

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date: June 5, 2018

☒ Consent ☐ Regular
☐ Workshop ☐ Public Hearing

Department:

Submitted By: Department of Airports

Submitted For:

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to adopt: a Resolution adopting a new standard form Amendment to Signatory Cargo Carrier Operating and Lease Agreement; authorizing the County Administrator or designee to execute new standard form Amendment to Signatory Cargo Carrier Operating and Lease Agreements on behalf of the Board of County Commissioners; providing for severability; and providing for an effective date.

Summary: The current Signatory Cargo Carrier Operating and Lease Agreements at Palm Beach International Airport are scheduled to expire on September 30, 2019. This Resolution adopts a new standard form Amendment to Signatory Cargo Carrier Operating and Lease Agreement, replacing Exhibit “E”, Rate and Fee Schedule, to the Signatory Cargo Carrier Operating and Lease Agreement. The Amendment will modify the methodology for estimating signatory airline rates and fees, but will not result in any change in the total annual revenue paid to the County. This Resolution also authorizes the County Administrator or designee to execute the approved standard form Amendment to Signatory Cargo Carrier Operating and Lease Agreement on behalf of the Board. **Countywide (AH)**

Background and Justification: On September 9, 2014, the Board approved a standard form Signatory Cargo Carrier Operating and Lease Agreement (R-2014-1290) for the lease of air cargo facilities to cargo carriers at PBI. The Signatory Cargo Carrier Operating and Lease Agreement provides for a methodology for estimating rates and fees and for annual settlement based on actual final financial data for the fiscal year. The Amendment with modify the methodology for estimating rates and fees in an effort to reduce final settlement amounts to the signatory cargo carriers.

Attachments:

- ## 1. Resolution (1)

LB

Recommended By:

Department Director

5/14/18

Date _____

Approved By:

County Administrator

5/24/18

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 | | | | | |
| Program Income (County) | | | | | |
| In-Kind Match (County) | | | | | |
| NET FISCAL IMPACT | \$-0- | \$-0- | \$-0- | \$-0- | \$-0- |
| # ADDITIONAL FTE | | | | | |
| POSITIONS (Cumulative) | | | | | |

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

Budget Account No: Fund 4100 Department 120 Unit 8320 Rsource 4401
Reporting Category

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

The Signatory Airline Agreement (R-2014-1033) establishes the basis for all airline rates and charges for the operation of commercial air service at PBIA. The Signatory Cargo Carrier Operating and Lease Agreement incorporates the rates and charges established under the Signatory Airline Agreement. Revenues from terminal rents, landing fees, and baggage system charges will average \$14 to \$16 million annually over the five-year period. Rates are established to recover the cost of airport operations, maintenance, and debt service for the terminal, terminal systems, and airfield. The Signatory Cargo Carrier Operating and Lease Agreement has revenue sharing and settlement provisions and provides for payment to airlines to distribute revenue sharing and settlement funds. The Amendment modifies the methodology for estimating rates and fees in an effort to reduce the difference between estimated and final rates and fees, thereby reducing final settlement amounts to the signatory cargo carriers. The Amendment will result in no fiscal impact to the County.

C. Departmental Fiscal Review: mm Sumner

III. REVIEW COMMENTS

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

Lisa P. King 5/16/16
OFMB ASD 5/15

Dr. J. Jones 5/16/16
Contract Dev. and Control
5/16/16 TW

B. Legal Sufficiency:

Anne Delaney
Assistant County Attorney

C. Other Department Review:

Department Director

REVISED 9/03
ADM FORM 01

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)

RESOLUTION NO. 2018-_____

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, ADOPTING A NEW STANDARD FORM AMENDMENT TO SIGNATORY CARGO CARRIER OPERATING AND LEASE AGREEMENT; AUTHORIZING THE COUNTY ADMINISTRATOR OR DESIGNEE TO EXECUTE STANDARD FORM AMENDMENT ON BEHALF OF THE BOARD OF COUNTY COMMISSIONERS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Palm Beach County, by and through its Department of Airports, owns and operates the Palm Beach International Airport; and

WHEREAS, the Board of County Commissioners approved a standard form Signatory Cargo Carrier Operating and Lease Agreement to be executed by the County Administrator or designee on behalf of the Board of County Commissioners pursuant to Resolution No. 2014-1290; and

WHEREAS, Exhibit "E", Rate and Fee Schedule, to the Signatory Airline Agreement approved pursuant to Resolution No. 2014-1033, as amended, provides for the methodology for determining signatory cargo carrier rates and charges for use of airfield facilities; and

WHEREAS, the delegation to the County Administrator or designee to execute the standard form agreements will eliminate delays caused by requiring such items to be brought before the Board of County Commissioners for approval and would therefore be consistent with the goal of the Board of County Commissioners to streamline the agenda process; and

WHEREAS, the Board of County Commissioners desires to authorize the County Administrator or designee to execute a new standard form Amendment to Signatory Cargo Carrier Operating and Lease Agreement on behalf of the Board of County Commissioners to provide for an adjustment to the methodology for determining airline rates and charges.

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

1. The foregoing recitals are true and correct and are incorporated herein.
2. The Board of County Commissioners hereby: (i) adopts a new standard form Amendment to Signatory Cargo Carrier Operating and Lease Agreement in the form attached hereto and incorporated herein as Attachment "A" ("Amendment"), and (ii) authorizes the County Administrator or designee to execute the Amendment on behalf of the Board of County Commissioners.
3. The County Administrator or designee is hereby authorized to execute, on behalf of the Board of County Commissioners, standard form Amendments, which include non-material changes. For purposes of this Resolution, "non-material changes" mean changes that will not modify any of the substantive obligations of the County.
4. It is the intention of the Board of County Commissioners that this delegation of signature authority is limited to the parameters set forth herein. In the event there is a material deviation from the approved standard terms and conditions of the Amendment,

which would constitute discretion of the County Administrator or designee relative thereto, then the approval of the Board of County Commissioners shall be required. The County Administrator's designee for purposes of this Resolution shall include the Director of the Department of Airports.

5. The replacement of Attachment "A" to Resolution 2014-1290 shall not affect any Signatory Cargo Carrier Operating and Lease Agreement entered into by the County prior to the adoption of this Resolution until amended by the parties.

6. If any section, sentence, clause, phrase, or word of this Resolution is held invalid or unconstitutional by a Court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portions of this Resolution.

7. This Resolution shall become effective immediately upon adoption.

The foregoing Resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

- COMMISSIONER MELISSA MCKINLAY, MAYOR -
- COMMISSIONER MACK BERNARD, VICE MAYOR -
- COMMISSIONER HAL R. VALECHE -
- COMMISSIONER PAULETTE BURDICK -
- COMMISSIONER DAVE KERNER -
- COMMISSIONER STEVEN L. ABRAMS -
- COMMISSIONER MARY LOU BERGER -

Then the Mayor thereupon declared this Resolution duly passed and adopted this ____ day of _____, 20__.

**PALM BEACH COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONERS**

Sharon R. Bock, Clerk & Comptroller

By: _____
Deputy Clerk

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY**

By: _____
County Attorney

**ATTACHMENT “A”
AMENDMENT TO SIGNATORY CARGO CARRIER
OPERATING AND LEASE AGREEMENT**

**_____ AMENDMENT TO SIGNATORY CARGO CARRIER
OPERATING AND LEASE AGREEMENT BETWEEN PALM BEACH COUNTY
AND _____**

**THIS _____ AMENDMENT TO SIGNATORY CARGO CARRIER
OPERATING AND LEASE AGREEMENT** (this "_____" Amendment") is made
and entered into this _____, 20____, by and between Palm Beach
County, a political subdivision of the State of Florida ("County"), and _____, a
_____, having its offices and principal place of business at
_____ ("Airline").

WITNESSETH:

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

WHEREAS, pursuant to the Signatory Cargo Carrier Operating and Lease
Agreement between County and Airline dated _____ (R-_____) (the
"Agreement"), Airline leases space within an air cargo building at the Airport in
connection with its operations as an air freight and cargo air carrier; and

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

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

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

2. The parties agree that effective October 1, 2018, Exhibit "E", Rate and
Fee Schedule, to the Agreement shall be deleted in its entirety and replaced with
Exhibit "E", Rate and Fee Schedule, attached to this _____ Amendment.

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

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

5. This _____ Amendment shall become effective October 1, 2018.

(Remainder of page intentionally left blank)

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

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

Signature

Print Name

Signature

Print Name

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

County Attorney

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

Signature

Print Name

Signature

Print Name

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

BY: _____
Director, Department of Airports

Airline:

By: _____

Typed or printed name of Corporate Officer

Title: _____

(Seal)

EXHIBIT “E”
RATE AND FEE SCHEDULE

**EXHIBIT “E”
to Signatory Airline Agreement for
Palm Beach International Airport**

RATE AND FEE SCHEDULE

SECTION I - DEFINITIONS

The following words, terms and phrases used in this Exhibit “E” shall have the meanings set forth in this Section and the meanings shall apply to both the singular and plural forms of such words, terms and phrases. Additional words, terms and phrases used in this Exhibit “E”, but not defined in this Section, shall have the meanings ascribed to them in the individual sections of this Exhibit “E”, Signatory Airline Agreement or Bond Resolution. The specific methodologies for calculating the rates, fees and charges defined below can be found in Section II of this Exhibit “E”.

1. Airfield Cost Center means the Direct Cost Center further described in **Table E-6** of this Exhibit “E”.
2. Aircraft Parking Fees mean a fee assessed by County for each aircraft parking operation that occurs on any portion of the Aircraft Apron Area located outside of an Air Transportation Company’s Preferential Use Premises. Three (3) types of Aircraft Parking Fees are imposed by County for aircraft parking: Overnight Gate; Overnight Remote and Transient Remote. For purposes of determining applicable Aircraft Parking Fees, (i) “Transient” means aircraft parking for a duration of two (2) hours or less; (ii) “Remote” means those portions of the Aircraft Parking Apron, which are not located adjacent to an aircraft gate (commonly referred to as east/west remote aircraft parking areas); and (iii) “Overnight” means a period from 10:00 p.m. to 6:00 a.m., or eight (8) hours of continuous duration.
3. Amortization Charges means the annual amount to recover Capital Expenditures that are paid for with County funds exceeding Three Hundred Thousand Dollars (\$300,000). Amortization Charges shall be calculated by County based on the expected useful life of the Capital Expenditure and shall include a reasonable rate of return, as determined by Department. Amortization Charges shall not be recovered by County before the completion of the applicable project.
4. Baggage Handling System (BHS) Cost Center means the Direct Cost Center further described in **Table E-6** of this Exhibit “E”.
5. Baggage Handling System (BHS) Fee means a fee assessed by County on a per Enplanement basis for use of the Baggage Handling System.
6. Commuter Operating Charge means a charge assessed by County for the use of the Commuter Operating Area.
7. Cost Center means those areas or functional activities of the Airport used for the purposes of accounting for Revenues, Operation and Maintenance Expenses, Debt Service, Non-amortized Capital Expenditures and Amortization and for calculating and adjusting certain fees and charges described herein, as they now exist or may hereafter be modified, changed, or developed.
8. Debt Service means any principal, interest, premium, and other fees and amounts either paid or accrued for Bonds (exclusive of capitalized interest) or Other Indebtedness.
9. Debt Service Coverage means twenty five percent (25%) of Debt Service in a Rate Setting Period.
10. Debt Service Reserve Requirement has the meaning set forth in the Bond Resolution.
11. Direct Cost Centers includes the Cost Centers listed in **Table E-6** of this Exhibit “E”.
12. Federal Inspection Services (FIS) Facility Fee means a fee assessed by County for use of the FIS Facility by an Air Transportation Company transporting international passengers.
13. Fuel Flowage Fees means the fuel flowage fees that are charged by County for each gallon of aviation fuel and oil sold by or through the fixed base operators at the Airport, but shall not include Aircraft Apron Fees charged pursuant to County Resolution R-2005-0457, as now or hereafter amended or superseded, or any other fee or charge based upon fuel flowage used to recover facility costs.
14. Indirect Cost Centers includes the Cost Centers listed in **Table E-7** of this Exhibit “E”.
15. Joint Use Charges means the total charges imposed for use of the Joint Use Premises.
16. Landing Fee means a fee assessed by County on Air Transportation Companies based on the Landed Weight of each Revenue Landing.

17. Net Remaining Revenues means Revenues less Operation and Maintenance Expenses, Operation and Maintenance Reserve, Debt Service and Amortization in the Terminal, Airfield or Baggage Handling System Cost Centers.
18. Non-amortized Capital Expenditures means Capital Expenditures funded with County funds of Three Hundred Thousand Dollars (\$300,000) or less.
19. Non-signatory Airline means an Air Transportation Company operating at the Airport that is not a Signatory Airline.
20. Operation and Maintenance Expenses means County's costs for the operation, maintenance and repair of the Airport System and shall include, but shall not be limited to, salaries and employee benefits, utility costs, ordinary maintenance, administrative and general expenses, security, and all such other expenses as defined and determined in accordance with the Bond Resolution.
21. Operation and Maintenance Reserve means an amount equal to one sixth (1/6) of the amount appropriated in the annual budget for Operation and Maintenance Expenses for the then current Fiscal Year; provided, however, the amount may be reduced by a supplemental resolution in accordance with the Bond Resolution.
22. Other Indebtedness means any debt other than Bonds incurred by County for Airport purposes.
23. Per Use Gate Charge means a charge assessed by County for each use of an unassigned aircraft gate facility for a period not to exceed two (2) hours. The gate facility includes holdroom, loading bridge, pre-conditioned air, and 400 Hertz systems. Per Use Gate Charges shall not apply to the use of gate facilities that are included in an Air Transportation Company's Preferential Use Premises pursuant to an agreement with County.
24. Per Use Ticket Counter Charge means a charge assessed by County for each use of unassigned ticket counter (two (2) positions) and one (1) baggage well for a period not to exceed two (2) hours. Per Use Ticket Counter Charges shall not apply to the use of ticket counter areas that are included in an Air Transportation Company's Preferential Use Premises pursuant to an agreement with County.
25. Rate Setting Period means the Fiscal Year for which the rates, fees and charges are being calculated hereunder.
26. Standard Holdroom Square Footage means a uniform measurement used for the sole purpose of calculating certain fees and charges payable hereunder of one thousand eight hundred (1,800) square feet applied to each holdroom located within Concourses B and C. The Standard Holdroom Square Footage shall be used for purposes of determining an Air Transportation Company's rates and charges regardless of the actual physical dimensions of each holdroom.
27. Standard Ticket Counter Square Footage means a uniform measurement of two hundred sixty (260) square feet used for the sole purpose of calculating Per Use Ticket Counter Charges, but does not represent the actual physical dimensions of the ticket counter area.
28. Terminal Cost Center means the Direct Cost Center further described in **Table E-6** of this Exhibit "E".
29. Terminal Rental means the license fees and charges imposed by County on a per square foot basis for the use of the Airline Premises, which is comprised of the Joint Use Premises and Preferential Use Premises.
30. Total Rentable Space has the meaning set forth in **Attachment E-2** to this Exhibit "E".

SECTION II - RATE CALCULATIONS

1. Explanation of Rate Calculation Line Items. The following Line Items listed in **Tables E-2 - E-4** are included in the calculation of Terminal Rental Rate, Landing Fee Rate and Baggage Handling System Fee Rate for each Rate Setting Period. Each Line Item in **Tables E-2 - E-4** is identified by the corresponding letter set forth below.

Line Item A. Operation and Maintenance Expenses. This Line Item includes those expenses directly assignable to the Terminal, Airfield or Baggage Handling System Cost Centers ("Direct Operation and Maintenance Expenses") and those expenses associated with operation and maintenance of the Airport and assignable to the Indirect Cost Centers ("Indirect Operation and Maintenance Expenses"). Indirect Operation and Maintenance Expenses shall be allocated to the Direct Cost Centers on the basis of the procedures set forth in Section V(3) below. The sum of Direct Operation and Maintenance Expenses and Indirect Operation and Maintenance Expenses are hereinafter referred to as "Operation and Maintenance Expenses".

Line Item B. Operation and Maintenance Reserve Charge. This Line Item includes the Operation and Maintenance Reserve for the current Rate Setting Period less the Operation and Maintenance Reserve for the prior Rate Setting Period allocated to the Terminal, Airfield and Baggage Handling System Cost Centers.

Line Item C. Debt Service. This Line Item includes Debt Service directly assignable to the Terminal, Airfield or Baggage Handling System Cost Centers ("Direct Debt Service") and Debt Service assignable to the Indirect Cost Centers ("Indirect Debt Service"). Indirect Debt Service shall be allocated to the Direct Cost Centers on the basis of the procedures set forth in Section V(3) below for the distribution of Indirect Operation and Maintenance Expenses. The sum of Direct Debt Service and Indirect Debt Service are hereinafter referred to as "Total Debt Service". For the purposes of the Signatory Airline Agreement, annual Debt Service costs for the Palm Beach International Airport System Taxable Revenue Refunding Bonds Series 2006B (Series 2006B) shall be allocated as provided in **Table E-1** below. Annual Debt Service costs for the Palm Beach International Airport System Revenue Bonds Series 2006A and 2016 (Series 2006A and Series 2016) shall be allocated one hundred percent (100%) to the Ground Transportation Cost Center. Debt Service costs for future bond issues/series, if any, shall be allocated by the Department based on the estimated benefits to the various cost centers.

| Table E-1. Debt Service Cost Center Allocation | |
|--|------------|
| Cost Center | Allocation |
| Airfield | 10% |
| Terminal | 58% |
| Ground Transportation | 22% |
| Other | 10% |
| Total | 100% |

Line Item D. Debt Service Coverage. This Line Item includes Debt Service Coverage attributable to the Terminal, Airfield, or Baggage Handling System Cost Centers.

Line Item E. Debt Service Reserve Requirement. This Line Item includes allocable portions of required deposits to the Debt Service Reserve Requirement attributed to the Terminal, Airfield, or Baggage Handling System Cost Centers.

Line Item F. Non-amortized Capital Expenditures. This Line Item includes Non-amortized Capital Expenditures attributable to the Terminal, Airfield, or Baggage Handling System Cost Centers.

Line Item G. Amortization Charges. This Line Item includes Amortization Charges attributable to the Terminal, Airfield, or Baggage Handling System Cost Centers.

Line Item H. Total Requirement. The Total Requirement is the sum of the following line items: Operation and Maintenance Expenses, Operation and Maintenance Reserve Charge, Debt Service, Debt Service Coverage, Debt Service Reserve Requirement, Non-amortized Capital Expenditures and Amortization Charges. The Total Requirement is applicable to Terminal, Airfield and Baggage Handling System Cost Centers.

Line Item I. Credits. This Line Item identifies the Credits to the Total Requirement. Credits to the Terminal Total Requirement in **Table E-2** include Per Use Gate Charges, Per Use Ticket Counter Charges, FIS Facility Fees and the prior period Debt Service Coverage. Credits to the Airfield Total Requirement in **Table E-3** include General Aviation Landing Fee Revenues, Airfield Services Revenues, Fuel Flowage Fees and the prior period Debt Service Coverage. Credits to the Baggage Handling System Total Requirement in **Table E-4** include the prior period Debt Service Coverage, if any.

Line Item J. Net Requirement. The Net Requirement equals Total Requirement minus Credits.

- Line Item K.** Line Item K in **Tables E-2 - E-4** shall be defined as follows:
- Total Rentable Space. The term "Total Rentable Space" in **Table E-2** has the meaning set forth in **Attachment E-2** to this Exhibit "E".
 - Total Landed Weight. The term "Total Landed Weight" in **Table E-3** means the Landed Weight for all commercial airlines, including Signatory and Non-signatory Airlines.
 - Total Enplanements. The term "Total Enplanements" in **Table E-4** means the Enplanements for all commercial airlines, including Signatory and Non-signatory Airlines.

- Line Item L.** Line Item L in **Tables E-2 - E-4** shall be calculated as follows:
- Non-signatory Terminal Rental Rate. Calculated in **Table E-2** as (J) Terminal Net Requirement divided by (K) Total Rentable Space.
 - Non-signatory Landing Fee Rate. Calculated in **Table E-3** as (J) Airfield Net Requirement divided by (K) Total Landed Weight.

- BHS Fee Rate. Calculated in **Table E-4** as (J) BHS Net Requirement divided by (K) Total Enplanements.

Line Item M. Line Item M in **Tables E-2 - E-3** shall be defined as follows:

- Signatory Airline Space. Signatory Airline Space in **Table E-2** means that portion of the Total Rental Rentable Space assigned for use by Signatory Airlines, including Preferential Use Premises and the calculated share of Joint Use Premises.
- Signatory Airline Landed Weight. Signatory Airline Landed Weight in **Table E-3** means that portion of the Total Landed Weight associated with Signatory Airline operations only.

Line Item N. Line Item N in **Tables E-2 - E-3** shall be calculated as follows:

- Signatory Share of Terminal Net Requirement. Calculated in **Table E-2** as (L) Non-signatory Terminal Rental Rate multiplied by (M) Signatory Airline Space.
- Signatory Share of Airfield Net Requirement. Calculated in **Table E-3** as (L) Non-signatory Landing Fee Rate multiplied by (M) Signatory Airline Landed Weight.

Line Item O. Line Item O in **Tables E-2 - E-3** shall be calculated as follows:

- Total Terminal Revenue Sharing Amount. Calculated in accordance with **Section III – Revenue Sharing** of this Exhibit “E”. See Note 1.
- Total Airfield Revenue Sharing Amount. Calculated in accordance with **Section III – Revenue Sharing** of this Exhibit “E”. See Note 2.

Line Item P. Line Item P listed in **Tables E-2 - E-3** shall be calculated as follows:

- Signatory Terminal Net Requirement. Calculated in **Table E-2** as (N) Signatory Share of the Terminal Net Requirement minus (O) Total Terminal Revenue Sharing Amount.
- Signatory Airfield Net Requirement. Calculated in **Table E-3** as (N) Signatory Share of the Airfield Net Requirement minus (O) Total Airfield Revenue Sharing Amount.

Line Item Q. Line Item Q listed in **Tables E-2 - E-3** shall be calculated as follows:

- Signatory Rental Rate. Calculated in **Table E-2** as (P) Signatory Terminal Net Requirement divided by (M) Signatory Airline Space.
- Signatory Landing Fee Rate. Calculated in **Table E-3** as (P) Signatory Airfield Net Requirement divided by (M) Signatory Airline Landed Weight.

2. Calculation of Terminal Rental, Landing Fee and Baggage Handling System Rates. The Terminal Rental Rate, Landing Fee Rate and Baggage Handling System Rate for each Rate Setting Period shall be calculated as set forth in this subsection.

- A. Terminal Rental Rate. The methodology for calculating the Terminal Rental Rate is set forth in **Table E-2** below.

| Table E-2. Terminal Rental Rate Calculation | |
|--|---|
| | Line Item (See Section II(1) above for corresponding descriptions) |
| Operation and Maintenance Expenses | A |
| Operation and Maintenance Reserve Charge | B |
| Debt Service | C |
| Debt Service Coverage | D |
| Debt Service Reserve Requirement | E |
| Non-amortized Capital Expenditures | F |
| Amortization Charges | G |
| | |
| Terminal Total Requirement | $H=A+B+C+D+E+F+G$ |
| | |
| Less: Credits to Terminal Total Requirement | I |
| | |
| Terminal Net Requirement | $J=H-I$ |
| | |
| Total Rentable Space | K |
| | |
| Non-Signatory Terminal Rental Rate (per square foot) | $L=J/K$ |
| | |
| Signatory Airline Space | M |
| Signatory Share of Terminal Net Requirement | $N=L \times M$ |
| Total Terminal Revenue Sharing Amount (see Note 1) | O |
| Signatory Terminal Net Requirement | $P=N-O$ |
| Signatory Rental Rate (per square foot) | $Q=P/M$ |

Note 1: Total Terminal Revenue Sharing Amount for rate setting shall be calculated at ninety-five percent (95%) of Total Terminal Revenue Sharing Amount. One hundred percent (100%) of the Total Terminal Revenue Sharing Amount shall be used for the final Settlement calculation.

- B. Landing Fee Rate. The methodology for calculating the Landing Fee Rate is set forth in **Table E-3** below.

| Table E-3. Landing Fee Rate Calculation | |
|--|---|
| | Line Item (See Section II(1) above for corresponding descriptions) |
| Operation and Maintenance Expenses | A |
| Operation and Maintenance Reserve Charge | B |
| Debt Service | C |
| Debt Service Coverage | D |
| Debt Service Reserve Requirement | E |
| Non-amortized Capital Expenditures | F |
| Amortization Charges | G |
| | |
| Airfield Total Requirement | $H=A+B+C+D+E+F+G$ |
| | |
| Less: Credits to Airfield Total Requirement | I |
| | |
| Airfield Net Requirement | $J=H-I$ |
| | |
| Total Landed Weight | K |
| | |
| Non-signatory Landing Fee Rate (per 1,000 lb.) | $L=J/K$ |
| | |
| Signatory Airline Landed Weight | M |
| Signatory Share of Airfield Net Requirement | $N=L \times M$ |
| Total Airfield Revenue Sharing Amount (see Note 2) | O |
| Signatory Airfield Net Requirement | $P=N-O$ |
| Signatory Landing Fee Rate (per 1,000 lb.) | $Q=P/M$ |

Note 2: Total Airfield Revenue Sharing Amount for rate setting shall be calculated at ninety-five percent (95%) of Total Airfield Revenue Sharing Amount. One hundred percent (100%) of the Total Airfield Revenue Sharing Amount shall be used for the final Settlement calculation.

- C. Baggage Handling System Fee Rate: The methodology for calculating the Baggage Handling System Fee Rate is set forth in **Table E-4** below.

| Table E-4. Baggage Handling System Fee Rate Calculation | |
|--|---|
| | Line Item (See Section II(1) above for corresponding descriptions) |
| Operation and Maintenance Expenses | A |
| Operation and Maintenance Reserve Charge | B |
| Debt Service | C |
| Debt Service Coverage | D |
| Debt Service Reserve Requirement | E |
| Non-amortized Capital Expenditures | F |
| Amortization Charges | G |
| | |
| BHS Total Requirement | $H=A+B+C+D+E+F+G$ |
| | |
| Less: Credits to BHS Total Requirement | I |
| | |
| BHS Net Requirement | $J=H-I$ |
| | |
| Total Enplanements | K |
| | |
| BHS Fee Rate (per Enplanement) | $L=J/K$ |

3. Calculation of Joint Use Charges. Joint Use Charges shall be an amount equal to the product of the applicable Terminal Rental Rate (i.e., Signatory or Non-signatory) for the Rate Setting Period multiplied by total square footage of the Joint Use Premises. Each Air Transportation Company's share of Joint Use Charges shall be determined by allocating the cost based on each Air Transportation Company's projected relative share of Enplanements for the upcoming Rate Setting Period.
4. Miscellaneous Fees and Charges.
- A. Commuter Operating Charge. Any Air Transportation Company using the Commuter Operating Area will be assessed a fee based on the Total Passengers, as established by the Department to maximize Revenues while maintaining a reasonable cost per passenger for commuter operations.
- B. FIS Facility Fee. The FIS Facility Fee shall be equal to the sum of Operation and Maintenance Expenses, Debt Service, Debt Service Coverage, Debt Service Reserve Requirement, Operation and Maintenance Reserve, Non-amortized Capital Expenditures and Amortization Charges attributable to the FIS Facility divided by projected total international Deplaned Passengers using the FIS Facility during the Rate Setting Period.
- C. Per Use Gate Charge. The Per Use Gate Charge shall be equal to the product of the Non-signatory Terminal Rental Rate multiplied by the Standard Holdroom Square Footage (1,800 square feet) divided by an assumed usage (2.5 times per day). An electric surcharge shall be payable as determined by the Department and may be modified annually.
- D. Per Use Ticket Counter Charge. The Per Use Ticket Counter Charge shall be equal to the product of the Non-signatory Terminal Rental Rate multiplied by the Standard Ticket Counter Square Footage (two hundred sixty (260) square feet) divided by the product of eight (8) (i.e., the average number of uses per month) multiplied by twelve (12) months.
- E. Overnight Remote Aircraft Parking Fee. Any Air Transportation Company parking an aircraft in a Remote location Overnight shall be charged a fee per Overnight period as established by the Department.
- F. Overnight Gate Aircraft Parking Fee. Any Air Transportation Company parking an aircraft Overnight at an aircraft gate, which is not licensed to such Air Transportation Company on a Preferential Basis, shall be charged a fee per Overnight period as established by the Department.
- G. Transient Remote Aircraft Parking Fee. Any Air Transportation Company parking an aircraft in a Remote location shall be charged a fee per Transient period as established by the Department.

SECTION III - REVENUE SHARING

1. Revenue Sharing. Revenue Sharing shall be calculated by County in accordance with this Section. The following Line Items listed in **Table E-5** are included in the calculation of Revenue Sharing. Each Line Item in **Table E-5** is identified by the corresponding letter set forth below.
- Line Item A.** Net Remaining Revenues Net Remaining Revenues will be estimated for purposes of rate setting and will be calculated after Settlement for purposes of final Settlement. Availability of Revenue Sharing shall be subject to and contingent upon County's ability to satisfy its financial obligations and to meet its Debt Service Coverage requirements in each Fiscal Year.

- Line Item B.** Revenue Sharing Percentage. The Revenue Sharing Percentage for all Signatory Airlines shall be equal to thirty-five percent (35%).
- Line Item C.** Total Revenue Sharing Amount. Line Item C shall be calculated as follows:
- **For purposes of rate setting:** the Total Revenue Sharing Amount shall be calculated at ninety-five percent (95%) of the Total Revenue Sharing Amount (i.e., reduced by five percent (5%)), or stated as a calculation: Total Revenue Sharing Amount for Rate Setting = (Net Remaining Revenues x 35%) x 95%).
 - **For purposes of final Settlement:** the Total Revenue Sharing Amount shall be an amount equal to the Net Remaining Revenues, if any, multiplied by the Revenue Sharing Percentage thirty-five percent (35%). One hundred percent (100%) of total Revenue Sharing Amount shall be used for the final Settlement calculation, or stated as a calculation: Total Revenue Sharing Amount for Settlement = (Net Remaining Revenues x 35%) x 100%).
- Line Item D.** Total Terminal Revenue Sharing Amount. The Total Terminal Revenue Sharing Amount shall be an amount equal to the Total Revenue Sharing Amount multiplied by Terminal Revenue Percentage. Terminal Revenue Percentage shall be an amount equal to the Terminal proportionate share of the sum of Signatory Airlines' Terminal Rental Revenues and Landing Fee Revenues prior to calculating Revenue Sharing.
- Line Item E.** Total Airfield Revenue Sharing Amount. The Total Airfield Revenue Sharing Amount shall be an amount equal to the Total Revenue Sharing Amount multiplied by the Airfield Revenue Percentage. Airfield Revenue Percentage shall be an amount equal to the Airfield proportionate share of the sum of Signatory Airlines' Terminal Rental Revenues and Landing Fee Revenues prior to calculating Revenue Sharing.
- Line Item F.** Airline's Terminal Revenue Sharing Amount. Each individual Signatory Airline's (including Airline's) Terminal Revenue Sharing Amount shall be an amount equal to the Total Terminal Revenue Sharing Amount multiplied by the individual Signatory Airline's proportionate share of total Signatory Airline Enplanements during the Fiscal Year for which Revenue Sharing has been calculated.
- Line Item G.** Airline's Airfield Revenue Sharing Amount. Each individual Signatory Airline's (including Airline's) Airfield Revenue Sharing Amount shall be an amount equal to the Total Airfield Revenue Sharing Amount multiplied by the individual Signatory Airline's proportionate share of the total Landed Weight of the Signatory Airlines during the Fiscal Year for which Revenue Sharing has been calculated.
- Line Item H.** Airline's Total Revenue Sharing Amount. Each individual Signatory Airline's (including Airline's) Total Revenue Sharing Amount shall be an amount equal to the sum of Airline's Terminal Revenue Sharing Amount and Airline's Airfield Revenue Sharing Amount.

2. Table E-5. The methodology for calculating each Signatory Airline's (including Airline's) share of Revenue Sharing is set forth in **Table E-5** below.

| Table E-5. Signatory Airline Revenue Sharing Calculation | |
|---|--|
| | Line Item (See Section III(1) above for corresponding descriptions) |
| Net Remaining Revenues | A |
| Revenue Sharing Percentage (All Signatory Airlines) | B |
| Total Revenue Sharing Amount (All Signatory Airlines) | C=A x B |
| Total Terminal Revenue Sharing Amount (All Signatory Airlines) | D=C x Terminal Revenue % |
| Total Airfield Revenue Sharing Amount (All Signatory Airlines) | E=C x Airfield Revenue % |
| Airline's Terminal Revenue Sharing Amount (Individual Signatory Airline) | F=D x Airline's % of total Signatory Airline Enplanements |
| Airline's Airfield Revenue Sharing Amount (Individual Signatory Airline) | G=E x Airline's % of total Signatory Airline Landed Weight |
| Airline's Total Revenue Sharing Amount (Individual Signatory Airline) | H=F+G |

SECTION IV - MISCELLANEOUS

1. Airline Incentive Agreement. Any Air Transportation Company may execute a separate airline incentive agreement if the incentive requirements established by County are satisfied. An airline incentive agreement may provide for the waiver of Landing Fees, gate usage charges, or other applicable fees and charges for a prescribed period of time. Gate usage charges may include, but shall not be limited to, Per Use Gate Charges and Aircraft Parking Fees.

SECTION V – COST CENTERS

1. Direct Cost Centers. The Direct Cost Centers include, but are not limited to, those Cost Centers listed in **Table E-6** below.

| Table E-6. Direct Cost Centers | |
|--------------------------------|---|
| Cost Center | Description of Area Included or Functional Activity |
| Airfield | Those portions of the Airport provided for the landing, taking off, and taxiing of aircraft, including runways, taxiways, approach and runway protection zones, safety areas, infield areas, landing and navigational aids, Aircraft Parking Apron and land areas required by or related to aeronautical use of the Airport. |
| Terminal | The commercial airline facilities at the Airport, including the Terminal and associated land, facilities, equipment, whether owned, operated or maintained by County. This Cost Center includes the inbound baggage handling system used to deliver checked baggage to arriving passengers, which includes baggage claim areas, systems, equipment and carousels, but excludes the Baggage Handling System as defined herein. |
| Baggage Handling System | The outbound baggage handling system used to deliver checked baggage to departing aircraft, which includes the baggage makeup areas, systems, equipment and carousels at the Airport, exclusive of the TSA inspection equipment. |
| Ground Transportation | Areas designated for employee and public automobile parking and rental car operations (excluding rental car ticket counters in the Terminal), and all Airport access roadways. |
| Non-Aviation | Areas designated for commercial or industrial use. |
| Aviation | Areas designated for fixed base operator or other aviation uses, including general aviation aprons at the Airport. |
| General Aviation FIS Facility | The FIS building located on the south side of the Airport. |
| Lantana Airport (LNA) | All properties and areas associated with Palm Beach County Park Airport (" <u>Lantana Airport</u> "). |
| Pahokee Airport (PHK) | All properties and areas associated with Palm Beach County Glades Airport (" <u>Pahokee Airport</u> "). |
| North County Airport (F45) | All properties and areas associated with the North Palm Beach County General Aviation Airport (" <u>North County Airport</u> "). |

2. Indirect Cost Centers. The Indirect Cost Centers are Cost Centers to which only Operation and Maintenance Expenses are assigned; no Revenues are attributable to the Indirect Cost Centers. The Indirect Cost Centers include, but are not limited to, those Cost Centers listed in **Table E-7** below.

| Table E-7. Indirect Cost Centers | |
|----------------------------------|--|
| Cost Center | Description of Area Included or Functional Activity |
| Administration and Operations | Functions and activities associated with the general Airport Systems administration, certain Indirect Operation, and Medic services. |
| Maintenance | Functions and activities associated with the general maintenance and repair of Airport properties. |
| Fire and Rescue | Emergency medical services and functions associated with crash, fire and rescue operations at the Airport. Medic Services costs shall be allocated separately using the administrative Cost Center allocation methodology. |

3. Indirect Cost Centers Allocations. Expenses for each Indirect Cost Center shall be allocated to the Direct Cost Centers as provided for in this subsection.
- A. Administration and Operations. Expenses for the Administration and Operations Cost Center shall be allocated to Direct Cost Centers on the basis of each Direct Cost Center's share of total Operation and Maintenance Expenses for all Direct Cost Centers.
- B. Maintenance. Expenses for Maintenance shall be allocated to Direct Cost Centers on the basis of estimated labor costs based on historical data for activity associated with each Direct Cost Center.
- C. Fire and Rescue. Expenses for Fire and Rescue shall be allocated to Direct Cost Centers according to the following percentages as set forth in **Table E-8** below.

| Table E-8. Fire and Rescue Allocation | |
|---------------------------------------|------------|
| Cost Center | Allocation |
| Airfield | 70% |
| Terminal | 4.0% |
| Baggage Handling System | 0.0% |
| Ground Transportation | 3.0% |
| Aviation | 12.0% |
| Non-Aviation | 4.0% |
| Lantana Airport | 3.0% |
| Pahokee Airport | 1.0% |
| North County Airport | 3.0% |
| Total | 100% |

**ATTACHMENT “E-1”
TO EXHIBIT “E”**

**STATEMENT OF RATES
FISCAL YEAR 20xx**

(October 1, 20xx through September 30, 20xx)

SECTION I – FY 20xx SUMMARY of RATES

1. Terminal Rental Rate. Signatory Airline: \$xx.xx per square foot. Non-signatory Airline: \$xx.xx per square foot.¹
2. Landing Fee Rate. Signatory Airline: \$x.xx per 1,000 pounds of Landed Weight. Non-signatory Airline: \$x.xx per 1,000 pounds of Landed Weight.
3. Baggage Handling System Fee Rate: \$x.xx per Enplaned Passenger.
4. Commuter Operating Charge Rate: \$x.xx per each passenger (Total Passengers) using the Commuter Operating Area.
5. Federal Inspection Services (FIS) Facility Fee Rate: \$x.xx per international Deplaned Passenger requiring FIS processing.
6. Per Use Terminal Charges:
 - a. Base Gate/Holdroom Charge Rate: \$xxx.xx per two (2) hour use, or any portion thereof, plus \$25 for electric surcharge.
 - b. Per Use Ticket Counter Charge Rate: \$xxx.xx per two (2) hour use, or portion thereof, of ticket counter area.
 - c. CUPPS Charge: \$xx.xx per two (2) hour use, or portion thereof, to use the Common Use Passenger Processing System either at the ticket counter or gate location.
7. Aircraft Parking Fee Rates:
 - a. Overnight Remote Aircraft Parking Fee Rate: \$xxx.xx for each Overnight use of Remote aircraft parking area.
 - b. Overnight Gate Aircraft Parking Fee Rate: \$xxx.xx for each Overnight use of a gate facility for aircraft parking.
 - c. Transient Remote Aircraft Parking Fee Rate: \$xx.xx for each Transient use of Remote aircraft parking area.

¹ Non-signatory Airline rates shall apply to non-airline terminal tenants/licensees if terminal rental rates apply to such tenants/licensees.

SECTION II – FY 20xx RATE CALCULATIONS TABLE

| Terminal Rental Rate Calculation <i>(See Table E-2)</i> | Line Item | Dollars |
|---|------------------|----------------|
| Operation and Maintenance Expenses | A | xx |
| Operation and Maintenance Reserve Charge | B | xx |
| Debt Service | C | xx |
| Debt Service Coverage (25%) | D | xx |
| Debt Service Reserve Requirement | E | xx |
| Non-amortized Capital Expenditures | F | xx |
| Amortization Charges | G | xx |
| Terminal Total Requirement | H=A+B+C+D+E+F+G | xx |
| Less: Credits to Terminal Total Requirement | I | xx |
| Terminal Net Requirement | J=H-I | xx |
| Total Rentable Space | K | xx |
| Non-Signatory Terminal Rental Rate (per sq ft) | L=J/K | xx |
| Signatory Airline Space | M | xx |
| Signatory Share of Terminal Net Requirement | N=L x M | xx |
| Total Terminal Revenue Sharing Amount <i>(See Note 1)</i> | O | xx |
| Signatory Terminal Net Requirement | P=N-O | xx |
| Signatory Rental Rate (per sq ft) | Q=P/M | xx |
| Landing Fee Rate Calculation <i>(See Table E-3)</i> | | |
| Operation and Maintenance Expenses | A | xx |
| Operation and Maintenance Reserve Charge | B | xx |
| Debt Service | C | xx |
| Debt Service Coverage (25%) | D | xx |
| Debt Service Reserve Requirement | E | xx |
| Non-amortized Capital Expenditures | F | xx |
| Amortization Charges | G | xx |
| Airfield Total Requirement | H=A+B+C+D+E+F+G | xx |
| Less: Credits to Airfield Total Requirement | I | xx |
| Airfield Net Requirement | J=H-I | xx |
| Total Landed Weight | K | xx |
| Non-Signatory Landing Fee Rate (per 1,000 lb.) | L=J/K | xx |
| Signatory Airline Landed Weight | M | xx |
| Signatory Share of Airfield Net Requirement | N=L x M | xx |
| Total Airfield Revenue Sharing Amount <i>(See Note 2)</i> | O | xx |
| Signatory Airfield Net Requirement | P=N-O | xx |
| Signatory Landing Fee Rate (per 1,000 lb.) | Q=P/M | xx |
| Baggage Handling System Fee Rate Calculation <i>(See Table E-4)</i> | | |
| Operation and Maintenance Expenses | A | xx |
| Operation and Maintenance Reserve Charge | B | xx |
| Debt Service | C | xx |
| Debt Service Coverage (25%) | D | xx |
| Debt Service Reserve Requirement | E | xx |
| Non-amortized Capital Expenditures | F | xx |
| Amortization Charges | G | xx |
| BHS Total Requirement | H=A+B+C+D+E+F+G | xx |
| Less: Credits to BHS Total Requirement | I | xx |
| BHS Net Requirement | J=H-I | xx |
| Total Enplanements | K | xx |
| BHS Fee Rate (per enplanement) | L=J/K | xx |

Note 1: The Total Terminal Revenue Sharing Amount for rate setting calculated at ninety-five percent (95%) of Total Terminal Revenue Sharing Amount. One hundred percent (100%) of the Total Terminal Revenue Sharing Amount will be used for the final Settlement calculation.

Note 2: The Total Airfield Revenue Sharing Amount for rate setting shall be calculated at ninety-five percent (95%) of Total Airfield Revenue Sharing Amount. One hundred percent (100%) of the Total Airfield Revenue Sharing Amount shall be used for the final Settlement calculation

ATTACHMENT "E-2"
TO EXHIBIT "E"

TOTAL RENTABLE SPACE
FISCAL YEAR 20xx

| Airline Rentable Space | | Sq. Ft. |
|---|----------------------|----------------|
| Airline Preferential Space | | |
| Ticket Counter | | 12,166 |
| Ticket & Upper Level Offices | | 16,814 |
| VIP Rooms | | 7,249 |
| Hold Rooms | | 50,400 |
| Curbside Office | | 1,302 |
| Bag Service Office | | 3,243 |
| Operations Area | | 57,595 |
| Total Airline Preferential Space | | |
| | [A] | 148,769 |
| Airline Joint Use Space | | |
| Bag Claim | | 33,618 |
| Concourse Circulation | | 0 |
| Bag Make-up | | 59,027 |
| Commuter Operating Area | | 0 |
| Tug Drive | | 0 |
| Total Airline Joint Use Space | | |
| | [B] | 92,645 |
| Total Airline Rentable Space | | |
| | [C] = [A + B] | 241,414 |
| Other Rentable Space | | |
| Concessions | | 57,690 |
| TSA | | 39,587 |
| Commuter Operating Area | | 4,829 |
| Tenant Common Area | | 7,466 |
| Tenant Shared Area | | 514 |
| Total Other Rentable Space | | |
| | [D] | 110,086 |
| Total Rentable Space | | |
| | [E] = [C + D] | 351,500 |

ATTACHMENT “B”
EXHIBIT “E” - RATE AND FEE SCHEDULE

EXHIBIT "E"
to Signatory Airline Agreement for
Palm Beach International Airport

RATE AND FEE SCHEDULE

SECTION I - DEFINITIONS

The following words, terms and phrases used in this Exhibit "E" shall have the meanings set forth in this Section and the meanings shall apply to both the singular and plural forms of such words, terms and phrases. Additional words, terms and phrases used in this Exhibit "E", but not defined in this Section, shall have the meanings ascribed to them in the individual sections of this Exhibit "E", Signatory Airline Agreement or Bond Resolution. The specific methodologies for calculating the rates, fees and charges defined below can be found in Section II of this Exhibit "E".

1. Airfield Cost Center means the Direct Cost Center further described in **Table E-6** of this Exhibit "E".
2. Aircraft Parking Fees mean a fee assessed by County for each aircraft parking operation that occurs on any portion of the Aircraft Apron Area located outside of an Air Transportation Company's Preferential Use Premises. Three (3) types of Aircraft Parking Fees are imposed by County for aircraft parking: Overnight Gate; Overnight Remote and Transient Remote. For purposes of determining applicable Aircraft Parking Fees, (i) "Transient" means aircraft parking for a duration of two (2) hours or less; (ii) "Remote" means those portions of the Aircraft Parking Apron, which are not located adjacent to an aircraft gate (commonly referred to as east/west remote aircraft parking areas); and (iii) "Overnight" means a period from 10:00 p.m. to 6:00 a.m., or eight (8) hours of continuous duration.
3. Amortization Charges means the annual amount to recover Capital Expenditures that are paid for with County funds exceeding Three Hundred Thousand Dollars (\$300,000). Amortization Charges shall be calculated by County based on the expected useful life of the Capital Expenditure and shall include a reasonable rate of return, as determined by Department. Amortization Charges shall not be recovered by County before the completion of the applicable project.
4. Baggage Handling System (BHS) Cost Center means the Direct Cost Center further described in **Table E-6** of this Exhibit "E".
5. Baggage Handling System (BHS) Fee means a fee assessed by County on a per Enplanement basis for use of the Baggage Handling System.
6. Commuter Operating Charge means a charge assessed by County for the use of the Commuter Operating Area.
7. Cost Center means those areas or functional activities of the Airport used for the purposes of accounting for Revenues, Operation and Maintenance Expenses, Debt Service, Non-amortized Capital Expenditures and Amortization and for calculating and adjusting certain fees and charges described herein, as they now exist or may hereafter be modified, changed, or developed.
8. Debt Service means any principal, interest, premium, and other fees and amounts either paid or accrued for Bonds (exclusive of capitalized interest) or Other Indebtedness.
9. Debt Service Coverage means twenty five percent (25%) of Debt Service in a Rate Setting Period.
10. Debt Service Reserve Requirement has the meaning set forth in the Bond Resolution.
11. Direct Cost Centers includes the Cost Centers listed in **Table E-6** of this Exhibit "E".
12. Federal Inspection Services (FIS) Facility Fee means a fee assessed by County for use of the FIS Facility by an Air Transportation Company transporting international passengers.
13. Fuel Flowage Fees means the fuel flowage fees that are charged by County for each gallon of aviation fuel and oil sold by or through the fixed base operators at the Airport, but shall not include Aircraft Apron Fees charged pursuant to County Resolution R-2005-0457, as now or hereafter amended or superseded, or any other fee or charge based upon fuel flowage used to recover facility costs.
14. Indirect Cost Centers includes the Cost Centers listed in **Table E-7** of this Exhibit "E".
15. Joint Use Charges means the total charges imposed for use of the Joint Use Premises.
16. Landing Fee means a fee assessed by County on Air Transportation Companies based on the Landed Weight of each Revenue Landing.

17. Net Remaining Revenues means Revenues less Operation and Maintenance Expenses, Operation and Maintenance Reserve, Debt Service and Amortization in the Terminal, Airfield or Baggage Handling System Cost Centers.
18. Non-amortized Capital Expenditures means Capital Expenditures funded with County funds of Three Hundred Thousand Dollars (\$300,000) or less.
19. Non-signatory Airline means an Air Transportation Company operating at the Airport that is not a Signatory Airline.
20. Operation and Maintenance Expenses means County's costs for the operation, maintenance and repair of the Airport System and shall include, but shall not be limited to, salaries and employee benefits, utility costs, ordinary maintenance, administrative and general expenses, security, and all such other expenses as defined and determined in accordance with the Bond Resolution.
21. Operation and Maintenance Reserve means an amount equal to one sixth (1/6) of the amount appropriated in the annual budget for Operation and Maintenance Expenses for the then current Fiscal Year; provided, however, the amount may be reduced by a supplemental resolution in accordance with the Bond Resolution.
22. Other Indebtedness means any debt other than Bonds incurred by County for Airport purposes.
23. Per Use Gate Charge means a charge assessed by County for each use of an unassigned aircraft gate facility for a period not to exceed two (2) hours. The gate facility includes holdroom, loading bridge, pre-conditioned air, and 400 Hertz systems. Per Use Gate Charges shall not apply to the use of gate facilities that are included in an Air Transportation Company's Preferential Use Premises pursuant to an agreement with County.
24. Per Use Ticket Counter Charge means a charge assessed by County for each use of unassigned ticket counter (two (2) positions) and one (1) baggage well for a period not to exceed two (2) hours. Per Use Ticket Counter Charges shall not apply to the use of ticket counter areas that are included in an Air Transportation Company's Preferential Use Premises pursuant to an agreement with County.
25. Rate Setting Period means the Fiscal Year for which the rates, fees and charges are being calculated hereunder.
26. Standard Holdroom Square Footage means a uniform measurement used for the sole purpose of calculating certain fees and charges payable hereunder of one thousand eight hundred (1,800) square feet applied to each holdroom located within Concourses B and C. The Standard Holdroom Square Footage shall be used for purposes of determining an Air Transportation Company's rates and charges regardless of the actual physical dimensions of each holdroom.
27. Standard Ticket Counter Square Footage means a uniform measurement of two hundred sixty (260) square feet used for the sole purpose of calculating Per Use Ticket Counter Charges, but does not represent the actual physical dimensions of the ticket counter area.
28. Terminal Cost Center means the Direct Cost Center further described in **Table E-6** of this Exhibit "E".
29. Terminal Rental means the license fees and charges imposed by County on a per square foot basis for the use of the Airline Premises, which is comprised of the Joint Use Premises and Preferential Use Premises.
30. Total Rentable Space has the meaning set forth in **Attachment E-2** to this Exhibit "E".

SECTION II - RATE CALCULATIONS

1. Explanation of Rate Calculation Line Items. The following Line Items listed in **Tables E-2 - E-4** are included in the calculation of Terminal Rental Rate, Landing Fee Rate and Baggage Handling System Fee Rate for each Rate Setting Period. Each Line Item in **Tables E-2 - E-4** is identified by the corresponding letter set forth below.

Line Item A. Operation and Maintenance Expenses. This Line Item includes those expenses directly assignable to the Terminal, Airfield or Baggage Handling System Cost Centers ("Direct Operation and Maintenance Expenses") and those expenses associated with operation and maintenance of the Airport and assignable to the Indirect Cost Centers ("Indirect Operation and Maintenance Expenses"). Indirect Operation and Maintenance Expenses shall be allocated to the Direct Cost Centers on the basis of the procedures set forth in Section V(3) below. The sum of Direct Operation and Maintenance Expenses and Indirect Operation and Maintenance Expenses are hereinafter referred to as "Operation and Maintenance Expenses".

Line Item B. Operation and Maintenance Reserve Charge. This Line Item includes the Operation and Maintenance Reserve for the current Rate Setting Period less the Operation and Maintenance Reserve for the prior Rate Setting Period allocated to the Terminal, Airfield and Baggage Handling System Cost Centers.

Line Item C. Debt Service. This Line Item includes Debt Service directly assignable to the Terminal, Airfield or Baggage Handling System Cost Centers ("Direct Debt Service") and Debt Service assignable to the Indirect Cost Centers ("Indirect Debt Service"). Indirect Debt Service shall be allocated to the Direct Cost Centers on the basis of the procedures set forth in Section V(3) below for the distribution of Indirect Operation and Maintenance Expenses. The sum of Direct Debt Service and Indirect Debt Service are hereinafter referred to as "Total Debt Service". For the purposes of the Signatory Airline Agreement, annual Debt Service costs for the Palm Beach International Airport System Taxable Revenue Refunding Bonds Series 2006B (Series 2006B) shall be allocated as provided in **Table E-1** below. Annual Debt Service costs for the Palm Beach International Airport System Revenue Bonds Series 2006A and 2016 (Series 2006A and Series 2016) shall be allocated one hundred percent (100%) to the Ground Transportation Cost Center. Debt Service costs for future bond issues/series, if any, shall be allocated by the Department based on the estimated benefits to the various cost centers.

| Table E-1. Debt Service Cost Center Allocation | |
|--|------------|
| Cost Center | Allocation |
| Airfield | 10% |
| Terminal | 58% |
| Ground Transportation | 22% |
| Other | 10% |
| Total | 100% |

Line Item D. Debt Service Coverage. This Line Item includes Debt Service Coverage attributable to the Terminal, Airfield, or Baggage Handling System Cost Centers.

Line Item E. Debt Service Reserve Requirement. This Line Item includes allocable portions of required deposits to the Debt Service Reserve Requirement attributed to the Terminal, Airfield, or Baggage Handling System Cost Centers.

Line Item F. Non-amortized Capital Expenditures. This Line Item includes Non-amortized Capital Expenditures attributable to the Terminal, Airfield, or Baggage Handling System Cost Centers.

Line Item G. Amortization Charges. This Line Item includes Amortization Charges attributable to the Terminal, Airfield, or Baggage Handling System Cost Centers.

Line Item H. Total Requirement. The Total Requirement is the sum of the following line items: Operation and Maintenance Expenses, Operation and Maintenance Reserve Charge, Debt Service, Debt Service Coverage, Debt Service Reserve Requirement, Non-amortized Capital Expenditures and Amortization Charges. The Total Requirement is applicable to Terminal, Airfield and Baggage Handling System Cost Centers.

Line Item I. Credits. This Line Item identifies the Credits to the Total Requirement. Credits to the Terminal Total Requirement in **Table E-2** include Per Use Gate Charges, Per Use Ticket Counter Charges, FIS Facility Fees and the prior period Debt Service Coverage. Credits to the Airfield Total Requirement in **Table E-3** include General Aviation Landing Fee Revenues, Airfield Services Revenues, Fuel Flowage Fees and the prior period Debt Service Coverage. Credits to the Baggage Handling System Total Requirement in **Table E-4** include the prior period Debt Service Coverage, if any.

Line Item J. Net Requirement. The Net Requirement equals Total Requirement minus Credits.

- Line Item K.** Line Item K in **Tables E-2 - E-4** shall be defined as follows:
- Total Rentable Space. The term "Total Rentable Space" in **Table E-2** has the meaning set forth in **Attachment E-2** to this Exhibit "E".
 - Total Landed Weight. The term "Total Landed Weight" in **Table E-3** means the Landed Weight for all commercial airlines, including Signatory and Non-signatory Airlines.
 - Total Enplanements. The term "Total Enplanements" in **Table E-4** means the Enplanements for all commercial airlines, including Signatory and Non-signatory Airlines.

- Line Item L.** Line Item L in **Tables E-2 - E-4** shall be calculated as follows:
- Non-signatory Terminal Rental Rate. Calculated in **Table E-2** as (J) Terminal Net Requirement divided by (K) Total Rentable Space.
 - Non-signatory Landing Fee Rate. Calculated in **Table E-3** as (J) Airfield Net Requirement divided by (K) Total Landed Weight.

- BHS Fee Rate. Calculated in **Table E-4** as (J) BHS Net Requirement divided by (K) Total Enplanements.

Line Item M. Line Item M in **Tables E-2 - E-3** shall be defined as follows:

- Signatory Airline Space. Signatory Airline Space in **Table E-2** means that portion of the Total Rental Rentable Space assigned for use by Signatory Airlines, including Preferential Use Premises and the calculated share of Joint Use Premises.
- Signatory Airline Landed Weight. Signatory Airline Landed Weight in **Table E-3** means that portion of the Total Landed Weight associated with Signatory Airline operations only.

Line Item N. Line Item N in **Tables E-2 - E-3** shall be calculated as follows:

- Signatory Share of Terminal Net Requirement. Calculated in **Table E-2** as (L) Non-signatory Terminal Rental Rate multiplied by (M) Signatory Airline Space.
- Signatory Share of Airfield Net Requirement. Calculated in **Table E-3** as (L) Non-signatory Landing Fee Rate multiplied by (M) Signatory Airline Landed Weight.

Line Item O. Line Item O in **Tables E-2 - E-3** shall be calculated as follows:

- Total Terminal Revenue Sharing Amount. Calculated in accordance with **Section III – Revenue Sharing** of this Exhibit “E”. See Note 1.
- Total Airfield Revenue Sharing Amount. Calculated in accordance with **Section III – Revenue Sharing** of this Exhibit “E”. See Note 2.

Line Item P. Line Item P listed in **Tables E-2 - E-3** shall be calculated as follows:

- Signatory Terminal Net Requirement. Calculated in **Table E-2** as (N) Signatory Share of the Terminal Net Requirement minus (O) Total Terminal Revenue Sharing Amount.
- Signatory Airfield Net Requirement. Calculated in **Table E-3** as (N) Signatory Share of the Airfield Net Requirement minus (O) Total Airfield Revenue Sharing Amount.

Line Item Q. Line Item Q listed in **Tables E-2 - E-3** shall be calculated as follows:

- Signatory Rental Rate. Calculated in **Table E-2** as (P) Signatory Terminal Net Requirement divided by (M) Signatory Airline Space.
- Signatory Landing Fee Rate. Calculated in **Table E-3** as (P) Signatory Airfield Net Requirement divided by (M) Signatory Airline Landed Weight.

2. Calculation of Terminal Rental, Landing Fee and Baggage Handling System Rates. The Terminal Rental Rate, Landing Fee Rate and Baggage Handling System Rate for each Rate Setting Period shall be calculated as set forth in this subsection.

- A. Terminal Rental Rate. The methodology for calculating the Terminal Rental Rate is set forth in **Table E-2** below.

| Table E-2. Terminal Rental Rate Calculation | |
|--|---|
| | Line Item (See Section II(1) above for corresponding descriptions) |
| Operation and Maintenance Expenses | A |
| Operation and Maintenance Reserve Charge | B |
| Debt Service | C |
| Debt Service Coverage | D |
| Debt Service Reserve Requirement | E |
| Non-amortized Capital Expenditures | F |
| Amortization Charges | G |
| | |
| Terminal Total Requirement | $H=A+B+C+D+E+F+G$ |
| | |
| Less: Credits to Terminal Total Requirement | I |
| | |
| Terminal Net Requirement | $J=H-I$ |
| | |
| Total Rentable Space | K |
| | |
| Non-Signatory Terminal Rental Rate (per square foot) | $L=J/K$ |
| | |
| Signatory Airline Space | M |
| Signatory Share of Terminal Net Requirement | $N=L \times M$ |
| Total Terminal Revenue Sharing Amount (see Note 1) | O |
| Signatory Terminal Net Requirement | $P=N-O$ |
| Signatory Rental Rate (per square foot) | $Q=P/M$ |

Note 1: Total Terminal Revenue Sharing Amount for rate setting shall be calculated at ninety-five percent (95%) of Total Terminal Revenue Sharing Amount. One hundred percent (100%) of the Total Terminal Revenue Sharing Amount shall be used for the final Settlement calculation.

- B. Landing Fee Rate. The methodology for calculating the Landing Fee Rate is set forth in **Table E-3** below.

| Table E-3. Landing Fee Rate Calculation | |
|--|---|
| | Line Item (See Section II(1) above for corresponding descriptions) |
| Operation and Maintenance Expenses | A |
| Operation and Maintenance Reserve Charge | B |
| Debt Service | C |
| Debt Service Coverage | D |
| Debt Service Reserve Requirement | E |
| Non-amortized Capital Expenditures | F |
| Amortization Charges | G |
| | |
| Airfield Total Requirement | $H=A+B+C+D+E+F+G$ |
| | |
| Less: Credits to Airfield Total Requirement | I |
| | |
| Airfield Net Requirement | $J=H-I$ |
| | |
| Total Landed Weight | K |
| | |
| Non-signatory Landing Fee Rate (per 1,000 lb.) | $L=J/K$ |
| | |
| Signatory Airline Landed Weight | M |
| Signatory Share of Airfield Net Requirement | $N=L \times M$ |
| Total Airfield Revenue Sharing Amount (see Note 2) | O |
| Signatory Airfield Net Requirement | $P=N-O$ |
| Signatory Landing Fee Rate (per 1,000 lb.) | $Q=P/M$ |

Note 2: Total Airfield Revenue Sharing Amount for rate setting shall be calculated at ninety-five percent (95%) of Total Airfield Revenue Sharing Amount. One hundred percent (100%) of the Total Airfield Revenue Sharing Amount shall be used for the final Settlement calculation.

- C. Baggage Handling System Fee Rate: The methodology for calculating the Baggage Handling System Fee Rate is set forth in **Table E-4** below.

| Table E-4. Baggage Handling System Fee Rate Calculation | |
|---|--|
| | Line Item (See Section II(1) above for corresponding descriptions) |
| Operation and Maintenance Expenses | A |
| Operation and Maintenance Reserve Charge | B |
| Debt Service | C |
| Debt Service Coverage | D |
| Debt Service Reserve Requirement | E |
| Non-amortized Capital Expenditures | F |
| Amortization Charges | G |
| | |
| BHS Total Requirement | H=A+B+C+D+E+F+G |
| | |
| Less: Credits to BHS Total Requirement | I |
| | |
| BHS Net Requirement | J=H-I |
| | |
| Total Enplanements | K |
| | |
| BHS Fee Rate (per Enplanement) | L=J/K |

3. Calculation of Joint Use Charges. Joint Use Charges shall be an amount equal to the product of the applicable Terminal Rental Rate (i.e., Signatory or Non-signatory) for the Rate Setting Period multiplied by total square footage of the Joint Use Premises. Each Air Transportation Company's share of Joint Use Charges shall be determined by allocating the cost based on each Air Transportation Company's projected relative share of Enplanements for the upcoming Rate Setting Period.
4. Miscellaneous Fees and Charges.
- A. Commuter Operating Charge. Any Air Transportation Company using the Commuter Operating Area will be assessed a fee based on the Total Passengers, as established by the Department to maximize Revenues while maintaining a reasonable cost per passenger for commuter operations.
- B. FIS Facility Fee. The FIS Facility Fee shall be equal to the sum of Operation and Maintenance Expenses, Debt Service, Debt Service Coverage, Debt Service Reserve Requirement, Operation and Maintenance Reserve, Non-amortized Capital Expenditures and Amortization Charges attributable to the FIS Facility divided by projected total international Deplaned Passengers using the FIS Facility during the Rate Setting Period.
- C. Per Use Gate Charge. The Per Use Gate Charge shall be equal to the product of the Non-signatory Terminal Rental Rate multiplied by the Standard Holdroom Square Footage (1,800 square feet) divided by an assumed usage (2.5 times per day). An electric surcharge shall be payable as determined by the Department and may be modified annually.
- D. Per Use Ticket Counter Charge. The Per Use Ticket Counter Charge shall be equal to the product of the Non-signatory Terminal Rental Rate multiplied by the Standard Ticket Counter Square Footage (two hundred sixty (260) square feet) divided by the product of eight (8) (i.e., the average number of uses per month) multiplied by twelve (12) months.
- E. Overnight Remote Aircraft Parking Fee. Any Air Transportation Company parking an aircraft in a Remote location Overnight shall be charged a fee per Overnight period as established by the Department.
- F. Overnight Gate Aircraft Parking Fee. Any Air Transportation Company parking an aircraft Overnight at an aircraft gate, which is not licensed to such Air Transportation Company on a Preferential Basis, shall be charged a fee per Overnight period as established by the Department.
- G. Transient Remote Aircraft Parking Fee. Any Air Transportation Company parking an aircraft in a Remote location shall be charged a fee per Transient period as established by the Department.

SECTION III - REVENUE SHARING

1. Revenue Sharing. Revenue Sharing shall be calculated by County in accordance with this Section. The following Line Items listed in **Table E-5** are included in the calculation of Revenue Sharing. Each Line Item in **Table E-5** is identified by the corresponding letter set forth below.
- Line Item A.** Net Remaining Revenues Net Remaining Revenues will be estimated for purposes of rate setting and will be calculated after Settlement for purposes of final Settlement. Availability of Revenue Sharing shall be subject to and contingent upon County's ability to satisfy its financial obligations and to meet its Debt Service Coverage requirements in each Fiscal Year.

- Line Item B.** Revenue Sharing Percentage. The Revenue Sharing Percentage for all Signatory Airlines shall be equal to thirty-five percent (35%).
- Line Item C.** Total Revenue Sharing Amount. Line Item C shall be calculated as follows:
- **For purposes of rate setting:** the Total Revenue Sharing Amount shall be calculated at ninety-five percent (95%) of the Total Revenue Sharing Amount (i.e., reduced by five percent (5%)), or stated as a calculation: Total Revenue Sharing Amount for Rate Setting = (Net Remaining Revenues x 35%) x 95%.
 - **For purposes of final Settlement:** the Total Revenue Sharing Amount shall be an amount equal to the Net Remaining Revenues, if any, multiplied by the Revenue Sharing Percentage thirty-five percent (35%). One hundred percent (100%) of total Revenue Sharing Amount shall be used for the final Settlement calculation, or stated as a calculation: Total Revenue Sharing Amount for Settlement = (Net Remaining Revenues x 35%) x 100%.
- Line Item D.** Total Terminal Revenue Sharing Amount. The Total Terminal Revenue Sharing Amount shall be an amount equal to the Total Revenue Sharing Amount multiplied by Terminal Revenue Percentage. Terminal Revenue Percentage shall be an amount equal to the Terminal proportionate share of the sum of Signatory Airlines' Terminal Rental Revenues and Landing Fee Revenues prior to calculating Revenue Sharing.
- Line Item E.** Total Airfield Revenue Sharing Amount. The Total Airfield Revenue Sharing Amount shall be an amount equal to the Total Revenue Sharing Amount multiplied by the Airfield Revenue Percentage. Airfield Revenue Percentage shall be an amount equal to the Airfield proportionate share of the sum of Signatory Airlines' Terminal Rental Revenues and Landing Fee Revenues prior to calculating Revenue Sharing.
- Line Item F.** Airline's Terminal Revenue Sharing Amount. Each individual Signatory Airline's (including Airline's) Terminal Revenue Sharing Amount shall be an amount equal to the Total Terminal Revenue Sharing Amount multiplied by the individual Signatory Airline's proportionate share of total Signatory Airline Enplanements during the Fiscal Year for which Revenue Sharing has been calculated.
- Line Item G.** Airline's Airfield Revenue Sharing Amount. Each individual Signatory Airline's (including Airline's) Airfield Revenue Sharing Amount shall be an amount equal to the Total Airfield Revenue Sharing Amount multiplied by the individual Signatory Airline's proportionate share of the total Landed Weight of the Signatory Airlines during the Fiscal Year for which Revenue Sharing has been calculated.
- Line Item H.** Airline's Total Revenue Sharing Amount. Each individual Signatory Airline's (including Airline's) Total Revenue Sharing Amount shall be an amount equal to the sum of Airline's Terminal Revenue Sharing Amount and Airline's Airfield Revenue Sharing Amount.

2. Table E-5. The methodology for calculating each Signatory Airline's (including Airline's) share of Revenue Sharing is set forth in **Table E-5** below.

| Table E-5. Signatory Airline Revenue Sharing Calculation | |
|---|--|
| | Line Item (See Section III(1) above for corresponding descriptions) |
| Net Remaining Revenues | A |
| Revenue Sharing Percentage (All Signatory Airlines) | B |
| Total Revenue Sharing Amount (All Signatory Airlines) | C=A x B |
| Total Terminal Revenue Sharing Amount (All Signatory Airlines) | D=C x Terminal Revenue % |
| Total Airfield Revenue Sharing Amount (All Signatory Airlines) | E=C x Airfield Revenue % |
| Airline's Terminal Revenue Sharing Amount (Individual Signatory Airline) | F=D x Airline's % of total Signatory Airline Enplanements |
| Airline's Airfield Revenue Sharing Amount (Individual Signatory Airline) | G=E x Airline's % of total Signatory Airline Landed Weight |
| Airline's Total Revenue Sharing Amount (Individual Signatory Airline) | H=F+G |

SECTION IV - MISCELLANEOUS

1. Airline Incentive Agreement. Any Air Transportation Company may execute a separate airline incentive agreement if the incentive requirements established by County are satisfied. An airline incentive agreement may provide for the waiver of Landing Fees, gate usage charges, or other applicable fees and charges for a prescribed period of time. Gate usage charges may include, but shall not be limited to, Per Use Gate Charges and Aircraft Parking Fees.

SECTION V – COST CENTERS

1. Direct Cost Centers. The Direct Cost Centers include, but are not limited to, those Cost Centers listed in **Table E-6** below.

| Table E-6. Direct Cost Centers | |
|---------------------------------------|---|
| Cost Center | Description of Area Included or Functional Activity |
| Airfield | Those portions of the Airport provided for the landing, taking off, and taxiing of aircraft, including runways, taxiways, approach and runway protection zones, safety areas, infield areas, landing and navigational aids, Aircraft Parking Apron and land areas required by or related to aeronautical use of the Airport. |
| Terminal | The commercial airline facilities at the Airport, including the Terminal and associated land, facilities, equipment, whether owned, operated or maintained by County. This Cost Center includes the inbound baggage handling system used to deliver checked baggage to arriving passengers, which includes baggage claim areas, systems, equipment and carousels, but excludes the Baggage Handling System as defined herein. |
| Baggage Handling System | The outbound baggage handling system used to deliver checked baggage to departing aircraft, which includes the baggage makeup areas, systems, equipment and carousels at the Airport, exclusive of the TSA inspection equipment. |
| Ground Transportation | Areas designated for employee and public automobile parking and rental car operations (excluding rental car ticket counters in the Terminal), and all Airport access roadways. |
| Non-Aviation | Areas designated for commercial or industrial use. |
| Aviation | Areas designated for fixed base operator or other aviation uses, including general aviation aprons at the Airport. |
| General Aviation FIS Facility | The FIS building located on the south side of the Airport. |
| Lantana Airport (LNA) | All properties and areas associated with Palm Beach County Park Airport (" <u>Lantana Airport</u> "). |
| Pahokee Airport (PHK) | All properties and areas associated with Palm Beach County Glades Airport (" <u>Pahokee Airport</u> "). |
| North County Airport (F45) | All properties and areas associated with the North Palm Beach County General Aviation Airport (" <u>North County Airport</u> "). |

2. Indirect Cost Centers. The Indirect Cost Centers are Cost Centers to which only Operation and Maintenance Expenses are assigned; no Revenues are attributable to the Indirect Cost Centers. The Indirect Cost Centers include, but are not limited to, those Cost Centers listed in **Table E-7** below.

| Table E-7. Indirect Cost Centers | |
|---|--|
| Cost Center | Description of Area Included or Functional Activity |
| Administration and Operations | Functions and activities associated with the general Airport Systems administration, certain Indirect Operation, and Medic services. |
| Maintenance | Functions and activities associated with the general maintenance and repair of Airport properties. |
| Fire and Rescue | Emergency medical services and functions associated with crash, fire and rescue operations at the Airport. Medic Services costs shall be allocated separately using the administrative Cost Center allocation methodology. |

3. Indirect Cost Centers Allocations. Expenses for each Indirect Cost Center shall be allocated to the Direct Cost Centers as provided for in this subsection.
- A. Administration and Operations. Expenses for the Administration and Operations Cost Center shall be allocated to Direct Cost Centers on the basis of each Direct Cost Center's share of total Operation and Maintenance Expenses for all Direct Cost Centers.
- B. Maintenance. Expenses for Maintenance shall be allocated to Direct Cost Centers on the basis of estimated labor costs based on historical data for activity associated with each Direct Cost Center.
- C. Fire and Rescue. Expenses for Fire and Rescue shall be allocated to Direct Cost Centers according to the following percentages as set forth in **Table E-8** below.

| Table E-8. Fire and Rescue Allocation | |
|---------------------------------------|------------|
| Cost Center | Allocation |
| Airfield | 70% |
| Terminal | 4.0% |
| Baggage Handling System | 0.0% |
| Ground Transportation | 3.0% |
| Aviation | 12.0% |
| Non-Aviation | 4.0% |
| Lantana Airport | 3.0% |
| Pahokee Airport | 1.0% |
| North County Airport | 3.0% |
| Total | 100% |

**ATTACHMENT “E-1”
TO EXHIBIT “E”**

**STATEMENT OF RATES
FISCAL YEAR 20xx**

(October 1, 20xx through September 30, 20xx)

SECTION I – FY 20xx SUMMARY of RATES

1. Terminal Rental Rate. Signatory Airline: \$xx.xx per square foot. Non-signatory Airline: \$xx.xx per square foot.¹
2. Landing Fee Rate. Signatory Airline: \$x.xx per 1,000 pounds of Landed Weight. Non-signatory Airline: \$x.xx per 1,000 pounds of Landed Weight.
3. Baggage Handling System Fee Rate: \$x.xx per Enplaned Passenger.
4. Commuter Operating Charge Rate: \$x.xx per each passenger (Total Passengers) using the Commuter Operating Area.
5. Federal Inspection Services (FIS) Facility Fee Rate: \$x.xx per international Deplaned Passenger requiring FIS processing.
6. Per Use Terminal Charges:
 - a. Base Gate/Holdroom Charge Rate: \$xxx.xx per two (2) hour use, or any portion thereof, plus \$25 for electric surcharge.
 - b. Per Use Ticket Counter Charge Rate: \$xxx.xx per two (2) hour use, or portion thereof, of ticket counter area.
 - c. CUPPS Charge: \$xx.xx per two (2) hour use, or portion thereof, to use the Common Use Passenger Processing System either at the ticket counter or gate location.
7. Aircraft Parking Fee Rates:
 - a. Overnight Remote Aircraft Parking Fee Rate: \$xxx.xx for each Overnight use of Remote aircraft parking area.
 - b. Overnight Gate Aircraft Parking Fee Rate: \$xxx.xx for each Overnight use of a gate facility for aircraft parking.
 - c. Transient Remote Aircraft Parking Fee Rate: \$xx.xx for each Transient use of Remote aircraft parking area.

¹ Non-signatory Airline rates shall apply to non-airline terminal tenants/licensees if terminal rental rates apply to such tenants/licensees.

SECTION II – FY 20xx RATE CALCULATIONS TABLE

| Terminal Rental Rate Calculation <i>(See Table E-2)</i> | Line Item | Dollars |
|---|------------------|----------------|
| Operation and Maintenance Expenses | A | xx |
| Operation and Maintenance Reserve Charge | B | xx |
| Debt Service | C | xx |
| Debt Service Coverage (25%) | D | xx |
| Debt Service Reserve Requirement | E | xx |
| Non-amortized Capital Expenditures | F | xx |
| Amortization Charges | G | xx |
| Terminal Total Requirement | H=A+B+C+D+E+F+G | xx |
| Less: Credits to Terminal Total Requirement | I | xx |
| Terminal Net Requirement | J=H-I | xx |
| Total Rentable Space | K | xx |
| Non-Signatory Terminal Rental Rate (per sq ft) | L=J/K | xx |
| Signatory Airline Space | M | xx |
| Signatory Share of Terminal Net Requirement | N=L x M | xx |
| Total Terminal Revenue Sharing Amount <i>(See Note 1)</i> | O | xx |
| Signatory Terminal Net Requirement | P=N-O | xx |
| Signatory Rental Rate (per sq ft) | Q=P/M | xx |
| Landing Fee Rate Calculation <i>(See Table E-3)</i> | | |
| Operation and Maintenance Expenses | A | xx |
| Operation and Maintenance Reserve Charge | B | xx |
| Debt Service | C | xx |
| Debt Service Coverage (25%) | D | xx |
| Debt Service Reserve Requirement | E | xx |
| Non-amortized Capital Expenditures | F | xx |
| Amortization Charges | G | xx |
| Airfield Total Requirement | H=A+B+C+D+E+F+G | xx |
| Less: Credits to Airfield Total Requirement | I | xx |
| Airfield Net Requirement | J=H-I | xx |
| Total Landed Weight | K | xx |
| Non-Signatory Landing Fee Rate (per 1,000 lb.) | L=J/K | xx |
| Signatory Airline Landed Weight | M | xx |
| Signatory Share of Airfield Net Requirement | N=L x M | xx |
| Total Airfield Revenue Sharing Amount <i>(See Note 2)</i> | O | xx |
| Signatory Airfield Net Requirement | P=N-O | xx |
| Signatory Landing Fee Rate (per 1,000 lb.) | Q=P/M | xx |
| Baggage Handling System Fee Rate Calculation <i>(See Table E-4)</i> | | |
| Operation and Maintenance Expenses | A | xx |
| Operation and Maintenance Reserve Charge | B | xx |
| Debt Service | C | xx |
| Debt Service Coverage (25%) | D | xx |
| Debt Service Reserve Requirement | E | xx |
| Non-amortized Capital Expenditures | F | xx |
| Amortization Charges | G | xx |
| BHS Total Requirement | H=A+B+C+D+E+F+G | xx |
| Less: Credits to BHS Total Requirement | I | xx |
| BHS Net Requirement | J=H-I | xx |
| Total Enplanements | K | xx |
| BHS Fee Rate (per enplanement) | L=J/K | xx |

Note 1: The Total Terminal Revenue Sharing Amount for rate setting calculated at ninety-five percent (95%) of Total Terminal Revenue Sharing Amount. One hundred percent (100%) of the Total Terminal Revenue Sharing Amount will be used for the final Settlement calculation.

Note 2: The Total Airfield Revenue Sharing Amount for rate setting shall be calculated at ninety-five percent (95%) of Total Airfield Revenue Sharing Amount. One hundred percent (100%) of the Total Airfield Revenue Sharing Amount shall be used for the final Settlement calculation

**ATTACHMENT “E-2”
TO EXHIBIT “E”**

TOTAL RENTABLE SPACE
FISCAL YEAR 20xx

| Airline Rentable Space | | Sq. Ft. |
|-------------------------------------|----------------------|----------------|
| Airline Preferential Space | | |
| Ticket Counter | | 12,166 |
| Ticket & Upper Level Offices | | 16,814 |
| VIP Rooms | | 7,249 |
| Hold Rooms | | 50,400 |
| Curbside Office | | 1,302 |
| Bag Service Office | | 3,243 |
| Operations Area | | 57,595 |
| Total Airline Preferential Space | [A] | 148,769 |
| Airline Joint Use Space | | |
| Bag Claim | | 33,618 |
| Concourse Circulation | | 0 |
| Bag Make-up | | 59,027 |
| Commuter Operating Area | | 0 |
| Tug Drive | | 0 |
| Total Airline Joint Use Space | [B] | 92,645 |
| Total Airline Rentable Space | [C] = [A + B] | 241,414 |
| Other Rentable Space | | |
| Concessions | | 57,690 |
| TSA | | 39,587 |
| Commuter Operating Area | | 4,829 |
| Tenant Common Area | | 7,466 |
| Tenant Shared Area | | 514 |
| Total Other Rentable Space | [D] | 110,086 |
| Total Rentable Space | [E] = [C + D] | 351,500 |