

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

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Meeting Date: **March 13, 2018**

Consent     Regular  
 Workshop     Public Hearing

Department:

Submitted By: **Department of Airports**

Submitted For:  
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**I. EXECUTIVE BRIEF**

**Motion and Title:** **Staff recommends motion to receive and file:** Terminal Space Lease Agreement (Lease) with Flight Services & Systems, Inc. (FSS), commencing on January 24, 2018, terminating on September 30, 2018, and automatically renewing on a year-to-year basis (October 1st through September 30th) thereafter, for the lease of approximately 162 square feet of space at the Palm Beach International Airport.

**Summary:** Delegation of authority for execution of the standard form Terminal Space Lease Agreement was approved by the Board pursuant to R-2011-1337. **Countywide (AH)**

**Background and Justification:** N/A

**Attachments:**

One (1) Terminal Space Lease Agreement

=====  
*JD*  
Recommended By:  2/22/18  
Date  
Department Director

Approved By:  2/22/18  
Date  
County Administrator

**II. FISCAL IMPACT ANALYSIS**

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

Fiscal Years	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	<u><u>(\$1,127)</u></u>	<u><u>\$-0-</u></u>	<u><u>\$-0-</u></u>	<u><u>\$-0-</u></u>	<u><u>\$-0-</u></u>
<b># ADDITIONAL FTE POSITIONS (Cumulative)</b>	_____	_____	_____	_____	_____

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

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

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

This Agreement commenced on 1/24/18, expires on 9/30/18 and renews on a year-to-year basis with a 30 day cancellation provision. As the FY2018 terminal rental rate is \$73.29 per SF, rent for the leased space is \$1,126.79 per month. Rental rates are adjusted on an annual basis based on the then-current terminal rental rate as established in accordance with the Signatory Airline Agreement.

C. Departmental Fiscal Review: MSumner

**III. REVIEW COMMENTS**

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

[Signature] 2/13/18  
 OFMB 2/13/18 sp 2/13/18

[Signature] 2/15/18  
 Contract Dev. and Control 2/14/18

**B. Legal Sufficiency:**

Anne Newport 2-20-18  
 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)

## Summary of Certificates

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

Thursday, February 01, 2018

[Simple View](#)
[Certificate Images](#)
[Documents](#)

Insured: Flight Services & Systems, Inc.

Insured ID: PBI-FS-18-01

Status: Compliant

ITS Account Number: PLC3004

Project(s): Palm Beach County - Airport Properties

Insurance Policy	Required	Provided	Override
<u>General Liability</u>			
Expiration: 9/17/2018			
General Aggregate:	\$1,000,000	\$25,000,000	
Products - Completed Operations Aggregate:	\$1,000,000	\$25,000,000	
Personal And Advertising Injury:	\$1,000,000	\$25,000,000	
Each Occurrence:	\$1,000,000	\$25,000,000	
Fire Damage:	\$100,000	\$1,000,000	
Medical Expense:	\$5,000	\$10,000	
<u>Automobile Liability</u>	All Owned Autos	not provided	X
	Hired Autos	not provided	X
	Non-Owned Autos	not provided	X
Combined Single Limit:	\$1,000,000	\$0	X
<u>Workers Compensation/Employers Liability</u>	WC Stat. Limits	WC Stat. Limits	
Expiration: 6/3/2018			
Each Accident:	\$0	\$1,000,000	
Disease - Policy Limit:	\$0	\$1,000,000	
Disease - Each Employee:	\$0	\$1,000,000	

Missing Policy Information

Override

The original Certificate of Insurance received did not include policies for the following coverages:

- Automobile Liability

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](#)

**CERTIFICATE**  
(Corporation)

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

1. That Jeanette R. Weitzel is the Secretary of Flight Services & Systems, Inc., a corporation organized and existing in good standing under the laws of the State of Ohio, 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 12<sup>th</sup> day of JANUARY, 2018, in accordance with the laws of the State of Ohio, the Articles of Incorporation and the By-laws of the Corporation:

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

*Draft  
1/16/18*

FURTHER RESOLVED, that DIA RAN, the V.P., Administration & Controller of the Corporation, is hereby authorized and instructed to execute such Agreement and such other instruments as may be necessary and appropriate for the Corporation to fulfill its obligations under the Agreement.

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 Agreement.

IN WITNESS WHEREOF, the undersigned has set his hand and affixed the Corporate Seal of the Corporation the 12<sup>th</sup> day of JANUARY, 2018

Jeanette R. Weitzel  
[Signature]

Corporate Seal

JEANETTE R. WEITZEL, Secretary  
[Typed/Printed Name]  
Flight Services & Systems, Inc.

**TERMINAL SPACE LEASE AGREEMENT**

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THIS TERMINAL SPACE LEASE AGREEMENT (this "Lease") is made and entered into JAN 24 2018, ("Effective Date") by and between Palm Beach County, a political subdivision of the State of Florida (the "COUNTY"), and Flight Services & Systems, Inc., an Ohio corporation, having its office and principal place of business at 5005 Rockside Road, Suite 940, Cleveland, OH 44131 (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 the Effective Date (the "Commencement Date"), and shall terminate on the 30th day of September, 2018, (the "Initial 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) (each, a "Renewal Term"), 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. The Initial Term and Renewal Term shall be collectively referred to as the "Term".

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

2.01 Description of Premises Leased. The premises hereby leased consist of Airline Ticket Office Space ("ATO Office Space") on level three (3) of the Terminal, containing approximately 162 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.
  - C. LESSEE shall also have the nonexclusive right to use the common hallways, bathrooms and break area, more particularly identified on the attached Exhibit "A" as "ATO Office Common Area". LESSEE's right to use the ATO Common Area shall be in common with all other tenants of the ATO Office Space within the same "pod".
- The rights provided for herein shall be subject to rules and regulations established by COUNTY and the Department and any and all reasonable, nondiscriminatory fees and charges established by COUNTY for such uses.

Except as expressly set forth in Section 2.03 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.

- A. 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).
- B. LESSEE shall pay to COUNTY, as a part of its rental, the following "ATO Office Common Area Charge" for its use of ATO Office Common Area. The ATO Office Common Area Charge shall be calculated as follows:

ATO Office Common Area Charge =

$$\frac{\text{Square Footage of ATO Office Space Leased to LESSEE}}{3702 \text{ Square Feet of ATO Office Space in the "pod"}} \times 514 \text{ square feet} \times \text{Terminal Rental Rate}$$

As of the Effective Date of this Lease, LESSEE leases approximately 162 square feet of ATO Office Space, and the current Terminal Rental Rate is \$73.29 per square foot; therefore, the ATO Office Common Area Charge will initially be \$1,648.49 (i.e., 162 square feet / 3,702 square feet x 514 square feet x \$73.29 = \$1,648.49). In addition to any other remedy provided for in this Lease, the Department, on behalf of COUNTY, shall have the right to revoke LESSEE's license to use the ATO Office Common Area in the event LESSEE fails to pay the ATO Office Common Area Charge when due.

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 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 cash, or 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 Airline Use and Lease Agreement relating to adjustment of rates, fees and charges adopted by the Board of County Commissioners ("Board"), pursuant to Resolution No. 2006-1906 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 is 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.
- F. A material default by LESSEE of any other agreement, permit or lease between COUNTY and LESSEE, which default has not been cured within the applicable cure period provided in such agreement, permit or lease.

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.

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:

Flight Services & Systems, Inc.  
5005 Rockside Road, Suite 940  
Cleveland, OH 44131

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:

Ray Walter  
Witness Signature

RAY WALTER  
(typed or printed)

Shakira Kolb  
Witness Signature

Shakira Kolb  
(typed or printed)

PALM BEACH COUNTY

By: [Signature]  
Director of Airports

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: Anne Defant  
County Attorney

ATTEST:

By: Jeanette B. Weitzel  
Secretary

LESSEE:  
FLIGHT SERVICES & SYSTEMS, INC.

By: [Signature]  
Dia Rav

Title: V.P., Administration & Controller

(Corporate Seal)

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

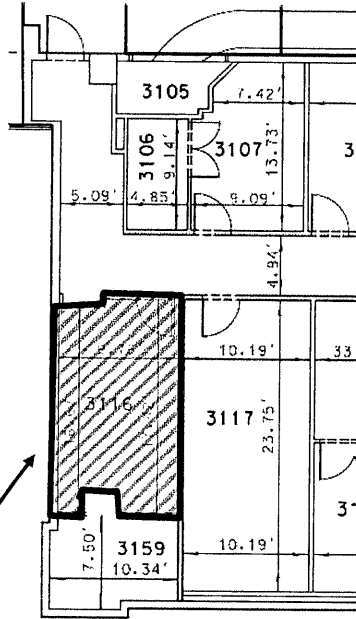
Elizabeth Krochmalny  
Witness Signature

Elizabeth Krochmalny  
(typed or printed)

Darlene Wieland  
Witness Signature

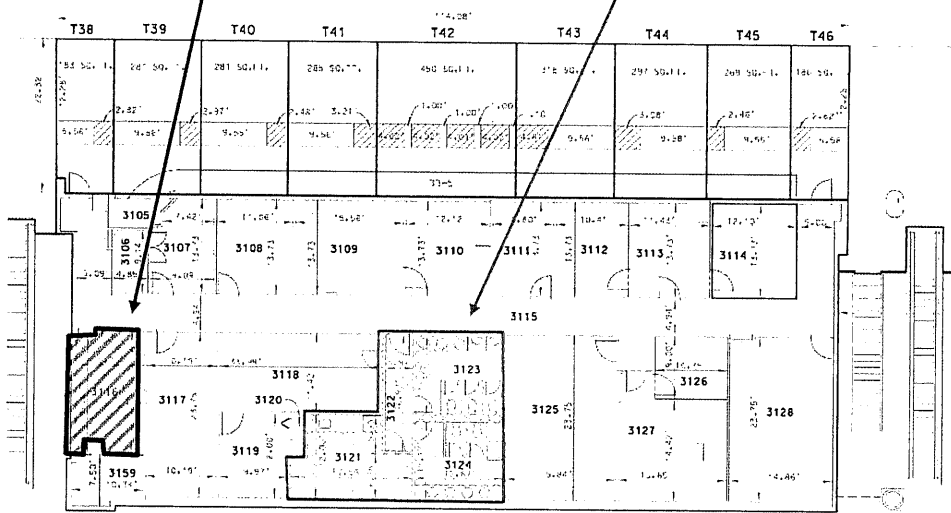
Darlene Wieland  
(typed or printed)

EXHIBIT "A" to  
Terminal Space Lease Agreement



AIRLINE TICKET OFFICE SPACE

ATO COMMON AREA (514 s.f.)



POD D

A portion of "POD-D" at the east end of Level 3 in the Terminal