

AGENDA ITEM SUMMARY

Submitted For: Department of Airports

1. Lease (4)

JB
Recommended By: Jan Pelly 10/30/14
Department Director Date
Approved By: pa [Signature] 11/5/14
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures					
Operating Costs					
Operating Revenues		(\$21,826)	(\$43,652)	(\$43,652)	(\$43,652)
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT		(\$21,826)	(\$43,652)	(\$43,652)	(\$43,652)
# ADDITIONAL FTE					
POSITIONS (Cumulative)					

Is Item Included in Current Budget? Yes ____ No X
Budget Account No: Fund 4100 Department 120 Unit 8250 Rsource 4416
Reporting Category _____

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

The fiscal impact analysis assumes rental commences on April 1, 2016.

C. Departmental Fiscal Review: Cathy Simon

III. REVIEW COMMENTS

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

[Signature] 10/27/14
10/23 AM OFMB
10/27

[Signature] 10/31/14
Contract Dev. and Control
10-31-14 B Wheeler

B. Legal Sufficiency:

[Signature] 11/4/14
Assistant County Attorney

C. Other Department Review:

Department Director

**DEVELOPMENT SITE LEASE AGREEMENT
FOR SPECIALIZED AVIATION SERVICE OPERATOR FACILITY
NORTH PALM BEACH COUNTY GENERAL AVIATION AIRPORT**

Department of Airports

**Palm Beach County,
a political subdivision of the State of Florida**

and

Index Aviation, LLC

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**DEVELOPMENT SITE LEASE AGREEMENT
FOR SPECIALIZED AVIATION SERVICE OPERATOR FACILITY**

NORTH PALM BEACH COUNTY GENERAL AVIATION AIRPORT

THIS DEVELOPMENT SITE LEASE AGREEMENT FOR SPECIALIZED AVIATION SERVICE OPERATOR FACILITY (this “Lease”) is made and entered into, by and between Palm Beach County, a political subdivision of the State of Florida (“County”), and Index Aviation, LLC, a Florida limited liability company, having its office and principal place of business at 11550 Aviation Boulevard, Suite 4, West Palm Beach, FL 33412 (“Tenant”).

WITNESSETH:

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

WHEREAS, County has certain ground areas at the Airport, which are available for leasing on a triple net basis; and

WHEREAS, Tenant desires to lease certain ground area for the purpose of developing, constructing and operating a Specialized Aviation Service Operator Facility (as hereinafter defined) for the conduct of commercial aeronautical activities at the Airport authorized herein.

NOW, THEREFORE, in consideration of the promises 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 12.09.
- 2.02 “Additional Rent” has the meaning set forth in Section 5.09.
- 2.03 “Adjustment Date” has the meaning set forth in Section 5.03(A).
- 2.04 “Airport” means the North Palm Beach County General Aviation Airport located in Palm Beach County, Florida.

- 2.05 “Airport Rules and Regulations” 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.
- 2.06 “Assignment” has the meaning ascribed to it in Article 17.
- 2.07 “Base Rental” means the initial annual ground rental set forth in Section 5.01 for the rental adjustments occurring during the Initial Term, and the ground and improvement rental established pursuant to Section 5.04 for rental adjustments occurring during the Renewal Term.
- 2.08 “Base Rental Year” means the calendar year 2014 for rental adjustments occurring during the Initial Term, and calendar year in which the Renewal Term commences for rental adjustments occurring during the Renewal Term.
- 2.09 “Bond Resolution” means the Palm Beach County Airport System Revenue Bond Resolution dated April 3, 1984 (R-84-427), as amended and supplemented, which is hereby incorporated herein by reference and made a part hereof.
- 2.10 “Board” means the Board of County Commissioners of Palm Beach County, Florida.
- 2.11 “Bond” has the meaning ascribed to it in Section 5.06.
- 2.12 “Business Day” means any day other than a Saturday, Sunday or County holiday. Use of the word “day”, as opposed to Business Day, means a calendar day of twenty four (24) hours measured from midnight to the next midnight.
- 2.13 “Date of Beneficial Occupancy” means the first to occur of: (a) the date of substantial completion of the Required Improvements, as evidenced by a certificate of occupancy; (b) the date Tenant commences using the Premises (or any part thereof) for the conduct of its business (other than construction); or (c) April 1, 2016.
- 2.14 “Department” means the Palm Beach County Department of Airports.
- 2.15 “DHS” means the United States Department of Homeland Security or any successor thereto.
- 2.16 “Director” means the Director or Acting Director of the Department of Airports.
- 2.17 “Derelict Aircraft” means an aircraft, stored in the open, that:

- (A) Does not hold a current and valid airworthiness certificate issued by the FAA, or other appropriate aircraft certificating authority, together with necessary aircraft registration and maintenance records with a current endorsement by an appropriately rated certificate holder that the aircraft is in an airworthy condition; or
 - (B) Has been issued a condition notice by the FAA that specifies that the aircraft has one or more conditions which render it not airworthy; or
 - (C) Has had major components, accessories, flight controls, portions of the airframe or engines removed so as to render the aircraft not airworthy.
- 2.18 “Derelict Vehicle” means a vehicle designed for use on roadways that is in a wrecked, dismantled or partially dismantled condition, or which is discarded and in an inoperable condition.
- 2.19 “Effective Date” means the date that this Lease is approved by the Palm Beach County Board of County Commissioners and signed by all parties.
- 2.20 “Environmental Laws” all applicable federal, state or local laws, statutes, ordinances, rules, regulations and governmental restrictions relating to the protection of the environment, human health, welfare or safety, or to the emission, discharge, seepage or release of Hazardous Substances into the environment, including, without limitation, ambient air, surface water, groundwater or land, or otherwise relating to the handling of such Hazardous Substances.
- 2.21 “Hazardous Substances” shall mean any contaminant, hazardous or toxic substance, material or waste of any kind or any other substance that is regulated by any Environmental Laws.
- 2.22 “Initial Term” has the meaning set forth in Section 3.01.
- 2.23 “Inspection Period” has the meaning set forth in Section 3.06.
- 2.24 “FAA” means the Federal Aviation Administration.
- 2.25 “Lease” 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.
- 2.26 “Leasehold Mortgage” has the meaning set forth in Section 18.01.

- 2.27 “Leasehold Mortgagee” has the meaning set forth in Section 18.01.
- 2.28 “Letter of Credit” has the meaning ascribed to it in Section 5.06.
- 2.29 “Minimum Capital Expenditure” has the meaning set forth in Section 7.01(B).
- 2.30 “Minimum Standards” means the general aviation minimum standards for the North Palm Beach County General Aviation Airport, as hereafter adopted, amended and any successor general aviation minimum standards adopted for the Airport.
- 2.31 “Plans” have the meaning set forth in Section 7.01(C).
- 2.32 “Premises” means approximately Two Hundred Eighteen Thousand Two Hundred Sixty (218,260) square feet of real property more particularly described on Exhibit “A”, subject to easements, rights-of-way and any other encumbrances of record, together with all buildings, hangars, structures, aircraft apron areas, pavements, facilities, and other improvements now or hereafter constructed thereon.
- 2.33 “Proposal” means the proposal submitted by Tenant in response to the Request for Proposals, RFP No. NC 14-1 issued on March 3, 2014 by County’s Department of Airports which is hereby incorporated herein by reference and made a part hereof.
- 2.34 “Release Documents” has the meaning set forth in Section 18.08.
- 2.35 “RFP” means Request for Proposals, RFP No. NC 14-1 issued on March 3, 2014 by County’s Department of Airports.
- 2.36 “Renewal Term” has the meaning set forth in Section 3.02.
- 2.37 “Required Improvements” has the meaning set forth in Section 7.01(A).
- 2.38 “Risk Management Department” means the Palm Beach County Risk Management Department.
- 2.39 “Security Deposit” has the meaning ascribed to it in Section 5.06.
- 2.40 “Specialized Aviation Service Operator or “SASO” has the meaning set forth in the Minimum Standards.
- 2.41 “Survey of Improvements” has the meaning ascribed to it in Section 7.01(F)

- 2.42 “Tenant Parties” means Tenant and its subtenants, contractors, suppliers, employees, officers, licensees, agents and invitees.
- 2.43 “Term” means the Initial Term and any Renewal Term.
- 2.44 “Title Review Period” has the meaning set forth in Section 3.03.
- 2.45 “TSA” means the Transportation Security Administration or any successor agency responsible for airport security.

ARTICLE 3 - EFFECTIVE DATE, TERM AND EVALUATION OF PROPERTY

3.01 Term. The term of this Lease shall commence on the Effective Date and terminate twenty (20) years from the Date of Beneficial Occupancy (“Initial Term”), unless sooner terminated pursuant to the terms of this Lease. In the event Tenant elects not to renew the Lease at the end of the Initial Term, this Lease shall terminate at the end of the Initial Term, and Tenant shall have no further rights under this Lease.

3.02 Renewal Term. Upon the expiration of the Initial Term, provided that Tenant is not in default beyond any applicable cure period as to any of the terms or conditions of this Lease, Tenant shall have the option to renew the term of this Lease for one additional ten (10) year term (“Renewal Term”). Tenant shall provide written notice to County of its desire to renew this Lease at least one hundred and twenty (120) days prior to the expiration of the Initial Term. In the event Tenant desires to renew this Lease, the parties shall enter into an amendment to renew this Lease upon the terms and conditions set forth herein.

3.03 Title Insurance. Tenant shall have thirty (30) days from the Effective Date to examine County’s title to the Premises (the “Title Review Period”) and, at Tenant’s option, obtain a title insurance commitment for the issuance of a leasehold title policy, agreeing to issue to Tenant a title insurance policy in such amount as deemed appropriate by Tenant. Tenant shall furnish a copy of the title insurance commitment and title policy, if applicable, to County together with legible copies of all exceptions to coverage reflected thereon upon receipt. The cost of the title insurance commitment and title insurance policy and any premium shall be borne by Tenant.

3.04 Title Defects. In the event the title insurance commitment shows as an exception any matters which would unreasonably interfere with Tenant’s intended development and use of the Premises for the uses permitted hereunder, Tenant shall notify County of Tenant’s objections thereto prior to expiration of the Title Review Period. County shall have the right, but not the obligation, within sixty (60) days from receipt of the notice, to cure such title defects or to make arrangements with the title insurer for the removal of such objections from the title insurance commitment. If the defect(s) shall not have been so cured or removed from the title insurance commitment by endorsement thereto at the termination of the sixty (60) day period, Tenant shall have the option of: (a) accepting title to the Premises as it then exists; (b) providing County with

an additional ninety (90) days to remove such defects; or (c) terminating this Lease. Tenant shall provide County with written notice of its election within ten (10) days after expiration of the sixty (60) day period. In the event County is unable to cure such defects within the additional ninety (90) day period, Tenant shall have the option of: (a) accepting title to the Premises as it then exists; or (b) terminating this Lease. Tenant shall provide County with written notice of its election within ten (10) days after expiration of the ninety (90) day period. In the event Tenant terminates this Lease pursuant to this Section, the parties shall be released from all obligations under this Lease, with the exception of those obligations arising hereunder prior to termination of this Lease or which expressly survive termination. In the event Tenant fails to properly exercise its right to terminate this Lease, Tenant shall be deemed to have waived such right and shall be deemed to have accepted title to the Premises subject to all matters of record.

3.05 Survey. Tenant shall have the right, within the Title Review Period, to obtain a current survey of the Premises. The survey shall be prepared in accordance with the minimum technical standards for surveys within the State of Florida. If the survey reveals any encroachments, overlaps, boundary disputes or other defects, which render title unmarketable or unreasonably interfere with Tenant's intended development and use of the Premises for the uses permitted hereunder, the same shall be treated as title defects as described in Section 3.04 of this Lease and Tenant shall have the same rights and remedies as set forth therein.

3.06 Inspections. Commencing on the Effective Date and expiring forty five (45) days thereafter ("Inspection Period"), Tenant may conduct any inspections and tests that Tenant deems appropriate with respect to the Premises, including, but not limited to, the following: (a) physical inspection of the Premises; (b) soil investigation; (c) environmental assessment; (d) topographic studies; and (e) engineering, utilities and site planning studies. All inspections, surveys and tests performed hereunder shall be conducted at Tenant's sole cost and expense and shall be performed by licensed persons or firms dealing in the respective areas or matters. Tenant agrees to indemnify County from and against any and all losses, damages, costs, expenses, and/or liability of whatsoever nature arising from or out of Tenant's and/or its agents, contractors, employees or invitees entry upon and inspection of the Premises. Tenant's obligation to indemnify County pursuant to this Section shall survive the expiration or termination of this Lease. Prior to the expiration of the Inspection Period, Tenant shall provide County with one (1) complete copy of all written reports detailing the results of audits, inspections, tests and studies obtained by Tenant hereunder. If Tenant reasonably determines that it will be unable to use the Premises for the uses permitted hereunder based on the result(s) of the investigations or, if environmental assessment(s) reveal the presence of Hazardous Substances on the Premises, Tenant may elect to terminate this Lease upon written notice to County on or before the expiration of the Inspection Period. If such notice is timely given, this Lease shall be deemed terminated, and the parties hereto shall be relieved of all liabilities and obligations under this Lease, except for those obligations arising hereunder prior to termination of this Lease or which expressly survive termination. In the event Tenant fails to properly exercise its right to terminate this Lease, Tenant shall be deemed to have waived such right and accepted the Premises "As Is" in its then existing condition, subject to all defects, latent or patent, if any. In the event Tenant terminates this Lease pursuant to this Section, Tenant, at its

sole cost and expense shall repair any damage resulting from Tenant's inspections and restore the Premises to the condition in which it existed prior thereto, using materials of like kind and quality.

ARTICLE 4 - PREMISES AND PRIVILEGES

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

4.02 Description of Specific Privileges, Uses and Rights. Tenant shall have the right to use the Premises for the purpose of conducting the following Specialized Aviation Service Operator activities: Aircraft Maintenance Operator, Avionics or Instrument Maintenance Operator, Aircraft Rental and Flight Training Operator, Aircraft Charter and Aircraft Management Operator, and Aircraft Sales Operator (as each such activity is defined in the Minimum Standards).

4.03 Prohibited Uses, Products and Services. Tenant agrees that the Premises shall be utilized solely for the uses permitted herein and for no other purpose whatsoever. Tenant acknowledges and agrees that Tenant shall not be permitted to construct, operate or maintain an Aircraft Storage Operator (as defined by the Minimum Standards) facility within the Premises. The storage of aircraft, which are not owned or leased by Tenant, upon the Premises shall be solely in connection with the authorized uses set forth in Section 4.02 above. Tenant shall not provide any products or services that are not specifically authorized by this Lease or the Department, including, but not limited to, the following products and services:

- (A) Restaurant, coffee shop, lounge or cafeteria. Notwithstanding the foregoing, Tenant may provide a cafeteria solely for its employees and/or its subtenants.
- (B) Sale or dispensing of alcoholic beverages.
- (C) Sale of non-aviation products other than the sale of company specialty items of Tenant, such as shirts and hats.
- (D) Air shows.
- (E) Any use prohibited by law or not related to aviation.
- (F) Skydiving and ultralight aircraft.
- (G) Retail sale of fuel.

4.04 Description of General Privileges, Uses and Rights. In addition to the specific privileges, uses and rights granted in Section 4.02 above, County hereby grants to Tenant the

following non-exclusive general privileges, uses, and rights, all of which shall be subject to the terms, conditions, and covenants set forth herein:

- (A) The general use, in common with others, of all public Airport facilities and improvements which are now or may hereafter be connected with or appurtenant to the Airport (including airfield access), to be used by Tenant, its agents and employees, patrons and invitees, suppliers of service, furnishers of material, and its authorized subtenants, if any, in connection with its operations hereunder. For purposes of this paragraph, public "Airport facilities" shall include public roadways, sidewalks, or other public facilities appurtenant to the Airport that are not specifically leased to or under the contractual control of others.
- (B) The right of ingress to and egress from the Premises over and across public roadways serving the Airport for Tenant, its agents and employees, patrons and invitees, suppliers of service and furnishers of material, and its authorized subtenants, if any. The right of ingress to and egress from shall be subject to such laws, rules, regulations and orders as now or may hereafter have application at the Airport.

Except as expressly set forth in this Section, nothing in this Lease shall be construed to grant to Tenant the right to use any space or area improved or unimproved which is leased to a third party, or which County has not leased herein.

4.05 Compliance with Minimum Standards. Tenant agrees to comply with the requirements set forth in the Minimum Standards applicable to Tenant's operations at the Airport. In the event of a conflict between this Lease and the Minimum Standards, Tenant acknowledges and agrees that the more stringent requirement shall apply to Tenant's operations hereunder, as determined by the Department.

4.06 Condition and Use of the Premises. Subject to Tenant's rights to complete inspections pursuant to Section 3.06, Tenant accepts the Premises and Airport in their "AS IS CONDITION" and "WITH ALL FAULTS," together with all defects, latent and patent, if any. Tenant further acknowledges that County has made no representations or warranties of any nature whatsoever regarding the Airport or 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; title to 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.

ARTICLE 5 - RENTAL, FEES, CHARGES AND SECURITY DEPOSIT

5.01 Ground Rental. Tenant shall pay to County an initial annual ground rental of Twenty Cents (\$.20) per square foot, for approximately Two Hundred Eighteen Thousand Two

Hundred Sixty (218,260) square feet of ground, or Forty Three Thousand Six Hundred Fifty Two Dollars (\$43,652.00) annually, payable in equal monthly installments.

5.02 Commencement and Time of Payment. Payment of ground rental by Tenant to County in accordance with Section 5.01 shall commence upon the Date of Beneficial Occupancy. Rental shall be payable in equal monthly installments, in advance, without demand and without any deduction, holdback or set off whatsoever, by the first day of each and every month throughout the Term and any extension thereof. All sums due hereunder shall be delivered to the Palm Beach County Department of Airports, ATTN: Finance Division, 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. If the Effective Date occurs on a day other than the first day of the month, Tenant shall pay rent from the Effective Date to the first day of the following month on a per diem basis (calculated on the basis of the actual number of days in the month in which the Effective Date occurs). Any payment due hereunder for any other fractional month shall likewise be calculated and paid on such a per diem basis.

5.03 Adjustment of Rentals.

- (A) On October 1, 2016, and each three (3) year anniversary thereof (an "Adjustment Date"), the then current annual rental rate shall be adjusted in accordance with the provisions of this Section. The new rental rate shall be determined by an appraisal obtained by County, which shall set forth the fair market rental of the Premises, including those buildings and improvements that Tenant is obligated to pay rental for the use and occupancy of pursuant to this Lease, if any. 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. Upon County's written notification of the establishment of the new rental rate applicable to the Premises, this Lease shall automatically be considered as amended to reflect the new rental rate, without formal amendment hereto.
- (B) Except as provided for in Section 5.04 below, the rentals established pursuant to Section 5.03(A) shall not exceed an amount that would be obtained by multiplying the Base Rental 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) 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) 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 basis of calculation, or if a substantial change is made in terms of particular items contained in the Consumer Price Index, then the Consumer Price Index shall be adjusted to the figure that would have been arrived at had the change in the manner of computing the Consumer Price Index in effect at the commencement of the term of this Lease not been affected. In the event such 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.

- (D) This Lease shall automatically be considered as amended, without formal amendment hereto, upon written notification by County to Tenant of the annual rental rates established pursuant to this Section. 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. Notwithstanding any provision of this Lease to the contrary, annual rental rates shall not be adjusted to an amount less than the annual rental rates payable during the period immediately preceding the rental adjustment date.
- (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.

5.04 Renewal Term Rental. Tenant shall commence paying rental for the buildings and improvements located on the Premises upon the commencement date of the Renewal Term. The annual rental to be paid by Tenant during the Renewal Term for the Premises, including the annual rental to be paid by Tenant for use of all buildings and improvements located upon the Premises, shall be determined by appraisal. County shall notify Tenant of the rental applicable to the Renewal Term no less than one hundred eighty (180) days prior to the expiration of the Initial Term. County may utilize the appraisal process set forth in Section 5.03(A), or may, at its sole option, elect to cause a separate appraisal, utilizing the same methodology for appraisals obtained pursuant to Section 5.03(A), to be performed, which may occur on a different date than an Adjustment Date; provided that the appraiser is an independent qualified M.A.I. appraiser. Rental established pursuant to this Section shall be adjusted in accordance with Section 5.03. Any delay in establishing rentals pursuant to this Section shall not constitute a waiver of, or in any way impair, the continuing obligation of Tenant to pay such rentals from the date provided in this Section. Rental shall be established based upon the square footage of the buildings and improvements as determined by the Survey of Improvements as provided in Section 7.01(F).

5.05 Late Payments - Interest. Tenant shall pay to County interest at the rate of one and one-half percent (1.5%) per month on any late payments commencing ten (10) days after the amounts are due.

5.06 Security Deposit. Prior to the Effective Date of this Lease, Tenant shall post a security deposit with County equal to three (3) monthly installments of rental ("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. In the event of any failure by Tenant to pay any rentals 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 immediately replace the Security Deposit with a new Letter of Credit or Bond 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 the sums payable hereunder. 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 six (6) 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 shall: (a) entitle County to draw down the full amount of such Security Deposit, and (b) 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.

5.07 Triple Net Lease. This Lease shall be deemed to be "triple net" without cost or expense to County including, but not limited to, cost and expenses relating to taxes, insurance, and the maintenance and operation of the Premises. Unless otherwise expressly stated herein, Tenant shall have no obligation to pay, or reimburse County for any taxes, insurance, maintenance and operation expenses relating to Airport property other than the Premises.

5.08 Taxes and Fees. 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, 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, and sales or excise taxes on rentals, and personal property taxes against tangible and intangible personal property of Tenant. 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.

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

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.

5.11 Fees and Charges. Nothing contained in this Lease shall preclude County from establishing other reasonable and non-discriminatory fees and charges applicable to aircraft operating at the Airport, including aircraft owned or operated by Tenant. Tenant expressly agrees to pay such fees and charges as if they were specifically included in this Lease. In the event Tenant engages in any activity or provides any service at the Airport for which other companies operating at the Airport pay a fee to County, including, but not limited to, fuel flowage fees, Tenant shall pay to County fees equivalent to those paid by such other companies for engaging such activities or providing such services.

5.12 Accounting Records. Tenant shall keep all books of accounts and records customarily used in this type of operation, and as from time to time may be required by County, in accordance with Generally Accepted Accounting Principles prescribed by the American Institute of Certified Public Accountants or any successor agency thereto. Such books of accounts and records shall be retained and be available for three (3) years from the end of each lease year, including three (3) years following the expiration or earlier termination of this Lease. County shall have the right to audit and examine during normal business hours all such books of accounts and records relating to Tenant’s operations hereunder. If the books of accounts and records are kept at locations other than the Airport, Tenant shall, at its sole cost and expense, arrange for them to be brought to a location convenient to the auditors for County in order for County to conduct the audits and inspections as set forth in this Section.

5.13 Audit by County. Notwithstanding any provision in this Lease to the contrary, County or its representative(s) may at any time perform audits of all or selected operations performed by Tenant under the terms of this Lease. County or its representative(s) shall make available to Tenant a copy of the audit prepared by or on behalf of County. Tenant shall have thirty (30) days from receipt of the audit report from County or its representative(s) to provide a

written response to County regarding the audit report. Tenant agrees that failure of Tenant to submit a written response to the audit report in accordance with the requirements of this Section shall constitute acceptance of the audit report as issued.

ARTICLE 6 - SERVICE STANDARDS

6.01 Conduct of Activities. Tenant shall conduct its activities and operations on and from the Premises in a safe, efficient and first class, professional manner consistent with the degree of care and skill exercised by Specialized Aviation Service Operators providing comparable services at similar airports. Tenant shall furnish good, prompt and efficient service and sales adequate to meet all reasonable demands of Airport users and provide its services and sales on a fair, equal and non-discriminatory basis to the general public and charge fair, reasonable and non-discriminatory prices for sales and services. Tenant shall furnish all labor, equipment and materials necessary to the performance of its duties hereunder. Tenant shall maintain sufficient supplies and personnel to meet the reasonable demands of the customers consistent with the Minimum Standards.

6.02 Hours of Operation. Tenant shall maintain the hours of operation as required by the Minimum Standards for its activities hereunder.

6.03 Manager. Tenant shall designate a full time, active manager who shall at all times be an authorized representative of Tenant, and provide to County, in writing, the name and home address and telephone number(s) of the manager. Tenant shall provide ten (10) days prior written notice to County of any change to address or telephone number of the manager.

6.04 Personnel. While on duty at the Airport, personnel shall be clean, neat in appearance and courteous and properly uniformed; provided, however, management and administrative personnel shall not be required to wear uniforms and may wear proper business attire. Personnel uniforms shall include the name of Tenant's business and the employee.

ARTICLE 7 - CONSTRUCTION OF IMPROVEMENTS

7.01 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 be of attractive construction and first-class design; 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) Required Improvements. Tenant agrees that it shall construct, at its sole cost and expense, the following improvements on the Premises, (a) an aviation facility that

includes sufficient aircraft hangar and office/support space to satisfy the Minimum Standards applicable to Tenant's activities hereunder and shall include, without limitation, associated vehicular parking, aircraft parking apron, apron edge roadway and any other infrastructure necessary for vehicular or aircraft access to the Premises; and (b) installation of all required utilities, which shall include electric power, sewage, electrical system, waste water disposal, a perimeter safety fence, and lighting and security measures, as required; and any infrastructure or other improvements necessary to support the facility to be constructed on the Premises ("Required Improvements"). Construction of the Required Improvements shall be completed no later than eighteen (18) months from the Effective Date, unless otherwise approved in writing by the Department. Notwithstanding the foregoing, County acknowledges and agrees that build out of the interior office/support space(s) may occur in one or more phases following construction of the building provided that the Minimum Standards shall be satisfied at all times for each activity engaged in at the Premises. Tenant shall promptly notify County in writing of the issuance of all certificates of occupancy for the Premises.

(B) Minimum Capital Expenditure for Required Improvements. Tenant shall expend not less than Five Million Dollars (\$5,000,000) on the design, construction and installation of Required Improvements (the "Minimum Capital Expenditure"). Capital expenditure costs that may be counted toward the Minimum Capital Expenditure shall include all costs paid for work performed, services rendered and materials furnished for the construction of the Required Improvements on the Premises, subject to the following terms, conditions and limitations:

- (1) The cost of design (subject to the limitations set forth herein), construction and acquisition of the Required Improvements; bonds; construction insurance; and building, impact and concurrency fees shall be included in the Minimum Capital Expenditure.
- (2) Payments made by Tenant to independent contractors for engineering and architectural design work shall be limited to ten percent (10%) of the Minimum Capital Investment.
- (3) Only true third party costs and payments made by Tenant shall be included in the Minimum Capital Expenditure. Costs incurred by any sublessee, licensee or other occupant of the Premises, or any portion thereof, other than Tenant shall not be included in the Minimum Capital Expenditure.
- (4) Costs for consultants (other than engineering and design consultants, as provided above). Legal fees and accountant fees shall not be included in the Minimum Capital Expenditure.

- (5) Finance and interest expenses shall not be included in the Minimum Capital Expenditure.
 - (6) Administrative, supervisory and overhead or internal costs of Tenant shall not be included in the Minimum Capital Expenditure.
 - (7) Costs incurred by any of Tenant's affiliates shall be not be included in the Minimum Capital Expenditure unless Tenant has obtained written approval from the Department prior to incurring such costs.
 - (8) Costs associated with acquisition or installation of personalty, such as furnishings, trade fixtures and equipment, not permanently affixed to the Premises, or any other personalty whatsoever, shall not be included in the Minimum Capital Expenditure.
 - (9) Costs of interior decorations, special finishes, wall tile or other special wall finishes and coverings; construction photographs; special external and internal lighting; and signage shall not be included the Minimum Capital Expenditure unless Tenant has obtained written approval from the Department prior to incurring such costs.
 - (10) Costs associated with repairs, alterations, modifications, renovations or maintenance of any improvements on the Premises (including, but not limited to, improvements existing on the Premises as of the Effective Date and improvements subsequently constructed on the Premises) shall not be included in the Minimum Capital Expenditure unless Tenant has obtained written approval from Department prior to incurring such costs.
 - (11) Any costs associated with any improvements other than the Required Improvements shall not be included in the Minimum Capital Expenditure unless Tenant has obtained written approval from the Department prior to incurring such costs.
- (C) Construction Requirements. Prior to constructing any improvements on the Premises (including, but not limited to, the Required 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 construction. 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.

- (D) Within sixty (60) days of Tenant's receipt of a certificate of occupancy or certificate of completion, as appropriate, for improvements constructed pursuant to this Article, Tenant, at its sole cost and expense, shall have prepared and deliver to the Department: (a) one (1) complete set of as-built drawings in a PDF or other electronic format approved by the Department, and one (1) complete set of Auto CADD files in the latest version acceptable by the Department; and (b) a detailed statement attested to and certified by an independent Certified Public Accountant ("CPA"), acceptable to County, detailing the total costs incurred by Tenant for the construction of the improvements.
- (E) 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.
- (F) Survey of Improvements. Within ninety (90) days following the completion of any improvements on the Premises (including, but not limited to, the Required Improvements), as evidenced by the issuance of a certificate of occupancy (or equivalent documentation) Tenant, without cost to County, shall prepare a detailed survey identifying the location and square footage of all improvements constructed by Tenant on the Premises (hereinafter referred to as the "Survey of Improvements"). Notwithstanding the foregoing, if County does not agree with the results of any such Survey of Improvements, then County may object in writing to such Survey of Improvements, which shall include the basis for such objection. If Tenant and County cannot agree on an adjustment of Survey of Improvements results within thirty (30) days after the date of County's written notice to Tenant stating its disagreement with Tenant's Survey of Improvements, then County may obtain, at its sole cost and expense, a second survey and the results of such second survey shall be reconciled with Tenant's Survey of Improvements by County's surveyor. The parties acknowledge and agree that the square footage of each of the buildings and improvements constructed on the

Premises may change due to improvement of and modifications to such buildings and improvements over the Term of this Lease. At any time during the Term, County may, at County's expense, prepare its own Survey of Improvements which shall be subject to reconciliation by Tenant in the manner described above. The parties agree that all surveys shall be prepared by a professional surveyor in accordance with the minimum technical standards for surveys within the State of Florida. The requirements of this Section 7.01(F) may be waived or modified in writing, including postponement of the date by which Tenant shall provide the Survey of Improvements, upon mutual agreement by both County and Tenant. The Director of Airports may approve such waiver or modification on behalf of County, and this Lease shall be considered amended to incorporate such waiver or modification without formal amendment thereto.

7.02 Construction Bonds. Tenant shall ensure that all improvements 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 the 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.

7.03 Contractor Requirements. Tenant shall require contractors to furnish for the benefit of County a public construction bond as required under Section 255.05, Florida Statutes, in a form approved by County. Tenant shall require its contractors to name County as a dual obligee on the bond(s). Tenant shall also require contractors to furnish satisfactory evidence of statutory Worker's Compensation insurance, comprehensive general liability insurance, comprehensive auto insurance, and physical damage insurance on a Builder's Risk form with the interest of County endorsed thereon, in such amounts and in such manner as the Risk Management Department may reasonably 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.

7.04 No Liens. Tenant agrees that nothing contained in this Lease shall be construed as consent by County to subject the estate of County to liability under the Construction Lien Law of the State of Florida 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 8 - OBLIGATIONS OF TENANT

8.01 Observance of Rules and Regulations. Tenant covenants and agrees to observe and obey, and to require Tenant Parties and those doing business with it, to observe and obey such rules and regulations of the Department and County (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 Tenant Parties shall pertain only while such persons are on or in occupancy of any portion of the Premises.

8.02 Disturbances. Tenant shall conduct its operations hereunder in an orderly and commercially reasonable manner, considering the nature of such operations so as not to unreasonably annoy, disturb, endanger or be offensive to others at the Airport.

8.03 Noise and Vibrations. 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.

8.04 Regulation of Conduct. Tenant shall control the conduct, demeanor and appearance of its employees, subtenants, invitees and others doing business on the Premises.

8.05 Garbage and Debris. Tenant shall remove from the Premises or otherwise dispose of in a manner approved by the Department all garbage, debris and other waste materials (whether solid or liquid) arising out of the use or occupancy of the Premises or out of any operations conducted thereon. Garbage, debris and other non-hazardous waste materials may be temporarily stored on the Premises in suitable garbage and waste receptacles.

8.06 Nuisance, Waste or Injury. 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.

8.07 Vapors, Fumes or Emissions. 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.

8.08 Utilities Systems. 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.

8.09 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.

8.10 Hazardous Conditions. 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.

8.11 Flammable Liquids. 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.

8.12 Fire Extinguishing System. From time to time and as often as reasonably required by the Department or any governmental authority having jurisdiction, Tenant shall conduct pressure, water flow, and other appropriate tests of the fire extinguishing system and apparatus which are maintained by Tenant or any subtenant.

8.13 Vending Machines. Except as specifically authorized by this Lease, Tenant shall not place any coin or token operated vending machine or similar device (including, but not limited to, pay telephones, beverage or food machines, or other commodities) upon or within the Premises, 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.

8.14 Derelict Aircraft. Tenant shall not permit the temporary or permanent storage (without an open work order being actively pursued) at the Premises of any Derelict Aircraft. Derelict Aircraft shall be removed from the Airport within a period of ninety (90) calendar days after written notice from the Department. Notwithstanding the foregoing, the Department may make written request to Tenant to demonstrate that an open work order is being actively pursued. If Tenant fails to provide the Department with satisfactory evidence that an open work order is being actively pursued within three (3) calendar days of the date requested, then such Derelict

Aircraft shall be removed from the Premises within ninety (90) calendar days from the date the Department makes its written request for proof that an open work order is being actively pursued.

8.15 Derelict Vehicles. Tenant shall not permit the temporary or permanent storage at the Premises of any Derelict Vehicles. Tenant shall cause Derelict Vehicles to be removed from the Premises within twenty-four (24) hours after written notice from the Department.

8.16 Storage of Non-Aviation Items. The parking or storage of boats, recreational motor homes, recreational vehicles, or any other objects unrelated to aviation is prohibited.

8.17 Emergency Evacuation and Hurricane Plans. 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 9 - MAINTENANCE AND REPAIR

9.01 Cleanliness of Premises/Maintenance. Tenant shall, throughout the Term and any extension thereof, be responsible for all repairs and maintenance of the Premises (which shall include, but shall not be limited to, all aircraft apron areas, buildings and improvements thereon), whether such repair or maintenance be ordinary or extraordinary, structural or otherwise. Maintenance and repairs shall be in quality and class comparable to the original work, to preserve the Premises in good order and condition. Tenant shall be required to keep all aircraft apron areas, buildings and other improvements in good, tenable, useable condition throughout the Term and any extension thereof. Without limiting the generality thereof, Tenant shall:

- (A) Paint the exterior and interior of the Premises, repair and maintain all doors, windows, pavements, equipment, lighting fixtures, furnishings, fixtures, roof, exterior walls, and structural support system(s).
- (B) Keep the Premises in a clean and orderly condition and appearance.
- (C) Provide and maintain all obstruction lights and similar devices, fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, order, ordinance, resolution or regulation of any applicable governmental authority.
- (D) Repair any damage to the aircraft apron areas, paving or other surface(s) of the Premises caused by any oil, gasoline, grease, lubricants or other liquids or substances having a corrosive or detrimental effect thereon.

- (E) Take anti-erosion measures, including but not limited to, the planting and replanting of grasses with respect to all portions of the Premises not paved or otherwise improved.
- (F) Be responsible for the maintenance and repair of all utilities including, but not limited to, service lines for the supply of water, gas service lines, electrical power, telephone and telecommunications conduits and lines, sanitary sewers and storm sewers which are now or which may be subsequently located upon the Premises leased to Tenant and which are used exclusively by Tenant or any of its subtenants.
- (G) Make no use of any portion of the Premises in a manner that causes or results in dust, debris or waste of any kind to be blown about or raised so as to be ingested by aircraft.
- (H) Be responsible for maintenance of the storm drainage system within the Premises.

9.02 Inspections. County shall have the right to enter the Premises during Tenant's regular business hours for the purpose of determining Tenant's compliance with the requirements of this Article. Within thirty (30) days of receipt of written notice from County to Tenant of Tenant's failure to comply with the requirements of this Article, Tenant shall commence to cure such failure and diligently pursue the same to completion. In the event Tenant has not made a good faith effort to commence to cure such failure, as reasonably determined by County, County and its employees, contractors and representatives shall have the right to enter the Premises and perform the work on behalf and for the account of Tenant. Tenant shall be fully liable for the payment of the costs incurred by County, plus a twenty-five percent (25%) administrative overhead. Any amounts payable to County pursuant to this Section shall constitute Additional Rent and shall be due and payable within thirty (30) days of the date of County's invoice.

ARTICLE 10 - UTILITIES

10.01 Utility Costs. Tenant shall pay for all electric, garbage and other utilities charges for the Premises. Tenant shall be responsible for installation of all metering devices for such utilities at the sole cost of Tenant. Metering devices shall become the property of County upon installation. Extension of utility mains or services to meet the needs of Tenant on the Premises shall be at the expense of Tenant and shall become the property of County upon installation.

10.02 Interruption of Service. No failure, delay or interruption in supplying any services for any reason whatsoever (whether or not a separate charge is made therefore) shall be or 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.

10.03 Water, Industrial and Sanitary Sewage Systems. Tenant shall operate and maintain at its sole cost and expense all the components of any and all water, industrial and sanitary sewage system and storm water drainage facilities, within the Premises. Tenant shall provide, operate and maintain adequate facilities for separating, neutralizing and treating industrial waste and foreign materials generated within the Premises and the proper disposal thereof as required by all applicable Federal, State and local laws, regulation and rules, as now or hereafter amended.

ARTICLE 11 - AIRPORT SECURITY PROGRAM

11.01 Compliance with Security Requirements. Tenant agrees to observe all security laws, rules, regulations and requirements of the DHS, FAA, TSA, County and Department applicable to Tenant's operations, as now or hereafter amended or promulgated, including, without limitation, Title 49, Parts 1500 et al., of the Code of Federal Regulations, to the extent applicable to Tenant and Tenant's activities hereunder. Tenant shall develop and maintain a security plan, which shall be delivered to County no less than thirty (30) days prior to the Date of Beneficial Occupancy, unless otherwise approved in writing by County. Tenant shall be solely responsible for implementation of and compliance with Tenant's security plan. County may require Tenant to update Tenant's security plan from time-to-time to ensure compliance with applicable security laws, rules, regulations and requirements of the DHS, FAA, TSA, County and Department.

11.02 Criminal History Background Checks. Tenant acknowledges that Tenant and its employees, contractors, subtenants and agents may be subject to federal and state criminal history record check requirements under federal, state and/or local laws, as now or hereafter amended or promulgated, including, without limitation, the Palm Beach County Criminal History Record Check Ordinance (Chapter 2, Article IX, Palm Beach County Code), as amended, 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, without limitation, 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" or "criminal justice information 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, to the extent applicable to Tenant or Tenant's activities hereunder.

11.03 Security Deficiency. Tenant shall rectify any security deficiency as may be determined by the Department, County, DHS, FAA or TSA. In the event Tenant fails to remedy any such deficiency, County may do so on behalf and on the account of Tenant. Tenant shall pay to County any costs or expenses incurred by County, plus a twenty five percent (25%) administrative overhead, within thirty (30) days of the date of County's invoice. 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, DHS, FAA or TSA.

ARTICLE 12 - 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.

12.01 Commercial General Liability/Airport Liability. Tenant shall maintain Commercial General Liability/Airport 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.

12.02 Hangarkeeper's Legal Liability. In the event that Tenant stores any aircraft within the improvements constructed on the Premises, Tenant shall maintain Hangarkeeper's Legal Liability Insurance providing coverage for property damage to aircraft that are the property of others while in the care, custody, or control of Tenant (when such aircraft are not in flight), in an amount not less than One Million Dollars (\$1,000,000).

12.03 Business Auto Liability. Tenant shall maintain Business Automobile Liability Insurance with limits of liability not less than Five Million Dollars (\$5,000,000) 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.

12.04 Aircraft Liability. Tenant shall provide, or cause to be provided, in addition to any other liability insurance policy required herein, a separate aircraft liability policy with limits of no less than One Million Dollars (\$1,000,000) combined Single Limit each and every occurrence for Personal Injury including Bodily Injury/Death and Property Damage covering all aircraft used in such operations.

12.05 Environmental Liability. Tenant shall maintain Pollution Liability or other similar Environmental Impairment Liability, at a minimum limit of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars annual aggregate (\$2,000,000) providing coverage for damages including, but not limited to, third-party liability, clean up, corrective action, including assessment, remediation and defense costs. When a self-insured retention or deductible exceeds Ten Million Dollars (\$10,000,000), County reserves the right, but

not the obligation, to review and request a copy of Tenant's most recent annual report or audited financial statements in evaluating the acceptability of a higher self-insured retention or deductible in relationship to Tenant's financial condition.

12.06 Worker's Compensation & Employers Liability. 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.

12.07 Umbrella or Excess Liability. If necessary, Tenant may satisfy the minimum limits required above Commercial General Liability/Airport Liability and/or Business Auto Liability and/or Aircraft 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/Airport Liability, Business Auto Liability or Aircraft Liability policy. 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.

12.08 Property, Wind & Flood Insurance.

- (A) Builder's Risk Insurance. Tenant shall maintain Builder's Risk insurance covering Tenant's building(s), betterments and improvements during the course of construction at the Premises in an amount at least equal to 100% of the estimated completed property or project value as well as subsequent modifications of that sum. Coverage shall be provided on an All-Risk basis including coverage for the perils of wind and flood. Tenant agrees this coverage shall be provided on a primary basis.
- (B) After construction is completed, Tenant shall maintain:
- (1) Property insurance in an amount not less than one hundred percent (100%) of the total replacement cost of the buildings, betterments and improvements, including those 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 and include an endorsement for Ordinance & Law in an amount not less than twenty-five percent (25%) of the Property insurance limit. This coverage shall be provided on a primary basis.
 - (2) Flood insurance, regardless of the flood zone, in an amount not less than one hundred percent (100%) of the total replacement cost of the buildings, betterments and improvements, including, but not limited to, those made by or on behalf of Tenant as well as Tenant's contents, located on the

Premises, or the maximum amount available from the National Flood Insurance Program. This coverage shall be provided on a primary basis.

- (3) Windstorm insurance, unless included as a covered peril in the property insurance, in an amount not less than one hundred percent (100%) of the total replacement cost of the building, betterments and improvements, including, but not limited to, those made by or on behalf of Tenant as well as Tenant's contents, located on the Premises, or the maximum amount available under the Florida Windstorm Underwriting Association. This coverage shall be provided on a primary basis.

12.09 Additional Insured Endorsement. Tenant shall endorse County as an “Additional 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. County may modify the Additional Insured endorsement upon prior written notice to Tenant.

12.10 Loss Payee Endorsement. Tenant shall endorse County as a “Loss Payee” on the Property, Flood and Windstorm insurance policies. “Loss Payee” endorsements shall provide coverage on a primary basis and shall read “Palm Beach County Board of County Commissioners, c/o Palm Beach County Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406,” or as otherwise acceptable to the Risk Management Department. County may modify the Loss Payee endorsement upon prior written notice to Tenant.

12.11 Certificate of Insurance.

- (A) Tenant shall provide County or County’s designated contractor with a certificate of insurance, or certificates of insurance, evidencing limits, coverages and endorsements required herein within the time frames set forth below:
 - (1) Commercial General Liability/Airport Liability insurance prior to the Effective Date;
 - (2) Hangarkeeper’s Legal Liability insurance on or before the Date of Beneficial Occupancy;

- (3) Business Auto Liability insurance on or before the Date of Beneficial Occupancy;
 - (4) Environmental Liability, Aircraft Liability and Worker's Compensation insurance on or before the Date of Beneficial Occupancy; and
 - (5) Builder's Risk insurance and Property, Wind and Flood insurance within the time frames set forth in Section 12.08.
- (B) All certificates of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage. In the event coverage is cancelled or is not renewed during the Term or any extension thereof, Tenant shall provide County a new certificate of insurance or certificates of insurance evidencing replacement coverage no later than thirty (30) days prior to the expiration or cancellation of the coverage. The certificate holder's name and address shall read "Palm Beach County Board of County Commissioners c/o Palm Beach County Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406," or as otherwise acceptable to the Risk Management Department. County may modify the certificate holder's address upon written notice to Tenant.

12.12 Waiver of Subrogation. 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.

12.13 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.

12.14 Deductibles, Coinsurance & Self-Insured Retention. 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.

12.15 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.

12.16 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 13 - DAMAGE TO OR DESTRUCTION OF PREMISES

13.01 Removal of Debris. If the Premises, or any portion thereof, is damaged by fire, the elements or other casualty, Tenant shall promptly remove all debris resulting from such damage from the Premises. Tenant shall take all necessary actions to place the Premises in a neat and orderly condition to ensure the safety of persons entering upon the Premises. If Tenant fails to promptly comply with the provisions of this Section, County may take such measures as it deems necessary to render the Premises in a neat, orderly, and safe condition. Tenant agrees that Tenant shall fully assume and be liable to County for payment of any costs 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 County's invoice.

13.02 Tenant's Obligations. Tenant assumes full responsibility for the condition of the Premises and the character, acts and conduct of all persons admitted to the Premises by or with the actual or constructive consent of Tenant or with the consent of any person acting for or on behalf of Tenant. If the Premises, or any portion thereof, during the Term or any extension thereof is damaged in any way whatsoever, whether by an act of God or by the act, default or negligence of Tenant Parties, Tenant shall, at its sole cost and expense, restore the Premises to the condition existing prior to such damage. Tenant shall commence restoration within sixty (60) days after any such damage and shall diligently pursue such restoration to completion in accordance with the construction requirements set forth in Article 7. All repairs and restoration shall be made by Tenant at Tenant's sole cost and expense, in accordance with the construction requirements contained herein. If Tenant fails to restore the Premises as required by this Section, County shall have the right to enter the Premises and perform the necessary restoration. Tenant agrees that Tenant shall fully assume and be liable to County for payment of the costs of restoration, 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 County's invoice.

13.03 Insurance Proceeds. Upon receipt by Tenant of the proceeds of any insurance policy or policies required hereunder, the proceeds shall be deposited in an escrow account approved by County so as to be available to pay for the cost of any required repair, replacement or rebuilding. The proceeds shall be disbursed during construction to pay the cost of such work. If the amount of the insurance proceeds is insufficient to pay the costs of the required repair, replacement or rebuilding of damaged improvements, Tenant shall pay any additional sums required to complete the required repair, replacement or rebuilding into the escrow account. If the amount of the insurance proceeds is in excess of the costs of the required repair, replacement or rebuilding, the excess amount shall be remitted to Tenant.

ARTICLE 14 - ENCUMBRANCES

Except as otherwise provided for herein, Tenant shall not, in any manner, mortgage, pledge or otherwise encumber the Premises or any improvements now existing or hereinafter erected or constructed upon the Premises without County's prior written consent, which consent may be granted or withheld in County's sole and absolute discretion. Any such encumbrance without County's approval shall be null and void. 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 15 - TITLE TO IMPROVEMENTS

15.01 Title to Improvements. Tenant shall be deemed to be the owner of all improvements constructed by Tenant upon the Premises during the Initial Term. Upon expiration of the Initial Term or its sooner termination as provided herein, all improvements constructed or placed upon the Premises by Tenant, title to which has not previously vested in County hereunder, shall become the absolute property of County, and County shall have every right, title, and interest therein, free and clear of any liens, mortgages, and other encumbrances. In the event Tenant exercises its option to renew this Lease, Tenant shall be deemed to be the owner of all improvements constructed by Tenant upon the Premises during the Renewal Term. Upon expiration of the Renewal Term or its sooner termination as provided herein, all improvements constructed or placed upon the Premises by Tenant, title to which has not previously vested in County hereunder, shall become the absolute property of County, and County shall have every right, title, and interest therein, free and clear of any liens, mortgages, and other encumbrances. Upon the request of County, Tenant shall provide County with a bill of sale or other evidence of the transfer of ownership of the improvements together with evidence satisfactory to County that the improvements are free from liens, mortgages and other encumbrances.

15.02 Removal of Improvements. Notwithstanding any provision of this Lease to the contrary, County shall be entitled, at its option, to have the Premises returned to County free and clear of some or all of the improvements at Tenant's sole cost and expense; provided that County has notified Tenant that County may require removal of such improvements as a part of County's approval pursuant to Section 7.01(C). In such event, County shall provide timely notification to Tenant of its election to require removal of improvements and, to the extent possible, County shall notify Tenant at least sixty (60) days prior to the expiration or termination of this Lease. Tenant shall have sixty (60) days from date of notice within which to remove the improvements. If Tenant fails to remove the improvements, County may remove the improvements. Tenant agrees that Tenant shall fully assume and be liable to County for payment of all costs of removal of the improvements (whether direct or indirect) incurred by County, plus a twenty-five percent (25%) administrative overhead fee, which costs and administrative overhead fee shall be due and payable to County within thirty (30) days from the date of County's invoice.

15.03 Survival. The provisions of this Article shall survive expiration or termination of this Lease.

ARTICLE 16 - EXPIRATION, DEFAULTS, REMEDIES AND TERMINATION

16.01 Expiration. This Lease shall automatically terminate at the end of the Initial Term, unless renewed in accordance with Section 3.02. In the event this Lease is renewed in accordance with Section 3.02, this Lease shall automatically terminate at the end of the Renewal Term.

16.02 Default. 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 ten (10) Business Days after such payment is due.
- (C) The failure by Tenant to maintain in full force and effect, the insurance limits, coverages and endorsements required by this Lease, including, but not limited to, the insurance limits, coverages and endorsements in Section 7.03 and Article 12.
- (D) The failure by Tenant to observe or perform any other covenants, conditions or provisions of this Lease to be observed or performed by Tenant, 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.

Nothing contained in this paragraph shall be deemed to alter or affect the cure period for performance of any covenant, condition or provision for which a specific time period is provided in this Lease.

- (E) To the extent permitted by law, (a) the making by Tenant or any guarantor thereof of any general assignment, or general arrangement for the benefit of creditors; (b) 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]; (c) 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 (d) 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 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 reasonably determined by County.

16.03 Remedies. 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) 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.
- (B) Terminate Tenant's right to possession of the Premises by any lawful 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 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.

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

16.05 Default by County. County shall not be in default unless County fails to perform obligations imposed upon County hereunder within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to County, specifying wherein County has failed to perform such obligations; provided, however, that if the nature of County's default is such that more than thirty (30) days are reasonably required for its cure, then County shall not be deemed

to be in default if County commenced such cure within such thirty (30) day period and thereafter diligently pursues such cure to completion.

16.06 Surrender of Premises. 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, or alternatively, may be disposed of by County at Tenant's expense.

ARTICLE 17 - ASSIGNMENT, TRANSFER AND SUBLETTING

Tenant shall not, in any manner, assign, transfer or otherwise convey an interest in this Lease, the Premises or any portion thereof ("Assignment"), without the prior written consent of the County, which consent shall not be unreasonably withheld. The County shall not be deemed to have withheld its consent unreasonably unless the County has been furnished evidence establishing that the proposed assignee: (a) has the ability to make the rental payments required under this Lease; (b) has sufficient experience to operate the facilities constructed or to be constructed on the Premises in the manner required hereunder; (c) has the ability to otherwise perform all of the terms, conditions and covenants of this Lease; and (d) agrees to assume all obligations, responsibilities and liabilities of Tenant arising on and after the effective date of the Assignment. Any attempted Assignment without County approval shall be null and void. In the event the County consents in writing to an Assignment, Tenant shall have the right to assign this Lease to the extent permitted by County'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. Tenant shall have the right to sublease the Premises subject to the prior written consent of County, which consent shall not be unreasonably withheld. Tenant shall not be permitted to sublease the Premises, in whole or in part, for the purpose of noncommercial aircraft storage. Aircraft storage shall be only permitted in connection with the approved uses. All subleases shall be subject to the same conditions, obligations, and terms as set forth herein, and Tenant shall be fully responsible for the observance by its subtenants of the terms and covenants contained in this Lease. Notwithstanding any provision of this Lease to the contrary, the consent of County shall not be required for an Assignment of this Lease in its entirety where all or substantially all of the assets of Tenant are acquired by another entity by reason of a merger, acquisition, or other business reorganization, provided that Tenant provides written notice to County ten (10) days prior to the change in ownership. 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 18 - RIGHTS OF LEASEHOLD MORTGAGEES

18.01 Right to Mortgage. Tenant may encumber its leasehold estate and interest in the Premises by mortgage, security agreement or other such instrument (any such instrument is hereinafter referred to as “Leasehold Mortgage”, and the holder thereof is referred to as “Leasehold Mortgagee”) during the Term of this Lease; provided, however, that the entire proceeds of any loan or future advance secured thereby shall be utilized for the construction and improvement of the Premises, and further provided that County shall not be obligated to, nor deemed to have subjected or subordinated County’s fee simple interest in the Premises to any Leasehold Mortgage, nor subordinated County’s interest in this Lease to such Leasehold Mortgage. County’s interests in the fee and this Lease are and shall remain at all times superior and prior in right to any Leasehold Mortgage.

18.02 Notice of Default. A Leasehold Mortgagee may provide written notice of its Leasehold Mortgage in the same manner and at the same address as required by this Lease for notices delivered to County, together with the name and address of the Leasehold Mortgagee. In the event such notice is delivered to County, County, upon serving Tenant with any notice under this Lease, shall also serve a copy of that notice upon the Leasehold Mortgagee in the same manner as required by this Lease for notices delivered to Tenant. The delivery shall be made at the address the Leasehold Mortgagee shall have designated in writing to County. County agrees to give the Leasehold Mortgagee written notice of any default by Tenant and of County’s intention to terminate this Lease for any reason at least sixty (60) days before the effective date of such termination. The Leasehold Mortgagee shall have the right to perform any of Tenant’s covenants or to cure any default by Tenant which is curable by it or to exercise any right conferred upon Tenant by the Terms of this Lease within such sixty (60) day period or such longer period if the default by Tenant is of such nature that it cannot be cured within such sixty (60) day period, provided that the Leasehold Mortgagee diligently and actively undertakes to cure such default and pursues such cure to completion within a reasonable period of time under the circumstances. The sole remedy available to Leasehold Mortgagee due to the failure of County to provide Leasehold Mortgagee with notice as required hereunder shall be the tolling of the applicable cure period afforded to Leasehold Mortgagee herein until the earlier of provision of such notice to Leasehold Mortgagee or Leasehold Mortgagee’s receipt of actual knowledge of such notice. County’s failure to provide Leasehold Mortgagee notice as required hereunder shall not alter or affect Tenant’s rights or obligations under this Lease, nor extend any cure period afforded to Tenant hereunder, or entitle Tenant to damages or other remedies.

18.03 Opportunity to Cure. County will recognize the Leasehold Mortgagee as the tenant of the Premises and accept the performance by the Leasehold Mortgagee of Tenant’s obligations under this Lease, upon written notice from the Leasehold Mortgagee to County that it has taken possession of the Premises, for so long as the Leasehold Mortgagee is in possession of the Premises, and provided that Leasehold Mortgagee diligently and actively undertakes to cure

and pursues such cure to completion within a reasonable period of time under the circumstances any then existing defaults by Tenant, and performs Tenant's obligations under this Lease. County agrees that it will not unreasonably withhold or delay its consent to any future assignment by the Leasehold Mortgagee of the rights of Tenant under this Lease; provided that: (a) there is no existing default under this Lease or the Leasehold Mortgagee or such assignee diligently and actively undertakes to cure any such default and pursues such cure to completion as provided above, and (b) the assignee has similar recent experience and knowledge regarding operations being conducted on the Premises and has the financial ability to perform under this Lease, as reasonably determined by County. Upon any valid permitted assignment of this Lease by the Leasehold Mortgagee, Leasehold Mortgagee shall have no further liability under this Lease for obligations arising after such assignment. Any action by the Leasehold Mortgagee to cure any default by Tenant or otherwise to exercise Tenant's rights under this Lease shall not be deemed to be an assumption by the Leasehold Mortgagee of Tenant's obligations under this Lease unless the Leasehold Mortgagee takes possession of the Premises pursuant to a foreclosure or other enforcement of its security interest in this Lease or otherwise expressly assumes such obligations in writing. If the Leasehold Mortgagee takes possession of the Premises or succeeds to the interest of Tenant, County shall accept the Leasehold Mortgagee as tenant under this Lease, and this Lease shall continue in full force and effect, provided that there are no then existing uncured defaults under this Lease, and Leasehold Mortgagee performs all obligations of Tenant under this Lease.

18.04 No Lease Amendments. This Lease shall not be amended, modified, terminated or canceled by reason of the exercise of any option or election by Tenant under this Lease, or by the giving of any notice by Tenant under this Lease, unless such amendment, modification, termination or cancellation is assented to in writing by any Leasehold Mortgagee. Any such attempted amendment or modification, termination or cancellation without that assent shall be void.

18.05 Limitation of Liability. A Leasehold Mortgagee shall only be liable to perform the obligations imposed on Tenant in this Lease during the period that the Leasehold Mortgagee is in possession or ownership of the leasehold estate created by this Lease.

18.06 Certificates. Each party agrees, at any time and from time to time upon not less than twenty (20) days prior written notice by the other party, to execute, acknowledge and deliver to the other party a statement in writing certifying: (a) whether this Lease is in full force and effect, and if it is alleged that this Lease is not in full force and effect, setting forth the nature thereof in reasonable detail; (b) whether this Lease has been supplemented or amended, specifying the manner in which it has been supplemented or amended; (c) the date to which all rental payments have been made; (d) the commencement and expiration date of this Lease; and (e) whether or not, to the best of the knowledge of the signer of such statement, the other party is in default or may be with notice or the passage of time, or both, in keeping, observing or performing any term, covenant, agreement, provision, condition or limitation contained in this Lease and if in default, specifying each such default, it being intended that any such statement delivered pursuant to this paragraph may be relied upon by the other party, any prospective

assignee of the other party's interest in this Lease or any Leasehold Mortgagee, but reliance on such certificate may not extend to any default as to which the signer shall not have had actual knowledge.

18.07 Subordination of Landlord's Lien. County does hereby subordinate its statutory landlord's lien to the lien and operation of any Leasehold Mortgage. This subordination of County's lien shall be self operative.

18.08 Release of Lien. Upon the scheduled expiration or early termination of this Lease, provided such termination is in accordance with the terms of this Lease including, without limitation, this Article, Tenant and/or Leasehold Mortgagee, as appropriate, shall promptly execute, in recordable form, and deliver to County, a termination of lease, termination of memorandum of lease, release of mortgage and such other documents as County may reasonably require (collectively, the "Release Documents"). In the event Tenant or Leasehold Mortgagee fails to provide the foregoing Release Documents within thirty (30) days after County's written request, County shall be entitled to execute the same for and on behalf of Tenant and/or Leasehold Mortgagee and Tenant and Leasehold Mortgagee hereby appoint County as attorney in fact for the limited purpose of execution of such Release Documents.

18.09 Indemnification. By acceptance of the rights and benefits conferred upon a Leasehold Mortgagee by this Article, such Leasehold Mortgagee agrees, for itself and its successors and assigns, that it shall be bound by the terms of this Article as if such Leasehold Mortgagee were a direct party hereto and further agrees to protect, defend, reimburse, indemnify and hold County, its agents, employees, and elected officers harmless from and, against all claims, liability, expense, loss, costs, damage, or causes of action of every kind or character, including attorney's fees and costs, whether a trial or appellate levels or otherwise arising due to the Leasehold Mortgagee's negligence or willful misconduct in connection with its entry upon the Premises for inspection or other purposes.

ARTICLE 19 - INDEMNIFICATION

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 reasonable 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 the Tenant Parties' 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), arising out of, or incident to, or in connection with the Tenant Parties' acts, omissions or operations hereunder, or the performance, non-performance 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 solely attributable to the negligence or willful misconduct 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 the Tenant Parties' activities or operations or use of the Premises. 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 shall survive the expiration or termination of this Lease.

ARTICLE 20 - SIGNS

No signs, posters or similar devices shall be erected, displayed or maintained by Tenant on the Premises without the written consent of County, which consent shall not be unreasonably withheld. All signs not approved by County shall be immediately removed at the sole cost and expense of Tenant upon written demand therefor.

ARTICLE 21 - LAWS, REGULATIONS AND PERMITS

21.01 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 or promulgated, including, without limitation, FAA Advisory Circulars, Orders and Directives; and the Airport Rules and Regulations.

21.02 Permits and Licenses Generally. Tenant agrees that it shall, at its sole cost and expense, obtain, comply with and maintain current any and all permits, licenses and other governmental authorizations required for its operations and activities on the Premises. Upon the written request of County, Tenant shall provide County with certified copies of any and all permits and licenses requested by County pursuant to this Section.

21.03 Air and Safety Regulation. Tenant shall conduct its operations and activities under this Lease in a safe manner and shall comply with all safety regulations and standards imposed by applicable federal, state and local laws and regulations and shall require the observance thereof by Tenant Parties 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. Tenant agrees that neither Tenant, nor its employees or contractors 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

now or hereafter amended, as well as all applicable State and local laws, regulations, and orders relative to occupational safety and health.

21.04 Environmental and Natural Resource Laws, Regulations and Permits.

- (A) Notwithstanding any other provision of the Lease to the contrary, Tenant hereby expressly covenants, warrants, guarantees and represents to County, upon which County expressly relies, that Tenant is knowledgeable of, and shall fully comply with, any and all Environmental Laws applicable to Tenant and its operations hereunder.
- (B) Tenant acknowledges and understands that its operations performed pursuant to this Lease may involve the generation, processing, handling, storing, transporting and disposal of Hazardous Substances, which are, or may be, subject to regulation under applicable Environmental Laws. Tenant further expressly covenants, warrants, guarantees and represents that it is fully qualified to handle and dispose of any and all such Hazardous Substances, in a manner which is both safe and in full compliance with any and all applicable Environmental Laws.
- (C) Tenant hereby expressly assumes and accepts full responsibility and liability for compliance with all such applicable Environmental Laws in the handling and disposal of any and all Hazardous Substances resulting from or arising out of Tenant's operations conducted on the Premises, and Tenant shall, prior to commencement of any such operations pursuant to this Lease, secure any and all permits, and properly make all necessary notifications as may be required by any and all governmental agencies having jurisdiction over parties or the subject matter thereof. Tenant further represents, warrants, guarantees and covenants to County, upon which County hereby expressly relies, that Tenant, its employees, agents, contractors, and those persons that are required to be so trained working for, or on behalf of, Tenant have been, or will be prior to commencement of operations on the Premises, fully and properly trained in the handling of all such Hazardous Substances, and that such training, at a minimum, complies with any and all applicable Environmental Laws.
- (D) Tenant shall provide to County satisfactory documentary evidence of all such requisite legal permits and notifications, as hereinabove required and as may be further required, upon request, from time to time by County.
- (E) If Tenant is deemed to be a generator of hazardous waste, as defined by applicable Environmental Laws:
 - (1) Tenant shall obtain an EPA identification number and the appropriate generator permit and shall comply with all requirements imposed upon a generator of hazardous waste, including, without limitation, ensuring that

the appropriate transportation and disposal of such materials are conducted in full compliance with Environmental Laws;

- (2) Provisions shall be made by Tenant to have an accurate inventory list (including quantities) of all such hazardous waste, whether stored, disposed of, or recycled, available at all times for inspection at any time on the Premises by County;
 - (3) Notification of all hazardous waste activities by Tenant shall be made to the Palm Beach County Solid Waste Authority, Palm Beach County Environmental Resources Management Department, and such other appropriate agencies as County may from time to time designate, by Tenant so that it shall be included as a County Generator of such waste; and
 - (4) Tenant agrees that an emergency coordinator and phone number shall be furnished to the Department, Risk Management Department - Safety Division, and to all appropriate governmental entities having jurisdiction thereof in case of any spill, leak, or other emergency situation involving hazardous, toxic, flammable, and/or other pollutant/contaminated materials.
- (F) Violation of any part of the foregoing provisions or disposal by Tenant of any Hazardous Substances in violation of the provisions of this Article shall be deemed to be a default under this Lease and shall be grounds for termination of this Lease unless cured within ten (10) days of receipt of notice from County or as expeditiously as possible if the default cannot be completely cured within the ten (10) day period. Tenant shall be strictly liable for, and hereby expressly assumes all responsibility for all citations, fines, environmental controls and monitoring, clean-up and disposal, restoration and corrective measures resulting from or in any way connected with the improper use, handling, storage, and/or disposal of Hazardous Substances by the Tenant Parties on or from the Premises, regardless of whether or not a default notice has been issued and notwithstanding any other obligations imposed upon Tenant pursuant to the terms of the Lease. All such remedies of County with regard to environmental requirements as set forth herein shall be deemed cumulative in nature and shall survive expiration or termination of this Lease.
- (G) Tenant agrees to protect, defend, reimburse, indemnify and hold County, its agents, employees and elected officers harmless from and against any and all claims, liability, expenses, losses, costs, fines and damages (including reasonable attorney fees at trial and appellate levels), arising from, resulting out of or in any way caused by or connected to the Tenant Parties' failure to comply with any and all applicable Environmental Laws. Tenant understands that this indemnification

is in addition to and is a supplement of Tenant's indemnification agreement set forth in Article 19. 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 Section shall survive the expiration or earlier termination of this Lease.

21.05 Environmental Assessment. Tenant acknowledges receipt of the County Assessment. At least thirty (30) days, but no more than ninety (90) days, prior to the expiration or earlier termination of the Lease, Tenant shall cause a Phase I environmental assessment (the "Phase I ESA") of the Premises to be prepared and delivered to County. If the Phase I ESA indicates that there is a potential that an environmental condition may exist on the Premises or the adjacent property based on activities that have occurred or are occurring on the Premises, Tenant shall promptly cause a Phase II environmental assessment of the Premises to be prepared and delivered to County. The ESAs shall be prepared by a professional geologist or engineer licensed by the State of Florida, acceptable to County, and shall be prepared to meet the standards of practice of the American Society of Testing and Materials, to determine the existence and extent, if any, of Hazardous Substances on the Property. The ESAs shall state that County is entitled to rely on the information set forth in the ESAs. The ESAs shall be prepared and delivered to County at Tenant's sole cost and expense. The Phase II ESA must address any potential environmental conditions or areas of contamination identified in the Phase I portion of the assessment. To the extent the environmental conditions and/or contamination identified in the environmental assessments are a result of Tenant Parties' activities or operations on the Premises, Tenant shall, at its sole cost and expense, promptly commence and diligently pursue to completion any assessment, remediation, clean-up and/or monitoring of the Premises necessary to bring the Premises into compliance with Environmental Laws. The requirements of this paragraph shall be in addition to any other provisions of the Lease relating to the condition of the Premises and shall survive the termination or expiration of the Lease.

ARTICLE 22 - 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.

ARTICLE 23 - 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 SOLE 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, IN DETERMINING WHETHER TO ENTER INTO THIS LEASE WAS AT ITS SOLE RISK.

ARTICLE 24 - GOVERNMENTAL RESTRICTIONS

24.01 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 24.01 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.

24.02 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.

24.03 Height Restriction. 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.

24.04 Right of Flight. County reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the 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.

24.05 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.

24.06 Release. Tenant acknowledges that noise and vibration are inherent to the operation of Airport and hereby releases County from any and all liability relating to the same.

24.07 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.

24.08 Hazardous Wildlife Attractants. 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 FAA Advisory Circular No. 150/5200-33B, as now or hereafter amended, as such circular is interpreted by the Department.

ARTICLE 25 - NON-DISCRIMINATION

25.01 Non-Discrimination in County Contracts. Tenant acknowledges that County is committed to assuring equal opportunity in the award of contracts and complies with all laws prohibiting discrimination. Tenant is prohibited from discriminating against any employee, applicant, or client because of race, color, creed, religion, disability, sex, age, national origin, ancestry, marital status, familial status, sexual orientation, or gender identity or expression, or genetic information.

25.02 Federal Non-Discrimination Covenants.

- (A) Tenant, for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as follows:
- (1) In the event facilities are constructed, maintained or otherwise operated on the Premises for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended.
 - (2) No person, on the grounds of race, color or national origin, shall be unreasonably excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in Tenant's personnel policies and practices or in the use or operation of Tenant's services or facilities.
 - (3) Tenant agrees that in the construction of any improvements on, over, or under Airport land and the furnishing of services thereon, no person, on the grounds of race, color, or national origin, shall be unreasonably excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.
 - (4) Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended.
 - (5) In the event of a breach of any of the above nondiscrimination covenants, County shall have the right to terminate this Lease and re-enter the Premises as if this Lease had never been made or issued. This Lease shall not be terminated pursuant to this paragraph until the procedures of 49 CFR Part 21 are followed and completed, including exercise or expiration of appeal rights.
- (B) Tenant assures that it will comply with applicable statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded in participating in any activity conducting with or benefitting from Federal assistance.

ARTICLE 26 - 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. 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 27 - 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 28 - MISCELLANEOUS

28.01 Waiver. The failure of either party to insist on 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.

28.02 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 may exercise any and all rights 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.

28.03 Subordination to Governmental Agreements. This Lease shall be subject and subordinate to all the terms and conditions of any instrument or document 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 improvement or development of the Airport.

28.04 Easements. 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.

28.05 Independent Contractor. 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.

28.06 Governmental Authority. Nothing in this Lease shall be construed to waive or limit County's governmental authority as a political subdivision of the State of Florida to regulate Tenant or its operations. 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, statutes and laws, nor alter or impair County's governmental functions, including, without limitation, 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 County's governmental authority.

28.07 Rights Reserved to County. All rights not specifically granted Tenant by this Lease are reserved to County.

28.08 Invalidity of Clauses. The invalidity of any portion, article, paragraph, provision, clause or any portion thereof of this Lease shall have no effect upon the validity of any other part or portion hereof.

28.09 Governing Law. This Lease shall be governed by and in accordance with the laws of the State of Florida.

28.10 Venue. 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.

28.11 Inspections. 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 entities 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.

28.12 Notices. All notices and elections (collectively, "notices") to be given or delivered by or to any party hereunder, shall be in writing and shall be (as elected by the party

giving such notice) hand delivered by messenger, courier service or overnight mail, or alternatively, shall be delivered by United States Postal Service certified mail, with return receipt requested. The effective date of any notice shall be the date of delivery of the notice if by personal delivery, courier services or overnight mail, or if mailed, upon the date which the return receipt is signed or delivery is refused or the notice designated by the postal authorities as non-deliverable, as the case may be. The parties hereby designate the following addresses as the addresses to which notices may be delivered, and delivery to such addresses shall constitute binding notice given to such party:

County:

Attn: Deputy Director, Airports Business Affairs
Department of Airports
Palm Beach County
846 Palm Beach International Airport
West Palm Beach, Florida 33406-1470
Fax: 561-471-7427

With a copy to:

Attn: Airport Attorney
Palm Beach County Attorney's Office
301 North Olive Ave, Suite 601
West Palm Beach, FL 33401
Fax: 561-355-4398

Tenant:
Index Aviation, LLC
11550 Aviation Blvd., Suite #4
West Palm Beach, FL 33412
Fax: 561-258-0134

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.

28.13 Paragraph Headings. The headings of the various articles and sections of this Lease and the table of contents are for convenience and ease of reference only, and shall not be construed to define, limit, augment or describe the scope, context or intent of this Lease or any part or parts of this Lease.

28.14 No Recording. 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.

28.15 Binding Effect. 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 prohibitions against or limitations regarding assignment or subletting.

28.16 Performance. 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.

28.17 Non-Exclusivity of Remedies. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or inequity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

28.18 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.

28.19 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.

28.20 Public Entity Crimes. 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.

28.21 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 without limitation any citizen or employees of County and/or Tenant.

28.22 Consents and Approvals. Whenever this Lease calls for an approval, consent or authorization by the Department or County, such approval, consent or authorization shall be

evidenced by the written approval of the Director of the Department or his or her designee. In the event this Lease is silent as to the standard for any consent, approval, determination, or similar discretionary action, the standard shall be at the sole, absolute discretion of County or Department, rather than any implied standard of reasonableness.

28.23 Annual Appropriation. 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.

28.24 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.

28.25 Conflict. In the event of any conflict and for purposes of resolving any disputes which may arise regarding this Lease, the RFP or Tenant's Proposal, the order-of-precedence shall be: (a) this Lease; (b) the RFP; and (c) Tenant's Proposal.

28.26 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.

28.27 Incorporation by References. All exhibits attached hereto and referenced herein shall be deemed to be incorporated in this Lease by reference.

28.28 Radon. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from County's public health unit.

28.29 Survival. 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 or surviving such termination.

(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.

ATTEST:

PALM BEACH COUNTY,
A POLITICAL SUBDIVISION OF THE
STATE OF FLORIDA, BY ITS BOARD
OF COUNTY COMMISSIONERS

SHARON R. BOCK,
CLERK AND COMPTROLLER

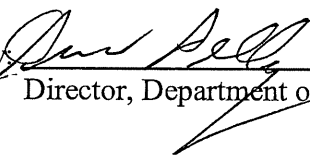
By: _____
Deputy Clerk

By: _____
Mayor

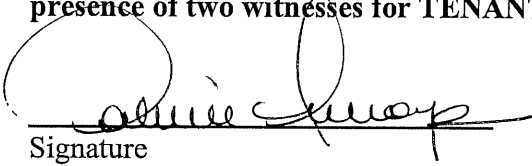
APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
County Attorney

By:  _____
Director, Department of Airports

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


Signature

VALERIE AMAYA

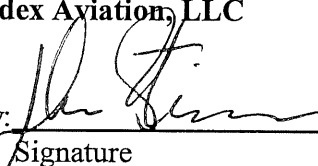
Print Name


Signature

HOPE OSANI

Print Name

TENANT:
Index Aviation, LLC

By:  _____
Signature

John E. Stinson

Print Name

MANAGING

Title

(Seal)

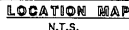
EXHIBIT “A” - PREMISES

BOARD OF COUNTY COMMISSIONERS
PROJECT NO. 2014013-11

HAL R. VALECHE
DISTRICT 1

JESS R. SANTAMARIA
DISTRICT 6

PRISCILLA A. TAYLOR
DISTRICT 7



DURANDBECKMARK

"DUNN" ELEVATION 20.11 (NAVD 88)

THE STATION IS LOCATED ON BEELINE HIGHWAY 1.3 MILES WEST OF THE INTERSECTION OF PGA ROAD, EWARD AND BEELINE HIGHWAY 18A-1701, 8 FEET SOUTH OF THE CENTERLINE OF THE GRASS MEDIAN.

THE STATION IS A PALK BEACH COUNTY BRASS DISK SET IN CONCRETE.

"DUNN"

THE STATION IS LOCATED 12 FEET NORTH OF THE NORTH EDGE OF PAVEMENT OF THE EASTBOUND LANE, 225 FEET EAST OF THE CENTERLINE OF THE GATE ON A SHOULDER ROAD, AND 242 FEET WEST OF THE CENTERLINE OF A CROSSROAD, CROSSING THE MEDIAN.

NOTE: NOT RECOVERED 6/18/2007 NEW TURN LANE.
NOT FOUND 11/15/2012

FIELD WORK COMPLETED ON 07/01/2014.

UNDERGROUND FOUNDATIONS AND UTILITIES MAY BE PRESENT, NO UNDERGROUND UTILITIES WERE DETECTED BY THIS SURVEY.

ALL ESTABLISHED UTILITIES ARE LAPPED ON THE WEST SIDE OF THE ROAD. NO EXISTING OR RELATIVE DISTANCES ACCURATE REPRODUCTION OF 1:100,000 FORMATION.

DATE OF AERIAL PHOTO BY STRICKS 01/24/2013 - 03/03/2013, THIS IS AN ORTHORECTIFIED PHOTOGRAPH. THE PHOTO WAS NOT CORRECTED, TARGETED OR FIELD VERIFIED BY PHOTOGRAPHIC SURVEYING. NOT FOR INFORMATION, PURPOSES ONLY.

COORDINATES SHOWN ARE GRID

DATUM = NAD 83, 1980 ADJUSTMENT

ZONE = FLORIDA STATE

LINEAR UNITS = US SURVEY FOOT

COORDINATE SYSTEM: 1983 STATE PLANE TRANSVERSE MERCATOR PROJECTION

ALL DISTANCES ARE GRID.

PROJECT SCALE FACTOR = 1.000018610

GROUND DISTANCE X SCALE FACTOR = GRID DISTANCE

ALL FEATURE SYMBOLS SHOWN ARE NOT TO SCALE.

CERTIFIED TO: PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS,
SOUTHEAST GUARANTY & TITLE, INC.
CHICAGO TITLE INSURANCE COMPANY

NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.

I HEREBY CERTIFY THAT THE BOUNDARY SURVEY SHOWN HEREON WAS MADE UNDER MY RESPONSIBLE DIRECTION AND SUPERVISION AND THAT SAID SURVEY MEETS THE MINIMUM TECHNICAL STANDARDS SET FORTH BY THE FLORIDA BOARD OF PROFESSIONAL SURVEYORS AND MAPPERS IN CHAPTER 32-17.030-.052, FLORIDA ADMINISTRATIVE CODE, PURSUANT TO SECTION 472.021, FLORIDA STATUTES.

GLENN W. MARK PLS
FLORIDA CERTIFICATE NO. 5304

DATE _____

**PALM BEACH COUNTY
ENGINEERING AND PUBLIC WORKS
ROADWAY PRODUCTION**
2300 NORTH JOG ROAD
WEST PALM BEACH, FL 33411



DATE	BY	INIT
REVISION		
NO.		
SCALE: 1"= 50' APPROVED: G. E. M. DRAWN: C. V. M. CHECKED: E. L. F. DATE: 10/17/2014		FILED BOOK NO. 11234A

PROJECT#	NORTH COUNTY AIRPORT LEASE PARCEL NCA-3 BOUNDARY SURVEY	
	DESIGN FILE NAME	DRAWING NO.
	S-3-14-3529.DGN	S-3-14-3529

SHEET: 1
OF: 3
PROJECT NO.
2014013-11

AFFIDAVIT OF LIMITED LIABILITY COMPANY

STATE OF FLORIDA
COUNTY OF PALM BEACH

BEFORE ME, the undersigned authority, personally appeared Bjarne E. Borg and John E. Stinson, the undersigned who by me being first duly sworn, depose(s) and say(s) that:

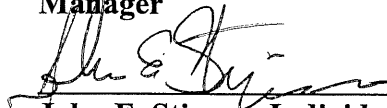
1. The undersigned are the Managers of **Index Aviation, LLC**, a limited liability company organized and existing under the laws of the State of Florida ("Company").
2. Articles of Organization of the Company have been filed, and are on-file with, the Florida Department of State and such articles are incorporated herein by reference.
3. The Company is in good standing and is authorized to transact business in the State of Florida as of the date hereof.
4. The company is a: (a) manager managed limited liability company.
5. The undersigned are the sole managing members of the Company or has been authorized by majority vote of the managing members to act on behalf of the Company and legally bind the Company and execute contracts and other instruments relating to the transaction of business of the Company.
6. The undersigned has the right and authority to enter into that certain **Development Site Lease Agreement** between Palm Beach County, a political subdivision of the State of Florida and the Company (the "Agreement"), which is incorporated herein by reference and made a part hereof, and such other instruments as may be necessary and appropriate for the Company to fulfill its obligations under such Agreement, including amendment(s) and termination of such Agreement.
7. Upon execution and delivery of such Agreement and documents by the undersigned, all of the aforesaid shall be valid agreements of and be binding upon the Company.
8. The transactions contemplated herein will not violate any of the terms and conditions of the Company's member agreement, operating agreement certificate of organization or of any other agreement and amendments thereto of whatever kind between the Company and any third person.

9. The undersigned acknowledges that affiant is familiar with the nature of an oath and the penalties provided by the laws of the State of Florida and that this Affidavit is being given to induce Palm Beach County to enter into the Agreement.

FURTHER AFFIANT SAYETH NAUGHT,

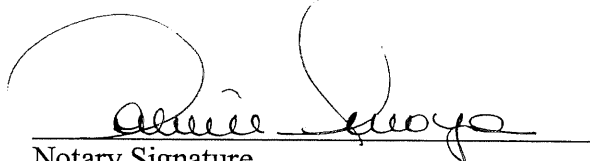
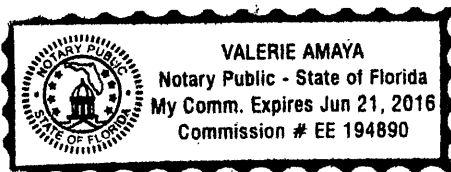


**Bjarne E. Borg, Individually and as
Manager**



**John E. Stinson, Individually and as
Manager**

SWORN TO AND SUBSCRIBED before me on this 15 day of October, 2014, by **Bjarne E. Borg, Manager of Index Aviation, LLC**, on behalf of the Company who is personally known to me OR who produced _____, as identification and who did take an oath.

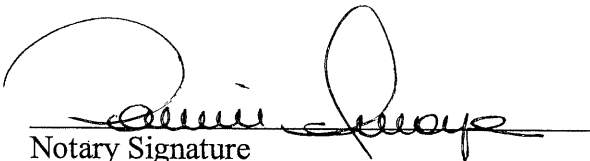
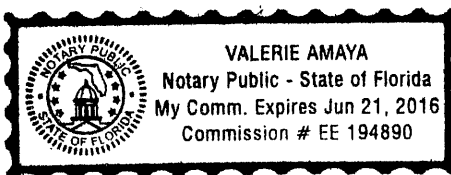


Notary Signature

VALERIE AMAYA

Print Notary Name

SWORN TO AND SUBSCRIBED before me on this 15 day of October, 2014, by **John E. Stinson, Manager of Index Aviation, LLC**, on behalf of the Company who is personally known to me OR who produced _____, as identification and who did take an oath.



Notary Signature

VALERIE AMAYA

Print Notary Name



XL Group
Insurance
Reinsurance

Brookfield Place
200 Liberty Street, 25th Floor
New York, New York 10281
P: 212-915-7000 F: 212-945-0829

CERTIFICATE OF INSURANCE

This Is To Certify To: Palm Beach County Department of Airports
846 Palm Beach International Airport
West Palm Beach, FL 33406

That The Following Policy(ies) Of Insurance Have Been Issued To: Aircraft Maintenance Specialist, Inc., North County Flight Training, LLC., Trend Aviation, LLC., Platinum Aviation Training Center, LLC., Aircraft Sales Of Palm Beach, Inc., Atlantis Aviation, Inc., Index Aviation, LLC and any Parent, Subsidiary or Affiliated Companies
11550 Aviation Boulevard, Suite 4
West Palm Beach, FL 33412

Policy Number: UA00003853AV14A

Policy Period: From: July 8, 2014 To: July 8, 2015

Insurance Company: XL Specialty Insurance Company

Liability Coverages	Limits of Liability	
	Each Occurrence	Annual Aggregate
General Aggregate Limit (other than Products-Completed Operations and Hangarkeepers)	\$ NOT APPLICABLE	\$ Not Applicable
Products / Completed Operations Limit	\$ 5,000,000	\$ 5,000,000
Personal and Advertising Injury Limit	\$ 5,000,000	\$ 5,000,000
Each Occurrence	\$ 5,000,000	\$ Not Applicable
Fire Damage Limit (Any One Fire)	\$ 100,000	\$ Not Applicable
Medical Expense Limit (Any One Per Person)	\$ 5,000	\$ Not Applicable
Hangarkeeper's Limit Each Aircraft	\$ 1,000,000	\$ Not Applicable
Hangarkeeper's Limit, Each Occurrence	\$ 1,000,000	\$ Not Applicable

Other Coverages/Conditions/Remarks:

The certificate holder is included as Additional Insured but only with respect to operations of the Named Insured.

This certificate replaces and supersedes the previously issued certificate dated July 21, 2014.

Certificate No. 1

Date of Issue October 15, 2014

Authorized Representative

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 all terms, exclusions and conditions of such policies. This certificate does not amend, extend or otherwise alter the coverages afforded by the policies described herein. Limits may have been reduced by paid claims.