

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: January 23, 2018

Consent       Regular  
 Workshop       Public Hearing

Department:

Submitted By: Department of Airports

Submitted For:

I. EXECUTIVE BRIEF

**Motion and Title: Staff recommends motion to receive and file:**

- A) General Aeronautical Services Permit (Permit) with PrimeFlight Aviation Services, Inc. (PrimeFlight), commencing November 10, 2017, terminating on September 30, 2018, and automatically renewing on an October 1st to September 30th annual basis until canceled, providing for support services to airlines operating at the Palm Beach International Airport (PBIA) and the payment of service fees in the amount of seven percent (7%) of gross revenues derived from airlines except signatory airlines.
- B) Terminal Space Lease Agreement (Lease) with PrimeFlight providing for the use of 193 SF of office space in the terminal at the PBIA, commencing November 10, 2017, terminating on September 30, 2018, and automatically renewing on an October 1st to September 30th annual basis until canceled.

**Summary:** Delegation of authority for execution of the standard County Permit above was approved by the BCC in R-2010-0708. Delegation of authority for execution of the standard County Lease above was approved by the BCC in R-2011-1337. Countywide (AH)

**Background and Justification:** N/A

**Attachments:** - One (1) General Aeronautical Services Permit  
- One (1) Terminal Space Lease Agreement

JD

Recommended By: Don Kelly      12/4/17  
Department Director      Date

Approved By: KBaker      1/8/18  
County Administrator      Date

## II. FISCAL IMPACT ANALYSIS

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

Fiscal Years	2018	2019	2020	2021	2022
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	(\$1,679)	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	(\$1,679)	\$-0-	\$-0-	\$-0-	\$-0-
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget?    Yes     No \_\_\_\_\_  
 Does this item include the use of federal funds? Yes \_\_\_\_\_ No

Budget Account No: Fund 4100 Department 120 Unit 8320/8430 RSource 2900/4413  
 Reporting Category \_\_\_\_\_

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

For the Permit, the FY2018 fiscal impact is a \$250.00 application fee and a \$250.00 Annual Permit Fee. We are unable to estimate the fiscal impact at this time of the seven percent (7%) service fee of gross revenues paid by airlines except signatory airlines for support services provided.

For the Lease, the fiscal impact will be rent for 193 SF of terminal office space @ \$73.29 per SF, or \$14,144.97 per year (\$1,178.75 per month). The initial term of the Lease is from 11/10/17 to 9/30/18, but as either party may cancel the Lease with thirty (30) days notice, the FY2018 fiscal impact is one (1) month's rent (\$1,179).

C. Departmental Fiscal Review: *M. Smira*

## III. REVIEW COMMENTS

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

*John J. ...* 12/19/17  
 OFMB  
 12/18

*Lucy ... Jacobowitz*  
 Contract Dev. and Control  
 12/20/17

### B. Legal Sufficiency:

*Anne Welby* 12-21-17  
 Assistant County Attorney

### C. Other Department Review:

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

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

**CERTIFICATE**  
(Corporation)

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

1. That Allen Ashcraft is the Secretary of PrimeFlight Aviation Services, Inc., a corporation organized and existing in good standing under the laws of the State of Delaware, hereinafter referred to as the "Corporation", and that the following Resolutions are true and correct copies of certain Resolutions adopted by the Board of Directors of the Corporation as of the 11th day of Sept, 2017, in accordance with the laws of the State of Delaware, the Articles of Incorporation and the By-laws of the Corporation:

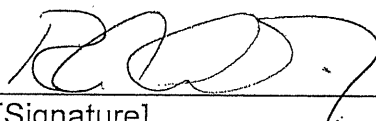
RESOLVED, that the Corporation shall enter into that certain General Aeronautical Services Permit and Terminal Space Lease Agreement between Palm Beach County, a political subdivision of the State of Florida and the Corporation (collectively, the "Agreements"), a copy of which is attached hereto; and be it

FURTHER RESOLVED, that Dan Bucaro, the President of the Corporation, is hereby authorized and instructed to execute such Agreements and such other instruments as may be necessary and appropriate for the Corporation to fulfill its obligations under the Agreements.

2. That the foregoing resolutions have not been modified, amended, rescinded, revoked or otherwise changed and remain in full force and effect as of the date hereof.

3. That the Corporation is in good standing under the laws of the State of Florida, and has qualified, if legally required, to do business in the State of Florida and has the full power and authority to enter into such Agreements.

IN WITNESS WHEREOF, the undersigned has set his hand and affixed the Corporate Seal of the Corporation the 9 day of November, 2017.

  
\_\_\_\_\_  
[Signature]

Seal

Allen Ashcraft, Secretary  
\_\_\_\_\_

## Summary of Certificates

This report displays detailed Certificate of Insurance information for a selected Insured. Any items shown in red are deficient.

Friday, December 01, 2017

[Simple View](#)

[Certificate Images](#)

[Documents](#)

PERMIT

Insured: PrimeFlight Aviation Services, Inc.

Insured ID: PBI-PR-10-01

Status: Compliant

ITS Account Number: PLC810

Project(s): Palm Beach County - Airport Properties

Insurance Policy	Required	Provided	Override
<u>General Liability</u>			
Expiration: 7/1/2018			
General Aggregate:	\$1,000,000	\$1,000,000	
Products - Completed Operations Aggregate:	\$1,000,000	\$1,000,000	
Personal And Advertising Injury:	\$1,000,000	\$1,000,000	
Each Occurrence:	\$1,000,000	\$1,000,000	
Fire Damage:	\$0	\$0	
Medical Expense:	\$0	\$0	
<u>Automobile Liability</u>			
Expiration: 8/31/2018			
	All Owned Autos	Any Auto not provided	X
	Hired Autos	not provided	X
	Non-Owned Autos	not provided	X
Combined Single Limit:	\$1,000,000	\$1,000,000	
<u>Workers Compensation/Employers Liability</u>			
Expiration: 8/31/2018			
Each Accident:	\$0	\$1,000,000	
Disease - Policy Limit:	\$0	\$1,000,000	
Disease - Each Employee:	\$0	\$1,000,000	

Notifications [\(Show All\)](#)

There were no deficiency letters issued.

Do you have an updated Certificate? Click the button below to submit a Certificate.

[Certificate Submittal](#)

### Summary of Certificates

This report displays detailed Certificate of Insurance information for a selected Insured. Any items shown in red are deficient.

Friday, December 01, 2017

LEASE

Insured: PrimeFlight Aviation Services, Inc. Insured ID: PBI-PR-15-01-PBC

Status: Compliant

ITS Account Number: PLC1662

Project(s): Palm Beach County - Airport Properties

Insurance Policy	Required	Provided	Override
<u>General Liability</u>			
Expiration: 7/1/2018			
General Aggregate:	\$1,000,000	\$1,000,000	
Products - Completed Operations Aggregate:	\$1,000,000	\$1,000,000	
Personal And Advertising Injury:	\$1,000,000	\$1,000,000	
Each Occurrence:	\$1,000,000	\$1,000,000	
Fire Damage:	\$100,000	\$1,000,000	
Medical Expense:	\$5,000	\$1,000,000	
<u>Automobile Liability</u>			
Expiration: 8/31/2018			
	All Owned Autos	Any Auto not provided	X
	Hired Autos	not provided	X
	Non-Owned Autos	not provided	X
Combined Single Limit:	\$1,000,000	\$1,000,000	
<u>Workers Compensation/Employers Liability</u>			
Expiration: 8/31/2018			
Each Accident:	\$1,000,000	\$1,000,000	
Disease - Policy Limit:	\$1,000,000	\$1,000,000	
Disease - Each Employee:	\$1,000,000	\$1,000,000	

Notifications ([Show All](#))

There were no deficiency letters issued.

Do you have an updated Certificate? Click the button below to submit a Certificate.

A

GENERAL AERONAUTICAL SERVICES PERMIT

THIS GENERAL AERONAUTICAL SERVICES PERMIT (this "Permit") is made and entered into December 1, 2017 by and between Palm Beach County, a political subdivision of the State of Florida ("County"), PrimeFlight Aviation Services, Inc., a Delaware corporation, having its office and principal place of business at 7135 Charlotte Pike, Suite 100, Nashville, TN 37209, ("Permittee").

WITNESSETH:

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

WHEREAS, Permittee desires to provide certain general aeronautical support services to air carriers operating at the Airport, or to other Airport tenants, on a non-exclusive basis, in common with others authorized to do so; and

WHEREAS, Permittee has filed a completed application with the Department and has requested to enter into this Permit; and

WHEREAS, Resolution No. R-2010-0708, adopted by the Board on May 4, 2010, authorizes the Department, on behalf of County, to enter into this Permit.

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

ARTICLE 1  
RECITALS

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

ARTICLE 2  
DEFINITIONS

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

2.01 "Aircraft and Equipment Maintenance Service" means repair and maintenance of aircraft, and the repair, fueling and maintenance of ramp equipment, which shall be limited to areas approved in advance in writing by the Department.

2.02 "Aircraft Interior Cleaning and Waste Disposal Service" means providing personnel, equipment and material to clean the interior of Aircraft.

- 2.03 "Aircraft Ramp Service" means guiding aircraft in and out of aircraft loading and unloading positions; placing in position and operating passenger, baggage and cargo loading and unloading devices, as required for the safe and efficient loading and unloading of passengers, baggage and cargo to and from aircraft; performing loading and unloading of passengers, baggage and cargo to and from aircraft; providing utility services to aircraft; towing aircraft; delivering aircraft cargo, baggage and mail to and from aircraft to locations on the Airport; and fueling of aircraft.
- 2.04 "Signatory Airline Agreement" means the then current Signatory Airline Agreement approved by the Board. As of the date of this Permit, the most current version of the Signatory Airline Agreement was approved pursuant to Resolution No. R-2014-1033.
- 2.05 "Airline Ticketing and Boarding Service" means the processing of passengers, including ticketing, checking-in, boarding and unboarding of air passengers and their baggage.
- 2.06 "Airport" means the Palm Beach International Airport located in Palm Beach County, Florida.
- 2.07 "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.
- 2.08 "Annual Permit Fee" has the meaning set forth in Section 5.01(B).
- 2.09 "Authorized Aeronautical Services" means those aeronautical support services set forth in Section 4.01.
- 2.10 "Baggage Delivery Service" means handling and transportation between the Airport and a passenger's location, of delayed, misplaced or misrouted baggage or other articles of the passengers of contracting air carriers or aircraft operators.
- 2.11 "Board" means the Board of County Commissioners of Palm Beach County, Florida.
- 2.12 "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.
- 2.13 "Commencement Date" has the meaning set forth in Article 3.
- 2.14 "Contract Year" means the period of twelve (12) consecutive months ending with the last day of September of each year.
- 2.15 "Contracted Flights" has the meaning set forth in Section 6.02(E).
- 2.16 "Department" means the Palm Beach County Department of Airports.
- 2.17 "Director" means the Director or Acting Director of the Department of Airports.
- 2.18 "Effective Date" means the date that this Permit is approved by signed by the parties hereto.
- 2.19 "Environmental Laws" has the meaning set forth in Section 14.04.
- 2.20 "FAA" means the Federal Aviation Administration.
- 2.21 "Facility Usage Charges" has the meaning set forth in the Section 5.03.
- 2.22 "Federal Inspection Services (FIS) Facility" means that portion of Building 1000 at the Airport designated for U.S. Customs facilities.

2.23 "Gross Revenues" means all revenues paid or payable to Permittee for the provision of services in, on, from or about the Airport pursuant to this Permit, including, without limitation, the Authorized Aeronautical Services. Notwithstanding the foregoing, Gross Revenues shall not include any revenues derived from providing Authorized Aeronautical Services to Signatory Airlines, or sales taxes or similar excise taxes, which are separately stated and collected from Permittee's customers.

2.24 "Initial Term" has the meaning set forth in Article 3.

2.25 "Insurance Requirements" has the meaning set forth in Article 7.

2.26 "Monthly Report" has the meaning set forth in Section 5.04.

2.27 "Non-Signatory Airline" means any airline that is not considered a Signatory Airline for purposes of the Signatory Airline Agreement.

2.28 "Port of Entry Building" means Building 120 at the Airport, utilized for U.S. Customs facilities.

2.29 "Porter Assistance Service" means handling and transportation, through the use of porters, of baggage and other articles of the passengers of contracting air carriers or aircraft operators, upon request of the passenger, in public access areas of the Port of Entry Building and the Terminal, exclusive of the FIS Facility, as designated and approved by the Department.

2.30 "Renewal Term" has the meaning set forth in Article 3.

2.31 "Risk Management Department" means the Palm Beach County Risk Management Department.

2.32 "Service Fee" has the meaning set forth in Section 5.02.

2.33 "Signatory Airline" has the meaning set forth in the Signatory Airline Agreement.

2.34 "Term" has the meaning set forth in Article 3.

2.35 "Terminal" means the commercial passenger terminal located in Building 1000 at the Airport.

2.36 "TSA" means the Transportation Security Administration or any successor agency responsible for airport security.

2.37 "Use Agreement" has the meaning set forth in Section 5.03.

### ARTICLE 3 COMMENCEMENT DATE AND TERM OF AGREEMENT

The term of this Permit shall commence on November 10, 2017, (the "Commencement Date") and expire on September 30, 2018, (the "Initial Term"). This Permit shall be automatically renewed on a year-to-year basis (October 1st through September 30th) thereafter upon the expiration of the then current term (the "Renewal Term"); provided that: (1) Permittee is not in violation of this Permit; and (2) neither party has provided a notice to the other party, with the Department acting on behalf of County, by at least thirty (30) days advance written notice, of its desire or intent to terminate or not renew this Permit. The Initial Term and each Renewal Term are collectively referred to as the "Term".



ARTICLE 4  
PRIVILEGES AND AUTHORIZED SERVICES

4.01 Authorized Aeronautical Services. County hereby authorizes Permittee to provide, on a non-exclusive basis, under written contract with Signatory Airlines, Non-Signatory Airlines, or Airport tenants serving the Airport and having validly executed agreements with County, the following aeronautical support services:

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

Permittee shall not provide any other services whatsoever at the Airport, including, but not limited to, other aeronautical support services, without the prior written consent of County, which may be granted or withheld in County's sole and absolute discretion.

4.02 Description of General Privileges, Uses and Rights. County hereby grants to Permittee, the following non-exclusive general privileges, uses and rights, all of which shall be subject to the terms, conditions and covenants hereinafter set forth below:

- A. The general use, in common with others, of all public Airport facilities and improvements in connection with its operations hereunder. For the purpose of this Permit, "public Airport facilities" shall include all necessary roadways, sidewalks, or other public facilities appurtenant to the Airport, not specifically leased to or under the contractual control of others.
- B. The right of ingress to and egress from the Terminal over and across public roadways serving the Airport for Permittee, its agents and employees, patrons and invitees, suppliers of service and furnishers of material, if any. Said right shall be subject to such laws, rules, regulations and orders as now or may hereafter have application at the Airport.

Nothing contained in this Section 4.02 shall be construed to grant to Permittee the right to use any space or area, improved or unimproved, which is leased to a third party.

ARTICLE 5  
FEES, CHARGES AND REPORTS

5.01 Permit Fees.

- A. Permittee shall pay a non-refundable application fee of Two Hundred Fifty Dollars (\$250.00) with submission of Permittee's application for this Permit. In the event this Permit expires or is otherwise terminated, Permittee shall be required to pay an additional application fee at the then current rate.
- B. Permittee shall pay an annual permit fee of Two Hundred Fifty Dollars (\$250.00) ("Annual Permit Fee"). The Annual Permit Fee shall be paid on or before October 1 of each year, without demand, deduction or setoff, throughout

the Term of this Permit. Payment of the Annual Permit Fee shall be in addition to payment of the Service Fee as provided in Section 5.02 and Facility Usage Charges as provided in Section 5.03.

5.02 Service Fee. Permittee shall pay to County seven percent (7%) of monthly Gross Revenues, together with applicable sales taxes thereon ("Service Fee"). The Service Fee shall be paid to County on or before the fifteenth (15<sup>th</sup>) day of each and every month, without demand, deduction or setoff, throughout the Term of this Permit.

5.03 Facility Usage Charges. Permittee shall pay to County reasonable and non-discriminatory fees and charges ("Facility Usage Charges") as set forth in the then current Signatory Airline Agreement, for the use of any Airport facilities and/or equipment, including, but not limited to, baggage makeup areas and devices and passenger loading bridges. Notwithstanding the foregoing, County may require Permittee to enter into a separate agreement for the use of Airport facilities and equipment ("Use Agreement"). Except as otherwise provided in any Use Agreement with County, Facility Usage Charges shall be paid to County on or before the fifteenth (15<sup>th</sup>) day of each and every month, without demand, deduction or setoff, throughout the Term of this Permit.

5.04 Monthly Report. On or before the fifteenth (15<sup>th</sup>) day of each month throughout the Term of this Permit, Permittee shall submit to County, in a form and in detail satisfactory to County, a written report that: (1) details Gross Revenues for the preceding month; (2) details Service Fees payable to County for the preceding month; (3) details any Facility Usage Charges payable to County in connection with services provided by Permittee pursuant to Section 4.01(F); (4) separately identifies any exclusions from Gross Revenues; and (5) identifies the airlines, aircraft operators and/or other tenants at the Airport that Permittee provided services for during the preceding month (the "Monthly Report"). The Monthly Report shall be signed by a responsible officer of Permittee, certifying the accuracy of the information contained in the Monthly Report. County may require reports required by this Article 5 to be submitted in an electronic format.

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

5.06 Unpaid Fees and Charges. In the event Permittee fails to make timely payment of any amounts due and payable in accordance with the terms of this Permit, then interest at the rate of one and one half percent (1.5%) per month shall accrue against the delinquent payment(s) from date due until the date payment is received by Department.

5.07 Audit Requirement. On or before December 31 of each year, Permittee shall provide to County an audit report in accordance with the requirements of this Section 5.07 for the preceding Contract Year. The first such audit report shall commence as of the Commencement Date and the last audit report shall cover through Permittee's last day of operation under to this Permit. In the event the Gross Revenues for the preceding Contract Year are Twenty-Five Thousand Dollars (\$25,000) or less, the audit report may be prepared by an employee of Permittee and shall be signed and certified under oath by the chief financial officer of Permittee as being true and correct. In the event the Gross Revenues for the preceding Contract Year are more than Twenty-Five Thousand Dollars (\$25,000), the audit report shall be prepared by an independent Certified Public Accountant, not a regular employee of Permittee, in accordance with Generally Accepted Auditing Standards prescribed by the American Institute of Certified Public Accountants or any successor agency thereto. The audit report shall be in a form acceptable to the Department. The audit report shall include the following:

- A. Schedule of Gross Revenues by month.
- B. Schedule of Service Fees by month.
- C. Schedule of Facility Usage Charges by month (if any).
- D. Schedule of payments made to County by month.
- E. A calculation of the total amount of Service Fees payable to County for the preceding Contract Year.

In the event Permittee is required to submit an audit report prepared by an independent Certified Public Accountant, the audit report shall include an opinion on the required schedules. Failure to deliver an audit report, or delivery of an audit report containing a qualified opinion, an adverse opinion, or a disclaimer of opinion, as defined by the American Institute of Certified Public Accountants or any successor agency thereto, shall be deemed to be a material default of this Permit. If the audit report indicates that the amount due and owing for any Contract Year is greater than the amount paid by Permittee to County during such Contract Year, Permittee shall pay the difference to County with the audit report. If the amount actually paid by Permittee to County during any Contract Year exceeds the amount due and owing for such Contract Year, County shall credit the overpayment in the following order: (1) against any past due amounts owed to County by Permittee, including interest and late fees; (2) against currently outstanding, but not yet due, amounts owed to County by Permittee; (3) against future amounts that will become due during the succeeding Contract Year; and (4) against any other sums payable by Permittee to County. Notwithstanding the foregoing, in the event of an overpayment by Permittee during the last Contract Year, County shall credit the overpayment against any remaining amounts owed to County, including interest and late fees, and refund to Permittee any overpayment amount in excess of the credit.

5.08 Address for Payments. All payments required to be made by Permittee under this Permit shall be made payable to "Palm Beach County." All reports and payments shall be delivered to the following address: Finance Division, Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406-1470, or to such other office or address as may be substituted therefor.

5.09 Accounting Records. Permittee shall maintain all books of account and records customarily used in this type of operation, in accordance with Generally Accepted Accounting Practices (GAAP). County, at all times, throughout the Term and for no less than three (3) years following termination of this Permit, shall have the right to audit and examine during normal working hours all such records and books of account relating to Permittee's operations hereunder, provided that Permittee shall not be required to retain such books of account and records for more than three (3) years after the end of each Contract Year of this Permit. Upon County's request for examination of such books of account and records and should the books of account and records be kept at locations other than the Airport, Permittee shall arrange for them to be brought to a location convenient to the auditors for County in order for County to conduct the audits and inspections as set forth in this Article 5. If, as a result of the audit, County determines that Permittee has understated the amounts due to County hereunder by five percent (5%) or more, the entire expense to County of the audit shall be assumed by and be the sole responsibility of Permittee. All amounts due County and reasonable expenses associated with said audit (if any) shall forthwith be paid by Permittee to County, with interest thereon calculated in accordance with Section 5.06 hereof.

5.10 Service Contracts. Upon County's request, Permittee shall provide to County legible, written copies of any and all contracts entered into between Permittee and any other person or entity for the provision of services under this Permit ("Service Contracts"), including, but not limited to, airlines serving the Airport. Permittee shall also provide to County copies of any and all renewals, modifications, amendments and cancellations to the Service Contracts.

5.11 Adjustment of Fees and Charges. Permittee acknowledges and agrees that the fees and charges payable hereunder may be modified from time to time and that Permittee shall be responsible for payment of such modified fees without formal amendment to this Permit.

## ARTICLE 6 OBLIGATIONS OF PERMITTEE

### 6.01 Maintenance of Facilities and Equipment.

- A. Permittee shall, at its sole cost and expense, maintain all facilities and equipment provided by County to Permittee for use at the Airport in carrying out the Authorized Aeronautical Services, in good and fit condition consistent with good business practice and in accordance with all applicable laws, regulations and rules of any government agency. Permittee shall repair any damage to the Airport caused by its employees, patrons, invitees, suppliers of service or furnishers of material, or any other persons whomsoever, and all damages caused by or resulting from or in any way arising out of Permittee's operations thereon. Permittee hereby agrees that it shall abide by the decision of County with respect to any and all maintenance or repair requirements. County shall be the sole judge of Permittee's performance under this Section 6.01(A), as to the quality of maintenance or repair. Upon written notice by County to Permittee, Permittee shall perform the required maintenance or repair in accordance with County's decision. If

Permittee has not made a good faith effort, as determined by County, to begin to perform the required maintenance or repair within ten (10) days of the date of the written notice, and to diligently pursue the same to completion, County shall have the right to perform the maintenance or repair, and Permittee hereby expressly agrees that it shall fully assume and be liable to County for payment of the costs therefor, plus a twenty-five percent (25%) administrative overhead. Permittee shall pay all costs incurred by County, plus the administrative overhead, within thirty (30) days of the date of County's invoice.

- B. Permittee shall maintain its equipment utilized at the Airport in good condition and repair. In addition, any equipment utilized within the public areas of the Terminal shall be in a safe, neat and clean condition at all times, including, but not limited to, carts used to transport passenger luggage and wheelchairs. County may require Permittee to remove, repair or replace any equipment from the Airport that is in an unsafe or unsightly condition upon written notice. In the event Permittee fails to remove, repair or replace the equipment as required by County's notice within three (3) business days of the date of the notice, Permittee shall pay County a penalty fee of Fifty Dollars (\$50.00) per day from the date of County's notice until the violation has been corrected. Permittee shall pay County within ten (10) days of the date of the violation.

6.02 Service Standards. Permittee shall only provide Authorized Aeronautical Services in a first class professional manner, consistent with good business practice and shall at all times observe and comply with the following service standards:

- A. Permittee shall hire and assign a full-time manager or managers, qualified and experienced in the management and control of the services authorized to be performed herein. Manager(s) shall be delegated sufficient authority to ensure proper performance of the terms and conditions of this Permit. Permittee shall also provide at least two (2) twenty-four (24) hour telephone numbers to enable the Department to contact the manager or supervisory personnel whenever necessary. Permittee shall be responsible to inform the Department of any change in name(s) and/or number(s) of the managers and supervisory personnel.
- B. Permittee shall properly control the conduct, demeanor and appearance of its employees. Permittee shall cause its employees to discharge their duties in a professional, courteous and efficient manner, be suitably uniformed and wear appropriate identification. Permittee shall ensure that its employees' uniforms are at all times in good, neat and clean condition.

- C. Permittee's employees shall at all times be under the control and supervision of Permittee, including during slack periods, between job assignments, and during break periods and meals. Permittee shall not permit its employee to loiter in the public areas of the Terminal, including, but not limited to, the baggage claim level and public passenger lounge areas.
- D. Permittee shall not provide Porter Assistance Service within the U.S. Customs facilities located at the Port of Entry Building, or the FIS Facility at the Terminal, without the specific prior written approval of County.
- E. Permittee shall only be permitted to provide Porter Assistance Services in the baggage claim level of the Terminal for flights Permittee is servicing for a particular airline pursuant to Permittee's Service Contract with such airline ("Contracted Flights") upon the request of a passenger of such airline. Permittee shall not permit its employees to loiter or solicit passengers for Porter Assistance Services in the baggage claim level of the Terminal during periods between Contracted Flights. Permittee shall not permit its employees to block or prevent passengers from accessing self-service baggage carts. In the event Permittee or its employees is found to be in violation of the requirements of this paragraph, Permittee shall pay County a penalty fee of Fifty Dollars (\$50.00) per violation within ten (10) days of the date of the violation. County shall provide Permittee with a written notice of each such violation, which shall include the name of the employee, date and time of the violation and any other pertinent information related to the violation.
- F. Permittee shall not permit its employees to solicit or request tips or gratuities, directly or indirectly from Airport passengers.
- G. Permittee shall cause its employees to dispose of found property in accordance with Department approved procedures.
- H. Permittee shall not permit its employees to annoy, harass or disturb any Airport passengers, tenants or users of the Airport.
- I. Permittee shall be responsible, at Permittee's sole cost and expense, for providing appropriate break and meal areas for its employees and contractors.
- J. Permittee shall furnish good, prompt and efficient service adequate to meet all the demands for its service at the Airport, and furnish services on a fair, equal and non-discriminatory basis to all users thereof. Permittee shall charge fair, reasonable, and nondiscriminatory prices for its services at the Airport.

6.03. Removal of Employees. County shall have the right to require the removal of any employee of Permittee who fails to comply with the requirements of this Permit. County shall also have the right to revoke the security badge of any employee who fails to comply with the requirements of this Permit.

ARTICLE 7  
INSURANCE

Permittee agrees to maintain, on a primary basis and at its sole expense, at all times during the Term, the insurance coverages and limits set forth in Exhibit "A" (the "Insurance Requirements"), attached hereto and incorporated herein.

ARTICLE 8  
AIRPORT SECURITY

8.01 General. Permittee shall observe all security regulations and other requirements of County and any agency of the Federal government, including, but not limited to, the FAA and TSA, applicable to Permittee, as such regulations or requirements have been or may be amended, including without limitation, Title 14, Part 139 of the Code of Federal Regulations and Title 49, Part 1540, et seq., of the Code of Federal Regulations. Permittee agrees to comply with the Airport Security Program and the Air Operations Area (AOA) Vehicle Access Program, and amendments thereto, and to comply with such other rules and regulations as may be prescribed by County, and to take such steps as may be necessary or directed by County to insure that Permittee's employees, invitees and guests observe these requirements. County shall have the right to conduct background checks of Permittee's employees and contractors to the extent required by any federal, state or local law or as required by County. Permittee shall be responsible for the costs of all background checks. County shall have the right to require the removal or replacement of any employee of Permittee at the Airport that County has determined may present a risk to public safety or the security of the Airport. If as a result of the acts or omissions of Permittee or its employees, invitees or guests, County incurs any fines and/or penalties imposed by the FAA or TSA; any expense in enforcing the regulations of the FAA or TSA or the rules or regulations of County; or any expense in enforcing the Airport Security Program, then Permittee agrees to pay to County all such costs and expenses, including all costs of administrative proceeding, court costs, and attorneys fees and all costs incurred by County in enforcing this provision. Permittee further agrees to rectify any security deficiency or other deficiency as may be determined by County, the FAA or TSA. In the event Permittee fails to remedy any such deficiency, County may do so at the cost and expense of Permittee. Permittee acknowledges and agrees that County may take whatever action is necessary to rectify any security deficiency or any other deficiency identified by County, the FAA or TSA.

8.02 Badges. Permittee shall be responsible for requesting County to issue security badges to all employees who require access to restricted areas on the Airport as part of the employees regularly assigned duties. Permittee shall be responsible for reporting all lost or stolen security badges and the immediate return of security badges of all personnel transferred from the Airport or terminated from the employ of Permittee or upon the termination of this Permit. Permittee shall pay, or cause to be paid, to County charges that may be established from time to time, for issuance of security badges, fingerprinting fees, and lost or stolen security badges.

ARTICLE 9  
RELATIONSHIP OF THE PARTIES

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

ARTICLE 10  
INDEMNIFICATION

Permittee agrees to protect, defend, reimburse, indemnify and hold County, its agents, employees and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including attorney fees at trial and appellate levels) and causes of action of every kind and character against or from County by reason of any damage to property or the environment, or bodily injury (including death) incurred or sustained by any party hereto, or of any party acquiring any interest hereunder, any agent or employee of any party hereto or of any party acquiring an interest hereunder, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with Permittee's performance under this Permit, Permittee's acts, omissions or operations hereunder, or the performance, non-performance or purported performance of Permittee or any breach of the terms of this Permit; provided, however, Permittee shall not be responsible to County for damages resulting out of bodily injury or damages to property which are judicially determined to be solely attributable to the sole negligence of County, its respective agents, servants, employees and officers. Permittee 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 Permittee's activities or operations on the Airport, whether or not Permittee was negligent or even knowledgeable of any events precipitating a claim or judgment arising as a result of any situation involving said activities. Said indemnification shall be extended to include all deliverers, suppliers, furnishers of material, or anyone acting for or on behalf of, or at the request of Permittee. Permittee recognizes the broad nature of this indemnification and hold harmless clause, and voluntarily makes this covenant and expressly acknowledges the receipt of ten dollars (\$10.00) and such other good and valuable consideration provided by County in support of this indemnification in accordance with laws of the State of Florida. This clause shall survive the termination of this Permit.



ARTICLE 11  
TERMINATION OF PERMIT, PERMIT VIOLATIONS AND REMEDIES

11.01 Termination. This Permit shall terminate as provided for in Article 3.

11.02 Permit Violations. The occurrence of any one or more of the following events shall constitute a violation of this Permit by Permittee:

- A. Permittee's failure to make payment of any fees or charges required to be made by Permittee under this Permit, as and when due.
- B. The failure by Permittee to observe or perform any of the covenants, conditions or provisions of this Permit to be observed or performed by Permittee.
- C. The discovery by County that any information given by Permittee to County relating to this Permit was materially false.
- D. A default by Permittee of any other agreement, permit or lease between County and Permittee, which default has not been cured within the applicable cure period provided in such agreement, permit or lease.

11.03 Remedies In addition to any other remedy available under the law or this Permit, County may terminate this Permit upon written notice to Permittee. Upon such termination, Permittee shall immediately cease its operations on the Airport. Such termination shall be without prejudice to any of County's remedies for arrearages, payments due herein, or any other damages or remedies whatsoever.

11.04 County's Right to Terminate. This Permit is issued upon the terms and conditions required by County for all Permittees on the Airport that engage in the activities permitted herein. Upon ten (10) days' prior written notice, County may, at any time, terminate this Permit and at County's option issue a new Permit to Permittee upon such modified terms and conditions as County shall uniformly apply to all other similarly situated Permittees.

ARTICLE 12  
ASSIGNMENT

Permittee shall not in any manner assign, transfer or otherwise convey an interest in this Permit. Any such attempt shall be null and void.

ARTICLE 13  
SIGNS

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

ARTICLE 14  
LAWS, REGULATIONS, PERMITS AND SAFETY REGULATIONS

14.01 Compliance with Laws. Permittee shall be and remain in full and complete compliance with all applicable Federal, State and local laws, statutes, regulations, rules, rulings, orders, ordinances and directives of any kind or nature without limitation, as now or hereafter amended, including, but not limited to, FAA Advisory Circulars and Airport Rules and Regulations. Permittee shall ensure that its agents, contractors, employees, invitees and guests entering the Airport with or without Permittee's consent or knowledge comply with all applicable laws on the Airport.

14.02 Permits and Licenses. Permittee shall, at its sole cost and expense, be strictly liable and responsible for obtaining, paying for, fully complying with, and maintaining current any and all permits, licenses or other governmental authorizations, however designated, as may be required at any time throughout the Term of this Permit by any Federal, State or local governmental entity or any court of law having jurisdiction over Permittee or Permittee's operations and activities, for any activity or operation conducted by Permittee on the Airport. Upon written request by Department, Permittee shall provide to Department certified copies of any and all permits and licenses that Department may request.

14.03 Safety Regulations. Permittee shall conduct its activities and operations under this Permit in a safe manner and in compliance with all safety regulations of the Department and with safety standards imposed by applicable Federal, State and local laws and regulations. Permittee shall also require the observance thereof by all employees, agents and invitees. Permittee shall procure and maintain such fire prevention and extinguishing devices as required by County and by law and shall at all times be familiar and comply with the fire regulations and orders of County and the fire control agency with jurisdiction over the Airport. Neither Permittee, nor employee, agent, or any person working for or on behalf of Permittee, shall require any personnel engaged in the performance of Permittee's operations to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous to individual safety or health, as determined by standards adopted pursuant to the Occupational Safety and Health Act of 1970, as same may be amended from time to time, as well as all State and local laws, regulations, and orders relative to occupational safety and health.

14.04 Compliance with Environmental Laws. Permittee shall, at its sole cost and expense, comply with all applicable Environmental Laws. For purposes of this Permit, "Environmental Laws" means all applicable Federal, State and local laws, rules, orders and regulations protecting human health, the environment and/or natural resources, as such laws, rules, orders and regulations are now or hereafter amended, including, without limitation, the Federal Clean Water Act, Federal Safe Drinking Water Act, Federal Clean Air Act, Federal Resource Conservation and Recovery Act and Comprehensive Environmental Response, Compensation and Liability Act of 1980. Permittee shall indemnify, defend and hold County harmless from any and all penalties, fines, costs, expenses, suits, claims or damages resulting from Permittee's failure to perform its obligations specified in this Section 14.04. The foregoing indemnification agreement shall survive the expiration or earlier termination of this Permit.

ARTICLE 15  
DISCLAIMER OF LIABILITY

COUNTY HEREBY DISCLAIMS, AND PERMITTEE 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 PERMITTEE, ITS EMPLOYEES, AGENTS, OR INVITEES DURING THE TERM OF THIS PERMIT INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE, OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF PERMITTEE OR PERMITTEE'S BUSINESS INVITEES THAT MIGHT BE LOCATED OR STORED ON THE AIRPORT, UNLESS SUCH LOSS, DAMAGE, OR INJURY IS JUDICIALLY DETERMINED TO HAVE BEEN CAUSED BY COUNTY'S SOLE NEGLIGENCE OR BY COUNTY'S BREACH OF ITS OBLIGATIONS UNDER THIS PERMIT. THE PARTIES EXPRESSLY AGREE THAT UNDER NO CIRCUMSTANCES SHALL COUNTY BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL, OR EXEMPLARY DAMAGES WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE, AND NUISANCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR ANY OTHER DAMAGE RELATED TO THE ASSIGNMENT OF THE AIRPORT TO PERMITTEE PURSUANT TO THIS PERMIT. PERMITTEE ACKNOWLEDGES AND AGREES THAT COUNTY SHALL HAVE NO LIABILITY WHATSOEVER AND PERMITTEE COVENANTS AND AGREES TO HOLD HARMLESS COUNTY FROM ANY AND ALL LIABILITY RELATING TO ANY INFORMATION PROVIDED BY COUNTY RELATING TO THIS PERMIT. FURTHERMORE, PERMITTEE 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 PERMIT, WAS AT ITS SOLE RISK.

ARTICLE 16  
GOVERNMENTAL RESTRICTIONS

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

16.02 Federal Review. This Permit is subject to any applicable review by the Federal Aviation Administration to determine satisfactory compliance with federal law. This Permit shall be in full force and effect and binding upon both parties pending review and approval by said Federal Aviation Administration.

16.03 County Tax Assessment Right. None of the terms, covenants and conditions of this Permit 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 Palm Beach County, of the right to assess, levy and collect any license, personal, intangible, occupation or any other tax which shall be lawfully imposed on the business or property of Permittee.

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

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

#### ARTICLE 17 NON-DISCRIMINATION

17.01 Non-Discrimination in County Contracts. Permittee warrants and represents to County that all of its employees are treated equally during employment without regard to race, color, national origin, religion, ancestry, sex, age, familial status, marital status, sexual orientation, gender identity and expression, disability, or genetic information. Permittee has submitted to County a copy of its non-discrimination policy, which is consistent with the above, as contained in Resolution R-2014-1421, as may be amended, or in the alternative, if Permittee does not have a written non-discrimination policy, it has acknowledged through a signed statement provided to County affirming their non-discrimination policy conforms to R-2014-1421, as may be amended.

17.02 Federal Non-Discrimination Covenants.

- A. Permittee, for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that:
  1. In the event facilities are constructed, maintained, or otherwise operated by on County property by Permittee for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Permittee will maintain and operate such facilities and services in compliance with all requirements imposed by the nondiscrimination acts and regulations listed in the Nondiscrimination Authorities (as hereinafter defined), as may be amended, such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
  2. No person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of County property.

3. In the construction of any improvements on, over, or under County property and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.
  4. Permittee shall comply with, and use County property in compliance with, the requirements imposed by or pursuant to the Nondiscrimination Authorities.
- B. In the event of breach of any of the above nondiscrimination covenants, County will have the right to terminate this Permit if this Permit had never been made or issued. This Permit shall not be terminated pursuant to this paragraph until the procedures of 49 CFR Part 21 are followed and completed, including, the exercise or expiration of appeal rights.
  - C. For purposes of this Article, the term "Non-Discrimination Authorities" includes, but is not limited to, the non-discrimination statutes, regulations and authorities listed in Appendix "E" of Appendix "4" of FAA Order 1400.11, Non-discrimination in Federally-Assisted Programs at the Federal Aviation Administration, as may be amended.
  - D. Permittee shall comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates Permittee for the period during which Federal assistance is extended to the Airport through the Airport Improvement Program. In cases where Federal assistance provides, or is in the form of personal property, real property or interest therein; structures or improvements thereon, this provision obligates Permittee for the longer of the following periods:
    - (a) the period during which the property is used by County or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits;
    - or (b) the period during which County or any transferee retains ownership or possession of the property.
  - E. Permittee shall comply with all applicable requirements of the Americans with Disabilities Act, the State of Florida Accessibility Requirements Manual, and Section 504 of the Rehabilitation Act of 1973 and all implementing rules, regulations and orders, including, but not limited to 28 CFR Parts 35 and 36 and 49 CFR Parts 27 and 37, and shall cooperate with County to ensure Permittee remains in compliance with such requirements throughout the Term of this Permit.

17.03 Airport Concession Disadvantaged Business Enterprises ("ACDBE"). This Permit may be subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. It is the policy of County that ACDBEs shall have the maximum practicable opportunity to participate in the performance of contracts. Permittee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23. Permittee agrees to include the aforementioned statement in any subsequent concession agreement or contract covered by 49 CFR Part 23, that it enters and cause those business to similarly include the statements in further agreements.

**ARTICLE 18**  
**MISCELLANEOUS**

18.01 Non-Exclusive Agreement. Permittee expressly understands and agrees that the rights and privileges granted under this Permit are non-exclusive, and County herein reserves the right to grant similar rights and privileges to others at the Airport.

18.02 County Not Liable. County shall not be responsible or liable to Permittee for any claims for compensation or any losses, damages or injury sustained by Permittee resulting from (1) cessation for any reason of air carrier operations at the Terminal, or (2) diversion of passenger traffic to any other facility. County shall not be responsible nor liable to Permittee for any claims for compensation or any losses, damages, or injury sustained by Permittee resulting from failure of any water supply, electrical current, sewerage or drainage facility, or caused by natural physical conditions on the Airport, whether on the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tornado, hurricane, act of God or state of war, civilian commotion or riot, or any cause beyond the control of County. All personal property placed on or moved onto the Airport shall be at the sole risk of Permittee or owner thereof and Permittee expressly acknowledges and agrees that County shall not be liable for any damage to or loss of said personal property.

18.03 Authorized Uses Only. Notwithstanding anything to the contrary herein, Permittee will not use or permit the use of 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 Airport for County or Permittee.

18.04 Waivers. 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 such party may have for any subsequent breach, default, or non-performance, and such party's right to insist on strict performance of this Permit shall not be affected by any previous waiver or course of dealing.

18.05 Subordination

A. Subordination to Bond Resolution. This Permit and all rights granted to Permittee hereunder are expressly subordinated and subject to the lien and provisions of the pledges, transfer, hypothecation or assignment made by County in the Bond Resolution, and County and Permittee 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 ensure compliance by Permittee and County with the terms and provisions of this Permit and the Bond Resolution.

B. Subordination to Federal/State Agreements. This Permit shall be subject and subordinate to all the terms and conditions of any instruments and documents under which County acquired the land or improvements thereon and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. Permittee understands and agrees that this Permit shall be subordinate to the provisions of any existing or future agreement between County and the United States of America, the 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 Federal Funds for the development of the Airport.

18.06 Consent, Approval and Governmental Authority. Nothing in this Permit shall be construed to waive or limit County's governmental authority as a political subdivision of the State of Florida to regulate Permittee or its operations.

18.07 Rights Reserved to County. All rights not specifically granted Permittee by this Permit are reserved to County.

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

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

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

18.11 Notice. All notices and elections (collectively, "notices") to be given or delivered by or to any party hereunder, shall be in writing and shall be (as elected by the party giving such notice) hand delivered by messenger, courier service or overnight mail, telecopied or faxed (provided in each case a receipt is obtained), or alternatively shall be sent by United States Certified Mail, with Return Receipt Requested. The effective date of any notice shall be the date of delivery of the notice if by personal delivery, courier services or overnight mail, or on the date of transmission with confirmed answer back if by telecopier or fax if transmitted before 5PM on a business day and on the next business day if transmitted after 5PM or on a non-business day, or if mailed, upon the date which the return receipt is signed or delivery is refused or the notice designated by the postal authorities as non-deliverable, as the case may be. The parties hereby designated the following addresses as the addresses to which notices may be delivered, and delivery to such addresses shall constitute binding notice given to such party:

County:

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

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

Permittee:

PrimeFlight Aviation Services, Inc.  
Attn: Carol Doezema  
7135 Charlotte Pike, Suite 100  
Nashville, TN 37209

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

18.12 Paragraph Headings. The headings of the various articles and sections of this Permit 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 Permit or any part or parts of this Permit.

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

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

18.15 Public Entity Crimes. As provided in Section 287.132-133, Florida Statutes, by entering into this Permit or performing any work in furtherance hereof, Permittee 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.

18.16 Consent or Action. In the event this Permit is silent as to the standard for any consent, approval, determination, or similar discretionary action, the standard shall be at the sole, absolute and unfettered discretion of County or Department, rather than any implied standard of good faith, fairness or reasonableness. Wherever this Permit requires County or Department's consent or approval or permits County or Department to act, such consent, approval or action may be given or performed by the Airport Director. If Permittee requests County or Department's consent or approval pursuant to any provision of this Permit and



County or Department fails or refuses to give such consent, Permittee shall not be entitled to any damages as a result of such failure or refusal, whether or not unreasonable.

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

18.18 Entirety of Agreement. The parties agree that this Permit 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 Permit may be added to, modified, superseded or otherwise altered except by written instrument executed by the parties hereto.

18.19 Survival. Notwithstanding any early termination of this Permit, Permittee shall remain obligated hereunder to perform any duty, covenant or obligation imposed upon Permittee hereunder arising prior to the date of such termination.

18.20 No Third Party Beneficiaries. No provision of this Permit 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 Permit, including but not limited to any citizen or employees of County and/or Permittee.

18.21 Inspector General. Palm Beach County has established the Office of the Inspector General in Palm Beach County Code, Section 2-421 - 2-440, as may be amended. The Inspector General's authority includes but is not limited to the power to review past, present and proposed County contracts, transactions, accounts and records, to require the production of records, and to audit, investigate, monitor, and inspect the activities of the Permittee, its officers, agents, employees and lobbyists in order to ensure compliance with contract requirements and detect corruption and fraud. Failure to cooperate with the Inspector General or interfering with or impeding any investigation shall be in violation of Palm Beach County Code, Section 2-421 - 2-440, and punished pursuant to Section 125.69, Florida Statutes, in the same manner as a second degree misdemeanor.

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IN WITNESS WHEREOF, County has caused this Permit to be signed by the Director of the Department of Airports pursuant to the authority granted by the Board, and Permittee has caused these presents to be signed in its corporate name by its duly authorized officer, and the seal of said Permittee to be affixed hereto, the day and year first written above.

WITNESSES:

SK. Schly  
Witness Signature

Steven K. Schly  
(typed or printed)

Debra Reese  
Witness Signature

Debra Reese  
(typed or printed)

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

By: [Signature]  
Director, Department of Airports

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: Anne Helgert  
County Attorney

ATTEST:

By: [Signature]  
Secretary

(Corporate Seal) N/A

PERMITTEE:

PrimeFlight Aviation Services, Inc.  
a Delaware corporation

By: [Signature]  
Daniel T. Bucaro  
Typed Name of Corporate Officer

Title: President

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

[Signature]  
Witness Signature

Robert Hiegel  
(typed or printed name)

[Signature]  
Witness Signature

Apolonia Farinacci  
(typed or printed name)

**EXHIBIT "A"**  
**INSURANCE REQUIREMENTS**

A. Commercial General Liability. Permittee shall maintain Commercial General Liability Insurance at a limit of liability of not less than One Million Dollars (\$1,000,000) each occurrence. Coverage shall not contain any endorsement(s) excluding or limiting Premises/Operations, Damage to Rented Property, Personal Injury, Product/Completed Operations, Contractual Liability, Severability of Interests or Cross Liability. Coverage shall be provided on a primary basis.

B. Business Automobile Liability. Permittee shall maintain Business Automobile Liability Insurance at a limit of liability of not less than One Million Dollars (\$1,000,000) each occurrence. Coverage shall include liability for Owned, Non-Owned & Hired automobiles. In the event the Permittee does not own automobiles, Permittee shall maintain coverage for Hired & Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Business Auto Liability policy. Coverage shall be provided on a primary basis.

C. Worker's Compensation Insurance & Employers Liability. Permittee shall maintain Worker's Compensation Insurance & Employers Liability in accordance with Florida Statute Chapter 440. Coverage shall be provided on a primary basis.

D. Additional Insured. Permittee shall provide the Department with a certificate, or certificates, of insurance, evidencing limits, coverages and endorsements as required herein. Permittee shall endorse County as an Additional Insured with a "CG026 Additional Insured - Designated Person or Organization" endorsement to the Commercial General Liability policy. The additional insured endorsement shall read: "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents." Coverage shall be provided on a primary basis. 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, Permittee 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 Insurance Tracking Services, Inc. (ITS), P.O. Box 20270, Long Beach, CA 90801. The ITS e-mail address to send certificates of insurance is [pbcc@instracking.com](mailto:pbcc@instracking.com)

E. Deductibles, Coinsurance & Self-Insured Retention. Permittee 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.

F. Waiver of Subrogation. By entering into this Permit, Permittee agrees to a Waiver of Subrogation for each policy required herein. When required by the insurer, or should a policy condition not permit Permittee to enter into any pre-loss agreement to waive subrogation without an endorsement, then Permittee agrees to notify the insurer.

G. Right to Review or Adjust Insurance. The County's Risk Management Department may review, modify, reject or accept any required policies of insurance, including, but not limited to, limits, coverages or endorsements, required by herein from time to time throughout the Term. 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 Permittee a written notice of rejection, and Permittee shall comply within thirty (30) days of receipt of the notice.

H. No Representation of Coverage Adequacy. Permittee acknowledges the limits, coverages and endorsements required herein are intended to minimize liability for County. Permittee agrees that it will not rely upon the requirements herein when assessing the extent or determining appropriate types or limits of insurance coverage to protect Permittee against any loss exposures, whether as a result of this Permit or otherwise.

(B)

TERMINAL SPACE LEASE AGREEMENT

THIS TERMINAL SPACE LEASE AGREEMENT (this "Lease") is made and entered into December 1, 2017, ("Effective Date") by and between Palm Beach County, a political subdivision of the State of Florida (the "COUNTY"), and PrimeFlight Aviation Services, Inc., a Delaware corporation, having its office and principal place of business at 7135 Charlotte Pike, Suite 100, Nashville, TN 37209 (the "LESSEE").

**WITNESSETH:**

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

WHEREAS, LESSEE desires to lease space in the Airport commercial passenger terminal ("Terminal") in support of its operations at the airport.

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

**ARTICLE 1**  
**TERM**

1.01 Commencement Date/Term. The Term of this Lease shall commence on November 10, 2017 (the "Commencement Date"), and shall terminate on the 30th day of September, 2018, (the "Term") unless terminated earlier as provided for herein. This Lease shall automatically be renewed on a year-to-year basis (October 1st through September 30th), unless either party, with the Department acting on behalf of County, elects not to renew this Lease by providing no less than thirty (30) days advance written notice to the other party prior to the expiration of the then current term.

**ARTICLE 2**  
**PREMISES AND PRIVILEGES**

2.01 Description of Premises Leased. The premises hereby leased consist of Office Space containing approximately 193 rentable square feet of space, all as more particularly identified on the attached Exhibit "A", attached hereto and by this reference made a part hereof (the "Premises").

2.02 Description of Privileges, Uses and Rights. COUNTY hereby grants to LESSEE, the limited right to operate and maintain the Premises for the purpose(s) of an office for LESSEE's business operations.

2.03 Description of General Privileges, Uses and Rights. COUNTY hereby grants to LESSEE the following nonexclusive general privileges, uses and rights, all of which shall be subject to the terms, conditions and covenants hereinafter set forth:

- A. the use of the common areas within the Airport's terminal building for LESSEE, its employees, contractors and agents. For purposes of this Lease, "Common Areas" means the public corridors, restrooms and other public areas within the Airport's terminal building. The Common Areas shall at all times be subject to the exclusive

control and management of COUNTY. COUNTY shall have the full right and authority to make all rules and regulations as the COUNTY may in its sole discretion deem proper, pertaining to the proper operation and maintenance of the Common Areas; and

- B. the right of ingress to and egress from the Airport's terminal building over and across public roadways and walkways serving the Airport for LESSEE, its employees, contractors and agents.

Except as expressly set forth in Sections 2.03(A) and 2.03(B) hereinabove, nothing herein contained shall be construed to grant to LESSEE the right to use any space or area improved or unimproved which is leased to or under the contractual control of a third party, or which COUNTY has not specifically leased to LESSEE herein.

2.04 Restrictions of Privileges, Uses and Rights. The rights granted hereunder are expressly limited to the maintenance and operation of the Premises pursuant to the terms of this Lease. LESSEE covenants and agrees that the Premises shall be utilized solely for the uses permitted in this Lease and for no other purpose whatsoever.

### ARTICLE 3 RENTALS

3.01 Property Rental. LESSEE shall pay to COUNTY in accordance with the Rate and Fee Schedule establishing airline terminal rental rates. For purposes of this Agreement, "Rate and Fee Schedule" means Exhibit "E" of the current standard form Airline Agreement (as hereinafter defined). Rental shall be determined at the non-signatory airline rates.

3.02 Commencement and Time of Payment. Payment of rental by LESSEE to COUNTY shall commence upon the Commencement Date. If the Commencement Date occurs on a day other than the first day of a month, LESSEE shall pay rent from the Commencement Date to the first day of the following month on a per diem basis [calculated on the basis of a thirty (30) day month], payable in advance on the Commencement Date. Any rent payment due hereunder for any other fractional month shall likewise be calculated and paid on such a per diem basis.

3.03 Unpaid Rent. In the event LESSEE fails to make timely payment of any rentals, fees, charges, and payments due and payable in accordance with the terms of this Lease within ten (10) days after same shall become due and payable, interest at the rate established from time to time by the Board of County Commissioners [currently set at one and one-half percent (1½ %) per month not to exceed eighteen percent (18%) per annum] shall accrue against the delinquent payment(s) from the date due until the date payment is received by the Department. Such interest shall constitute Additional Rent.

3.04 Security for Payment. Prior to the Commencement Date, LESSEE shall post a security deposit with COUNTY equal to not less than 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 LESSEE to COUNTY, pursuant to this Lease. 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 reasonably satisfactory to COUNTY. In the event of any failure by LESSEE 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 beyond applicable cure periods, 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, LESSEE shall immediately replace the Security Deposit with a new Letter of Credit or Bond in the full amount of the Security Deposit required hereunder. LESSEE shall increase the amount of the Security Deposit to reflect any increases in the rental payable hereunder within thirty (30) days after notification by the COUNTY of any such increase. The Security Deposit shall be kept in full force and effect throughout the Term of this Lease and any extension thereof. Not less than forty-five (45) calendar days prior to any expiration date of a Letter of Credit or Bond, LESSEE 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 3.04 shall constitute a default of this Lease entitling COUNTY to all available remedies. The Security Deposit shall not be returned to LESSEE or released by COUNTY until all obligations under this Lease are performed and satisfied. Prior to consent from COUNTY to any assignment of this Lease by LESSEE, LESSEE's assignee shall be required to provide a Security Deposit to COUNTY in accordance with the terms and conditions of this Section 3.04.

3.05 Sales and Use Tax. LESSEE 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.

3.06 Payment of Rent. All sums due hereunder shall be delivered, without any deduction, setoff or holdback whatsoever, to the Palm Beach County Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406.

3.07 Adjustment of Rates for Rentals. The annual rental payable hereunder by LESSEE to COUNTY shall be adjusted in accordance with the provisions contained in the Signatory Airline Agreement relating to adjustment of rates, fees and charges adopted by the Board of County Commissioners ("Board"), pursuant to Resolution No. 2014-1033 as may be amended from time to time and any successor resolution or agreement establishing rental rates for similar space within the Terminal ("Airline Agreement"). This Lease shall be considered amended to reflect the new annual rental rate without formal amendment hereto.

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

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

ARTICLE 4  
OBLIGATIONS OF LESSEE

4.01 Net Lease. Except as otherwise provided for herein, this Lease shall be without cost or expense to COUNTY including, without limitation, costs and expenses relating to taxes, insurance, and the maintenance and operation of the Premises.

4.02 Condition of Premises and Airport. LESSEE expressly acknowledges that it has inspected the Premises and Airport and accepts the same "As Is", "Where Is" in the condition existing as of the Effective Date, together with all defects, latent and patent, if any. LESSEE further acknowledges that COUNTY has made no representations or warranties of any nature whatsoever regarding the Airport or the Premises including, without limitation, to the physical and/or environmental condition of the Premises, or any improvements located thereon, or the value of such Premises or improvements, its zoning, or the suitability of the Premises, or any improvements, or LESSEE's legal ability to use the Premises for LESSEE's intended use thereof.

4.03 Maintenance and Repair. LESSEE shall, at its sole cost and expense, maintain the Premises, improvements, and appurtenances thereto, in a safe and presentable condition consistent with good business practice, industry standards and in accordance with all applicable laws, regulations and rules of any governmental entity. LESSEE shall repair all damages to the Premises and improvements caused by its employees, patrons, invitees, licensees, suppliers of service or furnishers of material, or any other persons whomsoever, and all damages caused by or resulting from or in any way arising out of LESSEE's operations thereon or LESSEE's use of the Premises. LESSEE hereby agrees that it shall abide by the decision of the Department with respect to any and all such maintenance or repair so long as such is made in good faith. The Department shall be the sole judge of LESSEE's performance under this Article 4 as to the quality of maintenance and repair. Upon written notice by the Department to LESSEE, LESSEE shall perform the required maintenance or repair in accordance with the Department's decision. If LESSEE has not made a good faith effort, as determined in good faith by the Department, to begin to perform said maintenance or repair within ten (10) days after written notice and to diligently pursue the same to completion, COUNTY shall have the right to enter on the Premises and perform the necessary maintenance or repair, and LESSEE hereby expressly agrees that it shall fully assume and be liable to COUNTY for payment of the costs thereof, plus a twenty-five percent (25%) administrative overhead. Such maintenance or repair cost, plus the administrative cost, shall be due and payable to COUNTY within thirty (30) days from the date of the Department's billing therefor.

4.04 Utilities. COUNTY shall provide electricity and water used or consumed in or on the Premises. LESSEE will connect into all utilities, at its own cost, in accordance with the utility's standards. Notwithstanding the foregoing, LESSEE acknowledges and agrees that COUNTY may pro-rate and charge electricity and water costs to Terminal tenants, including to LESSEE, and LESSEE shall assume and be liable to COUNTY for payment of all such utility costs. Such utility costs shall be due and payable within thirty (30) consecutive days from Department's billing therefor.

4.05 Cleanliness of Premises. The Premises and all equipment and materials used by LESSEE shall at all times be clean, sanitary and free from rubbish, refuse, food scraps, garbage, dust, dirt, rodents, insects, and other offensive or unclean materials. LESSEE, at its sole cost and expense, shall be responsible for the provision of all janitorial services in the Premises. LESSEE

shall remove or cause to be removed, at its sole cost and expense, all waste, garbage, rubbish, and/or refuse and agrees to deposit same in the area of the Airport designated by the Department for such purpose at the end of such shift and as often as necessary to maintain compliance with the provisions of this Article 4. The Department shall reasonably determine in good faith whether LESSEE is in compliance with the obligations as provided for herein and shall provide LESSEE with written notice of any violations of LESSEE's obligations. Immediately upon LESSEE's receipt of the Department's written notice of violation, LESSEE shall commence such corrective action as required by the Department or as may be necessary to remedy such non-compliance to satisfaction of receipt of the Department. If corrective action is not initiated within ten (10) days of receipt of the Department's written notice and pursued to completion in a diligent manner, the Department may cause the same to be accomplished and LESSEE hereby expressly agrees that LESSEE shall assume and be liable to COUNTY for payment of all such costs, plus twenty-five percent (25%) for administrative overhead. Such costs, plus the administrative cost, shall constitute Additional Rent and shall be due and payable to COUNTY within thirty (30) consecutive days from the Department's billing therefor.

4.06 Security. LESSEE acknowledges and accepts full responsibility for the security and protection of the Premises and any and all inventory and equipment now existing or hereafter placed on or installed at the Airport, and for the prevention of unauthorized access to its facilities and expressly agrees to comply with all rules and regulations of COUNTY and of any and all other governmental entities that now or may hereafter have jurisdiction over such security. LESSEE fully understands that the police security protection provided by COUNTY is limited to that provided by the Palm Beach County Sheriff's Office ("PBSO"), to any other business situated at the Airport, and expressly acknowledges that any special security measures deemed necessary or desirable for additional protection of the Premises shall be the sole responsibility of LESSEE and shall involve no cost to COUNTY.

4.07 Airport Security Program. LESSEE agrees to observe all security regulations and other requirements of PBSO and any agency of the Federal government, including, but not limited to, the Federal Aviation Administration ("FAA") and Transportation Security Administration ("TSA"), applicable to LESSEE, as such regulations or requirements have been or may be amended, including, without limitation, Title 14, Part 139 of the Code of Federal Regulations and Title 49, Part 1500 of the Code of Federal Regulations, et al. LESSEE agrees to comply with the Airport Security Program and the Air Operations Area (AOA) Vehicle Access Program, and amendments thereto, and to comply with such other rules and regulations as may be reasonably prescribed by COUNTY, and to take such steps as may be necessary or directed by COUNTY to insure that sublessees, employees, invitees and guests observe these requirements. LESSEE shall conduct background checks of its employees to the extent required by any Federal, State or local law or if, to the extent permitted by law, required by the Department. The Department shall have the right to require the removal or replacement of any employee of LESSEE at the Airport that the Department has reasonably determined may present a risk to public safety or the security of the Airport. If as a result of the acts or omissions of LESSEE, its sublessees, employees, invitees or guests, COUNTY incurs any fines and/or penalties imposed by the FAA or TSA; any expense in enforcing the regulations of the FAA or TSA or the rules of COUNTY; or any expense in enforcing the Airport Security Program, then



LESSEE shall pay to COUNTY all reasonable costs and expenses, including all costs of administrative proceedings, court costs, and attorneys fees and all costs incurred by COUNTY in enforcing this provision. LESSEE further agrees to rectify any security deficiency or other deficiency as may be determined by COUNTY, PBSO the FAA or TSA. In the event LESSEE fails to remedy any such deficiency, COUNTY may do so at the cost and expense of LESSEE. LESSEE acknowledges and agrees that COUNTY may take whatever reasonable action is necessary to rectify any security deficiency or any other deficiency identified by COUNTY, PBSO the FAA or TSA, which shall be at the sole expense of LESSEE.

**ARTICLE 5**  
**INSURANCE**

LESSEE shall, at its sole expense, maintain in full force and effect at all times during the Term of this Lease and any extension thereof, the insurance limits, coverages and endorsements required herein. Neither the requirements contained in this Article 5 nor COUNTY's review or acceptance of insurance shall in any manner limit or qualify the liabilities and obligations assumed by LESSEE under this Lease.

5.01 Commercial General Liability. LESSEE shall maintain Commercial General Liability insurance with limits of liability of not less than One Million Dollars (\$1,000,000) Each Occurrence including coverage for, but not limited to, Premises/Operations, Products/Completed Operations, Contractual Liability, Personal/Advertising Injury and Cross Liability. Fire Legal Liability insurance with a limit of not less than One Hundred Thousand Dollars (\$100,000). Medical Payments insurance (when available) with a limit of not less than Five Thousand Dollars (\$5,000). Coverage shall be provided on a primary basis.

5.02 Business Auto Liability. LESSEE shall maintain Business Automobile Liability insurance with limits of liability of not less than One Million Dollars (\$1,000,000) Each Occurrence for owned, non-owned and hired automobiles. In the event LESSEE has no owned automobiles, LESSEE shall only be required to maintain Hired & Non-Owned Auto Liability insurance. This amended coverage may be satisfied by way of endorsement to the Commercial General Liability insurance or separate Business Auto Liability insurance. Coverage shall be provided on a primary basis.

5.03 Workers Compensation & Employer's Liability. LESSEE shall maintain Workers Compensation & Employers Liability insurance in accordance with applicable law. This coverage shall be provided on a primary basis. In the event LESSEE subcontracts any portion of the work or services required or permitted by this Lease to another party, LESSEE shall be responsible for ensuring the subcontractor maintains Worker's Compensation & Employers Liability insurance, or LESSEE shall provide coverage under its own the Worker's Compensation & Employers Liability policy on behalf of the subcontractor.

5.04 Additional Insured Endorsement. LESSEE shall endorse COUNTY as an "Additional Insured" on all liability policies, with the exception of Workers Compensation/Employers Liability, to the extent of LESSEE's contractual obligations hereunder. The "Additional Insured" endorsements shall provide coverage on a primary basis. Each "Additional Insured" endorsement shall read: "*Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, and Employees, c/o*

*Insurance Tracking Services, Inc., P.O. Box 20270, Long Beach, CA 90801*", or as otherwise approved or modified by County.

5.05 Certificate of Insurance. LESSEE shall deliver to County or County's designated contractor certificate(s) of insurance, evidencing the coverages and amounts required hereunder prior to the Commencement Date. LESSEE shall promptly deliver to COUNTY or its designated contractor certificate of insurance(s) with respect to each renewal policy, as necessary, to demonstrate continued compliance with the requirements of this Article. Renewal certificate(s) shall be delivered to COUNTY or its designated contractor not less than five (5) business days prior to the expiration date of any policy. Each insurance policy must be endorsed to provide that the coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except after ten (10) days written notice in the case of non-payment of premiums, or thirty (30) days written notice in all other cases, has been given to COUNTY. The foregoing notice requirement shall not be construed to waive the insurance requirements contained herein. COUNTY may change the contractor designated for receipt of required insurance certificate(s) hereunder and modify endorsement language required pursuant to this Article from time-to-time upon written notice to LESSEE.

5.06 Waiver of Subrogation. LESSEE agrees by way of entering this Lease in writing to a Waiver of Subrogation for each required policy providing coverage during the Term of this Lease. When required by the insurer or should a policy condition not allow a pre-loss agreement to waive subrogation without an endorsement, LESSEE shall notify its insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, which includes a condition prohibiting such an endorsement, or voiding coverage should LESSEE enter into such an agreement on a pre-loss basis.

5.07 Deductibles, Coinsurance, & Self-Insured Retention. LESSEE shall be fully and solely responsible for any deductible, coinsurance penalty or self-insured retention, including any losses, damages or expenses not covered due to an exhaustion of limits or failure to comply with a policy.

5.08 Right to Review or Reject Insurance. COUNTY's Risk Management Department may review, modify, reject or accept any required policies of insurance, including, but not limited to, limits, coverages or endorsements, required by this Article 5 from time to time throughout the Term of this Lease. 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 LESSEE a written notice of rejection, and LESSEE shall comply within thirty (30) days of receipt of the notice.

5.09 No Representation of Coverage Adequacy. LESSEE acknowledges the limits, coverages and endorsements required by this Article V are intended to minimize liability for COUNTY. LESSEE agrees that it will not rely upon the requirements of this Article 5 when assessing the extent or determining appropriate types or limits of insurance coverage to protect LESSEE against any loss exposures, whether as a result of this Lease or otherwise.

ARTICLE 6  
RELATIONSHIP OF THE PARTIES

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

ARTICLE 7  
INDEMNIFICATION

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

ARTICLE 8  
DAMAGE OR DESTRUCTION OF PREMISES/IMPROVEMENTS

8.01 LESSEE's Obligations. LESSEE hereby assumes full responsibility for the condition of the Premises and character, acts and conduct of all persons admitted to the Premises by or with the actual or constructive consent of LESSEE or by or with the consent of any person acting for or on behalf of LESSEE. If the Premises, improvements, or any part thereof, during the Term or any extension of this Lease, shall be damaged in any way whatsoever, by the act, default or negligence of LESSEE, or of LESSEE's members, agents, employees, officers, representatives,

guests, invitees, contractors, patrons, or any person admitted to the Premises by LESSEE, LESSEE shall at its sole cost and expense, restore the Premises to the condition existing prior to such damage. LESSEE shall promptly commence such restoration and diligently pursue such restoration to completion in accordance with the construction requirements set forth in Article 12 of this Lease. If LESSEE fails to restore the Premises as required above, COUNTY shall have the right to enter the Premises and perform the necessary restoration, and LESSEE hereby expressly agrees that it shall fully assume and be liable to COUNTY for payment of the costs therefor, plus a twenty-five percent (25%) administrative overhead. Such restoration cost, plus the administrative cost, shall be due and payable within thirty (30) days from date of written notice therefor.

8.02 Insurance Proceeds. Upon receipt by LESSEE of the proceeds of any insurance policy or policies as a result of or associated with damage pursuant to Section 8.01, the proceeds shall be deposited in an escrow account approved by the Department so as to be available to pay for the cost of repair, replacement or rebuilding the Premises. Such 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 necessary repair, replacement or rebuilding of such damaged improvements, LESSEE shall pay any additional sums required into the escrow account. If the amount of such insurance proceeds is in excess of the costs of repair, replacement or rebuilding the Premises, the excess amount shall be remitted to LESSEE.

8.03 County's Obligations. In the event that the Premises are damaged by casualty for which LESSEE is not responsible pursuant to Section 8.01, and such damage does not render the Premises untenable, as reasonably determined by the COUNTY, COUNTY shall make commercially reasonable efforts to restore the Premises to its condition existing as of the Commencement Date. In such event, any and all payments due COUNTY pursuant to this Lease shall continue without abatement. In the event the Premises are damaged by casualty for which LESSEE is not responsible pursuant to Section 8.01 hereof and such damage renders the Premises untenable in whole or in part, as reasonably determined by the COUNTY, then COUNTY may, at COUNTY's sole option, (i) elect to restore the Premises, or (ii) terminate this Lease. COUNTY shall notify LESSEE of COUNTY's election within sixty (60) business days of the date of such casualty. In the event COUNTY elects to restore the Premises, COUNTY shall commence such restoration within a commercially reasonable time after such casualty and shall use commercially reasonable efforts to pursue such restoration to completion. COUNTY shall not be responsible for any delay in such restoration arising through no fault of COUNTY. LESSEE shall be entitled to a pro-rata abatement of the rental due hereunder commencing with the date of such casualty and ending upon substantial completion of restoration of the Premises. In the event that COUNTY elects to terminate this Lease, LESSEE shall immediately fulfill any outstanding obligations which arose prior to or as a consequence of such casualty, whereupon this Lease shall terminate and the parties shall be released from all further obligations hereunder except for those which expressly survive termination or expiration hereof. LESSEE hereby waives any claims relating to such termination. COUNTY's obligation to restore or reconstruct the Premises shall be limited to returning the Premises to the condition in which it existed as of the Commencement Date hereof. Notwithstanding any provision of this Lease to the contrary, COUNTY's obligation shall further be limited by the amount of any insurance proceeds available to COUNTY for such restoration or reconstruction. LESSEE agrees that in the event

COUNTY elects to restore or reconstruct the Premises, LESSEE shall, at its sole cost and expense, proceed with reasonable diligence to reconstruct and replace the tenant finishes, as provided for or installed by LESSEE in or about the Premises. Such reconstruction and replacement shall be completed in a manner and condition at least equal to that which existed prior to such damage or reconstruction and shall be completed in accordance with the plans and specifications approved by COUNTY.

**ARTICLE 9**  
**TITLE TO IMPROVEMENTS**

Upon expiration or earlier termination of this Lease, all improvements constructed or placed upon the Premises by LESSEE, shall become the absolute property of COUNTY, and COUNTY shall have every right, title, and interest therein, free and clear of any liens, mortgages or encumbrances and any interest in such improvements and absolute title thereto, shall thereafter be vested in COUNTY; provided, however, COUNTY shall be entitled, at its option, to have the Premises returned to COUNTY free and clear of some or all improvements, at LESSEE's sole cost and expense. In such event, COUNTY shall provide timely notification to LESSEE of its election to require removal of said improvements and to the extent possible, COUNTY shall notify LESSEE at least sixty (60) days prior to the effective date of such termination. LESSEE shall have sixty (60) days from date of notice within which to remove such improvements. If LESSEE fails to so remove said improvements, COUNTY may remove same at LESSEE's sole cost and expense.

**ARTICLE 10**  
**EXPIRATION OF LEASE, DEFAULTS, REMEDIES AND TERMINATION**

10.01 Termination. This Lease may be terminated in the manner set forth in Article 1.

10.02 Termination for Convenience. This Lease may be terminated by either party hereto, with the Department acting on behalf of the COUNTY, upon thirty (30) days advance written notice to the other party.

10.03 Default. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by LESSEE:

- A. The vacating or abandonment of the Premises by LESSEE.
- B. The failure by LESSEE to make payment of rent or any other payment required to be made by LESSEE hereunder, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof from COUNTY to LESSEE.
- C. The failure by LESSEE to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by LESSEE, other than described in paragraphs (A) or (B) above, where such failure shall continue for a period of thirty (30) days after written notice thereof from COUNTY to LESSEE; provided, however, that if the nature of LESSEE's default is such that more than thirty (30) days are reasonably required for its cure, then LESSEE shall not be deemed to be in default if LESSEE commenced such cure within such thirty (30) day period and thereafter diligently pursues such cure to completion.
- D. To the extent permitted by law, (i) the making by LESSEE or any guarantor hereof of any general assignment, or general arrangement for the benefit of creditors; (ii) the filing by or against LESSEE of a petition to have LESSEE adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy

(unless, in the case of a petition filed against LESSEE, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of LESSEE's assets located at the Premises or of LESSEE's interest in this Lease, where possession is not restored to LESSEE within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of LESSEE's assets located at the Premises or of LESSEE's interest in this Lease, where such seizure is not discharged within thirty (30) days.

E. The discovery by COUNTY that any information given to COUNTY by LESSEE relating to this Lease was materially false.

10.04 Remedies. In the event of any such material default or breach of this Lease by LESSEE, COUNTY may at any time thereafter, with or without notice or demand and without limiting any other right or remedy which COUNTY may have under the law by reason of such default or breach, elect to exercise any one of the following remedies:

- A. Declare the entire rent for the balance of the then current term, or any part thereof, due and payable forthwith, and bring an action for the recovery thereof; or
- B. Treat this Lease as terminated and reenter and retake possession of the Premises for the account of LESSEE, in which case the rent and other sums due hereunder shall be accelerated and due in full and LESSEE shall be liable for the difference between the rent which is stipulated to be paid hereunder plus other sums as described herein and what COUNTY is able to recover from its good faith efforts to relet the Premises, which deficiency shall be paid by LESSEE. Upon such reletting, all rentals received by COUNTY shall be applied, first to the payment of any indebtedness other than rent due hereunder from LESSEE; second, to the payment of any costs and expenses of such reletting, which shall include all damages incurred by COUNTY due to LESSEE's default including, but not limited to, the cost of recovering possession of the Premises including attorney's fees, expenses relating to the renovation or alteration of the Premises and real estate commissions paid by COUNTY relating to the unexpired term of this Lease; third, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be paid to LESSEE; or
- C. Treat this Lease as terminated and reenter and retake possession of the Premises for the account of COUNTY, thereby terminating any further liability under this Lease on the part of LESSEE and COUNTY. Notwithstanding the foregoing, COUNTY shall have a cause of action to recover any rent remaining unpaid when COUNTY retakes possession of the Premises for the account of COUNTY.

Notwithstanding the foregoing, should LESSEE breach any material part of the covenants of this Lease, and at the same time or thereafter renounce the whole Lease, COUNTY shall have the right to bring an action for its damages. Notwithstanding anything in this Lease to the contrary, COUNTY reserves all rights which the laws of the State of Florida confer upon a landlord against a LESSEE in default.

10.05 Termination by LESSEE. LESSEE may terminate this Lease, if LESSEE 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 to be served as hereinafter provided, upon or after the happening of any one of the following events:

- A. The issuance by any court of competent jurisdiction of an injunction in any way preventing the use of the Airport for Airport purposes or a substantial part of the Premises, which injunction remains in force for a period of at least ninety (90) days. Following the date this Lease is so terminated, any rental payments made by LESSEE during said sixty (60) days shall be refunded to LESSEE by COUNTY.
- B. The default by COUNTY in the performance of any covenant of the Lease herein required to be performed by COUNTY and the failure of COUNTY to remedy such default for a period of ninety (90) days after receipt from LESSEE of written notice to remedy same; provided, however, that no notice of cancellation, as provided herein, shall be of any force or effect if COUNTY shall have remedied the default prior to receipt of LESSEE'S notice of cancellation; or in the event the same cannot be cured within such ninety (90) day period and COUNTY has commenced such cure and thereafter diligently pursues the same until completion.
- C. The lawful assumption by the United States Government or any authorized agency thereof, of the operation, control, or use of the Airport and facilities, or any substantial part or parts thereof, in such a manner as to substantially restrict the operation of LESSEE, for a period of at least ninety (90) days. Following the date this Lease is so terminated, any rental payments made by LESSEE during said ninety (90) days shall be refunded to LESSEE by COUNTY.

10.06 Surrender of Premises. Notwithstanding the obligations of LESSEE and rights of COUNTY provided in Article 9, LESSEE expressly agrees that it shall immediately surrender the Premises to COUNTY in good and fit condition upon expiration or earlier termination of this Lease, depreciation and wear from ordinary use for the purpose for which the Premises were leased being excepted. All repairs and obligations for which LESSEE is responsible shall be completed by the earliest practical date prior to surrender. In the event LESSEE shall holdover, refuse, or fail to give up the possession of the Premises at the termination of this Lease (and following the time period granted for removal of improvements, if any, as may be required by COUNTY pursuant to Article 9 hereof), LESSEE shall be liable to COUNTY for any and all damages, and in addition thereto, LESSEE shall also be strictly liable to pay to COUNTY during the entire time period of such holdover, double rental, as provided for in Section 83.06, Florida Statutes. LESSEE shall remove all of its personal property from the Premises prior to the expiration of this Lease. Any personal property of Lessee not remove by LESSEE shall, at the option of the COUNTY, become property of COUNTY, or alternatively, may be disposed of by COUNTY at LESSEE's expense.

**ARTICLE 11**  
**ASSIGNMENT, TRANSFER AND SUBLETTING**

LESSEE shall not, in any manner, assign, transfer, mortgage, pledge, encumber, or otherwise convey an interest in this Lease, or sublet the Premises or any part thereof ("Assignment"), without the prior written consent of the Department, which consent may be granted or withheld at Department's sole discretion. Any such attempted Assignment without Departmental approval shall be null and void. In the event the Department consents in writing to an Assignment, LESSEE shall have the right to the extent permitted by the Department's consent to such Assignment; provided that the use of the Premises shall be limited to only the same purposes as are permitted under this Lease. Any Assignment shall be subject to the same

conditions, obligations and terms as set forth herein. COUNTY may freely assign this Lease at any time without the consent of LESSEE and shall be released from all liability and obligation arising hereunder upon such Assignment.

**ARTICLE 12**  
**ALTERATIONS OR ADDITIONS; SIGNS**

12.01 Alterations or Additions. LESSEE shall make no alterations or additions to the Premises or improvements constructed thereon, without the prior written consent of the Department, which consent may be granted or withheld in the Department's sole discretion. Any such additions, alterations or improvements shall be made in accordance with the construction requirements as established by the Department.

12.02 Signs. No signs, posters, or similar devices shall be erected, displayed, or maintained by LESSEE in, on, or about the Premises without the written consent of the Department, which consent shall not be unreasonably withheld. No signs, posters, or similar devices shall be erected, displayed, or maintained by LESSEE elsewhere on the Airport without the written consent of the Department, which consent may be granted or withheld in the Department's sole discretion. Any signs not approved by the Department shall be immediately removed at the sole cost and expense of LESSEE upon written demand therefore by the Department.

12.03 Construction Requirements. All improvements, alterations and additions made by LESSEE to the Premises shall be of high quality and meet all applicable Federal, State and local laws, regulations, rules and requirements. Prior to the commencement of construction, one (1) full and complete set of plans and specifications for all improvements, alterations and/or additions shall be submitted to the Department for approval, which approval may be granted or withheld in the Department's sole discretion. All improvements shall be completed in accordance with construction standards established by the Department and the plans and specifications approved by the Department. COUNTY shall be named as a dual obligee on the bond(s).

12.04 Construction Bonds. LESSEE shall ensure that all improvements are constructed to completion in accordance with the approved plans and specifications and that all persons or entities performing work or providing materials relating to such improvements including, but not limited to, all contractors, subcontractors, sub-subcontractors, laborers, materialmen, suppliers and professionals, are paid in full for such services and materials. LESSEE, at its sole cost and expense, shall cause to be made, executed and delivered to COUNTY prior to commencement of any improvements to the Premises, a bond, drawn in a form and issued by a company approved by COUNTY, guaranteeing compliance by LESSEE of its obligations arising under this Article 12. LESSEE shall require its contractors to name COUNTY as a dual obligee on the bond(s).

12.05 Contractor Requirements. LESSEE 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. LESSEE shall also require contractors to furnish satisfactory evidence of statutory Worker's Compensation insurance, comprehensive general liability insurance, comprehensive auto insurance and physical damage insurance on a Builder's Risk form with the interest of COUNTY endorsed thereon, in such amounts and in such manner as COUNTY's Risk Management Department may reasonably require. COUNTY's Risk Management Department may require additional insurance for any alterations, additions or



improvements approved pursuant to this Lease in such amounts(s) as COUNTY's Risk Management Department reasonably determines to be necessary.

12.06 No Liens. LESSEE covenants and 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. LESSEE shall notify any and all parties or entities performing work or providing materials relating to any improvements made by LESSEE of this provision of this Lease. If so requested by COUNTY, LESSEE shall file a notice satisfactory to COUNTY in the Public Records of Palm Beach County, Florida, stating that the COUNTY's interest shall not be subject to liens for improvements made by LESSEE. 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 LESSEE, LESSEE shall satisfy such claim, or transfer same to security within ten (10) days, COUNTY may do so and thereafter charge LESSEE, and LESSEE shall promptly pay to COUNTY upon demand all costs incurred by COUNTY in connection with the satisfaction or transfer of such claim, including, but not limited to, attorney's fees.

**ARTICLE 13**  
**LAWS, REGULATIONS, AND PERMITS**

13.01 General.

- A. LESSEE agrees that throughout the Term of this Lease and any extension thereof, LESSEE shall at all times be and shall remain in full and complete compliance with all applicable Federal, State and local laws, statutes, regulations, rules, rulings, orders, ordinances and directives of any kind or nature without limitation, as now or hereafter amended, including, but not limited to FAA Advisory Circulars and the Palm Beach County Airport Rules & Regulations(R98-220), as now or hereafter amended and any successor ordinance or resolution resulting activities or operations on the Airport.
- B. LESSEE agrees that it shall require its appropriate managers, supervisors, and employees to attend such training and instructional programs as the Department may, from time to time require, in connection with the Airport Rules and Regulations and policies and procedures related to certification of the Airport under Title 14, Part 139 of the Code of Federal Regulations, as now or hereafter amended.

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

13.03 Air and Safety Regulations. LESSEE shall conduct its operations and activities under this Lease in a safe manner, shall comply with all safety regulations of the Department and with safety standards imposed by applicable Federal, State and local laws and regulations and shall require the observance thereof by all employees, contractors, business invitees and all other persons transacting business with or for LESSEE resulting from, or in any way related to, the conduct of LESSEE's business on the Premises. LESSEE shall procure and maintain such fire prevention and extinguishing devices as required by COUNTY and shall at all times be familiar and comply with the fire regulations and orders of COUNTY and the fire control agency with jurisdiction at the Airport, as same may now exist or hereafter come into being. LESSEE hereby agrees that neither LESSEE, nor employee or contractor or any person working for or on behalf of LESSEE, shall require any personnel engaged in the performance of LESSEE'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 State and local laws, regulations, and orders relative to occupational safety and health.

13.04 Environmental Indemnification. LESSEE hereby expressly agrees to indemnify and hold COUNTY harmless from and against any and all liability for fines and physical damage to property or injury or death to persons, including, without limitation, reasonable expenses and attorneys fees, arising from or resulting out of, or in any way caused by, LESSEE's failure to comply with any and all Environmental Laws. For purposes of this Lease, "Environmental Laws" means all applicable federal, state and local laws, rules, orders and regulations protecting human health, the environment and/or natural resources, as such laws, rules, orders and regulations are now or hereafter amended, including, without limitation, the Federal Clean Water Act, Safe Drinking Water Act, Clean Air Act, Resource Conservation and Recovery Act and Comprehensive Environmental Response, Compensation and Liability Act of 1980. LESSEE understands that this indemnification is in addition to and is a supplement of LESSEE's indemnification agreement set forth in Article 7 of this Lease and that LESSEE fully understands the broad extent of this indemnification and hereby expressly acknowledges that it has received full and adequate consideration from COUNTY to legally support this indemnification agreement. LESSEE's obligations under this paragraph shall survive expiration or earlier termination of this Lease.

**ARTICLE 14**  
**DISCLAIMER OF LIABILITY**

COUNTY HEREBY DISCLAIMS, AND LESSEE HEREBY RELEASES COUNTY, FROM ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE AND NUISANCE), FOR ANY LOSS, DAMAGE, OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY LESSEE, ITS EMPLOYEES, AGENTS, OR INVITEES DURING THE TERM OF THIS LEASE OR ANY EXTENSION THEREOF INCLUDING, BUT NOT LIMITED TO, LOSS, DAMAGE OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF THE LESSEE OR LESSEE'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. 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. LESSEE ACKNOWLEDGES AND AGREES THAT COUNTY SHALL HAVE NO LIABILITY WHATSOEVER AND LESSEE RELEASES AND AGREES TO HOLD HARMLESS COUNTY FROM ANY AND ALL LIABILITY RELATING TO ANY INFORMATION PROVIDED BY COUNTY.

**ARTICLE 15**  
**GOVERNMENTAL RESTRICTIONS**

15.01 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, then COUNTY may terminate this Lease, whereupon COUNTY shall be released and fully discharged from any and all liability hereunder.

15.02 Governmental Review. LESSEE acknowledges that this Lease is subject to review or inspection by the United States government, State of Florida and agencies and departments thereof, including the FAA, to determine satisfactory compliance with state and federal law and/or grant assurance requirements. LESSEE agrees that this Lease shall be in full force and effect and binding upon both parties pending such review or inspection, if applicable; provided, however, that upon such review or inspection the parties agree to modify any of the terms of this Lease that are determined by the United States government, State of Florida or any agency or department thereof to be in violation of any applicable laws, regulations, grant assurances or other requirements.

15.03 County Tax Assessment Rights. None of the terms, covenants and conditions of this Lease shall in any way be construed as a release or waiver on the part of the COUNTY, as a political subdivision of the State of Florida, or any of the public officials of Palm Beach County, 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 the LESSEE.

15.04 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 the said airspace for landing on, taking off from, or operating on the Airport.

15.05 Operation of Airport. LESSEE expressly agrees for itself, its sublessees, successors and assigns, to refrain from and 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.

15.06 Release. LESSEE acknowledges that noise and/or vibration are inherent to the operation of Airport and hereby releases COUNTY from any and all liability relating to the same.

ARTICLE 16  
NON-DISCRIMINATION

16.01 Non-Discrimination in County Contracts. LESSEE warrants and represents to COUNTY that all of its employees are treated equally during employment without regard to race, color, national origin, religion, ancestry, sex, age, familial status, marital status, sexual orientation, gender identity and expression, disability, or genetic information. LESSEE has submitted to COUNTY a copy of its non-discrimination policy, which is consistent with the above, as contained in Resolution R-2014-1421, as may be amended, or in the alternative, if LESSEE does not have a written non-discrimination policy, it has acknowledged through a signed statement provided to COUNTY affirming their non-discrimination policy conforms to R-2014-1421, as may be amended.

16.02 Federal Non-Discrimination Covenants.

- A. LESSEE, for its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:
1. In the event facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, LESSEE will maintain and operate such facilities and services in compliance with all requirements imposed by the nondiscrimination acts and regulations listed in the Nondiscrimination Authorities (as hereinafter defined), as may be amended, such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
  2. No person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of COUNTY property, including, but not limited to, the Premises.
  3. In the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.
  4. LESSEE will use the Premises in compliance with all other requirements imposed by or pursuant to the Nondiscrimination Authorities.
- B. In the event of breach of any of the above nondiscrimination covenants, COUNTY shall have the right to terminate this Lease and to enter, re-enter, and repossess the Premises, and hold the same 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, the exercise or expiration of appeal rights.

- C. For purposes of this Article, the term "Non-Discrimination Authorities" includes, but is not limited to, the non-discrimination statutes, regulations and authorities listed in Appendix "E" of Appendix "4" of FAA Order 1400.11, Non-discrimination in Federally-Assisted Programs at the Federal Aviation Administration, as may be amended.
- D. LESSEE shall comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates LESSEE for the period during which Federal assistance is extended to the Airport through the Airport Improvement Program. In cases where Federal assistance provides, or is in the form of personal property; real property or interest therein; structures or improvements thereon, this provision obligates LESSEE for the longer of the following periods: (a) the period during which the property is used by COUNTY or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which COUNTY or any transferee retains ownership or possession of the property.
- E. LESSEE shall comply with all applicable requirements of the Americans with Disabilities Act, the State of Florida Accessibility Requirements Manual, and Section 504 of the Rehabilitation Act of 1973 and all implementing rules, regulations and orders, including, but not limited to 28 CFR Parts 35 and 36 and 49 CFR Parts 27 and 37.

**ARTICLE 17**  
**COUNTY NOT LIABLE**

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

ARTICLE 18  
AUTHORIZED USES ONLY

Notwithstanding any provision of this Lease to the contrary, LESSEE shall not use or permit the use of the Premises or the Airport for any illegal or improper purpose or for any purpose which would invalidate any policies of insurance, now existing or hereafter written on the Premises or the Airport for COUNTY or LESSEE.

ARTICLE 19  
MISCELLANEOUS

19.01 Waiver. The failure of COUNTY 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 COUNTY may have for any subsequent breach, default, or non-performance, and COUNTY's right to insist on strict performance of this Lease shall not be affected by any previous waiver or course of dealing.

19.02 Subordination.

A. Subordination to Bond Resolution. This Lease and all rights granted to LESSEE hereunder are expressly subordinated and subject to the lien and provisions of the pledge, transfer, hypothecation or assignment made by COUNTY in the Palm Beach County Airport System Revenue Bond Resolution No 84-427 adopted on April 13, 1984, as amended and supplemented ("Bond Resolution"), and COUNTY and LESSEE 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 LESSEE and COUNTY with the terms and provisions of this Lease and Bond Resolution.

B. Subordination to Agreements. This Lease shall be subject and subordinate to all the terms and conditions of any instrument and documents under which COUNTY acquired title to the Airport and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. LESSEE understands and agrees that this Lease shall be subordinate to the provisions of any existing or future agreement between COUNTY and the United States government, the State of Florida, or any agencies thereof, the execution of which has been or may be required as a condition to the expenditure of state or federal funds.

19.03 Annual Appropriation. This Lease and all obligations of COUNTY hereunder are subject to and contingent upon annual budgetary funding by the Board of County Commissioners of Palm Beach County.

19.04 Governmental Authority. Nothing in this Lease shall be construed to waive or limit COUNTY's governmental authority as a political subdivision of the State of Florida to regulate LESSEE or its operations.

19.05 Consent and Approval. Whenever this Lease calls for an approval, consent or authorization by the Department, such approval, consent or authorization shall be evidenced by the written approval of the Director of the Department or his or her designee.

19.06 Rights Reserved to COUNTY. All rights not specifically granted LESSEE by this Lease are reserved to COUNTY.

19.07 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.

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

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

19.10 Inspections. The authorized employees and representatives of the COUNTY and any applicable federal, state, and local governmental entity having jurisdiction hereof shall have the right of access to the Premises at all reasonable times for the purposes of inspection for compliance with the provisions of this Lease.

19.11 Notices. All notices and elections (collectively, "notices") to be given or delivered by or to any party hereunder, shall be in writing and shall be (as elected by the party giving such notice) hand delivered by messenger, courier service, national overnight delivery service, telecopied or faxed or alternatively shall be sent by United States Certified Mail, with Return Receipt Requested. The effective date of any notice shall be the date of delivery of the notice if by personal delivery, courier services or national overnight delivery service, or on the date of transmission with confirmed answer back if by telecopier or fax if transmitted before 5PM on a business day and on the next business day if transmitted after 5PM, or if mailed, upon the date which the return receipt is signed or delivery is refused or the notice designated by the postal authorities as non-deliverable, as the case may be. The parties hereby designated the following addresses as the addresses to which notices may be delivered, and delivery to such addresses shall constitute binding notice given to such party:

COUNTY:

Palm Beach County  
Department of Airports  
Attn: Airport Business Affairs  
846 Palm Beach International Airport  
West Palm Beach, Florida 33406-1491

With a copy to:

Palm Beach County Attorney's Office  
Attn: Airport Attorney  
301 North Olive Ave., 6<sup>th</sup> floor  
West Palm Beach, FL 33401

LESSEE:

PrimeFlight Aviation Services, Inc.  
Attn: Carol Doezema  
7135 Charlotte Pike, Suite 100  
Nashville, TN 37209  
Email: [cdoezema@primeflight.com](mailto:cdoezema@primeflight.com)

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.

19.12 Paragraph Headings. The heading of the various articles and sections of this Lease, and its Table of Contents, are for convenience and ease of reference only, and shall not be construed to define, limit, augment or describe the scope, context or intent of this Lease or any part or parts of this Lease.

19.13 No Recording. Neither this Lease, nor any memorandum or short form hereof, shall be recorded in the Public Records of Palm Beach County, Florida.

19.14 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 sublessees, if any. This provision shall not constitute a waiver of any prohibitions or limitations regarding assignment or subletting.

19.15 Performance. The parties expressly agree that time is of the essence in each and every provision of this Lease where a time is specified for performance and the failure by LESSEE to complete performance within the time specified, or within a reasonable time if no time is specified herein, shall, at the option of COUNTY, in addition to any other rights or remedies, relieve COUNTY of any obligation to accept such performance without liability.

19.16 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.

19.17 Construction. 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.

19.18 No Broker. The parties each warrant to the other that no real estate broker or agent has been used or consulted in connection with the transaction contemplated by this Lease. LESSEE covenants and agrees to defend, indemnify and save the COUNTY other harmless from and against any actions, damages, real estate commissions, fees, costs and/or expenses (including reasonable attorneys' fees), resulting or arising from any commissions, fees, costs and/or expenses due to any real estate brokers or agents because of the transaction contemplated by this Lease and the execution and delivery of this Lease, due to the acts of the LESSEE. The terms of this Section 19.18 shall survive the closing or termination of this Agreement.

19.19 Public Entity Crimes. As provided in Sections 287.132-133, Florida Statutes, by entering into this Lease or performing any work in furtherance hereof, LESSEE certifies that to its knowledge, 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.

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

19.21 Inspector General. Palm Beach County has established the Office of the Inspector General in Palm Beach County Code, Section 2-421 - 2-440, as may be amended. The Inspector General's authority includes but is not limited to the power to review past, present and proposed County contracts, transactions, accounts and records, to require the production of records, and to audit, investigate, monitor, and inspect the activities of the LESSEE, its officers, agents,



employees and lobbyists in order to ensure compliance with contract requirements and detect corruption and fraud. Failure to cooperate with the Inspector General or interfering with or impeding any investigation shall be in violation of Palm Beach County Code, Section 2-421 - 2-440, and punished pursuant to Section 125.69, Florida Statutes, in the same manner as a second degree misdemeanor.

19.22 No Third Party Beneficiaries. No provision of this Lease is intended to, or shall be construed to, create any third party beneficiary or to provide any rights to any person or entity not a party to this Lease, including but not limited to any citizen or employees of County and/or LESSEE.

THE REMAINDER OF PAGE LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have caused this Terminal Space Lease Agreement to be signed on the day and year first written above.

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

[Signature]  
Witness Signature

Steven K. Schlange  
(typed or printed)

[Signature]  
Witness Signature

Debra Reese  
(typed or printed)

PALM BEACH COUNTY  
a political subdivision of the State of Florida

By: [Signature]  
Director of Airports

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: [Signature]  
County Attorney

ATTEST:

By: [Signature]  
Secretary

LESSEE: PrimeFlight Aviation Services, Inc., a Delaware corporation

By: [Signature]  
Daniel T. Buccaro  
-Typed or Printed Name of Corporate Officer-

Title: President

(Seal) N/A

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

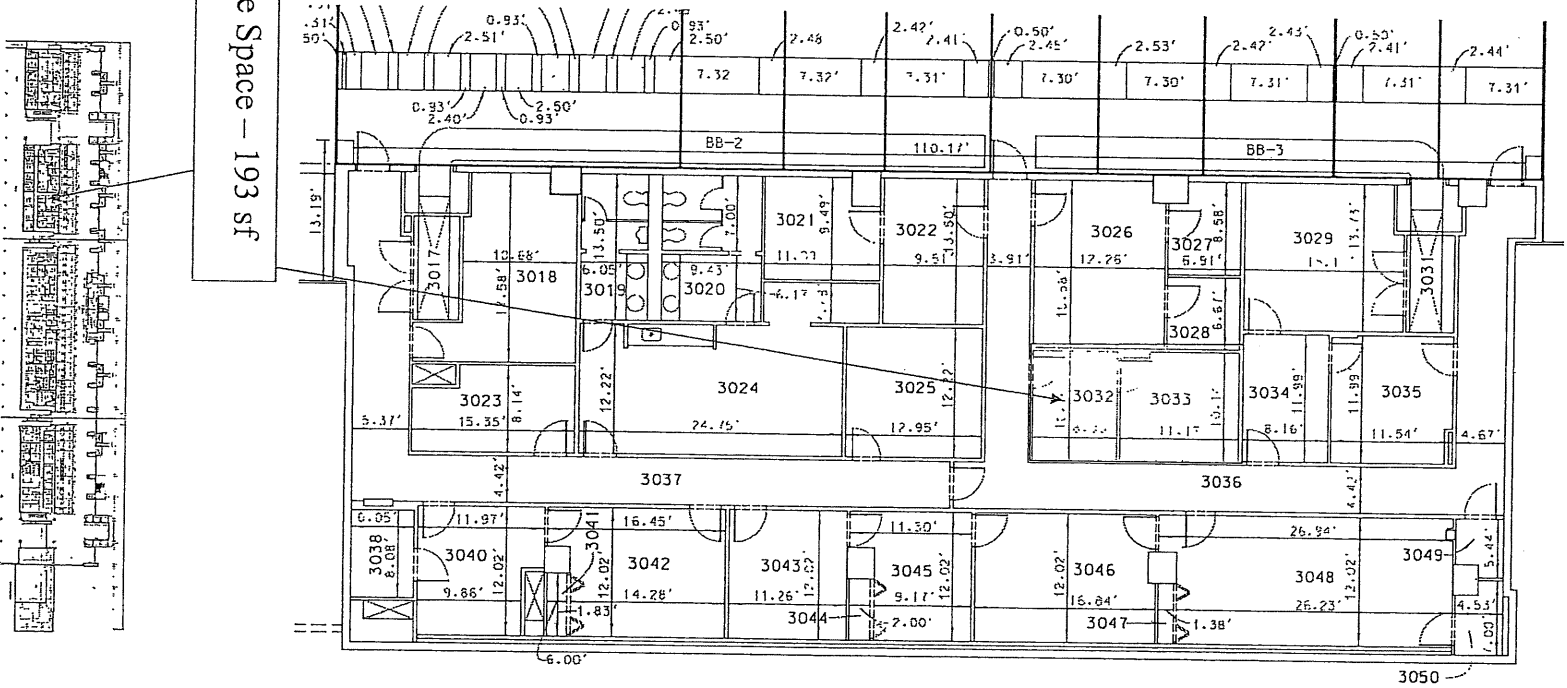
[Signature]  
Witness Signature

Robert Hiegel  
(typed or printed)

[Signature]  
Witness Signature

Apolonia Farinacci  
(typed or printed)

Office Space — 193 sf



PrimeFlight Aviation Services, Inc., a Delaware corporation

Terminal Space Lease Agreement