

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

Meeting Date: March 11, 2014

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

Department:

Submitted By: Department of Airports

Submitted For:  
=====

**I. EXECUTIVE BRIEF**

**Motion and Title:** Staff recommends motion to receive and file: Eleventh Amendment to Airline Operating and Lease Agreement with Air Canada (R-2009-0081), replacing Exhibit "B" increasing leasehold for the season, effective October 27, 2013.

**Summary:** Delegation of authority for execution of the standard County agreement above was approved by the BCC in R-2007-1968. **Countywide (AH)**

**Background and Justification:** N/A

**Attachments** One (1) Standard Agreement for the Department of Airports

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*AS*  
Recommended By: Jan Selby Department Director Date 1/28/14

Approved By: *pdh* VC Palko County Administrator Date 2/10/14

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	<u><i>See below</i></u>	_____	_____	_____	_____
<b># ADDITIONAL FTE POSITIONS (Cumulative)</b>	_____	_____	_____	_____	_____

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

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

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

C. Departmental Fiscal Review:  *M. Simon*

**III. REVIEW COMMENTS**

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

*[Signature]*   
 5:10 AM OFMB  
 2/4 2/4

*[Signature]*  2/7/14  
 Contract Dev. and Control  
 2-7-14 10:10 AM

**B. Legal Sufficiency:**

*Anne Delgado*  2-16-14  
 Assistant County Attorney.

**C. Other Department Review:**

\_\_\_\_\_  
 Department Director



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

**THIS ELEVENTH AMENDMENT TO THE AIRLINE OPERATING AND LEASE AGREEMENT** (this "Amendment") is made and entered into this 7<sup>th</sup> day of January, 2014, by and between Palm Beach County, a political subdivision of the State of Florida ("COUNTY"), and Air Canada, a Canadian Corporation, having its offices and principal place of business at 7373 Cote Vertu West, Ville Saint Laurent, Quebec, Canada ("AIRLINE").

**WITNESSETH:**

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

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

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

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

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

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

2. The parties agree that effective October 27, 2013, Exhibit "B" to the Agreement shall be replaced with the Exhibit "B" to this Amendment.

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

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

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

*(Remainder of page intentionally left blank)*

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

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

Jeffrey S. Bolton  
Signature  
Jeffrey S. Bolton

Print Name

Debra Reese  
Signature  
Debra Reese  
Print Name

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

BY: James Kelly  
Director, Department of Airports

**APPROVED AS TO FORM & LEGAL SUFFICIENCY:**

Anne Welyand  
County Attorney

APPROVED  
as to Law  
12/9/13

JP

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

Celine Bisson  
Signature  
CELINE BISSON

Print Name

Lorraine Murray  
Signature  
LORRAINE MURRAY  
Print Name

**AIR CANADA:**

By: Sal Ciotti

Typed or printed name of Corporate Officer  
Sal Ciotti

Title: Sr. Director - C.R.E. and Corporate Development

(Seal)

Cecily M. Habrono  
Corporate Secretary

**EXHIBIT "B"**

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

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

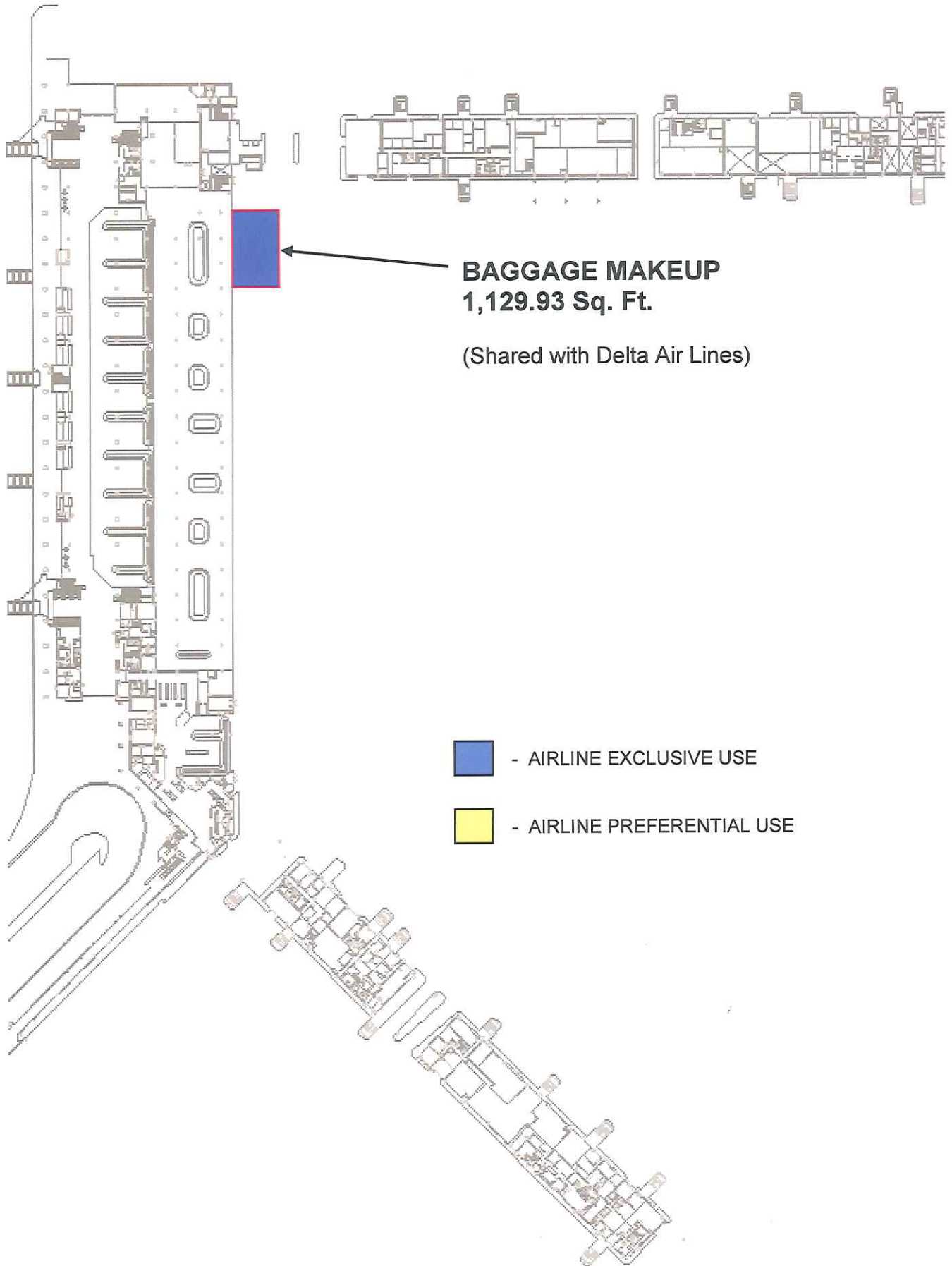




EXHIBIT "B" to Airline Operating and Lease Agreement  
AIR CANADA

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

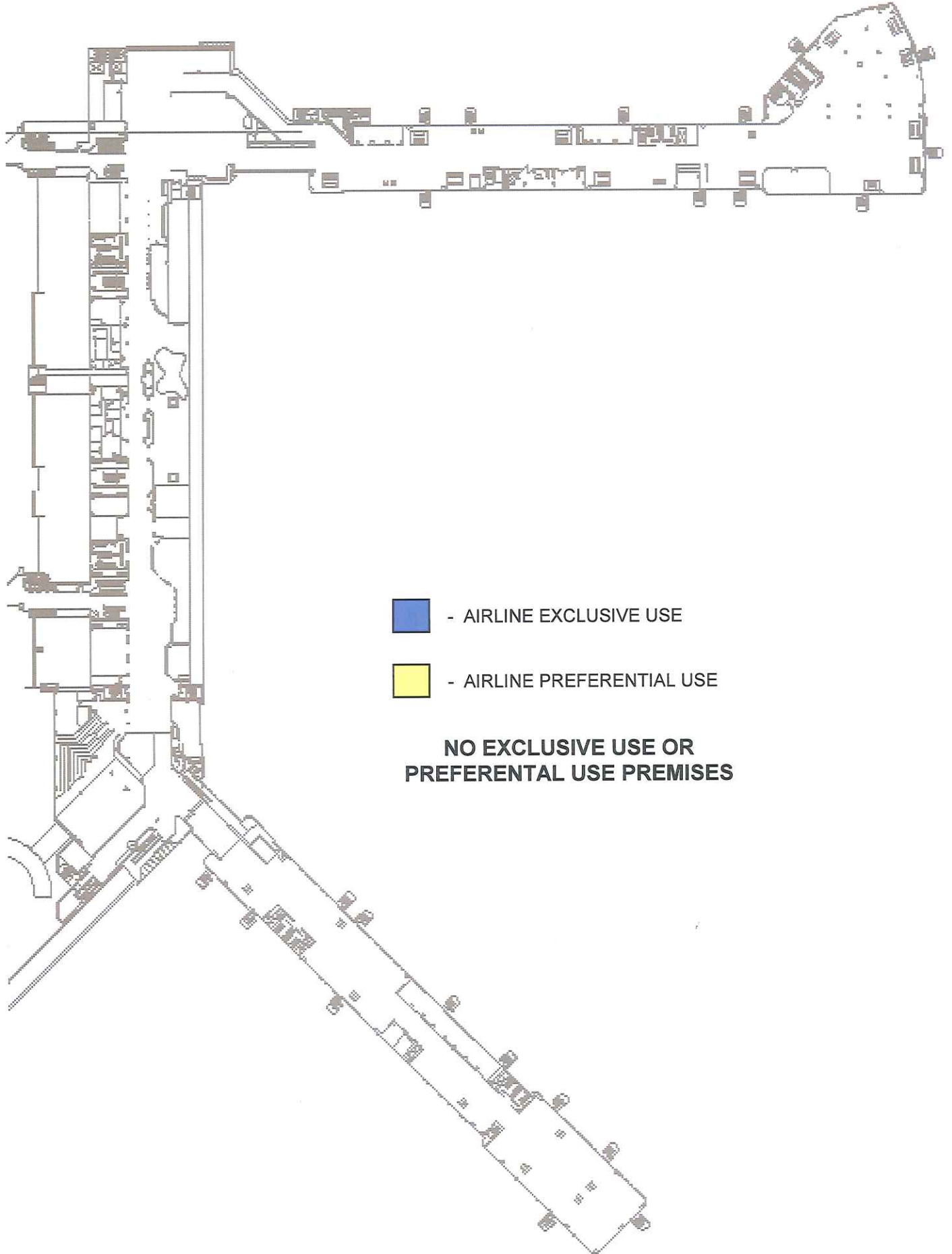
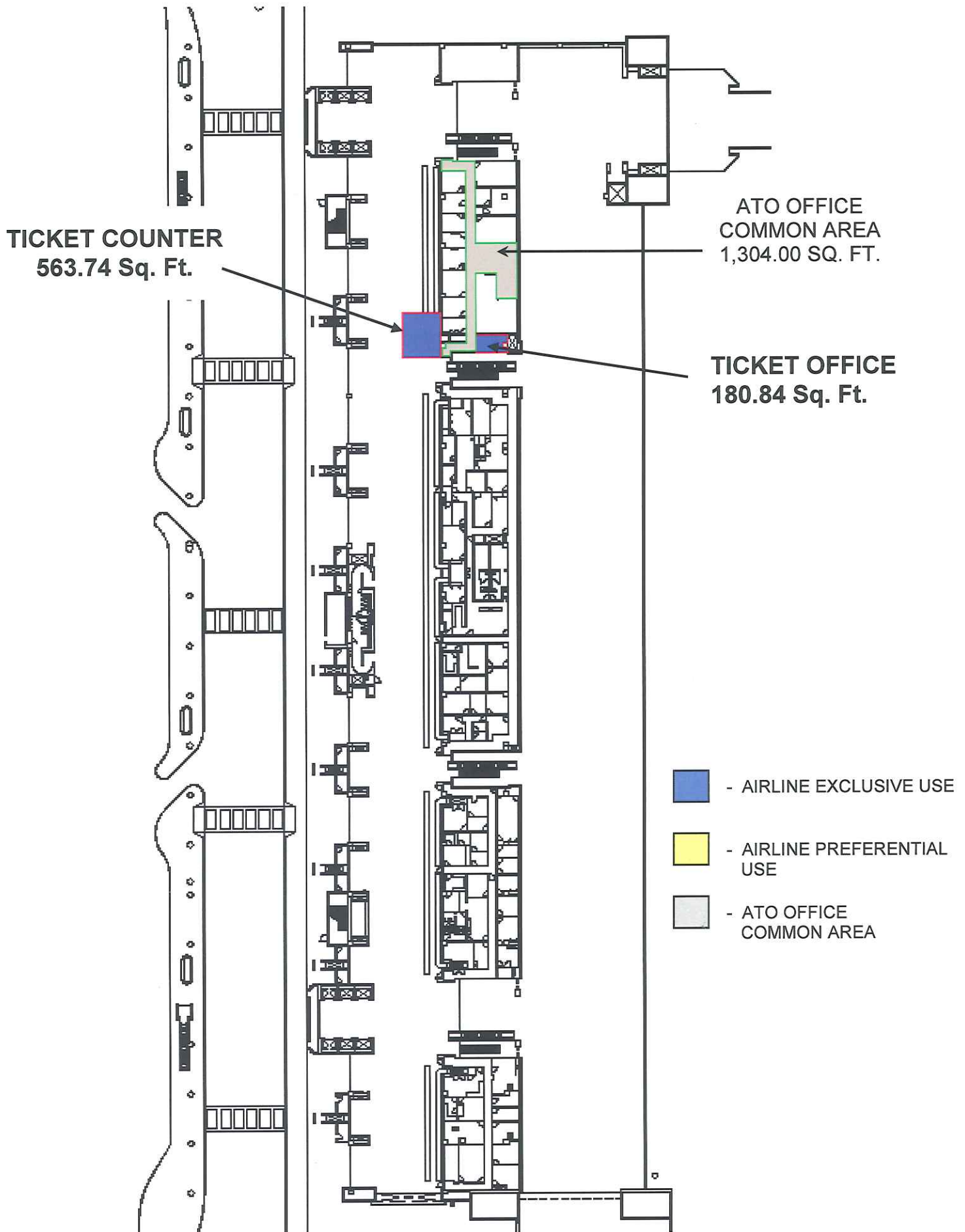


EXHIBIT "B" to Airline Operating and Lease Agreement  
AIR CANADA

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







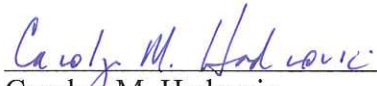
CERTIFICATE

I, Carolyn M. Hadrovic, Corporate Secretary of Air Canada (the "Corporation"), hereby certify that pursuant to a resolution adopted by the Board of Directors of the Corporation under By-Law No. 1 and to the delegated authorities thereunder, Sal Ciotti, Senior Director, Corporate Real Estate – Corporate Development is authorized to execute on behalf of the Corporation Eleventh Amendment to Airline Operating and Lease Agreement between the Corporation and Palm Beach County effective as of October 27, 2013.

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

Dated at Montreal, Quebec, this <sup>12<sup>th</sup></sup> day of December, 2013.

AIR CANADA

  
\_\_\_\_\_  
Carolyn M. Hadrovic  
Corporate Secretary

Client#: 117871

AIRCANAD

**ACORD™**

**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
7/03/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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

<b>PRODUCER</b> USI Insurance Services, LLC/CL P.O. Box 141916 Coral Gables, FL 33114-1916 305 669-6000	<b>CONTACT NAME:</b>	
	PHONE (A/C, No, Ext): 305 669-6000	FAX (A/C, No):
<b>INSURED</b> Air Canada PO Box 14000 Station Airport Dorval, QC H4Y1H4	<b>E-MAIL ADDRESS:</b>	
	<b>INSURER(S) AFFORDING COVERAGE</b>	
	<b>INSURER A:</b> Liberty Insurance Corporation	<b>NAIC #</b> 42404
	<b>INSURER B:</b> Federal Insurance Company	20281
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
<b>INSURER E:</b>		
<b>INSURER F:</b>		

**COVERAGES**

**CERTIFICATE NUMBER:**

**REVISION NUMBER:**


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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$	
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		73557488	07/01/2013	07/01/2014	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$	
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$	
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	X	WC7Z21968758023	07/01/2013	07/01/2014	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

**CERTIFICATE HOLDER**

**CANCELLATION**

Palm Beach International Airport 846 Palm Beach International Airport West Palm Beach, FL 33406	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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**Alaster Burpitt**  
Senior Vice President

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Montreal, Quebec H3A 3T4  
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Alaster.Burpitt@marsh.com  
www.marsh.ca www.marsh.com

**CERTIFICATE OF INSURANCE**

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

Certificate No. AC-AA205213/210

Date: December 15, 2013

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

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

**Named Insured:** AIR CANADA

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

**Period of Insurance:** This Insurance is for a period of 12 months which expires at Noon  
Eastern Standard Time December 15, 2014.

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

**Coverage:** Aviation General Liability Insurance including:

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

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

**Territorial Limits:** Worldwide.



**Special Conditions:**

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

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

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

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

*SEVERAL LIABILITY NOTICE*

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

**MARSH CANADA LIMITED**



By: \_\_\_\_\_  
Alaster Burpitt