USED TO CONTROL THE SURVEY "ME CORNER OF SECTION 31. IDMNSHIP 43 SOUTH, RANCE 41 EAST, A "MOTOR POOL", REFER TO THE "GEODETIC CONTROL DONISTICATION PRODUCT FOR EASTERN PAIN BEACH CONTY, "DRAWING MO. 5- 3-14-763 FOR ADDITIONAL INFORMATION CONCERNING THE CONTROL USED FOR THIS PRODUCTS FIELD TRAVERSE.

ALL APPARENT EXISTING IMPROVEMENTS HAVE NOT BEEN LOCATED OR NOTED ON THIS SURVEY AT THE CLIENT'S REDUEST.

AERIAL PHOTO BY OTHERS DATED 11/23/2010 TO 12/12/2010.

DESCRIPTION

ROADWAY

PRODUCTION
PRITH JOG ROAD
LA BRACH, PL SCAI

AWN: A.B.F. CHECKED: G.W.M.

DATE: 07/13/05

SHEET: 1

DF: 2

2005013-03

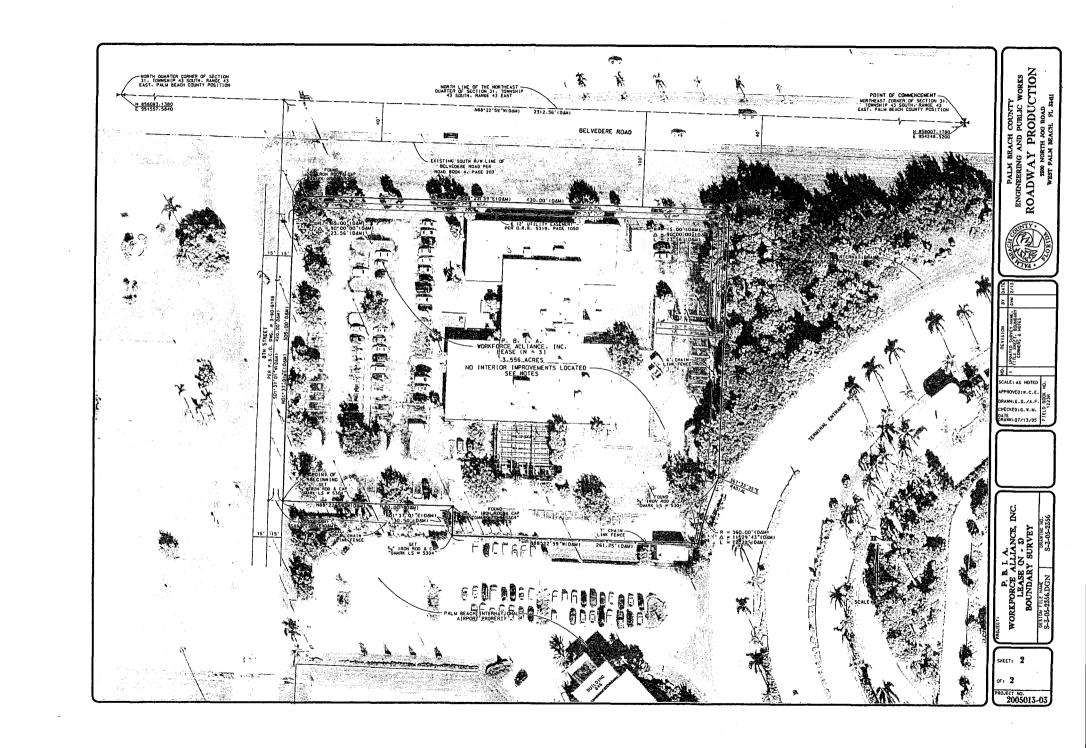


EXHIBIT "B" ADDITIONAL PARKING AREA

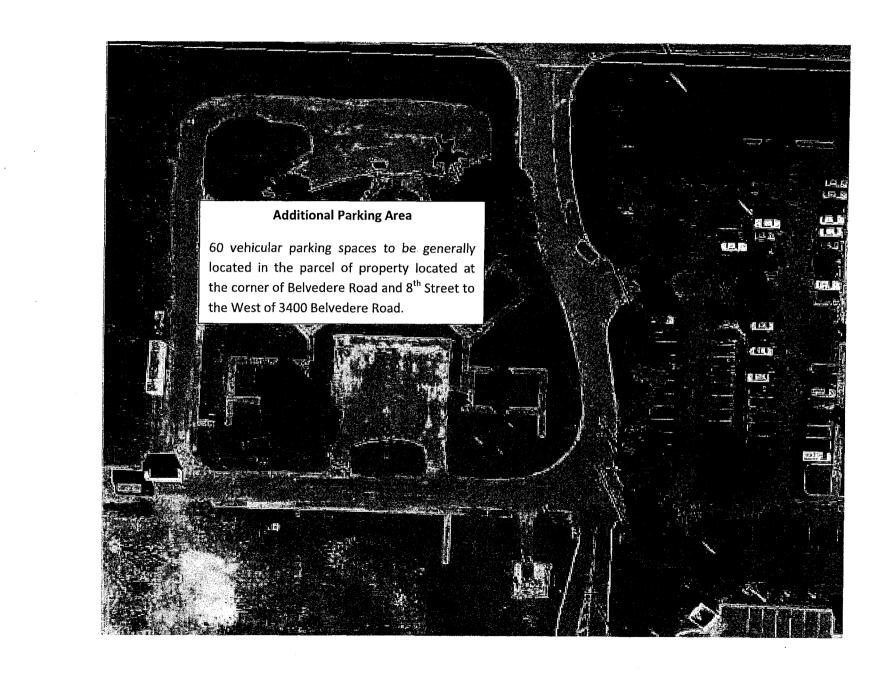
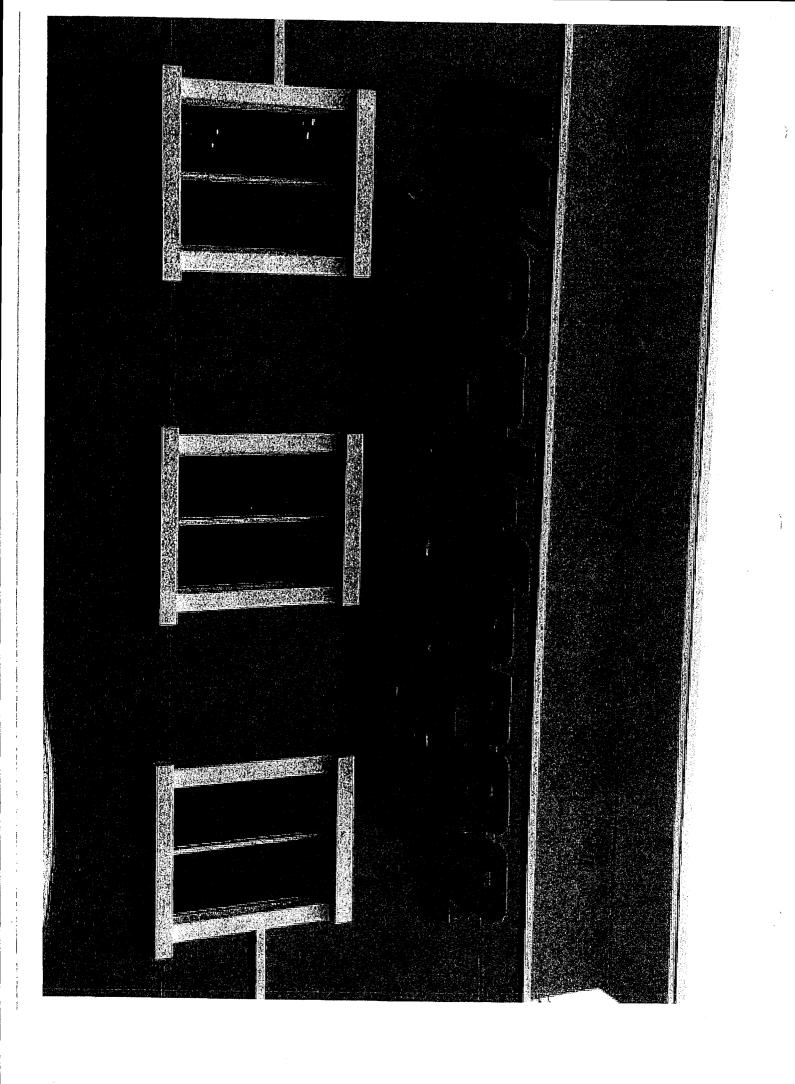


EXHIBIT "C" SIGNAGE





Laura Beebe

From:

Scott Marting [SMarting@pbcgov.org] Tuesday, April 09, 2013 1:26 PM

Sent: To:

Laura Beebe

Cc: Subject:

Martha K. LaVerghetta; Nancy Bolton

RE: Workforce Alliance Lease

Hi Laura -

As we discussed that makes perfect sense to me and Risk Management would agree with that approach given the timeline that you are using to secure leases.

Thank you,

Scott Marting, CSP
Insurance and Claims Manager
Palm Beach County Risk Management
100 Australian Avenue, Suite 200
West Palm Beach, FL 33406
smarting@pbcgov.org

Office: 561-233-5432 Fax: 561-233-5420

From: Laura Beebe [mailto:lmbeebe@pbia.org]

Sent: Tuesday, April 09, 2013 10:58 AM

To: Scott Marting

Cc: Martha K. LaVerghetta

Subject: Workforce Alliance Lease

Scott.

We are processing the attached lease for the Workforce Alliance. The commencement date of the lease is not until January 1, 2014. The lease provides that the Workforce Alliance will provide us with insurance certificates prior to the commencement date of the Lease. In other words, since the actual occupancy date is so far out, we are not requiring them to provide us with certificates right now so they will not be attached to the agenda item.

As mentioned in Martha's e-mail, we are going to have a similar situation with the individual tenant leases at the Lantana Airport since those leases will not be commencing until April 1, 2014; however, due to the large number of tenants, it is important that we sign them up early rather than waiting until the last minute.

We understand that it is our obligation to obtain the certificates prior to occupancy and will do so in accordance with the lease(s); however, we agree with the tenants that it is not reasonable to request the insurance be provided so far in advance. If they are not provided as required, we will pursue termination.

Please let me know if you are in agreement with this approach.

Laura Beebe

Deputy Director, Airports Business Affairs

CERTIFICATE

(Corporation)

The undersigned hereby certifies that the following are true and correct statements:

- 1. That Dennis Gallon is the Secretary of Workforce Alliance, Inc., a nonprofit corporation organized and existing in good standing under the laws of the State of Florida, hereinafter referred to as the "Corporation", and that at its meeting on February 14, 2013 the Board of Directors of the Corporation in accordance with the laws of the State of Florida, the Articles of Incorporation and the By-laws of the Corporation delegated the approval of the proposed lease with Palm Beach County, Florida ("Landlord") of the property located at 3400 Belvedere Road, West Palm Beach, Florida (the "Leased Premises") to the Executive Committee of the Corporation.
- 2. That at its meeting on April 5, 2013, the Executive Committee approved the Lease.
- 3. That <u>Steve Craig, the President and CEO</u>, of the Corporation, is hereby authorized and instructed to execute such Lease and such other instruments as may be necessary and appropriate for the Corporation to fulfill its obligations under the Lease.
- 4. That the actions have not been modified, amended, rescinded, revoked or otherwise changed and remain in full force and effect as of the date hereof.
- 5. That the Corporation is in good standing under the laws of the State of Florida, and has qualified, if legally required, to do business in the State of Florida and has the full power and authority to enter into such Agreement.

[Signature]

Corporate Seal

Dennis Gallon, Secretary

13 - 08/7

BUDGET TRANSFER

BOARD OF COUNTY COMMISSIONERS PALM BEACH COUNTY, FLORIDA

Fund 4111

Page 1 of 1 pages

Advantage Document Numbers:

EXPENDED/

BGEX 0410/1398

Use this form to provide budget for items not anticipated in the budget.

ACCT.NUMBER	ACCOUNT NAME	ADOPTED BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	ENCUMBERED AS OF 04/10/2013	REMAINING BALANCE
Expenditures								
121-A267-6211 121-A900-9909	Building Improvements Reserves Improvement Progam	0 36,099,671	0 28,534,352	700,000	0 700,000	700,000 27,834,352	0	700,000 27,834,352
	Total Appropriations & Expenditures			700,000	700,000			
			-					
L		Signatures			Date		By Board of County Commissioners	
	Airports						At Meeting of	
INITIATING DEF	PARTMENT/DIVISION	(m)	yanin .		4/10/13		May 7, 2013	
Administration/Bu	udget Department Approval		Dias)	417/2		Deputy Clerk to the Board of County Commi	ssioners

Airport Improvement & Developement Fund

Attachment #

OFMB Department - Posted

4/6/13