Agenda Item: **3F6**

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:	**September 15, 2026**	**[X] Consent**	**[ ] Regular**
		[ ] Workshop	**[ ] Public Hearing**

Submitted By: Department of Airports

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to adopt: a Resolution adopting a new standard form Signatory Cargo Carrier Operating and Lease Agreement (Agreement) for President Donald J. Trump International Airport (DJT); authorizing the County Administrator or designee to execute the standard form Agreement on behalf of the Board of County Commissioners (BCC), including non-material modifications, updates to insurance provisions and revisions necessitated by changes in applicable law or grant assurance obligations; repealing Resolution R2019-1154; providing for severability; and providing for an effective date.

Summary: The Resolution approves a new standard-form Agreement, which updates the terms and conditions of the prior agreement as negotiated with the current signatory cargo carriers operating at DJT. The new Agreement provides for an initial term of five (5) years with one (1) two (2) year renewal option, revises the definition of "signatory airline" to require a minimum annual financial commitment of $500,000 for all-cargo carriers and reduces airline revenue sharing from 35% to 25%. The Agreement includes non-standard indemnification and limitation of liability provisions that differs from that adopted for use by the County under PPM #CW-F-049. The Risk Management Department and County Attorney's Office have reviewed the non-standard provisions and advised staff accordingly. An airline will not be responsible for damages that are determined by a court of competent jurisdiction to be attributable to the negligence or willful misconduct of the County or a direct result of a breach of the Agreement by the County. Additionally, neither the airline nor the County will be liable for indirect, consequential, special or exemplary damages, whether in contract or tort, including strict liability, negligence, and nuisance. Given the extensive negotiations undertaken to finalize the Agreement, staff is recommending approval of this item. The Resolution authorizes the County Administrator, or designee, which in this case is the Director of the Department of Airports (Department), to execute the approved standard form Agreement, including non-material modifications, updates to insurance provisions and revisions necessitated by changes in applicable law or grant assurance obligations, thereby reducing administrative delays associated with obtaining separate BCC approval for individual Agreements and each qualifying amendment. **Countywide (SB)**

Background and Justification: On August 20, 2019, the BCC approved the current standard-form Signatory Cargo Carrier Operating and Lease Agreement pursuant to Resolution R2019-1154. The current agreements executed under that authority are scheduled to expire on September 30, 2026. Over the past year, the Department has conducted extensive negotiations with the existing signatory airlines, including signatory cargo carriers, operating at DJT concerning the terms and conditions of a new standard-form Agreement. The Department recommends approval of the new standard form Agreement to ensure the continued uninterrupted operation of cargo carrier services at DJT and to facilitate the timely execution of successor agreements prior to the expiration of the current agreements.

Attachments:
1. Resolution

Recommended By: Laura Beebe — Department Director — 8/05/26 Date

Approved By: [signature] — Chief Deputy County Administrator — 8/25/26 Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2026	2027	2028	2029	2030
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 ____ No X

Does this item include the use of federal funds? Yes ____ No X

Does this item include the use of state funds? Yes ____ No X

Budget Account No: Fund _ Department ___Unit ___ Resource __
Reporting Category ____________

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

There is no fiscal impact with approval of the standard form Agreement. The fiscal impact of approved Agreements will be included in the agenda item for such completed agreements.

C. Departmental Fiscal Review: ____________

III. REVIEW COMMENTS

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

8/21/2026
OFMB

8/25/26
Contract Dev. and Control
8.24.26

B. Legal Sufficiency:

8/26/26
Assistant County Attorney

C. Other Department Review:

____
Department Director

RESOLUTION NO. 2026-_______

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, ADOPTING A NEW STANDARD FORM SIGNATORY CARGO CARRIER OPERATING AND LEASE AGREEMENT FOR THE PRESIDENT DONALD J. TRUMP INTERNATIONAL AIRPORT (DJT); AUTHORIZING THE COUNTY ADMINISTRATOR OR DESIGNEE TO EXECUTE THE STANDARD FORM AGREEMENT ON BEHALF OF THE BOARD OF COUNTY COMMISSIONERS, INCLUDING NON-MATERIAL MODIFICATIONS, UPDATES TO INSURANCE PROVISIONS AND REVISIONS NECESSITATED BY CHANGES IN APPLICABLE LAW OR GRANT ASSURANCE OBLIGATIONS, ON BEHALF OF THE BOARD OF COUNTY COMMISSIONERS; REPEALING RESOLUTION R2019-1154; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Palm Beach County ("County"), by and through its Department of Airports ("Department"), owns and operates the commercial service airport located at 1000 James L. Turnage Blvd, West Palm Beach, FL 33406, currently known as the President Donald J. Trump International Airport (DJT); and

WHEREAS, the Board of County Commissioners ("Board") 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 pursuant to Resolution R2019-1154; and

WHEREAS, the Signatory Cargo Carrier Operating and Lease Agreements entered into pursuant to the aforementioned resolution are scheduled to expire on September 30, 2026; and

WHEREAS, the Board desires to authorize the County Administrator or designee to execute a new standard form Signatory Cargo Carrier Operating and Lease Agreement (as hereinafter provided) on behalf of the Board; and

WHEREAS, the delegation to the County Administrator or designee to execute standard form agreements eliminates delays caused by requiring the agreements to be brought before the Board, which is consistent with the Board's goal to streamline the agenda process.

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 hereby adopts a new standard form Signatory Cargo Carrier Operating and Lease Agreement for DJT in the form attached hereto and incorporated herein as Attachment "A" ("Agreement"). The County Administrator or designee is hereby authorized to execute, on behalf of the Board, standard-form Agreements, including Agreements that incorporate non-material modifications, updates to insurance provisions requested by the County's Risk Management Department, and revisions necessitated by changes in applicable law or by federal or state grant assurance obligations. For purposes of this Resolution, "non-material changes" shall mean changes that do not alter the substantive obligations, rights, or financial commitments of the County.

3. It is the intention of the Board that this delegation of signature authority is limited to the parameters set forth herein. The County Administrator's designee for purposes of this Resolution shall include the Director of the Department of Airports.

4. Resolution R2019-1154 is hereby repealed in its entirety; provided, however, the repeal of the aforementioned resolution shall not have any effect on the validity of any agreement entered into pursuant to such resolution prior to the effective date of this Resolution.

5. 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.

6. 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 SARA BAXTER, MAYOR	-
COMMISSIONER MARCI WOODWARD, VICE MAYOR	-
COMMISSIONER MARIA G. MARINO	-
COMMISSIONER GREGG K. WEISS	-
COMMISSIONER JOEL G. FLORES	-
COMMISSIONER MARIA SACHS	-
COMMISSIONER BOBBY POWELL JR.	-

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

SHANNON RAMSEY-CHESSMAN
CLERK of the CIRCUIT COURT & COMPTROLLER

By: ____________________________
Deputy Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: ____________________________
County Attorney

ATTACHMENT "A"

SIGNATORY CARGO CARRIER OPERATING AND LEASE AGREEMENT

SIGNATORY CARGO CARRIER OPERATING AND LEASE AGREEMENT
PALM BEACH COUNTY DEPARTMENT OF AIRPORTS

____
Airline

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EXHIBITS

SIGNATORY CARGO CARRIER
OPERATING AND LEASE AGREEMENT

THIS SIGNATORY CARGO CARRIER OPERATING AND LEASE AGREEMENT (this "Lease") is made and entered into ________________, by and between Palm Beach County, a political subdivision of the State of Florida ("County"), and ______________, a __________________, having its office and principal place of business at ________________________ ("Airline") (each a "Party" and collectively, the "Parties").

WITNESSETH:

WHEREAS, County owns and operates, by and through its Department of Airports, the commercial service airport located at 1000 James L. Turnage Blvd, West Palm Beach, FL 33406, currently known as the President Donald J. Trump International Airport; and

WHEREAS, Airline is a Cargo Air Carrier (as hereinafter defined); and

WHEREAS, County has certain areas within its air cargo facilities at the Airport, which are available for lease; and

WHEREAS, Airline desires to lease space within an air cargo building located on the Airport for the purpose of conducting its air freight and cargo operations; and

WHEREAS, Airline has indicated a willingness and demonstrated the ability to properly keep, maintain and improve said facilities in accordance with the terms and conditions of this Lease; and

WHEREAS, Airline desires to obtain certain rights, services and privileges as a Signatory Airline (as hereinafter defined) in connection with the use of the Airport and its facilities, and County is willing to grant the same to Airline upon the terms and conditions hereinafter set forth.

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

ARTICLE 1 - RECITALS

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

ARTICLE 2 – DEFINITIONS

The following words, terms, and phrases wherever used in this Lease shall have the meanings set forth in this Article and the meanings shall apply to both singular and plural forms of such words, terms, and phrases. Additional words, terms, and phrases used in this Lease, but not defined in this Article or in the Rate and Fee Schedule (as hereinafter defined), shall have the meanings set forth in the Bond Resolution:

2.01 "Accelerated Amount" has the meaning set forth in Section 18.03(A).

2.02 "Activity Report" means the monthly report required to be submitted by Airline to County pursuant to Section 5.05(A) regarding Airline's activities and operations at the Airport, including, but not limited to, aircraft landing statistics, aircraft parking operations and amounts paid or owed to County based on Airline's activities and operations at the Airport. The Activity Report shall be in a form and substance reasonably acceptable to County.

2.03 "Additional Rent" has the meaning set forth in Section 5.09.

2.04 "Adjustment Date" has the meaning set forth in Section 5.03.

2.04 "Air Carrier" means any carrier authorized under applicable law to engage in the commercial carriage by air of passengers, property, parcels, cargo, and/or mail.

2.05 "Aircraft Parking Fees" has the meaning set forth in the Rate and Fee Schedule.

2.06 "Air Cargo Building" means Building 1475 located on the Airport.

2.07 "Air Cargo Building Parking Lot" has the meaning set forth in Section 4.02(A).

2.08 "Airfield" means 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.

2.09 "Airfield Cost Center" has the meaning set forth in the Rate and Fee Schedule.

2.10 "Airline" means the Air Carrier identified in the preamble of this Lease.

2.11 "Airline Party" means the Airline and its officers, agents, employees, contractors, invitees (excluding passengers), licensees, subtenants, suppliers of service and materials and/or any other Persons whomsoever acting on behalf of or at the request of Airline. The terms Airline Party and Airline Parties shall be construed interchangeably so that Airline Party refers to an individual Airline Party and Airline Parties refers to two or more Airline Parties collectively.

2.12 "Airport" means the commercial service airport owned by County located at 1000 James L. Turnage Blvd., West Palm Beach, FL 33406.

2.13 "Airport Equipment" means County-owned equipment made available to Airline for use at the Airport, including, without limitation, Baggage Handling Systems, fixed and mobile passenger loading bridges/ramps, mechanical boarding assistance devices, pre-conditioned air units, ground power units, and similar equipment.

2.14 "Airport Layout Plan" means the approved scaled drawing of the existing and proposed land and facilities necessary for the operation and development of the Airport submitted to the Federal Aviation Administration by County pursuant to the airport sponsor grant assurance requirements.

2.15 "Airport Rules and Regulations" means the Palm Beach County Airport Rules and Regulations adopted by Resolution No. 98-220 as codified in Appendix B of the Palm Beach County Code, as now or hereafter amended, and any successor resolution adopted by the Palm Beach County Board of County Commissioners regulating activities or operations on the Airport; provided, however, to the extent a future amendment or provisions of a successor resolution would apply to Airline as an Air Carrier operating at the Airport, such future amendment or provisions shall be reasonable, applied in a non-discriminatory manner, and shall not materially increase Airline's obligations, decrease Airline's rights, or otherwise conflict with the terms of this Lease.

2.16 "Airport System" means all real property or any interest therein, including improvements thereto, structures, buildings, fixtures, and other personal property that are located on the Airport, Palm Beach County Park Airport, Palm Beach County Glades Airport, North Palm Beach County General Aviation Airport, and any other airport hereafter owned, leased or operated by County.

2.17 "Air Transportation Service(s)" means those service(s) and operation(s) related to or provided by Airline at the Airport for the commercial transportation of property, parcels, cargo and mail by air, including services and operations necessary and incidental thereto.

2.18 "Assigned Building Premises" has the meaning set forth in Section 4.01(A).

2.19 "Assignment" has the meaning set forth in Section 19.01.

2.20 "Baggage Handling System Cost Center or BHS Cost Center" has the meaning set forth in the Rate and Fee Schedule.

2.21 "Bond Resolution" means County Resolution No. 84-427 authorizing the issuance of the Palm Beach County Airport System Revenue Bonds, adopted by the Board of County Commissioners of Palm Beach County on April 3, 1984, as amended in full on November 1, 1984 by County Resolution No. 84-1659, as now or hereafter amended and supplemented, and including any successor bond resolution. The Bond Resolution is hereby incorporated herein by this reference and made a part hereof.

2.22 "Board" means the Board of County Commissioners of Palm Beach County, Florida.

2.23 "Bonds" means any bonds or other financing instrument authenticated and delivered under and pursuant to the Bond Resolution.

2.24 "Business Day" means any day other than a Saturday, Sunday or County holiday. Use of the word "day", as opposed to Business Day, means calendar day of twenty-four (24) hours measured from midnight to the next midnight.

2.25 "Capital Expenditure" means an expenditure made to acquire, purchase or construct a single capital item for the purpose(s) of improving, maintaining or developing the Airport System.

2.26 "Capital Improvement Project" means a Capital Expenditure that is, or is estimated to be, funded with more than Three Million Dollars ($3,000,000) in Revenues and will result in costs being allocated to the Airfield, Baggage Handling System or Terminal Cost Centers during the Term of this Lease.

2.27 "Cargo Air Carrier" means any Air Carrier engaged solely in the commercial transportation of freight, mail, or express packages, whether scheduled or unscheduled, that operates to and from the Airport and holds any and all necessary authority to provide such Air Transportation Services from all appropriate federal and state agencies.

2.28 "Commencement Date" has the meaning set forth in Section 3.02.

2.29 "Commercially Reasonable Efforts" means the efforts a reasonable business entity (in the case of Airline) or governmental entity (in the case of County) would use under similar circumstances when acting in a determined manner to achieve an intended result.

2.30 "Confidential Information" has the meaning set forth in Section 5.08(B).

2.31 "Contract Security" has the meaning set forth in Section 5.07(A).

2.32 "County" has the meaning set forth in the preamble of this Lease.

2.33 "County Party" means County and its elected officers, employees and agents. The terms County Party and County Parties shall be construed interchangeably so that County Party refers to an individual County Party and County Parties refers to two or more County Parties collectively.

2.34 "Damages" has the meaning set forth in Article 20.

2.35 "Deferral Notice" has the meaning set forth in Section 7.02(C).

2.36 "Department" means the Palm Beach County Department of Airports, which is the department designated with the responsibility for the operation, maintenance and management of the County's Airport System on behalf of County.

2.37 "Department Director" means the Director, Senior Deputy Director or Acting Director of the Palm Beach County Department of Airports.

2.38 "Department of Homeland Security" means the United States Department of Homeland Security and any divisions thereof, including, but not limited to, the TSA.

2.39 "Department of Transportation" means the United States Department of Transportation and any divisions thereof, including, but not limited to, the FAA.

2.40 "Derelict Aircraft" means an aircraft, stored in the open, that:

A. Does not hold a current and valid airworthiness certificate issued by the FAA, or other appropriate aircraft certificating authority, together with necessary aircraft registration and maintenance records with a current endorsement by an appropriately rated certificate holder that the aircraft is in an airworthy condition; or

B. Has been issued a condition notice by the FAA that specifies that the aircraft has one or more conditions that render it not airworthy; or

C. Has had major components, accessories, flight controls, portions of the airframe or engines removed so as to render the aircraft not airworthy.

2.41 "Derelict Vehicle" means a vehicle designed for use on the roadways that is in a wrecked, dismantled or partially dismantled condition, or which is discarded and in an inoperable condition.

2.42 "Effective Date" has the meaning set forth in Section 3.01.

2.43 "Emergency Landing" means any flight that, after taking off from the Airport and without making a landing at any other airport, returns to land at the Airport because of meteorological conditions or operating causes, or for any other similar emergency or precautionary reason.

2.44 "Environmental Laws" means all applicable federal, state and local laws, rules, orders, regulations and remediation standards governing the protection of human health, the environment and/or natural resources, as such laws, rules, orders and regulations are now or hereafter amended, including, but not limited to, 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.

2.45 "Environmental Operating Fees" has the meaning set forth in the Airport Rules and Regulations.

2.46 "Estimate" has the meaning set forth in Section 15.02.

2.47 "Estimated Rates" has the meaning set forth in Section 6.03(A).

2.48 "Event of Default" has the meaning set forth in Section 18.02.

2.49 "Excused Delays" means delays occurring by reason of casualties, acts of God (including tornados, hurricanes and other forms of inclement weather), strikes, lockouts, other labor troubles, non-availability of labor or materials or other causes reasonably characterized as being beyond a Party's control and that are not the result of such Party's negligence or intentional misconduct.

2.50 "FAA" means the Federal Aviation Administration and its authorized successors.

2.51 "Final Airline Amount" has the meaning set forth in Section 6.03(B).

2.52 "Final Settlement Statement" has the meaning set forth in Section 6.03(B).

2.53 "Fiscal Year" means County's annual accounting period for its general accounting purposes, which as of the Effective Date of this Lease, is the period of twelve (12) consecutive months commencing on October 1st and ending on September 30th of each year.

2.54 "Grant Obligations" has the meaning set forth in Section 25.01(B).

2.55 {**Insert if applicable**: "GSE Area" has the meaning set forth in Section 4.01(C)}.

2.56 "Hazardous Substance" means any substance defined as a "hazardous waste", "hazardous material", "hazardous substance", "pollutant", or "contaminant" under any Environmental Laws; any substance that is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is regulated by any governmental authority, agency, department, commission, board, agency, or instrumentality of the United States or the State of Florida; any substance that contains gasoline, diesel fuel, or other petroleum hydrocarbons or volatile organic compounds; any substance that contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation; or any substance, excluding those naturally occurring at the Airport, that contains or emits radioactive particles, waves, or materials, including, but not limited to, radon gas.

2.57 "Incumbency Period" has the meaning set forth in Section 5.07(B).

2.58 "Landed Weight" means the maximum gross certificated landing weight, as certified by the FAA, in one thousand pound units, for each aircraft operated by Airline at the Airport.

2.59 "Landing Area" means those portions of the Airport provided for the landing, take off and taxiing of aircraft, including, but not limited to, approach and turning zones, avigation or other easements, runways, taxiways, runway and taxiway lights, and other appurtenances in connection therewith.

2.60 "Landing Fees" has the meaning set forth in the Rate and Fee Schedule. The Landing Fees constitute consideration for, among other things, Airline's use of the Preferential Use Parking Apron.

2.61 "Lease" means this Signatory Cargo Carrier Operating and Lease Agreement between County and Airline, as amended and supplemented, and all addenda, schedules and exhibits hereto, which are incorporated herein by this reference. Words such as "herein," "hereafter," "hereof," "hereto," "hereby" and "hereunder," when used with reference to this Lease, refer to this Lease as a whole, unless the context otherwise requires.

2.62 "Licensed Areas" has the meaning set forth in Section 4.02.

2.63 "Loading Dock" has the meaning set forth in Section 4.02(B).

2.64 "Majority In Interest of Airlines ("MII")" means: (a) for the Terminal Cost Center and Baggage Handling System Cost Center at least fifty percent (50%) in number of the Scheduled Air Carrier Signatory Airlines and together had at least sixty-six percent (66%) of the Total Passengers, including those carried by the Scheduled Air Carrier Signatory Airlines' Affiliates, during the immediately preceding Fiscal Year; and (b) for the Airfield Cost Center at least fifty percent (50%) in number of the Scheduled Air Carrier Signatory Airlines and Cargo Carrier Signatory Airlines who together had at least sixty-six percent (66%) of the total Landed Weight, including the Landed Weight of the Scheduled Air Carrier Signatory Airlines' Affiliates, during the immediately preceding Fiscal Year.

2.65 "Major Maintenance" means repair activities other than routine servicing activities normally requiring more than two (2) hours to complete.

2.66 "Minimum Annual Commitment" means One Million Five Hundred Thousand Dollars ($1,500,000) for each Scheduled Air Carrier Signatory Airline and Five Hundred Thousand Dollars ($500,000) for each Cargo Air Carrier Signatory Airline, which shall represent the Signatory Airline's minimum annual financial commitment to County for each Fiscal Year during the Term of this Lease. Accordingly, as a Cargo Air Carrier Signatory Airline, Airline's Minimum Annual Commitment shall be Five Hundred Thousand Dollars ($500,000). If the Commencement Date occurs on a day other than the first day of the Fiscal Year (October 1st), the Minimum Annual Commitment for that initial Fiscal Year shall be prorated based on the number of days remaining in the Fiscal Year, commencing on the Commencement Date and ending on the last day of the Fiscal Year. Satisfaction of the Minimum Annual Commitment shall be determined prior to the application of Revenue Sharing and any applicable Rental Credits and shall include all applicable fees, rentals, and charges paid by Airline hereunder, including, but not limited to, Landing Fees, Baggage Handling System Fees, Terminal Rentals, cargo building rentals paid by Cargo Air Carrier Signatory Airlines, Aircraft Parking Fees, and Airport Equipment charges. Notwithstanding the foregoing, any interest or other amounts paid by Airline for failure to comply with the requirements of this Lease shall not be included in the calculation of the Minimum Annual Commitment. In the event Airline fails to satisfy the Minimum Annual Commitment for any Fiscal Year, Airline shall remit a Shortfall Payment to County in accordance with Section 6.03. Failure to timely remit any required Shortfall Payment to County shall be a material default of this Lease. If Airline permanently ceases flight operations at the Airport, Airline shall be responsible for payment of the Minimum Annual Commitment through the remainder of the Term of this Lease. The unpaid portion of such remaining Minimum Annual Commitment shall be due and payable to County within thirty (30) days after the date Airline permanently ceases operations at the Airport. The obligations set forth in this paragraph shall survive termination or expiration of this Lease. For avoidance of doubt, Airline shall not be deemed to have permanently ceased flight operations at the Airport if such cessation results from damage, destruction, or the unavailability of the Premises or Airport pursuant to Article 15, or from the County's uncured default under Section 18.04, or from events outside Airline's reasonable control, including, but not limited to, acts of God, government action, airspace restrictions, or labor disputes not caused by Airline.

2.67 "Minor Aircraft Maintenance" means routine aircraft service activities that normally require less than two (2) hours to complete, and that would not ordinarily appreciably affect weight, balance, structural strength, performance, powerplant operation, flight characteristics, or other qualities affecting airworthiness.

2.68 "Net Remaining Revenues" has the meaning set forth in the Rate and Fee Schedule.

2.69 "Nonairline Revenues" means Revenues that are not derived from Air Carriers.

2.70 "Nonrevenue Landing" means any aircraft landing by Airline at the Airport for a flight for which Airline receives no revenue, and shall include Emergency Landings.

2.71 "Operating Procedures" means reasonable and nondiscriminatory directives, standards, and procedures established by the Department for the routine conduct of operations at the Airport, as may be amended from time to time by the Department. Operating Procedures shall be consistent with the terms of this Lease and shall not materially alter the rights or obligations of Airline hereunder, nor conflict with any provision herein.

2.72 "Passenger Facility Charge ("PFC")" has the meaning ascribed to it in 49 U.S.C. § 40117, as now or hereafter amended, and any successor law authorizing similar fees.

2.73 "PBSO" means the Palm Beach County Sheriff's Office.

2.74 "Person" includes a partnership, joint venture, association, corporation, limited liability company, trust, governmental agency or other entity, or, where the context so permits or requires, a natural person.

2.75 "Plans" have the meaning set forth in Section 8.01(A).

2.76 "Preferential Use" means a license granting the user the first right or priority of use of certain airport facilities or areas for aircraft operations. The right of Preferential Use shall not preclude use of an airport area or facility by others when such areas or facilities are not in Active Use by the user with the right of Preferential Use. For purposes of this definition, the term "Active Use" shall mean active loading or unloading of parcels, freight and cargo, or the performance of Minor Aircraft Maintenance as permitted under this Lease. For purposes of Preferential Use, the period of Active Use shall commence two (2) hours prior to a scheduled arrival of aircraft in Airline's fleet or feeder aircraft involved in Airline's air cargo transportation business, and shall end one (1) hour following the departure of such aircraft.

2.77 "Preferential Use Parking Apron" has the meaning set forth in Section 4.01(B).

2.78 "Preliminary Settlement Statement" has the meaning set forth in Section 6.03(A).

2.79 "Premises" means the Assigned Building Premises, Preferential Use Parking Apron and the Licensed Areas.

2.80 "Proposed Statement of Rates" has the meaning set forth in Section 6.02(A).

2.81 **{Insert if applicable:** "Prior Lease" means that certain Signatory Cargo Carrier Operating and Lease Agreement by and between County and Airline dated _____________ 20___, (R20__ - ___), entered into pursuant to Resolution 2019-1154.}

2.82 "Public Airport Facilities" means the runways, taxiways, public roadways, sidewalks and other facilities and improvements, as may now be in existence or hereinafter constructed, for the use of Persons lawfully using the Airport. The term "Public Airport Facilities" shall not be construed as including any areas of the Airport, which are leased or under the contractual control of others.

2.83 "Rate and Fee Schedule" means the methodology for determining rates, fees and charges hereunder set forth in Exhibit "E", attached hereto and incorporated herein, which methodology shall apply through the Term of this Lease. Notwithstanding any provision of this Lease to the contrary, Airline acknowledges and agrees that the Rate and Fee Schedule shall be subject to modification by the County upon the expiration of this Lease, and the then current Rate and Fee Schedule approved by County's Board of County Commissioners shall apply to any holdover tenancy.

2.84 "Rental Credits" mean any authorized credits applied against amounts otherwise payable by Airline to County under this Lease, including credits resulting from adjustments, reconciliations, abatements, or other County-approved financial allowances, all as determined in accordance with the terms of this Lease. Rental Credits shall be issued by County in the form of a credit memo and may not be applied by Airline against any amounts due until such Rental Credit has been reviewed, approved, and formally issued by County.

2.85 "Revenue Landing" means any flight that lands at the Airport for which Airline receives revenue; provided, however, an Emergency Landing shall not be considered a Revenue Landing.

2.86 "Revenues" means income and revenue derived by County in connection with the operation of the Airport System, as the term "Revenues" is further defined, limited and determined in accordance with the Bond Resolution and this Lease. The term "Revenues" shall not include PFCs; grants and governmental appropriations or assistance; bond, loan or other debt proceeds; insurance recoveries; proceeds from the sale of land; customer facility fees, transportation facility fees or similar rental-car facility charges; or any funds legally restricted or pledged to a specific purpose. For the avoidance of doubt, this exclusion expressly includes any interest, earnings, or investment income earned on or otherwise attributable to any of the foregoing.

2.87 "Revenue Sharing Amount" means Airline's Total Revenue Sharing Amount as determined in accordance with Section III of the Rate and Fee Schedule.

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

2.89 "Scheduled Air Carrier" means an Air Carrier engaged in the commercial transportation of passengers that performs or desires to perform, pursuant to published schedules, Air Transportation Services over specified routes to and from Airport, and holds any and all necessary authority to provide such Air Transportation Services from all appropriate federal and state agencies. Such carrier may also transport cargo, mail, or express packages in connection with its passenger services as permitted by applicable law.

2.90 "Section" refers to the individual sections of this Lease contained in each Article.

2.91 "Settlement" means the process of determining the Settlement Amount, if any, due County or Airline set forth in Section 6.03 and the Rate and Fee Schedule.

2.92 "Settlement Amount" means the amount due County or Airline based upon the difference between: (a) the amount paid by Airline in a Fiscal Year based upon the Estimated Rates contained in the Statement of Rates; and (b) the amount Airline or County owes based upon a recalculation of the rates by County using audited financial data for such Fiscal Year in accordance with the Rate and Fee Schedule as set forth in Section 6.03.

2.93 "Service Road" has the meaning set forth in Section 4.02(D).

2.94 "Shortfall Payment" means a payment owed by Airline to County for failure to satisfy the Minimum Annual Commitment in any Fiscal Year during the Term of this Lease, which shall be an amount equal to the difference between the Minimum Annual Commitment and the Final Airline Amount.

2.95 "Signatory Airline" means a Scheduled Air Carrier or Cargo Air Carrier that has entered into a Signatory Airline Agreement or Signatory Cargo Carrier Operating and Lease Agreement with County, committing to pay County no less than the then current Minimum Annual Commitment applicable to Signatory Airlines.

2.96 "Signatory Airline Agreement" means the standard form Signatory Airline Agreement approved by the Palm Beach County Board of County Commissioners pursuant to Resolution No. 2026-TBD, as may be amended.

2.97 "Signatory Cargo Carrier Agreement" means the standard form Signatory Cargo Carrier Operating and Lease Agreement approved by the Palm Beach County Board of County Commissioners pursuant to Resolution No. 2026-TBD, as may be amended.

2.98 "Special Purpose Facility" means a Capital Improvement Project, equipment, property or facility to be acquired, constructed or leased to be fully paid or reimbursed from funds other than Revenues.

2.99 "Statement of Rates" has the meaning set forth in Section 6.01(B).

2.100 "Term" means the initial term set forth in Section 3.02 and shall include any renewal term as provided in Section 3.03.

2.101 "Terminal Cost Center" has the meaning set forth in the Rate and Fee Schedule.

2.102 "Through-way Ramp Area" has the meaning set forth in Section 4.02(C).

2.103 "TSA" means the Transportation Security Administration of the Department of Homeland Security or any successor agency responsible for airport security.

ARTICLE 3 - TERM

3.01 Effective Date. This Lease shall become effective upon execution by both Airline and County ("Effective Date").

3.02 Term. The term of this Lease shall commence on ______________________ ("Commencement Date") and shall terminate on September 30, 2031, unless sooner terminated pursuant to the terms of this Lease or renewed in accordance with Section 3.03.

3.03 Renewal Term. Provided Airline is not in default of any of the terms and conditions of this Lease beyond the expiration of applicable notice and cure period, this Lease shall be automatically extended for one (1) additional renewal term of two (2) years through September 30, 2033, unless:

A. Seventy-five percent (75%) or more of Signatory Airlines operating at the Airport provide written notice to County on or before October 1, 2030, of their intent not to renew their individual Signatory Airline Agreements and Signatory Cargo Carrier Agreements with County and, upon the occurrence of such event, County shall provide written notice thereof to Airline; or

B. County provides written notice to Airline no later than October 1, 2030, of County's intent not to renew this Lease.

The Parties acknowledge and agree that, if Airline provides notice on or before October 1, 2030, of its intent not to renew this Lease, the term shall not be extended with respect to Airline, irrespective of whether the Signatory Airline Agreements and Signatory Cargo Carrier Agreements are extended with other Signatory Airlines. The Parties acknowledge and agree that, unless the provisions of Section 3.03(A) occur or written notice is provided by the County in accordance with Section 3.03(B), this Lease shall be deemed extended. The renewal term shall be upon the same terms and conditions set forth herein.

ARTICLE 4 - PREMISES AND PRIVILEGES

4.01 Description of Premises and Specific Privileges, Uses and Rights.

A. County hereby demises and leases to Airline, and Airline rents from County approximately ____ (__) square feet of interior cargo space within the Air Cargo Building, as more particularly described in the attached Exhibit "A" (the "Assigned Building Premises") for office administration, shipping, receiving, storage, sorting, loading and unloading of parcels, freight and cargo and for minor maintenance of Airline's ground support equipment and aircraft components.

B. County hereby grants to Airline a license to use Aircraft Parking Apron Position _____, as more particularly depicted in Exhibit "B" ("Preferential Use Parking Apron"), on a Preferential Use basis for the purposes of aircraft parking, Minor Maintenance and the staging, in a neat manner, of containers and ground support equipment necessary for the active loading and unloading of parcels, freight and cargo.

{C. INSERT IF APPLICABLE. County hereby demises and leases to Airline, and Airline rents from County approximately ___ (___) square feet of ground, as more particularly identified on the attached Exhibit "A" ("GSE Area"), for the storage of Airline's ground support equipment. The GSE Area shall be kept in a neat and orderly condition and shall not be used for long-term storage of inoperable equipment.}

4.02 Licensed Areas and Specific Privileges, Uses and Rights. County hereby grants to Airline a non-exclusive license to use the following areas, as more particularly depicted in Exhibit "B" (the "Licensed Areas"):

A. The air cargo building parking lot for employee and visitor parking ("Air Cargo Building Parking Lot"). Department reserves the right to designate or assign use of all or portions of the Air Cargo Building Parking Lot to specific Air Cargo Building tenants, or for the exclusive use of visitors. Notwithstanding the foregoing, sufficient parking shall remain available for use by Airline and its visitors at all times during the Term of this Lease.

B. The loading dock and loading ramp area east of and adjacent to the Air Cargo Building ("Loading Dock"), for shipping, receiving, loading and unloading of cargo.

C. The through-way ramp, consisting of an area extending sixty (60) feet from and located immediately adjacent to the west side of the Air Cargo Building ("Through-way Ramp Area"), for the purposes of active shipping, receiving, loading and unloading in accordance with the terms and conditions of this Lease.

D. The service road for the purposes of ingress to and egress from the Aircraft Parking Apron and Through-way Ramp Area ("Service Road") in accordance with the terms and conditions of this Lease.

E. Aircraft Parking Apron Position 3, in common with other tenants of the Air Cargo Building, on an as-needed basis subject to availability and payment of applicable Aircraft Parking Fees.

4.03 Revocation of License. If County provides Airline written notice that it intends to permanently revoke Airline's license to use the Licensed Areas and if County does not contemporaneously offer Airline the use of alternative areas on the Airport that will permit Airline to continue its activities without material adverse effect, Airline shall have a right, for a period of one hundred eighty (180) days from the date of County's notice, to terminate this Lease by delivering written notice to County. In the event Airline fails to exercise its right to terminate this Lease within the aforementioned one hundred eighty (180) day period, Airline shall be deemed to have waived its right to terminate this Lease pursuant to this Section, and this Lease shall continue in full force and effect. Temporary closures or restrictions on access to the Licensed Areas that County puts in effect: (a) for repair, maintenance or construction activities, (b) as the result of acts of God (including tornadoes, hurricanes and other forms of inclement weather), (c) to comply with security requirements of the TSA, or (d) for other similar occurrences, shall not constitute a permanent or constructive revocation of Airline's non-exclusive license to use the Licensed Areas for purposes of this Section.

4.04 General Privileges, Uses and Rights. In addition to the specific privileges granted in this Article, County hereby grants to Airline the following general privileges, uses and rights, all of which shall be subject to the terms, conditions, and covenants hereinafter set forth and all of which shall be non-exclusive on the Airport:

A. The general use, in common with others, of all Public Airport Facilities and improvements that are now or may hereafter be connected with or appurtenant to the Airport to be used by Airline, its agents and employees, patrons and invitees, suppliers of service, furnishers of material, and authorized subtenants, if any, which includes the nonexclusive right to use the Airport's Airfield, including, but not limited to, runways and taxiways.

B. The right of ingress to and egress from the Premises over and across public roadways serving the Airport for Airline, its agents and employees, patrons and invitees, suppliers of service and furnishers of material, and its authorized subtenants, if any. Said right shall be subject to such laws, rules, regulations and orders as now or may hereafter have application at the Airport.

Except as expressly set forth in this Article, nothing herein contained shall be construed to grant to Airline the right to use any space or area improved or unimproved which is leased to, or under contractual control of a third party, or which County has not leased or licensed herein. The rights provided for herein shall be subject to the Airport Rules and Regulations and Operating Procedures, as may be amended from time to time, and subject to payment of all applicable fees and charges.

4.05 <u>Restrictions on Privileges, Uses and Rights.</u>

A. Department shall have the right to establish Operating Procedures governing the use of the Preferential Use Parking Apron, Licensed Areas and Public Airport Facilities. Airline agrees to be subject to, and comply with, such Operating Procedures.

B. The rights granted hereunder are expressly limited to the improvement, maintenance, and operation of the Premises pursuant to the terms and conditions of this Lease, and nothing herein shall be construed to give Airline any rights in any future expansion, renovation or relocation of the Airport or air cargo facilities. Airline covenants and agrees that the Premises shall be utilized solely for the uses permitted in this Article and for no other purpose whatsoever.

C. Parking of boats, motor homes or inoperable vehicles and the stockpiling or storage of inoperable equipment, machinery and containers within the Premises or other areas of the Airport is strictly prohibited. Parking of automobiles upon the Loading Dock is prohibited. Long-term parking of any motorized vehicle or trailer upon the Loading Dock is prohibited.

D. With regard to Airline's right to store aircraft parts within the Assigned Building Premises, Airline may only store parts intended for installation on aircraft in Airline's fleet or on feeder aircraft involved in Airline's air cargo transportation business. All such storage must be contained within the Assigned Building Premises, and shall be limited to the storage incidental to Airline's overall operation and use of the Assigned Building Premises.

E. Except as otherwise provided for herein, use of the Premises and other areas of the Airport for Major Maintenance on aircraft, automobiles or equipment and painting or stripping of equipment is strictly prohibited.

F. Except as otherwise provided for herein, or otherwise approved in writing by Department, the Service Road, Through-way Ramp Area, and Loading Dock shall be maintained and kept free and clear to allow for the lateral movement of other Airlines' freight, equipment, and personnel in these non-exclusive areas. Furniture, chairs and similar items shall be prohibited on the Loading Dock. All tenants of the Air Cargo Building shall have the right to make such movements within said areas according to each tenant's business needs.

G. Airline shall only be permitted to park upon the Preferential Use Parking Apron aircraft that Airline owns, leases, or has contracted to handle. Airline acknowledges that the availability of aircraft parking positions at the Air Cargo Building is limited and that such positions are to be used in common with others subject to Airline's Preferential Use of the Preferential Use Parking Apron. Department shall have the right to require Airline to relocate Airline's aircraft to designated areas elsewhere on the Airport and to relocate its staged containers and ground support and loading equipment during times when such aircraft are not being actively loaded or unloaded and an aircraft parking position is needed to accommodate another Air Cargo Building tenant for such activities, subject to Airline's Preferential Use of the Preferential Use Parking Apron. Overnight or long-term parking of aircraft on the Preferential Use Parking Apron is prohibited. Department may designate areas of the Airport for overnight or long-term parking of aircraft. Airline shall be responsible for payment of any applicable Aircraft Parking Fees for parking of aircraft on areas outside of the Preferential Use Parking Apron.

H. Persons, including, but not limited to, Airline's employees, shall not loiter or remain overnight on the Premises or elsewhere at the Airport. The foregoing will not preclude Airline's personnel from being present on the Premises each day between 4:00 a.m. and the following midnight.

4.06 Condition and Use of the Premises. Subject to County's maintenance and repair obligations under this Lease, Airline expressly acknowledges that it has inspected the Premises and Airport and accepts both in their "AS IS CONDITION" and "WITH ALL FAULTS," together with all defects, latent and patent, if any. Airline further acknowledges that County has made no representations or warranties of any nature whatsoever regarding the Airport or the Premises, including, but not limited to, the physical and/or environmental condition of the Premises or any improvements located thereon; the value of the Premises or improvements; the zoning of the Premises; title to the Premises; the suitability of the Premises or any improvements for Airline's intended use; or Airline's legal ability to use the Premises for Airline's intended use. The foregoing will not affect any obligation to maintain or repair the Premises and the Licensed Areas that the County expressly undertakes under the terms of this Lease.

4.07 Service/Repair. Airline shall engage in the servicing, repair, remote overnight storage, long term storage and maintenance of Airline's aircraft only in areas on the Airport designated by County for such purposes, which shall be subject to availability and to payment of applicable fees and charges established for the use of such areas; provided, however, that emergency maintenance and line maintenance shall be permitted at Airline's Preferential Use Parking Apron.

4.08 Training. Airline may train personnel employed, or to be employed, by Airline and test aircraft and other equipment owned or operated by Airline on the Airport; provided, however, such training and testing, including, but not limited to, practice approaches, shall be incidental to the use of the Airport by Airline for the provision of its Air Transportation Services. In addition, any training and testing by Airline shall not unreasonably hamper or interfere with the use of the Airport by others. County reserves the right to restrict or prohibit any training or testing activities, which it deems to interfere with the use or operation of the Airport.

4.09 Sale of Equipment and Supplies. Airline may sell, dispose of or exchange Airline's aircraft, engines and other equipment and supplies used by Airline in the provision of its Air Transportation Services; provided, however, such activities shall be incidental to the use of the Airport by Airline for the provision of its Air Transportation Services. Airline shall not sell fuel and lubricants at the Airport, unless fuel and lubricants are not available from another County-authorized source on the Airport. In such event, Airline shall comply with all applicable Airport Rules and Regulations and Operating Procedures governing the sale of fuel and lubricants at the Airport.

ARTICLE 5 - RENTAL, FEES AND CHARGES

5.01 Annual Rental. Airline shall pay to County for use of the Assigned Building Premises an initial annual rental in the amount of ____________ Dollars ($________) per square foot for approximately ___ (___) square feet or __ Dollars ($__) annually, plus any applicable taxes.

> **{Insert if applicable.** GSE Area. Airline shall pay to County for use of the GSE Area an initial annual rental of One and 10/100 Dollars ($1.10) per square foot for approximately _________ square feet (___) or ____________ Dollars ($___) annually, plus any applicable taxes.**}**

5.02 Commencement and Time of Payment. Commencing on the Commencement Date, rental shall be payable in equal monthly installments by check or electronic payment to Palm Beach County, in advance, without demand and without any deduction, holdback or set off whatsoever. Each monthly installment of rental will be due by the first day of each and every month throughout the Term. All sums due hereunder shall be delivered to the Palm Beach County Department of Airports, 846 Airport Center Drive, West Palm Beach, Florida 33406, or at such other address as may be directed by Department from time to time. For payments by wire or other electronic funds transfer, Airline shall contact Department's Accounting Section for further information. Rental shall be deemed delinquent if payment is not received by the first business day of the month in which it is due. If the Commencement Date occurs on a day other than the first day of the month, Airline 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 the actual number of days in the month in which the Commencement Date occurs). Any payment due hereunder for any other fractional month shall likewise be calculated and paid on such a per diem basis.

5.03 Adjustment of Premises Rental Rate. On October 1, 2028, and each three (3) year anniversary thereof ("Adjustment Date"), the then current rental rate shall be adjusted in accordance with the provisions of this paragraph. The new rental rate shall be determined by an appraisal obtained by County, which shall set forth the fair market rental for the Assigned Building Premises **{Insert if applicable:** and GSE Area**}**. The appraisal shall be performed, at County's sole cost and expense, by a qualified appraiser selected by County. County shall notify Airline in writing of the fair market rental of the Assigned Building Premises **{Insert if applicable:** and GSE Area**}** as established by the appraisal, which shall become the new rental rate(s). Airline shall commence paying the new rental rate on the Adjustment Date. The new rental rate shall not be less than the rental rate for the prior period. This Lease shall automatically be considered as amended to reflect the new rental rate, without formal amendment hereto, upon County's written notification of the establishment of the new rental rate applicable to the Assigned Building Premises **{Insert if applicable:** and GSE Area**}**. Notwithstanding any provision of this Lease to the contrary, Airline acknowledges and agrees that County shall have the right to establish and maintain the rental rates hereunder to ensure compliance with the provisions of Section 710 (rate covenant) of the Bond Resolution.

5.04 Fees and Charges for Aircraft Operations; Shortfall Payment. Airline shall pay to County all fees and charges set forth in the Statement of Rates applicable to its operations at the Airport for the rights, leases, licenses and privileges granted hereunder to Airline calculated by County in accordance with the methodologies set forth in the Rate and Fee Schedule and this Lease, including, but not limited to, Landing Fees, Environmental Operating Fees, and Aircraft Parking Fees for use of aircraft parking apron areas that are not licensed to Airline on a Preferential Use basis hereunder, which shall be at the rates applicable to Signatory Airlines except as otherwise expressly provided for herein. Airline shall pay any Shortfall Payment in accordance with Article 6. Airline further agrees to pay to County reasonable and nondiscriminatory fees and charges for any other services or facilities provided by County or its contractors, which are not specifically provided for in this Lease, and are accepted or requested by Airline, within thirty (30) days of the date of County's invoice for such services or facilities.

5.05 Activity Report.

A. No later than the tenth (10th) day of each month during the Term and any extension thereof, Airline shall deliver to Department an activity report detailing Airlines activities and operations on the Airport for the preceding month ("Activity Report"). Airline shall remit payment for all fees and charges based upon Airline's Activity Report including, but not limited to, Aircraft Parking Fees, Landing Fees and Environmental Operating Fees, with the Activity Report without any deduction, holdback or setoff whatsoever. Payment of such fees and charges shall be deemed delinquent if not received by the twentieth (20th) day following the month in which the activity occurred. The acceptance of any payment by County shall not preclude County from verifying the accuracy of Airline's reports on which the fees and charges to be paid by Airline are based and shall not be deemed a waiver of any interest penalties due. In the event Airline fails to provide the Activity Report within the time period specified herein or if the data in the Activity Report appears to be inaccurate, Department may, based on previous reports and other information available to Department, estimate Airline's activity for the preceding month and issue invoices based upon such estimates. If such estimates result in overpayment by Airline, County shall grant Airline a rental credit for such overpayment against future rentals, fees and/or charges payable by Airline.

B. In the event that Airline handles aircraft that it does not own or lease, Airline shall report monthly to Department, without request by County, the name, address, and telephone number of the company, including contact person responsible for such payments pursuant to this Section. Airline agrees to provide County, upon request by County, any and all reasonable information requested regarding quantities of freight and cargo handled. Airline shall provide any such information within thirty (30) days of a written request by County.

C. Payments due to County under this Section shall be delivered to the address set forth in Section 5.02 and may be paid to County by check or electronic payment.

5.06 Late Payments - Interest. In the event Airline fails to make timely payment of any rentals, fees and charges due and payable in accordance with the terms of this Lease, Department, in its sole and absolute discretion, may elect to assess late fees at an interest rate of one and one-half percent (1.5%) per month which shall accrue against the delinquent payment(s) from the date due until the date payment is received by Department. To the extent permitted by law, this provision shall not preclude County from terminating this Lease for Airline's default in the payment of fees or charges, or from enforcing any other provisions contained herein or provided by law.

5.07 Contract Security.

A. Except as otherwise provided for herein, Airline shall provide County with a clean, irrevocable letter of credit, surety bond or other security acceptable to County ("Contract Security") in an amount equal to one-third (1/3) of the Minimum

Annual Commitment, to guarantee the faithful performance by Airline of its obligations under this Lease and the payment of all fees and charges due hereunder, including, but not limited to, any Shortfall Payment(s) and Accelerated Amount. The Contract Security shall be provided to County prior to the Effective Date. The Contract Security shall be in a form and issued by a company reasonably acceptable to County. In the event that any such Contract Security shall be for a period of less than the full period required by this Lease, or if the Contract Security is canceled, Airline shall provide a renewal or replacement Contract Security at least sixty (60) days prior to the later of: (a) the date the Contract Security expires, or (b) the effective date of cancellation of the Contract Security, unless otherwise approved by Department in its sole and absolute discretion.

B. Notwithstanding the foregoing, County shall not require Airline to post the Contract Security if Airline: (a) has provided regularly scheduled commercial air service to the Airport for at least eighteen (18) consecutive months immediately preceding the Effective Date ("Incumbency Period"); (b) is in good standing and has no uncured Event of Default under any agreement with County, including, without limitation, any agreement(s) in effect during the Incumbency Period; (c) is not subject to any bankruptcy, insolvency or similar proceedings; and (d) has demonstrated creditworthiness by satisfying at least one of the following as of the Effective Date: (i) Airline has a long-term unsecured debt rating of at least B- (S&P/Fitch) or B3 (Moody's); or (ii) if unrated, Airline provides to County audited financial statements for the two most recent fiscal years and unaudited quarterly financial statements for the most recent four quarters, together with such other financial information as County may reasonably request, and County reasonably determines, based on such information, that Airline's financial condition and liquidity are sufficient to support the exemption. If any of the foregoing conditions cease to be true during the Term of this Lease, County may require Airline to post a Contract Security within thirty (30) days of County's written notice; provided, however, that if Airline demonstrates to County that it cannot reasonably obtain the required form of Contract Security within such thirty (30) day period, Airline shall, within ten (10) days of County's written demand, provide an interim cash deposit or other interim security acceptable to County to remain in place pending delivery of the required Contract Security. County's right to draw on any Contract Security posted under this Lease shall not be affected by this exemption.

C. To the fullest extent permitted by applicable law, the Parties acknowledge and agree that any noncash Contract Security provided by Airline is the property of the third-party issuer or guarantor (subject to County's ability to draw against the Contract Security) and shall not be treated as property of Airline's bankruptcy estate for purposes of the United States Bankruptcy Code. The Parties acknowledge and agree that any interim cash Contract Security is held by County as security or trust funds for the benefit of County and, to the extent permitted by applicable law, shall not be treated as property of Airline's bankruptcy estate. If applicable bankruptcy law prevents such treatment, Airline agrees that County shall be entitled to adequate protection, administrative priority, or other relief to protect County's interest in such cash to the maximum extent available under applicable law.

D. The provisions of this Section shall survive termination or expiration of this Lease.

5.08 Audit.

A. Airline shall maintain and keep books, ledgers, accounts, or other records relating to the aircraft handled by Airline at the Airport and the resulting activity statistics, including an accurate recording of the total number of landings at the Airport, the Landed Weight of each aircraft, aircraft parking information and all other traffic and activity statistics to be recorded or reported hereunder. Airline shall make those books, ledgers, accounts, and records available to County for inspection in such format as Airline regularly maintains them throughout the Term and for a period of five (5) years following the termination of this Lease. If Airline makes the books and records available to County in an electronic format, they must be certified by an officer of Airline as being true and correct.

B. County or its duly authorized representative(s) may examine any and all such books, ledgers, accounts and records during all reasonable business hours, in Airline's offices or such other place as mutually agreed to between Airline and Department. Upon County's written request for examination of such books, ledgers, accounts and records, Airline shall produce such items in Palm Beach County, Florida, within ten (10) Business Days or pay all reasonable expenses, including, but not limited to, transportation, food, and lodging for County's auditor(s) or their representative(s) to perform the audit outside Palm Beach County, Florida. In the event any records provided to County pursuant to this subsection by Airline would be considered confidential or exempt from Florida Public Records Law, Airline shall prominently identify the record(s) that contain such confidential information or is otherwise exempt from production under Florida Public Records Law ("Confidential Information"), including the specific statutory exemption(s). Except as otherwise required by law or a court of competent jurisdiction, County shall not release Confidential Information to a third party unless Airline has consented to such release in writing. In the event a third party submits a request to County for the release of records that Airline has identified as containing Confidential Information, County shall notify Airline in writing that it has received the request upon receipt of the request and whether County intends to release such records based upon a determination by County that the records are not exempt from disclosure so that Airline can immediately seek a court order or other relief preventing County from releasing Confidential Information. Airline shall protect, defend, reimburse, indemnify and hold the County Parties free and harmless at all times from and against any and all Damages relating to the non-disclosure of any Confidential Information in response to a records request by a third party to the extent County has reasonably relied on Airline's identification of such records as Confidential Information.

C. The cost of an audit, with the exception of the aforementioned transportation, food and lodging expenses, shall be borne by County; provided, however, that the full cost of the audit shall be borne by Airline if either or both of the following conditions exist:

1. The audit reveals an underpayment of more than ten percent (10%) of the fees and charges that are based on Airline's monthly activity, due hereunder, as determined by said audit;

2. Airline has failed to maintain true and complete books, records, accounts,

and supportive source documents in accordance with this Section.

D. Any underpayment of amounts due County disclosed as a result of an audit conducted pursuant to this Section 5.08, including interest at the rate set forth in Section 5.06 computed from the original due date of each such amount due, shall be paid to County within thirty (30) days from receipt of County's invoice. Such payment by Airline shall not abrogate Airline's right to contest the validity of said underpayments. Any valid overpayments made by Airline shall be promptly remitted, or at County's option, credited to Airline.

5.09 Additional Rent. Any and all sums of money or charges required to be paid by Airline 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 Airline of all Additional Rent as are available to County with regards to annual rent.

5.10 Accord and Satisfaction. In the event Airline 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 6 - ADJUSTMENT OF RATES

6.01 General.

A. Rates for fees and charges payable hereunder based on Airline's activity and operations at Airport, including, but not limited to Landing Fees and Aircraft Parking Fees, shall be reviewed and adjusted annually by County in accordance with the provisions of this Article. Annual adjustments shall become effective each October 1st throughout the Term of this Lease. In addition to the annual adjustment provided for in this Article, rates for fees and charges may also be adjusted by County: (a) in order to ensure compliance with Section 710 (rate covenant) of the Bond Resolution; or (b) at any time that financial data indicates that the total fees and charges calculated in accordance with the Rate and Fee Schedule are reasonably estimated by County to vary by more than ten percent (10%) from the total fees and charges that would be payable based upon the use of actual financial data to date for the Fiscal Year.

B. County shall prepare and deliver to Airline a statement setting forth the adjusted rates for fees and charges payable hereunder, calculated in accordance with the Rate and Fee Schedule ("Statement of Rates"), as provided in Section 6.02. The Statement of Rates shall become part of this Lease without formal amendment hereto upon issuance of the final Statement of Rates to Airline.

C. Notwithstanding any provision of this Lease to the contrary, the provisions of this Article shall not apply to payment of rental for use of the Assigned Building Premises, which shall be adjusted in accordance with Section 5.03 above.

6.02 Annual Adjustment.

A. On or about July 1st of each Fiscal Year (or approximately ninety (90) days prior to the end of the then current Fiscal Year), County shall notify Airline of the proposed schedule of rates for fees and charges ("Proposed Statement of Rates") for the next Fiscal Year. The rates for fees and charges contained in the Proposed Statement of Rates shall be determined and presented to Airline in conformance with the methodologies set forth in the Rate and Fee Schedule.

B. Within forty-five (45) days after providing the Proposed Statement of Rates to the Signatory Airlines, County agrees to meet collectively with the Signatory Airlines at a mutually convenient time for the purpose of discussing the Proposed Statement of Rates. County shall make available to the Signatory Airlines any reasonably requested additional information relating to the Proposed Statement of Rates prior to the meeting. County agrees to fully consider the comments and recommendations of the Signatory Airlines prior to finalizing the Statement of Rates.

C. After the meeting with the Signatory Airlines pursuant to Section 6.02(B), and prior to the end of the then current Fiscal Year, County shall deliver the final Statement of Rates to Airline for the next Fiscal Year.

D. If the annual adjustment of rates for fees and charges pursuant to this Article is not completed by County on or before October 1st, the then current fees and charges shall continue to be paid by Airline until such adjustment is concluded. Upon the conclusion of such adjustment calculations, any difference(s) between the actual fees and charges paid by Airline through the date of the adjustment for the then current Fiscal Year and the fees and charges that would have been paid by Airline during the same period using the adjusted rates shall be remitted to the Party to whom it is due within sixty (60) days of County's delivery of the final Statement of Rates to Airline.

6.03 Settlement/Revenue Sharing Payment Procedures.

A. Airline acknowledges that the rates contained in the Statement of Rates are estimated based upon County's budget for each Fiscal Year ("Estimated Rates"). On or about March 31st following the end of each Fiscal Year or within thirty (30) days after the County's completion of the unaudited financial statements for such Fiscal Year, whichever occurs last, County shall recalculate the rates set forth in the Statement of Rates in accordance with the Rate and Fee Schedule based upon the actual, unaudited financial data for the preceding Fiscal Year to determine the estimated amount owed, if any, by Airline or County hereunder and shall provide to Airline a written statement ("Preliminary Settlement Statement") setting forth the following estimated amounts for such Fiscal Year: (a) the total amount paid by Airline for the purpose of determining whether or not Airline satisfied its Minimum Annual Commitment; (b) any Settlement Amount due County or Airline, and (c) any Shortfall Payment owed by Airline to County for failure to satisfy the Minimum Annual Commitment.

B. No later than July 1st following the end of each Fiscal Year, County shall recalculate the rates set forth in the Statement of Rates in accordance with the Rate and Fee Schedule based upon audited financial data for the preceding Fiscal Year to determine the final amount owed, if any, by Airline or County hereunder and shall provide to Airline a final written statement ("Final Settlement Statement") setting forth the following final amounts for such Fiscal Year: (a) the total amount paid by Airline for the purpose of determining whether or not Airline satisfied its Minimum Annual Commitment ("Final Airline Amount"), (b) any Settlement Amount due County or Airline, and (c) any Shortfall Payment owed by Airline to County for failure to satisfy the Minimum Annual Commitment.

C. In the event a Settlement Amount and/or Shortfall Payment is due County, County shall invoice Airline for such amount(s), which shall be payable by Airline to County within sixty (60) days of the receipt of County's invoice.

D. In the event a Settlement Amount is due to Airline, County shall pay to Airline the Settlement Amount plus any Revenue Sharing Amount, less any Shortfall Payment due to County, within sixty (60) days of County's written statement to Airline setting forth the final Settlement Amount. In the event the Shortfall Payment exceeds any Revenue Sharing Amount due to Airline, County shall invoice Airline for the remaining Shortfall Payment, which shall be payable by Airline to County within sixty (60) days of the receipt of County's invoice.

E. {**Insert subsections E-G if applicable:** In the event this Lease is executed and delivered to County by Airline on or before October 30, 2026, at 5:00 p.m. EST, and Airline continuously operated at the Airport as a holdover tenant pursuant to the Prior Lease through the Effective Date of this Lease, Airline shall be considered a Signatory Airline for such holdover period, and Airline's Revenue Sharing Amount shall be calculated retroactively to October 1, 2026 as provided in the Rate and Fee Schedule.

F. In the event this Lease is executed or delivered to County by Airline after October 30, 2026, at 5:00 p.m. EST, and Airline continuously operated at the Airport as a holdover tenant pursuant to the Prior Lease through the Effective Date of this Lease, Airline shall be considered a non-signatory airline for such holdover period, and Airline's Revenue Sharing Amount (a) shall not be calculated or applied retroactively to October 1, 2026, and (b) shall be calculated in accordance with the Rate and Fee Schedule, commencing on the first full calendar month of the Fiscal Year immediately following the Effective Date of this Lease. Airline acknowledges that any such holdover period shall be deemed to have been without the consent of the Department.

G. Airline acknowledges and agrees all rates and charges payable by Airline for Fiscal Year 2027, including any period of holdover under the Prior Lease, shall be calculated in accordance with the methodology set forth in the Rate and Fee Schedule notwithstanding any provision of this Lease or the Prior Lease to the contrary.}

H. Notwithstanding any provision of this Lease to the contrary, in the event Airline is past due or delinquent in making any payments to County hereunder, County may deduct such past due or delinquent amounts, plus any applicable interest accrued thereon, from any amounts payable to Airline under this Section.

I. Airline may elect to receive payments from County pursuant to this Section in the form of a Rental Credit, by County warrant or by interbank wire transfer to an account designated by Airline. Airline shall provide any payee information reasonably requested by County or the Palm Beach County Clerk and Comptroller's Office for the purpose of ensuring Airline's receipt of payment pursuant to this Section. As of the Effective Date of this Lease, Airline has elected to receive payments pursuant to this Section as follows:

Insert applicable provision as selected by Airline:

☐ Airline has elected to receive payments in the form of a Rental Credit.

☐ Airline has elected to receive payments by County warrant to:

ATTN: ______________________

____

____

____

☐ Airline has elected to receive payments by interbank wire transfer to:

____

____

____

Airline may change its election pursuant to this Section 6.03(I) and/or its address for payments by County warrant or account information for interbank wire transfers upon thirty (30) days' prior written notice to County.

6.04 County Covenants.

A. County covenants that for purposes of allocating Revenues and expenses that it will include only those charges properly attributable or allocable to the Airport System.

B. County shall use good faith efforts to operate the Airport System in a manner so as to produce Revenues from concessionaires, tenants, and other users of the Airport System at levels that would be produced by a reasonably prudent operator of an airport of substantially similar size, use, and activity, with due regard for the interests of the public.

C. County shall use all Revenues in accordance with the Bond Resolution.

ARTICLE 7 - CAPITAL IMPROVEMENTS BY COUNTY

7.01 Capital Improvements. The Parties hereto recognize that Capital Improvement Projects to preserve, protect, enhance, expand, or otherwise improve the Airport System, or any portion thereof, may be required during the Term of this Lease.

7.02 Expenditures Subject to Consideration.

A. County shall notify Airline in writing of its intent to undertake any Capital Improvement Project impacting the Airfield Cost Center that is not excluded from MII consideration pursuant to Section 7.03, which notice shall include the following information associated with the Capital Improvement Project:

1. A description of the proposed Capital Improvement Project, together with cost estimates, scheduling, and any preliminary drawings, if applicable;

2. A statement of the need for the proposed Capital Improvement Project, along with the planned benefits to be derived from such expenditures;

3. County's preferred means of financing or method of paying the costs of the proposed Capital Improvement Project; and

4. The planned allocation of the costs of the Capital Improvement Project to the Airfield Cost Center and the projected impact on Signatory Airline rates, fees and charges.

B. Within thirty (30) days of the date of County's notice, Airline may request in writing, a meeting with County for the purpose of discussing the proposed Capital Improvement Project. In the event a request is timely delivered to County, County shall set a date and time to meet collectively with the Signatory Airlines for the purposes of discussing the proposed Capital Improvement Project. County agrees to consider comments and recommendations of the Signatory Airlines with respect to the proposed Capital Improvement Project.

C. County may proceed with a Capital Improvement Project, unless the Signatory Airlines constituting a MII, issue a written notice to County that they are requesting a deferral of the Capital Improvement Project within thirty (30) days of the date of the meeting ("Deferral Notice"), time being of the essence. In the event a timely Deferral Notice is delivered to County and the proposed Capital Improvement Project is anticipated to be funded with Ten Million Dollars ($10,000,000) or less in Revenues, the proposed Capital Improvement Project will be deferred for a period of twelve (12) months from the date of the Deferral Notice. In the event a timely Deferral Notice is delivered to County and the proposed Capital Improvement Project is anticipated to be funded with more than Ten Million Dollars ($10,000,000) in Revenues, the proposed Capital Improvement Project will be deferred for a period of twenty-four (24) months from the date of the Deferral Notice. Upon the expiration of the applicable deferral period, County may proceed with the Capital Improvement Project as proposed.

D. County shall have the right to request reconsideration of a deferral of a Capital Improvement Project by the Signatory Airlines constituting a MII, and the deferral may be reversed by the Signatory Airlines constituting a MII at any time.

E. Notwithstanding any provision of this Lease to the contrary, County may also proceed at any time with any Capital Improvement Project that is not subject to MII consideration hereunder, and with any other planning, construction, improvement or development project that is not defined as a Capital Improvement Project hereunder.

7.03 Capital Improvement Projects Not Subject to Consideration. The following Capital Improvement Projects shall not be subject to consideration by the Signatory Airlines, including Airline, hereunder and shall be permitted to be undertaken by County at any time:

A. Capital Improvement Projects required to ensure compliance with applicable laws or state or federal grant assurance requirements.

B. Capital Improvement Projects necessary to repair casualty damage to Airport property.

C. Capital Improvement Projects for the design, construction, repair, replacement or maintenance of a Special Purpose Facility.

D. Capital Improvement Projects necessary to settle a lawful claim, satisfy a judgment, or comply with a judicial order against County by reason of its ownership, operation, maintenance, or use of the Airport.

E. Capital Improvement Projects of an emergency nature or necessary for the safe operation of the Airport System, as reasonably determined by County.

F. Capital Improvement Projects that will not materially impact Signatory Airline rates, fees or charges hereunder.

G. Capital Improvement Projects necessary to: (a) maintain, restore or rehabilitate existing infrastructure, facilities, or systems to preserve their functional condition, serviceability, or useful life, including replacement when County reasonably determines the existing assets are beyond economical repair or rehabilitation or replacement is more cost effective; and (b) such maintenance, restoration, rehabilitation or replacement is not intended to materially expand capacity or change the intended use of such infrastructure, facilities or systems.

ARTICLE 8 - CONSTRUCTION OF IMPROVEMENTS BY AIRLINE

8.01 Airline Construction Requirements. All improvements constructed or placed on the Premises by Airline, including drainage and landscaping, shall comply with any and all applicable governmental laws, regulations, rules, and orders, shall follow standard construction methods; and shall be constructed in accordance with the requirements of this Article.

A. Prior to constructing any improvements on the Premises or elsewhere on the Airport, Airline, without cost to County, shall prepare detailed construction plans and specifications for the improvements (hereinafter collectively referred to as the "Plans") in accordance with standards established by Department and deliver the Plans to Department for review, comment and adjustment. Department shall review the Plans and provide a written response to Airline after receipt of the Plans. In the event Department does not approve the Plans, Airline will be notified of the reasons for the disapproval and the necessary modifications and/or alterations to the Plans. Airline shall resubmit modified Plans to the Department within thirty (30) days of the date of Department's written notice of disapproval. Upon approval of the final Plans by Department, Airline shall obtain all permits and other government approvals required for the commencement of construction. Prior to commencement of construction, Airline shall deliver to Department one complete set of the Plans as approved by the governmental agencies exercising jurisdiction thereover. Minor changes from the Plans approved by Department shall be permitted if such changes may be reasonably inferred from such Plans, or if they are made to comply with requirements of any governmental agency exercising jurisdiction thereover.

B. Within ninety (90) days of Airline's receipt of a certificate of occupancy or certificate of completion, as appropriate, for any improvements that Airline undertakes during the Term, Airline, at its sole cost and expense, shall have prepared and delivered to Department: (1) one (1) complete set of as-built Mylar drawings and one (1) set of Auto CADD files in the latest version acceptable by Department; and (2) a detailed statement attested to and certified by an authorized employee of Airline, detailing the total costs incurred by Airline for the construction of the improvements.

C. All improvements constructed upon the Premises shall be completed at Airline's sole cost and expense and shall be completed in accordance with the standards reasonably established by Department.

D. The construction or installation of improvements shall not interfere with the operation of the Airport or unreasonably interfere with the activities of other Airlines and Airport users.

E. The County shall have no obligation whatsoever to approve the installation of any improvements within any Licensed Areas or other areas of the Airport.

F. The County shall have no obligation whatsoever to repair, replace or maintain improvements made to the Premises by Airline.

8.02 Construction Bonds. Airline shall cause all improvements to be constructed to completion in accordance with the approved Plans and that all Persons performing work or providing materials relating to such improvements including, but not limited to, all contractors, subcontractors, laborers, materialmen, suppliers and professionals, are paid in full for such services and materials. Prior to the commencement of any improvements, the estimated cost of which exceeds One Hundred Fifty Thousand Dollars ($150,000), Airline, at its sole cost and expense, shall cause to be made, executed and delivered to County a bond for the estimated cost of the improvements, drawn in a form and issued by a company reasonably acceptable to County, guaranteeing compliance by Airline of its obligations arising under this Section. County shall be named as a dual obligee on the bond(s). In lieu of the bond required by this Section, Airline may file with County an alternative form of security for the estimated cost of the improvements in the form of cash, a money order, a certified check, a cashier's check, a clean irrevocable letter of credit, or a security of a type listed in Part II of Chapter 625, Florida Statutes; provided, however, the form of the security and company issuing such security, if applicable, shall be subject to the prior written approval of County. Any such alternative form of security shall be for the same purpose and be subject to the same conditions as those applicable to the bond required by this Section. Any such alternative form of security may be reduced by Airline, subject to County's approval, which approval shall not be unreasonably withheld or denied, during the construction of the improvements, but not more than once per month, in an amount equal to the percentage of completion of the improvements multiplied by the original amount of the security.

8.03 Contractor Requirements. Airline 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. Airline shall require its contractors to name County as a dual obligee on the bond(s). Airline shall also require contractors to furnish satisfactory evidence of statutory Worker's Compensation insurance, commercial general liability insurance, comprehensive auto insurance, and physical damage insurance on a Builder's Risk form with the interest of County endorsed thereon, in such amounts and in such manner as the Risk Management Department may reasonably require. The Risk Management Department may require additional insurance for any alterations or improvements approved hereunder, in such amounts as the Risk Management Department reasonably determines to be necessary.

8.04 No Liens. Airline agrees that nothing contained in this Lease shall be construed as consent by County to subject the estate of County to liability under the Construction Lien Law of the State of Florida and understands that County's estate shall not be subject to such liability. Airline shall notify any and all Persons performing work or providing materials relating to any improvements made by Airline of this provision of this Lease. If so requested by County, Airline shall file a notice satisfactory to County in the Public Records of Palm Beach County, Florida, stating that County's estate shall not be subject to liens for improvements made by Airline. 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 Airline, Airline shall satisfy such claim, or transfer same to security, within thirty (30) days from the date of filing. In the event that Airline fails to transfer or satisfy such claim within the thirty (30) day period, County may do so and thereafter charge Airline all costs incurred by County in connection with the satisfaction or transfer of such claim, including attorneys' fees, and Airline shall promptly pay to County all such costs upon demand, as Additional Rent.

ARTICLE 9 - OBLIGATIONS OF AIRLINE

9.01 Compliance with Rules and Regulations.

A. Airline agrees that throughout the Term of this Lease, each Airline shall at all times be and shall comply with, and require all Airline Parties to comply with, all applicable federal, state and local laws, statutes, regulations, rules, rulings, orders, ordinances and directives of any kind or nature, as now or hereafter amended, applicable to Airline's activities at the Airport, including, but not limited to, FAA Advisory Circulars, Airport Rules and Regulations, Environmental Laws and Operating Procedures. Airline agrees to cooperate in good faith with any investigation, audit, or inquiry by County regarding any federal or state regulatory action or investigation, which is against County, but arises out of an Airline Party's activities.

B. Airline agrees that it shall require appropriate managers, supervisors, and employees of Airline Parties to attend such training and instructional programs as County may, from time to time reasonably 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.

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

9.03 Vibrations. Airline shall take all reasonable measures to reduce to a minimum, vibrations tending to damage any equipment, structure, building or portion of a building on the Airport.

9.04 Conduct of Employees/Guests. Airline shall control the conduct, demeanor and appearance of its employees, subtenants, invitees and others doing business at the Airport and, upon objection from Department concerning the conduct, demeanor and appearance of any such persons, shall immediately take all reasonable steps that are necessary to remove the cause of any reasonable objection and that Airline may lawfully take.

9.05 Garbage. Airline shall remove or otherwise dispose of in a manner approved by Department all garbage, debris and other waste materials (whether solid or liquid) arising out of the use or occupancy of the Premises, Airport or out of any operations conducted thereon. Garbage, debris and other non-hazardous waste materials may be temporarily stored on the Premises in suitable garbage and waste receptacles. Airline may deposit garbage, debris and other non-hazardous waste materials in containers provided by County designated for the collection and removal of waste. Containers shall be located within the immediate vicinity of the Air Cargo Building in such common use and access areas as determined by Department. The cost for disposal of such waste shall be prorated and billed by Department to Airline monthly, and shall be paid to County by Airline within thirty (30) days of Airline's receipt of such bill or invoice. Airline's share of such disposal costs shall be equal to the percentage equivalent of a fraction, the numerator of which is the floor area of the Assigned Building Premises, and the denominator of which is the total leased floor area of the Air Cargo Building.

9.06 Nuisance. Airline shall not commit any nuisance, waste or injury on the Airport and shall not do, or permit to be done, anything that may result in the creation, commission or maintenance of such nuisance, waste or injury on the Airport.

9.07 Emissions. Airline shall not create, nor permit to be caused or created upon the Airport, any obnoxious odors or smoke or noxious gases or vapors; provided, however, that fumes resulting from the normal operations of properly certified and maintained aircraft, trucks and other vehicles shall be excepted from this provision. Airline shall ensure that emissions generated by any such aircraft, trucks, and other vehicles shall comply with all provisions of applicable environmental emissions laws and regulations.

9.08 Utility Systems. Airline shall not do or permit to be done anything that may interfere with the effectiveness or accessibility of the utilities systems that are also used by other occupants, customers or users of the Airport.

9.09 Overloading. Airline shall not overload any floor or paved area on the Premises and shall repair, at its sole cost and expense, any floor, including supporting members, and any paved area damaged by overloading. Based upon the original design and construction of the floor slab of the Assigned Building Premises and the Preferential Use Parking Apron, County acknowledges that: (1) the interior floor slab of the Assigned Building Premises was designed and constructed to accommodate loads of up to five hundred (500) pounds per square foot, and (2) the Preferential Use Parking Apron was designed and constructed to accommodate loads exerted by the MD11 aircraft operating at its Maximum Gross Take-Off Weight. Airline acknowledges and agrees that the foregoing acknowledgements by County do not take into consideration any modifications or alterations made by Airline to the interior floor slab of the Assigned Building Premises or the Preferential Use Parking Apron under any prior agreement with County.

9.10 Hazardous Operations. Airline shall not do or permit to be done any act or thing upon any area of the Airport that:

A. Will invalidate or conflict with any insurance policies covering the Premises or other areas of the Airport; or

B. May constitute a hazardous condition so as to increase the risks normally attendant upon the operations permitted by this Lease.

9.11 Flammable Liquids. All flammable liquids that are kept or stored in accordance with this Lease must at all times be handled, stored and used in accordance with all applicable Federal, State and local laws.

9.12 Vending Machines. Except as specifically authorized by this Lease, Airline shall not place any coin or token operated vending machine or similar device (including, but not limited to, pay telephones, beverage or food machines, or other commodities) upon or within the Premises, without the prior written consent of Department, which consent may be granted or withheld by Department in its sole discretion. The foregoing will not apply to Airline's installation of food or beverage vending machines inside the Assigned Building Premises for the use of its employees.

9.13 Derelict Aircraft. Airline shall not permit the temporary or permanent storage of any Derelict Aircraft at the Premises. Derelict Aircraft shall be removed from the Airport within a period of thirty (30) days after written notice from Department unless an open work order is being actively pursued. Notwithstanding the foregoing, Department may require any Derelict Aircraft to be moved to another location on the Airport at Airline's sole cost and expense. In addition, Department may require Airline to demonstrate that an open work order is being actively pursued. In the event Airline fails to demonstrate an open work order is actively being pursued to the reasonable satisfaction of Department, Airline shall cause the Derelict Aircraft to be removed from the Airport within the aforementioned thirty (30) day period.

9.14 Disabled Aircraft. Airline shall maintain adequate equipment and facilities to conduct recovery operations of its disabled aircraft or contractual arrangements in place for the removal of its disabled aircraft from the Airfield. Airline shall use Commercially Reasonable Efforts to promptly remove its disabled aircraft from the Airfield and Terminal aircraft aprons as soon as proper clearance is obtained from the appropriate governmental authorities, if applicable, and place such disabled aircraft in a storage area designated by County on the Airport. In the event Airline fails to promptly remove its disabled aircraft in accordance with the requirements of this Section, County may cause the removal and storage of such aircraft if County reasonably determines the aircraft is impacting Airport operations. Airline shall only store disabled aircraft in areas on the Airport designated by County for storage of such aircraft and for such length of time as authorized by County. In the event Airline fails to remove its disabled aircraft from a designated storage area on or before the expiration of the period of time authorized by County, County shall advise Airline of County's intent to remove such disabled aircraft prior to removal with no less than thirty (30) days' advance written notification. In the event County causes Airline's disabled aircraft to be removed, Airline shall pay County for the costs of removal, storage and/or disposal of the disabled aircraft, plus a twenty-five percent (25%) administrative overhead, which shall be payable within thirty (30) days of the date of County's invoice. Except to the extent caused by a County Party's gross negligence or willful misconduct, and provided that the County Party used Commercially Reasonable Efforts to minimize further damage to the disabled aircraft, Airline releases and waives any and all Damages against the County Parties arising out of or related to any further damage to the disabled aircraft that occurs during, or as a result of, the removal, handling, relocation or storage of such aircraft in accordance with the provisions of this Section. Airline acknowledges that County may cause a disabled aircraft to be removed by third-party contractors and the use of third-party contractors shall not increase or expand the County Parties' liability under this Section. Airline further acknowledges that the use of Commercially Reasonable Efforts to minimize further damage shall not constitute a guarantee or warranty that further damage will not occur to a disabled aircraft. Airline shall be responsible for documentation of the condition of a disabled aircraft prior to removal, handling, relocation and/or storage of such aircraft by a County Party or its contractors.

9.15 Derelict Vehicles. Airline shall not permit the temporary or permanent storage of any

Derelict Vehicles at the Premises. Airline shall cause Derelict Vehicles to be removed from the Premises within twenty-four (24) hours after written notice from Department.

9.16 Hurricane Plans. Upon written request, Airline shall provide Department with emergency evacuation and hurricane plans consistent with County's plans for the Airport. These plans shall be detailed procedures of actions to be taken by Airline and its subtenants, if an evacuation need or hurricane alert warning is present. Hurricane plans are to be annually updated, if requested by Department.

ARTICLE 10 - SECURITY OF PREMISES

Airline acknowledges and accepts full responsibility for the security and protection of the Premises, and any and all inventory, equipment, facilities and improvements now existing or hereafter placed on or installed in or upon the Premises, and for the prevention of unauthorized access to its facilities, and expressly agrees to comply with, and to require its employees and contractors to fully 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. Airline fully understands that the police security protection provided by County is limited to that provided to any other business situated in Palm Beach County, Florida by the Palm Beach County Sheriff's Office, and expressly acknowledges that any special security measures deemed necessary or desirable for additional protection of the Premises and improvements constructed thereon, shall be the sole responsibility of Airline and shall involve no cost to County.

ARTICLE 11 - MAINTENANCE AND REPAIR

11.01 Cleanliness and Maintenance and Repair of Premises.

A. Except as provided in Section 11.01(D) below, Airline shall maintain the Premises and the 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. Except as provided in Section 11.01(D) and Article 15 below, Airline shall repair all damages to the Premises and improvements caused by any Airline Party, and all damages caused by or resulting from or in any way arising out of Airline's operations at the Airport or any Airline Party's use of the Premises. Maintenance and repairs shall be in quality and class comparable to the original work so as to preserve the Premises in good order and condition. In the event Airline fails or refuses to perform its obligations under this Article, authorized representatives of County shall have the right to enter the Premises and perform such obligations; provided, however, County shall give to Airline reasonable notice and opportunity to cure in accordance with Section 18.02(B) prior to the exercise of this right, except in the event or an emergency or immediate safety hazard. In the event of an emergency or immediate safety hazard, County shall endeavor to give Airline reasonable notice under the circumstances. Airline shall have the right to have an Airline employee accompany County's authorized representative when entering the Premises to perform such activities. Airline agrees that it shall reimburse County's direct labor and material costs, plus a twenty five percent (25%) administrative overhead within thirty (30) days of the date of County's invoice. Nothing in this Section shall be construed as waiving any other legal remedy County may have hereunder in the event Airline fails or refuses to perform its obligations under this Article.

B. Except as provided in Section 11.01(D) below, Airline shall keep all aircraft apron areas, buildings and other improvements in good, tenable, useable condition throughout the Term and any extension thereof, and without limiting the generality thereof, Airline shall:

1. Paint the finished interior areas of the Assigned Building Premises and repair and maintain all doors, windows, equipment, lighting fixtures, furnishings and fixtures and provide pavement striping required in connection with the Preferential Use Parking Apron.

2. Keep the Premises at all times in a clean and orderly condition and appearance and all of the fixtures, equipment and personal property that are located in any part of the Premises open to or visible by the general public.

3. Provide and maintain all obstruction lights and similar devices, fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, order, ordinance, resolution or regulation of any applicable governmental authority.

4. Repair any damage to the Premises, including, but not limited to, the Preferential Use Parking Apron and other paved surfaces, that is caused by any oil, gasoline, grease, lubricants or other liquids or substances having a corrosive or detrimental effect thereon and that does not occur because of the actions of County or any of its employees, agents or contractors or third parties that County permits to use the Licensed Areas or any other paved surface.

5. Make no use of any portion of the Premises in a manner that causes or results in dust, debris or waste of any kind to be blown about or raised so as to be ingested by aircraft.

C. Airline shall perform all repairs and maintenance required by virtue of Sections 11.01(A) and (B) at its expense unless the repair or maintenance becomes necessary by virtue of the negligence or willful misconduct of any County Party or any of County's contractors or County's failure to properly perform the maintenance required of it by virtue of Section 11.01(D); in that case, County shall perform, or cause to be performed, such repairs or maintenance, or, at County's election, shall reimburse Airline within sixty (60) days after County's receipt of Airline's invoice for the amount of all reasonable costs Airline incurs in performing the maintenance or making the repair, and such documents as may be reasonably requested to corroborate the costs Airline incurred.

D. Throughout the Term, County shall maintain in accordance with all applicable laws, regulations and rules of any governmental authority: (1) the structure of the Assigned Building Premises, including, without limitation, the roof, roof membrane, foundations, floor slab, columns and exterior and load-bearing walls, and (2) the Licensed Areas, Preferential Use Parking Apron, excluding alterations or improvements installed by Airline such as caster decking and light poles. County's obligation with respect to the Licensed Areas includes striping of all Licensed Areas. County shall be responsible for making any alterations or modifications to the Licensed Areas and Preferential Use Parking Apron that are required by any law, ordinance, rule or regulation enacted or promulgated after the Effective Date; provided, however, County shall not be responsible for making any alterations or modifications to improvements installed or constructed within such areas by Airline or that are made necessary solely as a result of Airline's alterations or improvements to such areas. County shall perform all repairs and maintenance required by virtue of this Section 11.01(D) at its expense unless the repair or maintenance becomes necessary by virtue of (1) the negligence or willful misconduct of any Airline Party; (2) Airline's failure to properly perform the maintenance required of it by virtue of Sections 11.01(A) and 11.01(B), or (3) any alteration or improvement Airline makes to the Premises; in that case, Airline shall reimburse County within thirty (30) days after Airline's receipt of County's invoice for the amount by which the amount of all reasonable costs County incurs in performing the maintenance or making the repair exceeds the proceeds payable, if any, in respect of damage covered under the terms of the policy of property insurance County maintains in force with respect to the Premises. County shall accomplish all maintenance for which it is responsible as soon as reasonably practicable following receipt of written notice from Airline.

11.02 Inspections. Notwithstanding any provision of this Lease to the contrary, Airline agrees that authorized employees and representatives of County and any federal, state or local governmental entity having jurisdiction over Airline's operations and activities on the Premises shall have the right with advance notice that is reasonable under the circumstances to enter the Premises at reasonable times to inspect same for the purpose of determining whether Airline is in compliance with the requirements of this Lease.

ARTICLE 12 - UTILITIES

12.01 Utility Costs. Airline shall pay for all utilities used by it. County shall provide water and sewer utilities, the costs of which shall be prorated and billed by Department to Airline monthly. County also reserves the right to charge Airline for electric utilities to all common areas serving the Air Cargo Building. Airline's share of the utility costs will be equal to the percentage equivalent of a fraction, the numerator of which is the floor area of the Assigned Building Premises, and the denominator of which is the total leased floor area of the Air Cargo Building. The utility charges imposed by County pursuant to this Section shall not include any mark-up to the amounts that the utility service providers charge to the County. Airline shall have the right, but not the obligation, at its sole cost and expense, to connect to any and all utility mainlines or cables existing at the Effective Date of this Lease or installed during the Term. County shall have the right to provide separate meters or connections to any and all utility mainlines or cables serving the Air Cargo Building in which case Airline shall pay any charges for utility service to the Assigned Building Premises according to the metered usage. Airline shall pay utility costs for any utilities provided by County within thirty (30) days of the date of the invoice.

12.02 Interruption of Service. Except for failures, delays or interruptions caused by the negligence or willful misconduct of a County Party or any of County's contractors or that occur because of County's failure to make timely remittances to the service provider, no failure, delay or interruption in supplying any services for any reason whatsoever (whether or not a separate charge is made therefor) shall be or be construed to be an eviction of Airline or grounds for any diminution or abatement of rental or shall be grounds for any claim by Airline under this Lease for damages, consequential or otherwise.

12.03 Industrial Waste Systems. Airline shall provide, operate and maintain adequate facilities for separating, neutralizing and treating industrial waste and foreign materials generated within the

Premises and the proper disposal thereof as required by all applicable Federal, State and local laws, regulation and rules, as now or hereafter amended.

ARTICLE 13 - AIRPORT SECURITY PROGRAM

Airline expressly acknowledges and accepts full responsibility to conduct its operations at the Airport so as to maintain the integrity of the airfield operations area and hereby agrees to fully comply with all Federal, State and local laws, rules and security requirements applicable to Airline's operations, as now or hereafter promulgated or amended, including, but not limited to, Title 14, Part 139 of the Code of Federal Regulations and Title 49, Part 1542 of the Code of Federal Regulations and the Palm Beach County Criminal History Record Check Ordinance (Chapter 2, Article IX, Palm Beach County Code). Airline agrees to comply with the Airport Security Program and the Air Operations Area (AOA) Vehicle Access Program, and amendments thereto. Notwithstanding any provision of this Lease to the contrary, Airline shall comply with such other security policies, procedures, rules and regulations as may be prescribed by County, Department, FAA, or TSA and to take such steps as may be necessary or directed by County, Department, FAA, or TSA to ensure that subtenants, employees, invitees and guests observe these requirements. If required by Department, Airline shall conduct background checks of its employees in accordance with applicable Federal, State or local laws. Airline shall pay any and all fees assessed for providing the security badges for Airline's employees and contractors, and other fees that may be imposed. Airline further agrees to be responsible for the care and maintenance of the Airport security barriers and devices to the Premises. All costs associated with the construction and repair of the security fence, barriers, access control and monitoring system, including, but not limited to, gates, signs or locks (keying and re-keying), that are installed now or in the future within the Assigned Building Premises shall be borne by Airline. Airline agrees to rectify any security deficiency or other deficiency arising within the Assigned Building Premises or as a result of the conduct of Airline's operations on the Airport as may be determined as such by County, Department, FAA or TSA. In the event Airline fails to remedy any such deficiency, County may do so at the cost and expense of Airline. Airline acknowledges and agrees that County shall have the right to take whatever action is necessary to rectify any security deficiency or other deficiency of the nature described above as may be determined by County, Department, FAA or TSA. Airline shall be solely responsible for any fines, penalties, costs, expenses (including attorneys' fees and costs), and damages incurred by County and/or Airline as a result of Airline's failure to strictly comply with the requirements of this Article. The provisions of this paragraph shall survive the expiration or any other termination of this Lease insofar as they relate to security breaches occurring on or before the expiration or earlier termination of this Lease. Failure to comply with the requirements of this Article shall be considered a material default of this Lease.

ARTICLE 14 - INSURANCE REQUIREMENTS

14.01 Insurance Requirements. In addition to such insurance as may be required by law or regulation, Airline, at its sole cost and expense, shall maintain in full force and effect throughout the Term and any extension thereof, the insurance coverages, limits and endorsements required herein. Neither the requirements contained in this Article, nor County's review or acceptance of insurance, shall in any manner limit or qualify the liabilities and obligations assumed by Airline hereunder.

A. Property, Wind & Flood Insurance. Airline shall maintain Property Insurance in an amount not less than 100% of the total replacement cost of any betterments and improvements made by or on behalf of Airline to the Premises. The settlement clause shall be on a Replacement Cost basis. Coverage shall be written with a Special - Cause of Loss (All-Risk) form and include an endorsement for Ordinance & Law in an amount not less than 25% of the Property Insurance limit. Airline shall maintain Flood Insurance, regardless of the flood zone, in an amount not less than 100% of the total replacement cost of the betterments and improvements made by or on behalf of Airline to the Premises or the maximum amount available from the National Flood Insurance Program, whichever is less. Airline shall maintain Windstorm Insurance, unless included as a covered peril in the Property Insurance, in an amount not less than 100% of the total replacement cost of the betterments and improvements made by or on behalf of Airline to the Premises or the maximum amount available under the Florida Windstorm Underwriting Association, whichever is less. Airline shall cause County to be endorsed as a "Loss Payee" on the policies. The "Loss Payee" endorsement shall provide coverage on a primary basis and shall read "Palm Beach County Board of County Commissioners, c/o Palm Beach County Department of Airports, 846 Palm Beach International Airport, West Palm Beach, Florida 33406." The Loss Payee endorsement language may be modified or updated by County from time to time upon written notice to Airline.

B. Aircraft Liability Insurance. Airline shall maintain Aircraft Liability Insurance with respect of all aircraft owned, leased or operated by Airline, including Passenger, Bodily Injury (including death) and Property Damage Liability in a Combined Single Limit Amount of not less than One Hundred Million Dollars ($100,000,000) Each Occurrence.

C. Business Automobile Liability Insurance. Airline shall maintain Business Automobile Liability Insurance covering all Owned, Hired, and Non-Owned Vehicles used on the Airport in an amount of not less than One Million Dollars ($1,000,000) Combined Single Limit Each Occurrence for Bodily Injury (including death) and Property Damage Liability; provided, however, that if the scope and conduct of Airline's operations under this Lease require vehicle access to the aircraft operations area, Airline shall maintain Business Automobile Liability Insurance in an amount not less than Five Million Dollars ($5,000,000) Combined Single Limit Each Occurrence for Bodily Injury (including death) and Property Damage Liability. Notwithstanding the foregoing, if the scope and conduct of Airline's operations under this Lease do not involve the operation, ownership or use of any vehicle, then this requirement shall include automobile liability for Hired & Non-Owned vehicles only.

D. Airline Liability/Commercial General Liability Insurance. Airline shall maintain Airline Liability/Commercial General Liability Insurance at limits of not less than Fifty Million Dollars ($50,000,000) with a Combined Single Limit Each Occurrence, subject to sub-limits and annual aggregates, where applicable, for Personal Injury (Twenty Five Million Dollar ($25,000,000) sub-limit for Personal Injury to non-passengers), Bodily Injury (including death) and Property Damage and shall include, but not be limited to, Premises and Operations, Personal Injury, Products and Completed Operations, Contractual Liability.

E. Pollution Liability/Environmental Impairment Liability. Airline shall maintain Pollution Liability or equivalent Environmental Impairment Liability at a minimum limit of not less than Five Million Dollars ($5,000,000) per occurrence providing coverage for damages including, without limitation, third-party liability, clean-up, corrective action, including assessment, remediation and defense costs. Airline may satisfy this requirement through self-insurance. Airline's self-insurance shall be evidenced by written certification on Airline's company letterhead, executed by an authorized officer or Airline's Risk Management Department, confirming Airline maintains self-insurance for Pollution Liability/Environmental Impairment Liability with limits of not less than Five Million Dollars ($5,000,000) per occurrence and has the financial ability to respond to covered claims.

F. Workers' Compensation Insurance. Airline shall maintain Workers' Compensation Insurance applying to all employees for Statutory Limits in compliance with Chapter 440, Florida Statutes and applicable federal laws. Coverage shall include Employers Liability with minimum limits of One Million Dollars ($1,000,000) Each Accident, One Million Dollars ($1,000,000) Disease Policy Limit, and One Million Dollars ($1,000,000) Disease Each Employee. In the event Airline subcontracts any portion of the work or services under this Lease to another party, Airline shall be responsible for ensuring its subcontractors maintain Workers' Compensation and Employer's Liability Insurance.

14.02 Waiver of Subrogation. Except as provided in Section 15.01, County and Airline hereby mutually waive any and all rights of recovery against the other Party arising out of damage or destruction of the Airport, Premises or any other property from causes included under any property insurance policies to the extent such damage or destruction is covered by the proceeds of such policies but only to the extent that the insurance policies then in force permit such waiver. When required by an insurer, or if a policy condition will not permit an insured to enter into a pre-loss agreement to waive subrogation without an endorsement, Airline shall notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. The foregoing requirements shall not apply to any policy that specifically prohibits such an endorsement or voids coverage if Airline enters into such an agreement on a pre-loss basis.

14.03 Additional Insured. Airline shall cause County to be endorsed or designated as "Additional Insured" on all liability policies, with the exception of Workers' Compensation/Employer's Liability, to the extent of Airline's contractual obligations hereunder. The "Additional Insured" designation or endorsement shall provide coverage on a primary basis. The "Additional Insured" designation or endorsement shall read: "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, and Employees", or as otherwise specified by County's Risk Management Department. The status of the Palm Beach County Board of County Commissioners, its officers and employees, and any other party as an Additional Insured under Airline's insurance policies shall not afford any such Additional Insured coverage for claims that arise by reason of the willful misconduct or negligence of the Additional Insured.

14.04 Certificate of Insurance. Airline shall deliver to County or its designated contractor certificate(s) of insurance, evidencing the coverages and amounts required hereunder prior to the Commencement Date. The certificate(s) of insurance shall clearly state that Palm Beach County is an "Additional Insured" as required herein. Certificate(s) of insurance shall also endeavor to provide thirty (30) days written notice to County prior to cancellation (ten (10) days for nonpayment of premium) or non-renewal of coverage. The Certificate Holder address for County shall read: "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, Its Officers, and Employees, c/o Department of Airports, 846 Airport Center Drive, West Palm Beach, FL 33406 (properties@pbc.gov)", or as otherwise approved or modified by County. Notwithstanding any provision of this Lease to the contrary, Airline's failure to maintain all insurance policies required herein shall constitute an Event of Default of this Lease by Airline, entitling County to exercise any remedies available to it under this Lease, at law and in equity, including the right to immediately terminate this Lease. County may modify the endorsement language required pursuant to this Article upon written notice to Airline.

14.05 Claims-Made Liability. When any of Airline's liability insurance policies is provided under a Claims-Made Liability form, Airline agrees to the following additional special conditions:

A. The Certificate of Insurance issued to County shall clearly indicate whether the Claims-Made Liability form applies, include the retroactive date of coverage and indicate if the limits are subject to annual aggregate. If aggregate limits apply, Airline shall maintain aggregate limits that are commercially reasonable and consistent with the structure of Airline's overall insurance program, and in no event less than the minimum levels required under Sections 14.01(B)–(E) above. For purposes of this Section, "commercially reasonable" aggregate limits means aggregate limits that are consistent with the aggregate limits customarily maintained by similarly situated Air Carriers operating at comparable airports in the United States. Aggregate limits shall not be deemed commercially reasonable if they materially reduce County's protection below levels normally accepted in the industry.

B. Airline may satisfy the intent of this Section by maintaining continuous Claims-Made coverage with an uninterrupted retroactive date, including upon renewal, replacement, or modification of such policies, without the need to purchase a Supplemental Extended Reporting Period endorsement.

C. Airline shall purchase a Supplemental Extended Reporting Period of not less than three (3) years only if its Claims-Made coverage is canceled, non-renewed, or otherwise discontinued and not replaced with substantially equivalent Claims-Made coverage that maintains the same or earlier retroactive date.

D. All insurance policies required hereunder may include a reasonable deductible or self-insured retention, unless otherwise stated or limited. Deductible or retention levels shall be subject to County's review and approval. When requested, Airline shall submit its most recent financial statement to justify a particular deductible or self-insured retention amount.

14.06 Umbrella Liability Insurance or Excess Liability Insurance. Umbrella or Excess Liability Insurance may be used to reach the limits of liability required for the Airline Liability Policy, Aircraft Liability Policy and Business Automobile Policy.

14.07 Right to Review. County, by and through its Risk Management Department in cooperation with the Department, reserves the right to review, modify, reject, or accept any required policies of insurance, including limits, coverage, or endorsements; provided, however, any modifications to required policies of insurance shall be consistent with the limits established by other comparable airports within the United States and shall be available in the commercial market. For insurance coverage to be deemed unavailable in the commercial market, Airline shall provide written documentation reasonably acceptable to County demonstrating that Airline made diligent, good-faith efforts to obtain such coverage from multiple reputable insurers or brokers, and that such insurers or brokers either declined to offer the coverage or offered it only on terms that are commercially unreasonable. All insurance shall be issued by responsible insurance companies, which may be Airline's captive, deemed to be reasonably acceptable to County. County may reject any insurer or self-insurance plan providing coverage because of poor financial condition or failure to operate legally. In the event County elects to modify coverage required hereunder or rejects any insurer or self-insurance plan pursuant to this Section, Airline shall provide updated certificate(s) of insurance to County evidencing the replacement coverage within thirty (30) days of receipt of written notice from County. Airline shall be responsible for any premium revisions as a result of any such reasonable adjustment. The acceptance of delivery to County of any certificate(s) of insurance evidencing the insurance coverages and limits required under this Lease shall not constitute approval or acceptance by County that the insurance requirements have been met.

14.08 Invalidation of Policies. Airline shall not knowingly use or permit the use of the Premises for any purpose which would invalidate any policies of insurance, now existing or hereafter written on the Premises or Airport for County or Airline. In the event Airline's acts or failure to act shall cause cancellation of any policy, then Airline shall immediately, prior to notification by County, take such action as is necessary to reinstate or replace the required insurance.

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

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

ARTICLE 15 - DAMAGE OR DESTRUCTION OF PREMISES

15.01 Damage or Destruction. Subject to the limitations set forth elsewhere in this Lease, Airline hereby assumes full responsibility for the condition of the Premises and character, acts and conduct of all Persons admitted to the Premises (other than a County Party or any of County's contractors) by or with the actual or constructive consent of Airline or by or with the consent of any Person acting for or on behalf of Airline. If any part of the Air Cargo Building or any other part of the Airport is damaged in any way whatsoever by the default, negligence or willful misconduct of any Airline Party, Airline shall be responsible for payment of: (a) all costs of restoring the damaged property to substantially the same condition that existed prior to the occurrence of the fire or other casualty using materials of like kind and quality to the extent that those costs exceed the proceeds payable under any policy of property insurance that County maintains in force with respect to the Air Cargo Building or Airport; and (b) the deductibles that apply in connection with the County's policies of insurance; provided, however, Airline shall only be liable for payment of such costs and deductibles to the extent those costs are allocable to the default, negligence or willful misconduct of any Airline Party.

15.02 Termination Rights of the Parties. If a fire or other casualty renders the Premises untenable, in whole or in part, either by reason of direct damage to the Premises or by denial of, or material restriction to, Airline's access to the Premises and if the estimated cost of restoring the damaged property to substantially the same condition that existed prior to the occurrence of the fire or other casualty using materials of like kind and quality exceeds Two Hundred Fifty Thousand Dollars ($250,000.00), County may elect to terminate this Lease by delivering written notice to Airline within sixty (60) days after the date of such fire or other casualty. In the event County elects to restore the damaged property or is obligated to restore the damaged property pursuant to this Section, County shall provide Airline with a good faith estimate of the anticipated time to complete restoration ("Estimate") within sixty (60) days of the date of the fire or other casualty. If the estimated date for completion of restoration is more than one hundred eighty (180) days after the date of the occurrence of the fire or other casualty, Airline may terminate this Lease by delivering written notice to County within fifteen (15) days following Airline's receipt of the Estimate. If County fails to complete the restoration within thirty (30) days after the date specified in the Estimate, Airline may terminate this Lease by delivering written notice to County at any time following the expiration of that thirty (30) day period; provided, however, Airline shall not have the right to terminate this Lease on or after the date on which County completes the restoration. In the event County's inability to complete restoration on or before the date specified in the Estimate is due, in whole or in part, to Excused Delays or the act or omission of any Airline Party, the date for completion of restoration shall be postponed by the aggregate amount of the delay in restoration that occurs as a result of such Excused Delays or act or omission of the Airline Parties. In the event of restoration of the Premises by County pursuant to this paragraph, Airline's obligation to pay rental shall be abated as provided in Section 15.03 below.

15.03 Rent Abatement. If this Lease is terminated pursuant to this Article, the rental required by virtue of the terms of this Lease will abate entirely effective upon the effective date of the termination. In the event neither Party terminates this Lease pursuant to Section 15.02 above, the rental required by virtue of the terms of this Lease will abate for the period during which the Premises is untenable to the extent that the rental exceeds the proceeds payable in respect of the time element insurance that County maintains in force with respect to the Airport by reason of the damage to the Air Cargo Building. In the event County elects to restore the Premises, no abatement of the rental required by virtue of the terms of this Lease that is allocable to that portion of the Premises that remains tenable will occur; the Parties will determine the amount of the rental that is allocable to that portion of the Premises that remains tenable based on the proportion that the utility that the tenable portion of the Premises has in the conduct of Airline's business bears to the total utility of the Premises in the conduct of that business. For purposes of the foregoing, the Parties will consider that the Premises is untenable and that use of the entire Premises has not been restored to Airline until the date that is the earliest of (1) the date that is thirty (30) days after the date on which County substantially completes the restoration of the Premises (excluding leasehold improvements Airline makes) and restores substantially the same degree of access to the Premises that existed prior to the occurrence of the fire or other casualty, (2) the date that is thirty (30) days after the date on which County would have substantially completed the restoration of the Premises (excluding leasehold improvements Airline makes) and would have restored substantially the same degree of access to the Premises that existed prior to the occurrence of the fire or other casualty, but for the occurrence of delays that occur in the completion of the restoration because of Airline's action or inaction, or (3) the date on which Airline resumes the conduct of its business activities within the portion of the Premises affected by the fire or other casualty. County is entitled to adjust any claim made, and receive all proceeds payable, in respect of the time element insurance that County maintains in force with respect to the Airport and shall apply those proceeds to the payment of the rental that becomes due during the period of the restoration.

15.04 Restoration. If a fire or other casualty renders the Premises untenable, in whole or in part, either by reason of direct damage to the Premises or by denial of, or material restriction to Airline's access to the Premises and this Lease is not terminated in accordance with this Article, County shall restore the damaged property (exclusive of the leasehold improvements made by Airline) to substantially the condition that existed prior to the occurrence of the fire or other casualty in accordance with the requirements of this Lease and all applicable laws, ordinances and regulations. To the extent practicable, County will provide Airline's contractors with access to the Premises during the restoration for the purpose of concurrently repairing or replacing Airline's leasehold improvements and trade fixtures; provided that the work to be performed by Airline's contractors will not: (1) conflict with the restoration work being performed by County's contractors; or (2) result in a delay in completion of the restoration work being completed by County's contractors.

15.05 Waiver. Airline hereby waives any claim against County for any and all Damages in the event this Lease is terminated pursuant to Section 15.02 above.

15.06 Limitations. Notwithstanding any provision of this Lease to the contrary, County shall have no obligation to repair, rebuild or restore Airline's personal property or fixtures or any improvements made by Airline to the Premises. If this Lease is not terminated in accordance with this Article, County's obligation to restore or rebuild the damaged property shall only exist to the extent of: (a) the insurance proceeds payable to County as the result of a fire or other casualty; and (b) any amounts received by County from Airline towards the costs of restoration pursuant to Section 15.01. Except as provided in Section 15.03, Airline shall not be entitled to and hereby waives any claims against County for any compensation or damage for any loss of use of the Premises, in whole or in part, or for any inconvenience or annoyance occasioned by any damage, destruction, repair or restoration of the Premises. In the event this Lease is terminated in accordance with this Article, County shall remain entitled to receive all proceeds payable in respect of the insurance that County maintains.

15.07 Insurance Proceeds. Upon receipt by Airline of the proceeds of any applicable insurance policy or policies that covers damage to the Premises (as distinguished from policies covering damage to leasehold improvements Airline makes to the Premises or to personal property that Airline places in or about the Premises), the proceeds shall be deposited in an escrow account approved by Department so as to be available to pay for the cost of such repair, replacement or rebuilding. Any insurance proceeds shall be disbursed during construction to pay the costs 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 and the damage was caused by any Airline Party, Airline shall pay any additional sums required into said escrow account. If the amount of the insurance proceeds is in excess of the costs of repair, replacement or rebuilding, the amount of such excess shall be remitted to Airline.

ARTICLE 16 - ENCUMBRANCES

Airline shall not, in any manner, mortgage, pledge or otherwise encumber this Lease, the Premises or any improvements now existing or hereinafter erected or constructed upon the Premises without County's prior written consent, which consent may be granted or withheld by County in its sole discretion for any reason or no reason at all. Any such encumbrance without County's approval shall be null and void. This provision shall be construed to include a prohibition against any mortgage, pledge, or encumbrance by operation of law, legal process, receivership, bankruptcy, or otherwise, whether voluntary or involuntary.

ARTICLE 17 - TITLE TO IMPROVEMENTS

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

ARTICLE 18 - EXPIRATION, DEFAULT AND REMEDIES

18.01 Expiration/Termination. This Lease shall terminate at the end of the Term as set forth in Article 3, unless terminated earlier in accordance with the provisions of this Lease. County may elect to terminate this Lease in the event Airline vacates or abandons the Premises for a period of more than ninety (90) consecutive days, without prior written consent of County, which consent may be granted or withheld in County's sole and absolute discretion.

18.02 Default. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Airline ("Event of Default"):

A. The failure by Airline to pay any amounts, rentals, fees or charges payable hereunder, including, but not limited to, any Shortfall Payment, as and when due, where such failure shall continue for a period of fifteen (15) days after receipt of written notice thereof from County to Airline.

B. The failure by Airline to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Airline, where such failure continues for a period of thirty (30) days after receipt of written notice thereof from County to Airline, provided, however, that if the nature of Airline's default is such that more than thirty (30) days are reasonably required for its cure, then Airline shall not be deemed to be in default if Airline commences such cure within such thirty (30) day period and thereafter diligently pursues such cure to completion. Nothing contained in this subsection shall be deemed to alter or affect the cure period for performance of any covenant, condition or provision for which a specific time period is provided elsewhere in this Lease.

C. To the extent permitted by law, (a) the making by Airline or any guarantor hereof of any general assignment, or general arrangement for the benefit of creditors; (b) the filing by or against Airline of a petition to have Airline adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy [unless, in the case of a petition filed against Airline, the same is dismissed within sixty (60) days]; (c) the appointment of a trustee, custodian or receiver to take possession of substantially all of Airline's assets located at the Premises or of Airline's interest in this Lease, where possession is not restored to Airline within thirty (30) days; or (d) the attachment, execution or other judicial seizures of substantially all of Airline's assets located at the Premises or of Airline's interest in this Lease, where such seizure is not discharged within thirty (30) days.

D. The discovery by County that any material information given to County by Airline relating to this Lease was false, and Airline knew such information to be false at the time it was given to County.

E. The failure of Airline to provide evidence of, and to keep in full force and effect, the Contract Security in accordance with Section 5.07, or insurance coverage in accordance with Article 14.

18.03 Remedies. In the event of an Event of Default by Airline, County may at any time thereafter, without limiting any other right or remedy available at law or in equity, elect to exercise anyone or more of the following remedies:

A. Terminate Airline's right to possession of the Premises by any lawful means and reenter and retake possession of the Premises. Upon termination, all rentals, fees, charges and other sums then due and owing shall be immediately due and payable and County may accelerate and declare immediately due the unpaid portion of the Minimum Annual Commitment and any other amounts that would have become due during the remainder of the Term ("Accelerated Amount").

B. Draw upon any Contract Security or other security posted by or for Airline to satisfy any unpaid fees, charges, Shortfall Payments, Accelerated Amount, or other amounts due under this Lease. County's right to draw on such Contract Security is in addition to, and not in lieu of, any other remedy available to County.

C. Retain any Settlement Amount, Revenue Sharing or other amounts otherwise payable to Airline and apply such amounts to any past due or outstanding fees, charges or other obligations of Airline under this Lease.

D. Stand by and do nothing, holding Airline liable for the rentals, fees and charges as they come due without accelerating other amounts, reserving County's right to pursue collection of such amounts as they accrue.

E. Set off or withhold any amounts due to Airline from County against any amounts owed by Airline to County under this Lease or any other agreement between Airline and County, subject to applicable law.

F. Pursue any other remedy now or hereafter available to County under the laws and judicial decisions of the State of Florida, including injunctive relief, specific performance, and actions for Damages. County shall be entitled to recover from Airline all reasonable costs of collection, including attorneys' fees, court costs, and expenses incurred in enforcing County's rights under this Lease.

Notwithstanding the foregoing, in the event Airline commits an Event of Default, and at the same time or thereafter renounces this Lease in its entirety, County shall have the right to bring an action to recover its Damages. County's recoverable Damages shall include, without limitation, the following: (a) all amounts due County hereunder plus interest as provided for herein; (b) the unpaid portion of the Minimum Annual Commitment for the remainder of the Term, which may be accelerated and declared immediately due; (c) any Shortfall Payments; (d) reasonable costs of collection, including attorneys' fees and court costs; and (e) other direct damages resulting from Airline's renunciation of this Lease.

18.04 Termination by Airline. Airline may terminate this Lease, if Airline is not in default of this Lease (including, but not limited to, its payments to County hereunder) beyond any applicable notice and cure period 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, or would remain in full force for a period of at least ninety (90) days.

B. The default by County in the performance of any material covenant or material agreement herein required to be performed by County and the failure of County to remedy such default for a period of thirty (30) days after receipt from Airline of written notice to remedy same; provided, however, that no notice of termination, as provided herein, shall be of any force or effect if County shall have remedied the default prior to receipt of Airline's notice of termination; or in the event the same cannot be cured within such thirty (30) day period and County has commenced such cure and thereafter diligently pursues the same until completion.

C. The lawful assumption by the United States Government or any authorized agency thereof, of the operation, control, or use of the Airport and facilities, or any substantial part or parts thereof, in a manner which substantially restricts, or is scheduled to substantially restrict, the operation of Airline, for a period of at least ninety (90) days.

D. The rights of termination described above shall be in addition to any other rights of termination provided in this Lease and in addition to any rights and remedies that the Airline would have at law or in equity consequent to any breach of this Lease by County, and the exercise by Airline of any right of termination shall be without prejudice to any other such rights and remedies.

18.05 Surrender of Premises. Airline expressly agrees that it shall immediately surrender the Premises to County in good and fit condition, except as to those portions of the Premises that County is responsible for maintaining or repairing hereunder, upon expiration or earlier termination of this Lease, depreciation and wear from ordinary use for the purpose for which the Premises were licensed and casualty that is not the responsibility of an Airline Party being excepted. All repairs and obligations for which Airline is responsible shall be completed by the earliest practical date but in no event later than ten (10) Business Days after the date of the expiration or termination. Airline shall remove all of its personal property from the Premises in accordance with the requirements of Section 18.06. County may require Airline to return the Premises free and clear of some or all improvements made by Airline, at Airline's sole cost and expense; provided that County notified Airline that County may require removal of such improvements as a part of County's approval to construct or install such improvements. In such event, County shall provide written notification to Airline of its election to require removal of improvements and, to the extent possible, County shall notify Airline at least sixty (60) days prior to the effective date of such expiration or earlier termination. Airline shall have sixty (60) days from date of County's notice within which to remove the improvements. In the event Airline fails to timely remove the improvements or restore the Premises to good and fit condition as provided above, County may remove the improvements and restore the Premises at Airline's sole cost and expense. Airline shall reimburse County for County's direct labor and material removal and restoration costs plus a twenty five percent (25%) administrative overhead within thirty (30) days of the date of County's invoice. Airline's obligation to reimburse County for removal of improvements pursuant to this Section shall survive the expiration or earlier termination of this Lease until County has received full reimbursement. County agrees that it shall not require removal of any improvements constructed or installed hereunder if Airline has entered into a new agreement with County substantially similar to this Lease, which will become effective upon the expiration or earlier termination of this Lease; provided that the improvements are in good condition and repair and will be located within the Premises of Airline under the new agreement.

18.06 Removal of Personal Property.

A. Airline shall not abandon any personal property at the Airport without the written consent of County, which consent may be granted or withheld in County's sole and absolute discretion. Any property owned by County that is damaged by or as a result of the removal of property owned by Airline shall be restored by Airline to the condition existing before such damage, at Airline's sole cost and expense. In the event Airline fails to timely restore the damaged property, County may restore the damaged property at Airline's sole cost and expense. Airline shall reimburse County for County's direct labor and material restoration costs plus a twenty five percent (25%) administrative overhead within thirty (30) days of the date of County's invoice.

B. Any personal property of Airline not removed in accordance with this Section, at the option of County, may be removed and placed in storage by County at the sole cost of Airline, or may become the property of County, all at no cost to County. In the event County does not elect to take ownership of the property, it may dispose of same by either public or private sale and retain the proceeds thereof. Any costs of removal and disposition not covered by such proceeds shall be borne by Airline.

18.07 Holdover. In the event Airline fails to surrender possession of the Premises, or any portion thereof, after the expiration or earlier termination of this Lease, any such holding over shall be construed as a tenancy from month-to-month, and Airline shall continue to pay to County, for so long as Airline shall remain in possession thereof, all rentals, fees and charges payable by Airline hereunder. Department, in its sole and absolute discretion, may also elect to assess an additional ten percent (10%) charge on all rentals payable hereunder and require Airline to pay other fees and charges payable hereunder at the then current non-signatory airline rate during such period if Airline holds over without the prior written consent of Department, which consent may be granted or withheld in Department's sole and absolute discretion. Airline shall not be considered a Signatory Airline during any holdover period and shall not be entitled to the rights or privileges granted a Signatory Airline hereunder, unless such holdover is with the prior written consent of Department, which consent may be granted or withheld in Department's sole and absolute discretion. The foregoing provisions shall not serve as permission for Airline to holdover, nor serve to extend the Term of this Lease; provided, however, Airline acknowledges and agrees that, Airline shall remain bound to comply with all the provisions of this Lease during any holdover period until Airline vacates the Premises or enters into a new agreement with County. Airline shall indemnify and hold County and the County Parties harmless from Damages arising out of such unauthorized possession by Airline. Airline's obligations under this Section shall survive the expiration or earlier termination of this Lease. Nothing in this Section shall be deemed to waive any legal remedies County may have against Airline and County shall be entitled to exercise any and all available legal remedies for Airline's failure to surrender the Premises upon the expiration or earlier termination of this Lease.

ARTICLE 19 - ASSIGNMENT AND SUBLETTING

19.01 Assignment by Airline. Except as permitted below, Airline shall not in any manner assign, transfer, mortgage, pledge, encumber, hypothecate or otherwise convey an interest in this Lease, or any portion of Premises, without the prior written consent of Department ("Assignment"), which consent may be granted or withheld in Department's sole and absolute discretion. Without County's consent, however, Airline may assign this Lease or sublet any part of the Premises to a corporation controlling, controlled by, or under common control with, Airline, to the surviving corporation in any merger or other corporate re-organization involving Airline, or to the purchaser of all or substantially all of Airline's assets, upon written notice to County. In the case of any Assignment, whether one requiring County's consent or one not requiring that consent, the assignee must assume all obligations of Airline hereunder that accrue subsequent to the Assignment and must comply with terms and conditions set forth in this Lease insofar as they relate to obligations that accrue subsequent to the Assignment. Airline further agrees to provide County with such documentation relating to the merger or consolidation of Airline and the successor entity or to the sale of Airline's assets as County requires in its reasonable discretion.

19.02 Subletting By Airline. Except as Section 19.01 above permits, Airline shall not sublease the Premises, or any portion thereof, without the prior written consent of Department, which consent may be granted or withheld in Department's sole and absolute discretion

19.03 General.

A. No Assignment or sublease agreement shall release Airline from its obligations hereunder, including without limitation the obligation to pay the rentals, fees, and charges provided herein.

B. Except for vending machine concessions within the Assigned Building Premises to serve Airline's employees, this Article shall be applicable to subleases, licenses, handling agreements, and any other arrangements by which a third party may obtain any benefits of Airline's rights and privileges hereunder.

C. This Article shall be construed to include a prohibition against any assignment, mortgage, pledge, encumbrance or sublease by operation of law, legal process, receivership, bankruptcy or otherwise, whether voluntary or involuntary.

ARTICLE 20 - INDEMNIFICATION

Except as provided in Section 14.02 and Article 23, Airline shall protect, defend, reimburse, indemnify and hold each of the County Parties free and harmless at all times from and against any and all liability, losses, expenses, costs, suits, claims, judgments, fines and damages (including reasonable attorney fees at trial and appellate levels) and causes of action of every kind and character (hereinafter collectively referred to as, "Damages"), in which a County Party is named or joined, arising out of the performance or nonperformance of this Lease by Airline or the use or occupancy of the Premises or Airport by an Airline Party, including, but not limited to, those arising by reason of any damage to property or bodily injury (including death) incurred or sustained by any Party hereto, any agent or employee of any Party hereto, any third party, and/or any other Person whomsoever, or arising out of or in connection with the condition of the Premises, an Airline Party's acts, omissions or operations at the Airport, or the performance or nonperformance of Airline services at the Airport by an Airline Party; provided, however, Airline shall not be responsible for Damages that are determined by a court of competent jurisdiction to be attributable to the negligence or willful misconduct of a County Party or a direct result of a breach of this Lease by County. Nothing herein shall be deemed to abrogate Airline's common law or statutory rights to contribution from County for liability legally established as attributable to County's negligence. The obligations arising under this Article shall survive the expiration or termination of this Lease. The environmental indemnity provided in Section 22.05 shall apply to Damages arising by reason of any damage to the environment.

ARTICLE 21 - SIGNS

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

ARTICLE 22 - LAWS, REGULATIONS AND PERMITS

22.01 General.

A. Airline agrees that throughout the Term of this Lease, each Airline Party 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, as now or hereafter amended, applicable to Airline's activities at the Airport, including, but not limited to, FAA Advisory Circulars, Airport Rules and Regulations and Environmental Laws. Airline agrees to cooperate in good faith with any investigation, audit, or inquiry by County regarding any federal or state regulatory action or investigation, which is against County, but arises out of an Airline Party's activities.

B. Airline agrees that it shall require appropriate managers, supervisors, and employees of Airline Parties to attend such training and instructional programs as County 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.

22.02 Permits and Licenses. Airline agrees that it shall, at its sole cost and expense, obtain, maintain current, and fully comply with, any and all applicable permits, licenses and other governmental authorizations, as may be required by law, any federal, state or local governmental entity, or any court of law having jurisdiction over Airline or Airline's operations and activities, for any activity of Airline conducted on the Premises and/or Airport. Upon the written request of County, Airline shall provide to Department certified copies of any and all permits and licenses.

22.03 Air and Safety Regulation. Airline agrees that Airline Parties shall conduct their operations and activities under this Lease in a safe manner, shall comply with all applicable safety standards imposed by 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 Airline resulting from, or in any way related to, the conduct of Air Transportation Services on the Premises. Airline shall procure and maintain such fire prevention and extinguishing devices as required by law, including applicable County orders and codes, 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. Airline agrees that neither Airline nor any employee or contractor or any person working for or on behalf of Airline, shall require any personnel engaged in the performance of Airline's Air Transportation Services 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 same may be amended from time to time, as well as all state and local laws, regulations, and orders relative to occupational safety and health.

22.04 Assumption of Liability. Airline shall be liable for and hereby expressly assumes all responsibility for the cost of all citations, fines, penalties, environmental controls, monitoring, clean up, disposal, restoration and corrective measures resulting from the improper handling, storage and/or disposal at the Airport by any Airline Party of any Hazardous Substances regulated by Environmental Laws. Airline agrees to cooperate in good faith with any investigation, audit or inquiry by County regarding any regulatory enforcement action or investigation against County, which arises from an Airline Party's activities. Airline shall provide any notice of non-compliance or violation or other notice of enforcement action against an Airline Party related in any way to its activities at the Airport to County as soon as reasonably practicable, but no later than fourteen (14) days of receipt by Airline. Airline's obligations under this Section shall survive the expiration or earlier termination of this Lease.

22.05 Environmental Indemnification. Airline hereby expressly agrees to indemnify and hold each of the County Parties harmless from and against any and all Damages, including reasonable fees and costs of consultants, experts, contractors and laboratories reasonably incurred in connection with the indemnified incident, to the extent the Damages arise from, or result out of, any act or omission of an Airline Party in connection with the Airline Party's use of the Airport, resulting in a violation of, or non-compliance with, Environmental Laws, subject to the limitations hereinafter provided. Such indemnification includes, but is not limited to, corrective actions to assess, abate, remediate, and implement corrective measures and/or monitor environmental conditions, but only to the extent necessary to return the affected property to compliance with applicable Environmental Laws and to allow its continued use for the same purposes for which it was used immediately prior to the violation of, or non-compliance with, Environmental Laws; provided, however, Airline shall not be responsible to County for any Damages determined by a court of competent jurisdiction to be attributable to the negligence, willful misconduct, or other actions or inactions of a County Party or an unrelated third party resulting in the violation of, or non-compliance with, Environmental Laws, or that are a direct result of a breach of this Lease by County resulting in a violation of, or non-compliance with, Environmental Laws. Airline's obligations under this Section shall survive expiration or earlier termination of this Lease. The environmental indemnity provided in this Section shall apply to Damages arising by reason of any damage to the environment.

22.06 Environmental Considerations

A. If Airline and/or an Airline Party is deemed to be a generator of hazardous waste (as defined by Environmental Laws) in connection with its use of the Airport, Airline will obtain, if required by applicable Environmental Laws, a generator identification number and the appropriate generator permit from the government agency with jurisdiction and will comply with all applicable Environmental Laws in connection with its use of the Airport, including, but not limited to, ensuring that the transportation, storage, handling, and disposal of such hazardous wastes are conducted in full compliance with Environmental Laws.

B. If required by applicable Environmental Laws, Airline agrees to provide to County within fourteen (14) days after County's request, copies of all hazardous waste permit applications, permits, monitoring reports, transportation, records, storage and disposal plans, safety data sheets and waste disposal manifests prepared by Airline or issued by a governmental authority to Airline in connection with Airline's use of Airport in the form such records are kept in accordance with applicable Environmental Laws. In the event any records provided to County pursuant to this subsection by Airline would be considered confidential or exempt from Florida Public Records Law, Airline shall prominently identify the record(s) that contain Confidential Information, including the specific statutory exemption(s). Except as otherwise required by law or a court of competent jurisdiction, County shall not release Confidential Information to a third party unless Airline has consented to such release in writing. In the event a third party submits a request to County for the release of records that Airline has identified as containing Confidential Information, County shall notify Airline in writing that it has received the request upon receipt of the request and whether County intends to release such records based upon a determination by County that the records are not exempt from disclosure so that Airline can immediately seek a court order or other relief preventing County from releasing Confidential Information. Airline shall protect, defend, reimburse, indemnify and hold the County Parties free and harmless at all times from and against any and all Damages relating to the non-disclosure of any Confidential Information in response to a records request by a third party to the extent County has reasonably relied on Airline's identification of such records as Confidential Information.

C. Upon the expiration or earlier termination of this Lease, Airline shall dispose of all of Airline's hazardous wastes and containers located upon the Airport in compliance with Environmental Laws. Upon request by County, copies of all waste manifests for shipments of such wastes will be provided to County at least sixty (60) days following the expiration or earlier termination of this Lease.

D. Nothing in this Article will be construed to make Airline liable in any way for any contamination or release of Hazardous Substances, affecting Airport that occurred prior to Airline's entry upon or operations at the Airport or that occurred as a result of the actions or inaction of County or its employees, agents, contractors or anyone else other than Airline or its employees, agents or contractors at the Airport.

E. Nothing in this Article will be construed to make Airline liable in any way for any environmental contamination or release of Hazardous Substances affecting the Airport or the Premises that occurs by reason of the migration or flow of contamination onto the Airport or the Premises from a site located off the Airport or off the Premises, as the case may be, with verifiable or documented evidence that the contamination is not attributable to Airline's activities at Airport.

F. To the extent a release of Hazardous Substances affecting the Airport or the Airline Premises is caused by Airline or an Airline Party, Airline shall, at its sole cost, promptly implement all corrective measures and remediation required under applicable Environmental Laws. All such work shall be performed by qualified contractors in accordance with the requirements of any governmental agency having jurisdiction over the Airport and all applicable Environmental Laws and shall achieve compliance with all applicable Environmental Laws necessary to permit the continued use of the affected property for the same purposes for which it was used immediately prior to the release. County reserves the right to review and approve all remediation plans and reports to verify Airline's compliance with this Section, which approval will not be unreasonably withheld.

G. Airline acknowledges that certain properties within Airport or on County-owned land are subject to stormwater rules and regulations. Airline agrees to comply with, and cause each Airline Party to comply with, all applicable stormwater rules and regulations, and, if applicable, Airline agrees in connection with Airline's operations on Airport with the following:

1. The Parties acknowledge that close cooperation is necessary to ensure compliance with any stormwater discharge permit terms and conditions, as well as to ensure safety and to minimize the cost of compliance. County agrees to notify Airline in advance of any proposed changes to the stormwater permit or County's Stormwater Pollution Prevention Plan applicable to the Airport affecting Airline's activities or operations hereunder. Airline acknowledges further that it may be necessary to undertake actions to minimize the exposure of stormwater to "significant materials" (as such term may be defined by applicable stormwater rules and regulations) generated, stored, handled, or otherwise used by Airline or an Airline Party in connection with Airline's activities or operations at the Airport by implementing and maintaining "best management practices" (as such term may be defined in applicable stormwater rules and regulations).

2. Airline shall comply, and cause each Airline Party to comply with, with any stormwater discharge permit requirements applicable to Airline. If applicable to Airline's use of the Airport, Airline and/or each Airline Party shall submit a separate Notice of Intent to use the State of Florida Multi-Sector Generic Permit for Stormwater Discharge Associated with Industrial Activity to the Florida Department of Environmental Protection with a copy to County. Airline shall comply with all applicable stormwater requirements, including, but not limited to: certification of non-stormwater discharges; County's Stormwater Pollution Prevention Plan or similar plans; implementation of best management practices (as such term may be defined in applicable stormwater rules and regulations); and maintenance and submittal of records required by County's Stormwater Pollution Prevention Plan. In complying with such requirements, Airline will observe, and cause each Airline Party to

observe, applicable deadlines set by the regulatory agency that has jurisdiction over the permit. Airline agrees to undertake, as its sole expense, those applicable stormwater permit requirements for which it has received written notice from the regulatory agency and that apply to Airline's operations at the Airport.

22.07 Emergency Coordinator. Airline agrees that an emergency contact and phone number for Airline shall be furnished to County, County's Risk Management Department - Safety Division, and to all appropriate governmental entities having jurisdiction thereof, to serve as Airline's point of contact in case of any spill, leak, or other emergency situation involving Hazardous Substances at the Airport.

22.08 Security. Airline acknowledges and accepts full responsibility for the security and protection of the Premises; any and all inventory, equipment, and facilities now existing or hereafter placed on or installed in or upon the Premises; and for the prevention of unauthorized access to the Assigned Building Premises. Airline expressly agrees to comply with, and to ensure each Airline Party complies with, all applicable laws, rules, regulations and directives of County, PBSO, the Department of Homeland Security and all other governmental entities that now or may hereafter have jurisdiction over security of the Airport. Airline fully understands that the police security protection provided by County at the Airport is limited to that provided to any other business situated in Palm Beach County by PBSO, and expressly acknowledges that any special security measures deemed necessary or desirable for additional protection of the Premises and improvements constructed thereon shall be the sole responsibility of Airline and shall involve no cost to County. Airline further expressly acknowledges and accepts responsibility to maintain the security of the Airfield from or through the Assigned Building Premises to the aircraft operations area and hereby agrees to fully comply with, and ensure Airline parties comply with, all federal, state and local laws and Operating Procedures regulating security at the Airport, as now or hereafter amended, including, but not limited to, 49 CFR 1542 and the Airport Security Program. If an Airline Party shall fail or refuse to comply with the aforementioned security requirements and such non-compliance results in a monetary penalty being assessed against County, Airline shall be responsible for the costs thereof and shall reimburse County in the full amount of any such monetary penalty.

22.09 Payment of Taxes. Airline shall pay any and all taxes and other costs lawfully assessed against its interest in the Premises, the improvements, whether owned by Airline or County, personal property or its operations under this Lease including, but not limited to, tangible, intangible, sales and ad valorem taxes, general or special assessments. In the event this Lease or Airline's use of the Premises renders the Premises subject to ad valorem real property taxes or similar impositions imposed by any government entity, Airline shall be responsible for and pay the same prior to delinquency. Airline shall have the right to contest the amount or validity of any tax or assessment payable by it by appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying, or extending Airline's covenants to pay any such tax or assessment, unless the legal proceedings shall operate to prevent the collection of the tax or assessment. Upon termination of such legal proceedings, Airline shall pay the amount of any such tax or assessment, or part thereof, as finally determined in such proceedings, the payment of which may have been deferred during the prosecution thereof, together with any costs, fees, interest, penalties, or other liabilities in connection therewith.

22.10 Compliance by Other Airlines. County shall, whenever possible, make reasonable efforts to obtain uniform compliance with the Airport Rules and Regulations and Operating Procedures; however, County shall not be liable to Airline for any violation of or failure to observe the Airport Rules and Regulations or Operating Procedures by any Airport user, tenant, concessionaire or Air Carrier or their officers, agents, or employees. County shall only be liable to Airline to the extent such violation or failure is directly caused by a County Party and results in actual damage to Airline.

22.11 Americans with Disabilities Act. Airline shall comply with the applicable requirements of the Americans with Disabilities Act and any similar or successor laws, ordinances, rules, and regulations, including cooperation with County, concerning the same subject matter.

ARTICLE 23 - DISCLAIMER OF LIABILITY

COUNTY HEREBY DISCLAIMS, AND AIRLINE HEREBY RELEASES COUNTY, FROM ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NUISANCE), FOR ANY LOSS, DAMAGE, OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY AIRLINE 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 AN AIRLINE PARTY THAT MIGHT BE LOCATED OR STORED ON THE PREMISES, EXCEPT TO THE EXTENT THAT SUCH LOSS, DAMAGE OR INJURY IS CAUSED BY COUNTY'S NEGLIGENCE OR WILLFUL MISCONDUCT, BREACH OF ITS OBLIGATIONS UNDER THIS LEASE OR THAT OF A COUNTY PARTY. THE PARTIES HERETO EXPRESSLY AGREE THAT UNDER NO CIRCUMSTANCES SHALL EITHER PARTY 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. AIRLINE ACKNOWLEDGES AND AGREES THAT COUNTY HAS MADE NO WARRANTIES OR REPRESENTATIONS REGARDING THE AIRPORT, THE AIRLINE PREMISES, OR THIS LEASE AND AIRLINE HAS CONDUCTED ITS OWN DUE DILIGENCE AND ENTERS INTO THIS LEASE AT ITS SOLE RISK.

ARTICLE 24 - GOVERNMENTAL RESTRICTIONS

24.01 Avigation Rights. 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 Airport, including the Premises, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft now known or hereafter used, for navigation of, or flight in the said airspace for landing on and taking off from the Airport.

24.02 Height Limitation. Airline expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Premises to such a height so as to comply with Federal Aviation Regulations, Part 77, as such may be amended or superseded from time to time.

24.03 County Tax Assessment Right. None of the terms, covenants and conditions of this Lease shall in any way be construed as a release or waiver on the part of County, as a political subdivision of the State of Florida, or any of the public officials of the County of Palm Beach, of the right to assess, levy, and collect any license, personal, intangible, occupation, or other tax of general application that shall be lawfully imposed on the business or property of Airline.

24.04 Governmental Review. Airline acknowledges that this Lease is subject to review or inspection by the United States government and the State of Florida and their respective agencies and departments, including, but not limited to, the FAA, to determine satisfactory compliance with state and federal law and/or PFC and grant assurance requirements. Airline agrees that this Lease shall be in full force and effect and binding upon both Parties pending such review or inspection; 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 or the State of Florida or any of their respective agencies or departments to be in violation of or inconsistent with any state or federal law and/or PFC or grant assurance requirement.

24.05 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 this Lease shall thereupon terminate, and County and Airline shall be released and fully discharged from any and all liability hereunder. This Article shall not act or be construed as a waiver of any rights Airline may have against the United States as a result of such taking.

ARTICLE 25 - SUBORDINATION AND SAVINGS CLAUSE

25.01 Subordination.

A. This Lease and all rights granted to Airline hereunder are expressly subordinated and subject to the lien and provisions of the pledge, transfer, hypothecation, or assignment made by County in the Bond Resolution, and County and Airline agree that to the extent permitted by authorizing legislation, the holders of the Bonds or their designated representative may exercise any and all rights of County hereunder to the extent such possession, enjoyment and exercise are necessary to ensure compliance by Airline and County with the terms and provisions of this Lease and Bond Resolution. In the event of a conflict between this Lease and the Bond Resolution, the terms of the Bond Resolution shall prevail. County agrees to provide Airline with prior written notice of any future change to the Bond Resolution that will materially alter Airline's obligations hereunder.

B. This Lease shall be subject and subordinate to all the terms and conditions of any instrument and documents under which County acquired the land or improvements thereon, of which the Premises are a part, and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. Airline understands and agrees that this Lease shall be subordinate to the provisions of any existing or future agreements between County and the United States of America, the State of Florida or any of their respective agencies, the execution of which has been or is required as a condition precedent to the spending of state or federal funds, including, without limitation, grant agreements and associated assurances, (hereinafter collectively referred to as "Grant Obligations"). The Grant Obligations shall be considered incorporated into this Lease by reference, including any amendments or modifications thereto. Notwithstanding any provision of this Lease to the contrary, Airline agrees it shall comply with all Grant Obligations applicable to Airline by virtue of this Lease. County agrees to provide Airline with written notice of any new or amended Grant Obligations, which modify Airline's obligations hereunder. In the event of conflict between any provision of this Lease and the Grant Obligations, the Parties acknowledge and agree the provisions of the Grant Obligations shall prevail.

ARTICLE 26 - NON-DISCRIMINATION

26.01 County Nondiscrimination Provisions. Palm Beach County is committed to assuring equal opportunity in the award of contracts and complies with all laws prohibiting discrimination. Pursuant to Palm Beach County Resolution R2025-0748, as may be amended, Airline warrants and represents that throughout the term of the Lease, including any renewals thereof, if applicable, all of its employees are treated equally during employment without regard to race, color, religion, disability, sex, age, national origin, ancestry, marital status, familial status, sexual orientation, or genetic information. Failure to meet this requirement shall be considered default of the Lease.

26.02 Federal Contract Provisions. Airline represents and warrants to County that Airline shall comply with all applicable requirements of the Federal Contract Provisions set forth in Exhibit "C", which may be amended or updated from time to time upon written notice by County to Airline, without formal amendment hereto.

ARTICLE 27 - GENERAL PROVISIONS

27.01 Clear Title. County covenants that at the granting and delivery of this Lease, it has the right and authority to lease and license the same as herein set forth, subject to all matters, exceptions and encumbrances of record of any kind, including easements.

27.02 Relationship of Parties. Airline, or any successor in interest to this Lease, is and shall be deemed to be an independent contractor and operator and shall be responsible to all parties for its respective acts or omissions, and County shall in no way be responsible therefor. All Persons engaged by Airline in any of the work or services performed pursuant to this Lease shall at all times, and in all places, be subject to Airline's sole direction, supervision and control. Airline shall exercise control over the means and manner in which it and its employees perform the work, and in all respects Airline's relationship and the relationship of its employees to County shall be that of independent contractors and not as employees or agents of County.

27.03 County Not Liable. Except as provided for in this This Lease, County shall not be under any duty or obligation to Airline to repair or maintain the Airline Premises, any License Area, nor any portion thereof, or any facilities or equipment constructed thereon. County shall not be responsible or liable to any Airline Party for any claims for compensation for any Damages or injury sustained by an Airline Party 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, act of God, or state of war, civilian commotion or riot, or any cause beyond the control of County, or resulting from failure of any water supply, heat, air conditioning, electrical power, or sewerage or drainage facility except to the extent such loss, damage or injury was caused by the negligence or willful misconduct of any County Party. County shall not be liable for any damage to, or loss of said personal property, except to the extent that said damage or loss resulted from the negligence or willful misconduct of any County Party.

27.04 Authorized Uses Only. Notwithstanding anything to the contrary herein, Airline shall not use or permit the use of the Premises or the Airport by any Airline Party for any illegal or improper purpose or for any purpose that would invalidate any policies of insurance, now existing or hereafter written on the Premises or the Airport for County or Airline.

27.05 Quiet Enjoyment. County covenants that so long as Airline timely pays all fees and charges due hereunder, and fully and faithfully performs all of its obligations as provided herein, and otherwise is not in default of any of the terms and conditions of this Lease, Airline shall peacefully and quietly have, hold and enjoy the Premises, free from any eviction or unauthorized interference by any County Party, during the Term hereof.

27.06 Time of Essence. The Parties expressly agree that time is of the essence in this Lease and the failure by a Party to complete performance within the time specified, or within a reasonable time if no time is specified herein, shall, at the option of the other Party without liability, in addition to any other rights or remedies, relieve the other Party of any obligation to accept such performance.

27.07 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 in equity 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.

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

27.09 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 Airline.

27.10 Annual Budgetary Funding. Nothing in this Lease shall obligate County, during any Fiscal Year, to expend money or incur any liability that involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such Fiscal Year. County's obligations under this Lease, which involve the expenditure of money, shall be subject to annual budgetary funding and appropriations by the Palm Beach County Board of County Commissioners. In the event County is unable to satisfy its obligations under this Lease, due to a lack of annual budgetary funding and appropriations resulting in a default by County hereunder, Airline shall have the right to terminate this Lease upon prior written notice to County.

27.11 Incorporation by References. Exhibits attached hereto and referenced herein shall be deemed to be incorporated in this Lease by such reference.

27.12 Operation of Airport. Airline expressly agrees for itself, its sublessees, successors and assigns, to prevent any use of the Premises which would interfere with or adversely affect the operation, maintenance or development of the Airport, or otherwise constitute an Airport hazard.

27.13 Agent for Service. It is expressly understood and agreed that if Airline is not a resident of the State of Florida, or is an association or partnership without a member or partner resident of said State, or is a foreign corporation not licensed to do business in Florida, then in any such event, Airline shall appoint an agent within the state of Florida for the purpose of service of process, in any court action between Airline and County, arising out of or based upon this Lease. Airline shall immediately notify County, in writing, of the name and address of said agent. The service shall be made as provided by the laws of the State of Florida for service upon persons or entities having a registered agent in the state of Florida. It is further expressly agreed, covenanted, and stipulated that, as an alternative method of service of process, should Airline fail to appoint said agent, or fail to notify County of the name and address of said agent as aforesaid, Airline may be personally served with such process out of this State by the registered mailing of such complaint and process to Airline at the address set forth in Section 27.21.

27.14 No Individual Liability. No elected official, member, officer, agent, director, or employee of County or Airline shall be charged personally, or held contractually liable by or to the other Party, under the terms or provisions of this Lease, or because of any breach thereof, or because of its or their execution or attempted execution.

27.15 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 Airline or its operations. County's obligations under this Lease are made in a proprietary capacity rather than in a governmental capacity and such agreements shall not be construed as limiting, prohibiting or eliminating the obligation of the Parties to comply with all applicable rules, regulations, ordinances, statutes and laws, nor alter or impair County's governmental functions, including, but not limited to, County's right to lawfully exercise its regulatory authority over the development of the Premises, nor as enabling, permitting, or creating any cause of action or claim arising out of the lawful exercise of County's governmental authority.

27.16 Rights Reserved to County. All rights not specifically granted to Airline by this Lease are reserved to County.

27.17 Severability. 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.

27.18 Venue. To the extent allowed by law, the venue for any action arising from this Lease shall be in a state or federal court of competent jurisdiction in Palm Beach County, Florida.

27.19 Governing Law. This Lease shall be governed by and in accordance with the laws of the State of Florida. Provided, however, that nothing contained in this Lease is intended, nor shall be construed, as a waiver by either Party of any right to assert any claim or defense, or raise any issue in any context or forum including, but not limited to, a court or administrative forum, regarding the preemption by federal law, including but not limited to the Airline Deregulation Act (49 U.S.C. § 41713), of any state or local law or ordinance, or the Airport Rules and Regulations.

27.20 Consents and Approvals. Whenever this Lease calls for an approval, consent, authorization, notice or other action by Department or County, such approval, consent, authorization, notice or other action may be provided or performed by Department, on behalf of County, by and through the Department Director. In the event this Lease is silent as to the standard for any consent or approval contemplated hereunder, the standard shall be the implied standard of reasonableness. In the event this Lease is silent as to the specific timeframe for any consent or approval to which the implied standard of reasonableness applies, such consent or approval shall not be unreasonably delayed.

27.21 Notices.

A. All notices and elections (collectively, "notices") to be given or delivered by or to any Party hereunder, shall be in writing and shall be (as elected by the Party giving such notice) hand delivered by messenger, courier service or overnight delivery service, or alternatively, shall be delivered by United States Postal Service certified mail, with return receipt requested. Notice shall be deemed to have been given and received as follows: (a) if by hand delivery, upon the date of delivery; (b) if mailed, upon the date the return receipt is signed or delivery is refused, or upon the date that the notice has been designated as non-deliverable by the postal authorities, as the case may be; or (c) if by courier service or overnight delivery service, upon the date shown on the receipt as the date of actual delivery. The Parties hereby designate the following addresses as the addresses to which notices may be delivered, and delivery to such addresses shall constitute binding notice given to such Party:

To County:

Palm Beach County Department of Airports
Attn: Airport Director
846 Airport Center Drive
West Palm Beach, Florida 33406

With a copy to:

Palm Beach County Attorney's Office
Attn: Airport Attorney
301 North Olive Avenue, Suite 601
West Palm Beach, Florida 33401

To Airline:

____
____
____
____

With a copy to:

____
____
____
____

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.

B. Any information, documentation or reports required to be submitted electronically to County hereunder, including, but not limited to, the Activity Report, shall be delivered electronically to County to such e-mail addresses designated by County in writing. County may change the e-mail address or form of delivery that the aforementioned information, documentation or reports are required to be delivered to upon ten (10) days prior written notice to Airline.

27.22 Construction. No Party shall be considered the author of this Lease since the Parties hereto have participated in extensive negotiations and drafting and redrafting of this document to arrive at a final Lease. Thus, the terms of this Lease shall not be strictly construed against one Party as opposed to the other Party based upon who drafted it. In the event that any section, paragraph, sentence, clause, or provision hereof, shall be held by a court of competent jurisdiction to be invalid, such shall not affect the remaining portions of this Lease and the same shall remain in full force and effect.

27.23 Paragraph Headings. The headings 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.

27.24 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 sublicensees, if any. This provision shall not constitute a waiver of any conditions against assignment or subletting.

27.25 Excusable Delays. Except as otherwise provided in this Lease, neither County nor Airline shall be deemed to be in default hereunder if either Party is prevented from performing any of the obligations, other than the payment of fees and charges hereunder, by reason of strikes, boycotts, labor disputes, embargoes, shortages of energy or materials, acts of God, acts of the public enemy, acts of superior governmental authority, terrorism, weather conditions, riots, rebellion, or sabotage, or any other circumstances for which it is not responsible or which are not within its control.

27.26 Public Entity Crimes. As provided in Section 287.132-133, Florida Statutes, by entering into this Lease or performing any work in furtherance hereof, Airline certifies that Airline has not, and to the best of Airline's knowledge, without having conducted any special investigation, its affiliates 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.

27.27 Scrutinized Companies.

A. As provided in Section 287.135, Florida Statutes, as may be amended, by entering into this Lease or performing any work in furtherance hereof, Airline certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the Scrutinized Companies that boycott Israel List, or is engaged in a boycott of Israel, pursuant to Section 215.4725, Florida Statutes, as may be amended. Pursuant to Section 287.135(3)(b), Florida Statutes, as may be amended, if Airline is found to have been placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel, this Lease may be terminated at the option of County.

B. When contract value is greater than One Million Dollars ($1,000,000): As provided in Section 287.135, Florida Statutes, as may be amended, by entering into this Lease or performing any work in furtherance hereof, Airline certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the Scrutinized Companies With Activities in Sudan List or Scrutinized Companies With Activities in The Iran Terrorism Sectors List created pursuant to Section 215.473, Florida Statutes, as may be amended, or is engaged in business operations in Cuba or Syria. Pursuant to Section 287.135(3)(a), Florida Statutes, as may be amended, if Airline is found to have been placed on the Scrutinized Companies with Activities in Sudan List, or been engaged in business operations in Cuba or Syria, or has been placed on a list created pursuant to Section 215.473, Florida Statutes, relating to scrutinized active business operations in Iran, this Lease may be terminated at the option of the County.

C. If County determines, using credible information available to the public, that a false certification has been submitted by Airline, this Lease may be terminated and a civil penalty equal to the greater of Two Million Dollars ($2,000,000) or twice the amount of this Lease shall be imposed, pursuant to Section 287.135, Florida Statutes, as may be amended. This certification must also be submitted at the time of Lease renewal, if applicable.

27.28 Disclosure of Foreign Gifts and Contracts with Foreign Countries of Concern. Pursuant to Section 286.101, Florida Statutes, as may be amended, by entering into this Lease or performing any work in furtherance thereof, Airline certifies that it has disclosed any current or prior interest of, any contract with, or any grant or gift received from a foreign country of concern where such interest, contract, or grant or gift has a value of Fifty Thousand Dollars ($50,000) or more and such interest existed at any time or such contract or grant or gift was received or in force at any time during the previous five (5) years.

27.29 Human Trafficking Affidavit. Airline warrants and represents that it does not use coercion for labor or services as defined in Section 787.06, Florida Statutes. Airline has executed Exhibit "D", Nongovernmental Entity Human Trafficking Affidavit, which is attached hereto and incorporated herein by reference.

27.30 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. Except as otherwise provided in this Lease, 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.

27.31 No Broker. Airline represents and warrants that Airline has not dealt with any real estate salesperson, agent, finder or broker in connection with this Lease and further agrees to indemnify, defend and hold harmless County from and against any claims or demands of any such salesperson, agent, finder or broker claiming to have dealt with Airline. The foregoing indemnification shall include all costs, expenses and fees, including reasonable attorney's fees at trial and all appellate levels, expended or incurred in the defense of any such claim or demand.

27.32 Office of the 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 Airline, 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.

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

27.34 Digital Accessibility Compliance. Airline acknowledges that County is a public entity subject to Title II of the Americans with Disabilities Act (ADA) and applicable federal accessibility regulations. Airline represents and warrants that all websites, web-based applications, digital services, electronic documents, multimedia, and other electronic content created, developed, provided, submitted, maintained, or delivered under this Lease that may be electronically displayed, accessed, distributed, or made available to the public by County shall conform to the Web Content Accessibility Guidelines (WCAG) 2.1, Level AA, or any successor standard adopted by the U.S. Department of Justice, including, but not limited to, PDFs, reports, forms, presentations, and other public-facing materials, shall be provided in an accessible format compliant with the applicable accessibility standard at the time of delivery. Airline shall ensure that any updates, revisions, or modifications to such digital content remain compliant throughout the term of this Lease. Upon request, Airline shall provide documentation reasonably demonstrating accessibility compliance. If any deliverable is determined by County to be noncompliant, Airline shall promptly remediate the noncompliance at no additional cost to County and within a timeframe specified by County. Airline shall ensure that any third-party digital content or platforms used by Airline in performance of this Lease, which are subject to the provisions of this Section, comply with the requirements herein or are provided in an accessible alternative acceptable to County. Failure to comply with this Section shall constitute a material breach of this Lease.

27.35 Prohibition Against Using Diversity, Equity, and Inclusion Material. Airline hereby certifies to the County that Airline does not and will not use County funds in requiring its employees, contractors, volunteers, vendors, or agents to ascribe to, study, or be instructed using materials relating to diversity, equity, and inclusion as defined in Section 125.595, Florida Statutes, as may be amended.

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

(Remainder of page left blank intentionally)

IN WITNESS WHEREOF, the Parties hereto have duly executed this Lease as of the day and year first above written.

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

____
Signature

____
Printed Name

____
Signature

____
Printed Name

PALM BEACH COUNTY, FLORIDA

By:______________________________
Director, Department of Airports

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: ______________________________
County Attorney

APPROVED AS TO TERMS AND CONDITIONS

By:______________________________
Director, Department of Airports

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

____
Signature

____
Print Name

____
Signature

____
Print Name

AIRLINE:

By: ______________________________
Signature

____
Print Name

____
Title

(Seal)

EXHIBIT "A"

ASSIGNED BUILDING PREMISES

EXHIBIT "B"

LICENSED AREAS/PREFERENTIAL USE PARKING APRON

ATTACHMENT "C"
FEDERAL CONTRACT PROVISIONS

A. Title VI Clauses for Compliance with Nondiscrimination Requirements. During the performance of this Contract, the Airline, for itself, its assignees, and successors in interest, agrees as follows:

1. Compliance with Regulations. The Airline will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities ("Nondiscrimination Acts and Authorities" as set forth in paragraph B below), as they may be amended from time to time, which are herein incorporated by reference and made a part of this Contract.

2. Nondiscrimination. The Airline, with regard to the work performed by it during this Contract, will not discriminate on the grounds of race, color, national origin, creed, sex, age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Airline will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when this Contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21, including amendments thereto.

3. Solicitations for Subcontracts, including Procurements of Materials and Equipment. In all solicitations, either by competitive bidding or negotiation made by the Airline for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Airline of the Airline's obligations under this Contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. Information and Reports. The Airline will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of an Airline is in the exclusive possession of another who fails or refuses to furnish the information, the Airline will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance. In the event of an Airline's noncompliance with the non-discrimination provisions of this Contract, the County will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a. Withholding payments to the Airline under this Contract until the Airline complies; and/or

b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. Incorporation of Provisions. The Airline will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Airline will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Airline becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Airline may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the Airline may request the United States to enter into the litigation to protect the interests of the United States.

B. Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Contract, the Airline, for itself, its assignees, and successors in interest, agrees to comply with the following non-discrimination statutes and authorities, as may be amended, including, but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR Part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964), including amendments thereto;
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and c ontractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR Parts 37 and 38; and
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).

C. Title VI Clauses for Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program.

1. The Airline for itself and its 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) 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 said facilities, (2) that in the construction of any improvements on, over, or under such land, 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, (3) that the Airline will use the Airline Premises and any License Area in compliance with all other requirements imposed by or pursuant to the Nondiscrimination Acts And Authorities.

2. In the event of breach of any of the above nondiscrimination covenants, the County will have the right to terminate this Contract and to enter or re-enter and repossess any areas licensed for the Airline' use hereunder and the facilities thereon, and hold the same as if this Contract had never been made or issued.

D. Title VI Clauses for Transfer of Real Property Acquired or Improved Under the Activity, Facility, or Program. The Airline for itself and its 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 property described in this Contract 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, the Airline will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Authorities (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. In the event of breach of any of the above nondiscrimination covenants, the County will have the right to terminate this Contract and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if this Contract had never been made or issued.

E. General Civil Rights Provision. The Airline agrees to 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. If the Airline transfers its obligation to another, the transferee is obligated in the same manner as the Airline. This provision obligates the Airline for the period during which the property is owned, used or possessed by Airline and the Airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

EXHIBIT "D" – NONGOVERNMENTAL ENTITY HUMAN TRAFFICKING AFFIDAVIT
Section 787.06(13), Florida Statutes

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICAL AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to PALM BEACH COUNTY by ____________________ whose business address is ________________________.

2. I, the undersigned, am an officer or representative of ____________________ (Airline) attest that Airline does not use coercion for labor or services as defined in section 787.06, Florida Statutes.

Under penalty of perjury, I hereby declare and affirm that the above stated facts are true and correct.

AIRLINE

____

Dated: __________________ By: _________________________

Print Name:___________________

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged to me this ___ day of ____ 20__, by ________________________________, on behalf of _____________, a ______________. He/She is ( ) personally known to me, or ( ) produced current _______________________ as identification.

____
Signature of Notary Public

____
Printed Name of Notary Public
NOTARY PUBLIC
My Commission Expires:
State of Florida at large

(Notary Seal)

EXHIBIT "E"

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. Air Carrier means any carrier authorized under applicable law to provide carriage by air of passengers, property, parcels, cargo, and/or mail.

2. Airfield Cost Center means the Direct Cost Center further described in **Table E-7** of this Exhibit "E".

3. 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 Carrier's Preferential Use Premises. Three (3) types of Aircraft Parking Fees may be charged 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.

4. Amortization Charges means the annual amount to recover Capital Expenditures that are paid for with County funds exceeding Five Hundred Thousand Dollars ($500,000). 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.

5. Baggage Handling System (BHS) Cost Center means the Direct Cost Center further described in **Table E-7** of this Exhibit "E".

6. Baggage Handling System (BHS) Fee means a fee assessed by County on a per enplanement basis for use of the Baggage Handling System.

7. Common Use Passenger Processing Systems (CUPPS) means the shared-use technology platforms in place at the Airport which allows for multiple airlines to use the same check-in desks, gates, and kiosks. CUPPS components include workstations, printers, software, and connectivity hardware.

8. Concourse A means those portions of the Terminal where the passenger holdroom is located on ground level to accommodate passenger loading by ground or passenger bridge. Concourse A consists of holdroom seating, loading bridges and passenger circulation areas. The defined term of Concourse A replaces any prior reference to Commuter Operating Area.

9. Concourse A Per Use Gate Charge means, in the singular, either the Small Aircraft Per Use Gate Charge or the Large Aircraft Per Use Gate Charge, and, in the plural, both the Small Aircraft Per Use Gate Charge and the Large Aircraft Per Use Gate Charge.

10. Concourses B and C means those portions of the Terminal where the passenger holdrooms are located on the second level. Concourse B and C consists of holdroom seating, loading bridges and passenger circulation areas.

11. 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.

12. CUPPS Fee means a fee assessed by County for use of CUPPS.

13. 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.

14. Debt Service Coverage means twenty five percent (25%) of Debt Service in a Rate Setting Period.

15. Debt Service Reserve Requirement has the meaning set forth in the Bond Resolution.

16. Direct Cost Centers includes the Cost Centers listed in **Table E-7** of this Exhibit "E".

17. Federal Inspection Services Fee (FIS Fee) means a fee assessed by County for use of the FIS Facility by an Air Carrier transporting international passengers.

18. Final Settlement Amount has the meaning set forth in Section 7.03(B).

19. 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-2025-1349, as now or hereafter amended or superseded, or any other fee or charge based upon fuel flowage used to recover facility costs.

20. Indirect Cost Centers includes the Cost Centers listed in **Table E-8** of this Exhibit "E".

21. Joint Use Charges means the total charges imposed for use of the Joint Use Premises.

22. Landing Fee means a fee assessed by County on Air Carriers based on the Landed Weight of each Revenue Landing.

23. Large Aircraft Per Use Gate Charge means the Per Use Gate Charge established in accordance with this Exhibit "E" for use of Concourse A by Large Aircraft (76 seats or more).

24. 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.

25. Non-amortized Capital Expenditures means Capital Expenditures funded with County funds of Five Hundred Thousand Dollars ($500,000) or less.

26. Non-signatory Airline means an Air Carrier operating at the Airport that is not a Signatory Airline.

27. Operation and Maintenance (O&M) 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.

28. 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.

29. Other Indebtedness means any debt other than Bonds incurred by County for Airport purposes.

30. Per Use Gate Charge means a charge assessed by County for each Turn of an unassigned aircraft gate facility for a use period not to exceed two (2) hours. Per Use Gate Charges shall not apply to the use of gate facilities that are included in an Air Carrier's Preferential Use Premises pursuant to an agreement with County.

a. Per Use Gate Charges for Concourse B/C shall be based on the costs for holdroom, loading bridge, pre-conditioned air, and 400 Hertz systems calculated in accordance with **Table E4a.** of this Exhibit "E".

b. Large Aircraft/Small Aircraft Per Use Gate Charges for use of Concourse A shall be based on an adjusted Terminal Rental Rate calculated in accordance with **Table E4b.** of this Exhibit "E".

31. 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 Carrier's Preferential Use Premises pursuant to an agreement with County.

32. Rate Setting Period means the Fiscal Year for which the rates, fees and charges are being calculated hereunder.

33. Small Aircraft Per Use Gate Charge means the Per Use Gate Charge established in accordance with this Exhibit "E" for use of Concourse A by Small Aircraft (75 seats or less).

34. 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 Carrier's rates and charges regardless of the actual physical dimensions of each holdroom.

35. Standard Ticket Counter Square Footage means a uniform measurement of two hundred eighteen (218) 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.

36. Terminal Cost Center means the Direct Cost Center further described in **Table E-7** of this Exhibit "E".

37. 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.

38. Total Rentable Space has the meaning set forth in **Attachment E-2** to this Exhibit "E".

39. Turn means the arrival of an aircraft that physically occupies a gate and the corresponding departure of that same aircraft. The movement of an empty aircraft to or from a Gate shall not constitute a Turn, unless the movement is immediately (a) followed by the enplaning of passengers or (b) preceded by the deplaning of passengers. The duration of a Turn shall be no more than two hours (2) hours.

SECTION II - RATE CALCULATIONS

1. Explanation of Rate Calculation Line Items. The following Line Items listed in **Tables E-1 - E-3** 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-1 - E-3** 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 based on 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 based on 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 Revenue Bonds 2016 (Series 2016) shall be allocated one hundred percent (100%) to the Ground Transportation Cost Center. Annual Debt Service costs for the Palm Beach International Airport System Revenue Bonds 2024 (Series 2024) shall be allocated by the Department based on the estimated benefits to the various cost centers. Debt Service costs for bond issues/series shall be allocated by the Department based on the estimated benefits to the various cost centers.

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-1** include the prior period Debt Service Coverage. Credits to the Airfield Total Requirement in **Table E-2** 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-3** 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-1 - E-3** shall be defined as follows:

- Total Rentable Space. The term "Total Rentable Space" in **Table E-1** has the meaning set forth in **Attachment E-2** to this Exhibit "E".
- Total Landed Weight. The term "Total Landed Weight" in **Table E-2** means the Landed Weight for all commercial airlines, including Signatory and Non-signatory Airlines.
- Total Enplanements. The term "Total Enplanements" in **Table E-3** means the total number of Enplaned Passengers for all commercial airlines, including Signatory and Non-signatory Airlines.

Line Item L. Line Item L in **Tables E-1 - E-3** shall be calculated as follows:

- Non-signatory Terminal Rental Rate. Calculated in **Table E-1** as (J) Terminal Net Requirement divided by (K) Total Rentable Space.
- Non-signatory Landing Fee Rate. Calculated in **Table E-2** as (J) Airfield Net Requirement divided by (K) Total Landed Weight.
- BHS Fee Rate. Calculated in **Table E-3** as (J) BHS Net Requirement divided by (K)Total Enplanements.

Line Item M. Line Item M in **Tables E-1 - E-3** shall be defined as follows:

- Signatory Airline Space. Signatory Airline Space in **Table E-1** 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-2** means that portion of the Total Landed Weight associated with Signatory Airline operations only.
- Signatory Airline Enplanements. Signatory Airline Enplanements in **Table E-3** means that portion of the Total Enplanements associated with Signatory Airline operations only.

Line Item N. Line Item N in **Tables E-1 - E-3** shall be calculated as follows:

- Signatory Share of Terminal Net Requirement. Calculated in **Table E-1** as (L) Non-signatory Terminal Rental Rate multiplied by (M) Signatory Airline Space.
- Signatory Share of Airfield Net Requirement. Calculated in **Table E-2** as (L) Non-signatory Landing Fee Rate multiplied by (M) Signatory Airline Landed Weight.
- Signatory Share of BHS Net Requirement. Calculated in **Table E-3** as (L) Non-signatory BHS Fee Rate multiplied by (M) Signatory Enplanements.

Line Item O. Line Item O in **Tables E-1 - E-2** 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.

- Total BHS Revenue Sharing Amount. Calculated in accordance with **Section III – Revenue Sharing** of this Exhibit "E". See Note 3.

Line Item P. Line Item P listed in **Tables E-1 - E-2** shall be calculated as follows:

- Signatory Terminal Net Requirement. Calculated in **Table E-1** as (N) Signatory Share of the Terminal Net Requirement minus (O) Total Terminal Revenue Sharing Amount.

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

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

Line Item Q. Line Item Q listed in **Tables E-1 - E-2** shall be calculated as follows:

- Signatory Rental Rate. Calculated in **Table E-1** as (P) Signatory Terminal Net Requirement divided by (M) Signatory Airline Space.

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

- Signatory BHS Fee Rate. Calculated in **Table E-3** as (P) Signatory BHS Net Requirement divided by (M) Signatory Airline Enplanements.

2. Calculation of Terminal Rental, Landing Fee and Baggage Handling System Rates and Miscellaneous Fees and Charges. 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. Miscellaneous Fees and Charges include: Per Use Gate Charges, Per Use Ticket Counter Charges, CUPPS Fees, FIS Fees, and Aircraft Parking Fees.

   A. Terminal Rental Rate. The methodology for calculating the Terminal Rental Rate is set forth in **Table E-1** below.

Table E-1. 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 x 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: Notwithstanding any provision of the Agreement or this Exhibit "E", for the period of Fiscal Year 2027 (October 1, 2026, through September 30, 2027), all Airlines will pay rates for the 12-month period excluding the Revenue Sharing Amount, unless otherwise determined by the Department. The Revenue Sharing Amount will be subsequently calculated and included in the Final Settlement. Airlines classified as Signatory as of September 30, 2027, shall be included in the Settlement calculation. For the remainder of the Term of the Agreement, the 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-2** below.

Table E-2. 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 x 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: Notwithstanding any provision of the Agreement or this Exhibit "E", for the period of Fiscal Year 2027 (October 1, 2026, through September 30, 2027), all Airlines will pay rates for the 12-month period excluding the Revenue Sharing Amount, unless otherwise determined by the Department.. The Revenue Sharing Amount will be subsequently calculated and included in the Final Settlement. Airlines classified as Signatory as of September 30, 2027, shall be included in the Settlement calculation. For the remainder of the Term of the Agreement, 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.

C. Baggage Handling System Fee Rate: The methodology for calculating the Baggage Handling System Fee Rate is set forth in **Table E-3** below.

Table E-3. 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
Non-Signatory BHS Fee Rate Per Enplanement	L=J/K
Signatory Airline Enplanements	M
Signatory Share of BHS Net Requirement	N=L x M
Total BHS Revenue Sharing Amount (see Note 3)	O
Signatory BHS Net Requirement	P=N-O
Signatory BHS Fee Rate per enplanement	Q=P/M

Note 3: Notwithstanding any provision of the Agreement or this Exhibit "E", for the period of Fiscal Year 2027 (October 1, 2026, through September 30, 2027), all Airlines will pay rates for the 12-month period excluding the Revenue Sharing Amount, unless otherwise determined by the Department.. The Revenue Sharing Amount will be subsequently calculated and included in the Final Settlement. Airlines classified as Signatory as of September 30, 2027, shall be included in the Settlement calculation. For the remainder of the Term of the Agreement, the Total BHS Revenue Sharing Amount for rate setting shall be calculated at ninety-five percent (95%) of Total BHS Revenue Sharing Amount. One hundred percent (100%) of the Total BHS Revenue Sharing Amount shall be used for the final Settlement calculation.

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 Carrier's share of Joint Use Charges shall be determined by allocating the cost based on each Air Carrier's projected relative share of Enplanements for the upcoming Rate Setting Period.

4. Miscellaneous Fees and Charges.

A. Per Use Gate Charge.

1. The Per Use Gate Charge for Concourses B/C 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 365 days per year divided by an assumed usage (3 times per day, or as may be modified by the Department). The methodology for calculating the Per Use Gate Charge is set forth in **Table E-4a** below.

Table E-4a. Per Use Gate Charge Calculation (Concourse B/C)	
Total Holdroom Area	A
Number of Gates	B
Square Footage Per Gate (1800 sq ft Standardized)	C=A/B
Terminal Rental Rate	D
Annual Cost Per Gate	E=CxD
Days in Year	F
Assumed Uses Per Day	G
Per Use Fee - Gates	H=E/F/G

2. Concourse A Per Use Gate Charge. An Air Carrier using Concourse A with a Large Aircraft (defined as 76 seats or more) shall be assessed the Large Aircraft Per Use Gate Charge which shall be equal to the product of the Non-signatory Terminal Rental Rate, reduced by certain non-applicable costs as discussed in Note 4 below, multiplied by the Concourse A Holdroom Square Footage divided by 365 days per year divided by an assumed usage (3.0 times per day, or as may be modified by the Department). Small Aircraft (defined as 75 seats or less) shall pay the Small Aircraft Per Use Gate Charge which shall be equal to the Large Aircraft Per Use Gate Charge, less a discount of 25%. The methodology for calculating the Concourse A Per Use Gate Charges is set forth in **Table E-4b** below.

Table E-4b. Concourse A Per Use Gate Charge Calculation	
Total Holdroom Area Concourse A	A
Number of Gates	B
Square Footage Per Gate	C=A/B
Concourse A Rental Rate (see Note 4)	D
Annual Cost Per Gate	E=CxD
Days in Year	F
Assumed Uses Per Day	G
Large Aircraft Per Use Gate Charge	H=E/F/G
Small Aircraft Discount	I
Small Aircraft Per Use Gate Charge	J=H-(HxI)

Note 4: The Concourse A Rental Rate shall be calculated by reducing the Terminal Net Requirement by crediting certain O&M costs that are not applicable to Concourse A ("O&M" Credits"), including, but not limited to, costs of loading bridge, cabin PC air, and 400hz. The resulting adjusted Terminal Net Requirement is then divided by Total Rentable Space to produce the Concourse A rental rate. The Department will annually determine applicable O&M Credits to arrive at the Concourse A Rental Rate.

B. 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 eighteen (218) square feet) divided by 365 days per year divided by an assumed usage (3.0 times per day, or as may be modified by the Department). The methodology for calculating the Per Use Ticket Counter Charge is set forth in **Table E-4c** below.

Table E-4c. Per Use Ticket Counter Charge Calculation	
Average Ticket Counter Area	A
Terminal Rental Rate	B
Annual Cost Per Ticket Counter	C=AxB
Days in Year	D
Assumed Uses Per Day	E
Per Use Fee - Ticket Counters	F=C/D/E

C. Common Use Passenger Processing Systems (CUPPS) Fee. The CUPPS fee shall be equal to the sum of Operation and Maintenance Expenses, Non-amortized Capital Expenditures, Amortization Charges and allocated costs attributable to CUPPS divided by the number of Billing Units/Workstations divided by 365 days per year divided by an assumed usage (3.0 times per day, or as may be modified by the Department) as set forth in Table E-5 below.

Table E-5. Common Use Passenger Processing System (CUPPS) Fee Calculation	
Total Cost of CUPPS system	A
Number of Billing Units/Workstations	B
Cost per Billing Unit/Workstation	C=A/B
Days in Year	D
Assumed Uses Per Day	E
CUPPS Fee	F

D. FIS Facility Fee. The FIS Facility Fee shall be equal to the sum of Operation and Maintenance Expenses, 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 to determine the FIS Cost per Passenger. The FIS Fee is determined by multiplying the Cost Recovery Factor of 25%, as may be modified by the Department, times the FIS Cost per Passenger.

Table E-6. FIS Fee Calculation	
O&M Expenses	A
Non-amortized Capital Expenditures	B
Amortization Charges	C
Total FIS Costs	D=A+B+C
Projected international Deplaned Passengers using FIS	E
FIS Cost per Passenger	F=D/E
Cost Recovery Factor	G
FIS Fee	H=FxG

E. Aircraft Parking Fees. The Department shall establish Aircraft Parking Fees, which may be reasonably modified by the Department from time to time during the Term of the Agreement. Aircraft Parking Fees shall include, without limitation, the Overnight Remote Aircraft Parking Fee; Overnight Gate Aircraft Parking Fee; and Transient Remote Aircraft Parking Fee.

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-6** are included in the calculation of Revenue Sharing. Each Line Item in **Table E-6** 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 twenty-five percent (25%).

Line Item C. Total Revenue Sharing Amount. Line Item C shall be calculated as follows:

1. **For Fiscal Year 2027 (October 1, 2026 through September 30, 2027):**

- **For purposes of rate setting:** Notwithstanding any provision of the Agreement or this Exhibit "E" to the contrary, for the purposes of rate setting, all Airlines will be charged Terminal Rental, Landing Fee, and BHS rates for the 12-month period excluding the Revenue Sharing Amount,unless otherwise determined by the Department.

- **For purposes of Final Settlement:** The Revenue Sharing Amount will be subsequently calculated and included in the Final Settlement calculation. Airlines classified as Signatory as of September 30, 2027, shall be included in the Settlement calculation and be eligible for Revenue Sharing as calculated in accordance with this Exhibit "E" as part of Settlement, subject to delivery of a fully executed Signatory Airline Agreement or Signatory Cargo Carrier Agreement on or before the submittal Target Date (as defined below).

- **Agreement Submittal Target Date:** Signatory Airlines that deliver to County a fully executed Signatory Airline Agreement or Signatory Cargo Carrier Agreement on or before October 30, 2026, 5:00 EST ("Target Date") shall receive Revenue Sharing at full value in accordance with this Exhibit E. Signatory Airlines delivering a fully executed Signatory Airline Agreement or Signatory Cargo Carrier Agreement after the Target Date, shall receive Revenue Sharing on a pro-rated basis calculated by dividing the number of months remaining in the year from the date submitted, divided by 12 months; partial months will not be counted. Any forgone Revenue Sharing amounts shall be forfeited and revert to the Department of Airports.

2. **For the remainder of the Term of the Agreement, rates shall be calculated applying the Revenue Sharing Amount 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 25%) 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 twenty-five percent (25%). 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 25%) 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, Landing Fee Revenues, and BHS 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, Landing Fee Revenues, and BHS Revenues prior to calculating Revenue Sharing.

Line Item F. Total BHS Revenue Sharing Amount. The Total BHS Revenue Sharing Amount shall be an amount equal to the Total Revenue Sharing Amount multiplied by the BHS Revenue Percentage. BHS Revenue Percentage shall be an amount equal to the BHS proportionate share of the sum of Signatory Airlines' Terminal Rental Revenues, Landing Fee Revenues, and BHS Revenues prior to calculating Revenue Sharing.

Line Item G. 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 H. 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 I. Airline's BHS Revenue Sharing Amount. Each individual Signatory Airline's (including Airline's) BHS Revenue Sharing Amount shall be an amount equal to the Total BHS Revenue Sharing Amount multiplied by the individual Signatory Airline's proportionate share of the total Signatory Airline Enplanements during the Fiscal Year for which Revenue Sharing has been calculated.

Line Item J. 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-6. The methodology for calculating each Signatory Airline's (including Airline's) share of Revenue Sharing is set forth in **Table E-6** below.

Table E-6. 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 %

Total BHS Revenue Sharing Amount (All Signatory Airlines)	F=C x BHS Revenue %
Airline's Terminal Revenue Sharing Amount (Individual Signatory Airline)	G=D x Airline's % of total Signatory Airline Enplanements
Airline's Airfield Revenue Sharing Amount (Individual Signatory Airline)	H=E x Airline's % of total Signatory Airline Landed Weight
Airline's BHS Revenue Sharing Amount (Individual Signatory Airline)	I=F x Airline's % of total Signatory Airline Enplanements
Airline's Total Revenue Sharing Amount (Individual Signatory Airline)	J= G+H+I

SECTION IV - MISCELLANEOUS

1. Airline Incentive Agreement. Any Air Carrier 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-7** below.

Table E-7. 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.
Common Use Passenger Processing System (CUPPS)	Includes various technology components in the Airport which allows for multiple airlines to use the same check-in desks, gates, and kiosks. CUPPS components include workstations, printers, software, and connectivity hardware
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.
Terminal FIS Facility	Area within the Terminal Facility designated to screen passengers and baggage by Customs and Border Protection personnel.
General Aviation FIS Facility	The FIS building located on the south side of the Airport.
Air Cargo Facility	Areas associated with Air Cargo Building 1475, including supporting apron areas, allowing for cargo operations with Airfield access.
Lantana Airport (LNA)	All properties and areas associated with the Palm Beach County Park Airport ("Lantana Airport").
Pahokee Airport (PHK)	All properties and areas associated with the Palm Beach County Glades Airport ("Pahokee Airport").
North County Airport (F45)	All properties and areas associated with the North Palm Beach County General Aviation Airport ("North County Airport").

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-8** below.

Table E-8. Indirect Cost Centers

Cost Center	Description of Area Included or Functional Activity
Administration and Operations	Functions and activities associated with the general administration of the Airport System, including, without limitation, planning, finance, property management, information technology, and operations.
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.

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 based on 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 based on 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-9** below.

Table E-9. 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: $xx.xx per 1,000 pounds of Landed Weight. Non-signatory Airline: per 1,000 pounds of Landed Weight.
3. Baggage Handling System Fee Rate: Signatory Airline $xx.xx per Enplanement. Non-signatory Airline $xx.xx.
4. Federal Inspection Services (FIS) Facility Fee Rate: $xx.xx per international Deplaned Passenger requiring FIS processing.
5. Per Use Terminal Charges:
   a. Base Gate/Holdroom Charge Rate:
      i. Concourse B and C: $xxx.xx per two (2) hour use, or any portion thereof.
      ii. Concourse A Charge for Large Aircraft (76 seats or more): $xxx.xx per two (2) hour use, or any portion thereof.
      iii. Concourse A Charge for Small Aircraft (75 seats or less): $xxx.xx per two (2) hour use, or any portion thereof.
   b. Per Use Ticket Counter Charge Rate: $xx.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.
6. Aircraft Parking Fee Rates:
   a. Overnight Remote Aircraft Parking Fee Rate: Each overnight use of Remote aircraft parking area shall be charged as follows: Narrow body aircraft $xxx.xx; Wide body aircraft $xxx.xx
   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: Each Transient use of Remote aircraft parking area shall be charged as follows: Narrow body aircraft $xx.xx; Wide body aircraft $xx.xx.

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[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

Table E-1. Terminal Rental Rate Calculation		
	Line Item	Amount
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 x 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: Notwithstanding any provision of the Agreement or this Exhibit "E", for the period of Fiscal Year 2027 (October 1, 2026, through September 30, 2027), all Airlines will pay rates for the 12-month period excluding the Revenue Sharing Amount, unless otherwise determined by the Department. The Revenue Sharing Amount will be subsequently calculated and included in the Final Settlement. Airlines classified as Signatory as of September 30, 2027, shall be included in the Settlement calculation. For the remainder of the Term of the Agreement, the 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.

SECTION II – FY 20XX RATE CALCULATIONS TABLE (Cont.)

Table E-2. Landing Fee Rate Calculation	Line Item	Amount
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 x 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: Notwithstanding any provision of the Agreement or this Exhibit "E", for the period of Fiscal Year 2027 (October 1, 2026, through September 30, 2027), all Airlines will pay rates for the 12-month period excluding the Revenue Sharing Amount, unless otherwise determined by the Department. The Revenue Sharing Amount will be subsequently calculated and included in the Final Settlement. Airlines classified as Signatory as of September 30, 2027, shall be included in the Settlement calculation. For the remainder of the Term of the Agreement, 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.

SECTION II – FY 20XX RATE CALCULATIONS TABLE (Cont.)

Table E-3. Baggage Handling System Fee Rate Calculation		
	Line Item	Amount
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	
Non-Signatory BHS Fee Rate Per Enplanement	L=J/K	
Signatory Airline Enplanements	M	
Signatory Share of BHS Net Requirement	N=L x M	
Total BHS Revenue Sharing Amount (see Note 3)	O	
Signatory BHS Net Requirement	P=N-O	
Signatory BHS Fee Rate per enplanement	Q=P/M	

Note 3: Notwithstanding any provision of the Agreement or this Exhibit "E", for the period of Fiscal Year 2027 (October 1, 2026 through September 30, 2027), all Airlines will pay rates for the 12-month period excluding the Revenue Sharing Amount, unless otherwise determined by the Department. The Revenue Sharing Amount will be subsequently calculated and included in the Final Settlement. Airlines classified as Signatory as of September 30, 2027, shall be included in the Settlement calculation. For the remainder of the Term of the Agreement, the Total BHS Revenue Sharing Amount for rate setting shall be calculated at ninety-five percent (95%) of Total BHS Revenue Sharing Amount. One hundred percent (100%) of the Total BHS Revenue Sharing Amount shall be used for the Final Settlement calculation.

SECTION II – FY 20XX RATE CALCULATIONS TABLE (Cont.)

Table E-4a. Per Use Gate Charge Calculation (Concourse B/C)		
	Line Item	**Amount**
Total Holdroom Area	A	
Number of Gates	B	
Square Footage Per Gate (1800 sq ft Standardized)	C=A/B	
Terminal Rental Rate	D	
Annual Cost Per Gate	E=CxD	
Days in Year	F	
Assumed Uses Per Day	G	
Per Use Fee - Gates	H=E/F/G	

Table E-4b. Concourse A Per Use Gate Charge Calculation		
	Line Item	**Amount**
Total Holdroom Area Concourse A	A	
Number of Gates	B	
Square Footage Per Gate	C=A/B	
Concourse A Rental Rate (see Note 4)	D	
Annual Cost Per Gate	E=CxD	
Days in Year	F	
Assumed Uses Per Day	G	
Per Use Fee – Large Aircraft Charge Concourse A	H=E/F/G	
Small carrier Discount	I	
Per Use Fee – Small Carrier Charge Concourse A	J=H-(HxI)	

Note 4: The Concourse A Rental Rate shall be calculated by reducing the Terminal Net Requirement by crediting certain O&M costs that are not applicable to Concourse A ("O&M" Credits"), including, but not limited to, costs of loading bridge, cabin PC air, and 400hz. The resulting adjusted Terminal Net Requirement is then divided by Total Rentable Space to produce the Concourse A rental rate. The Department will annually determine applicable O&M Credits to arrive at the Concourse A Rental Rate.

Table E-4c. Per Use Ticket Counter Charge Calculation		
	Line Item	**Amount**
Average Ticket Counter Area	A	
Terminal Rental Rate	B	
Annual Cost Per Ticket Counter	C=AxB	
Days in Year	D	
Assumed Uses Per Day	E	
Per Use Fee - Ticket Counters	F=C/D/E	

Table E-5. Common Use Passenger Processing System (CUPPS) Fee Calculation		
	Line Item	**Amount**
Total Cost of CUPPS system	A	
Number of Billing Units/Workstations	B	
Cost per Billing Unit/Workstation	C=A/B	
Days in Year	D	
Assumed Uses Per Day	E	
CUPPS Fee	F	

Table E-6. FIS Fee Calculation		
	Line Item	**Amount**
O&M Expenses	A	
Non-amortized Capital Expenditures	B	
Amortization Charges	C	
Total FIS Costs	D=A+B+C	
Projected international Deplaned Passengers using FIS	E	
FIS Cost per Passenger	F=D/E	
Cost Recovery Factor	G	
FIS Fee	H=FxG	

ATTACHMENT "E-2"

TO EXHIBIT "E"

<u>TOTAL RENTABLE SPACE</u>
<u>FISCAL YEAR 20XX</u>

Airline Rentable Space		**Sq. Ft.**
Airline Preferential Space		
Ticket Counter		
Ticket & Upper Level Offices		
VIP Rooms		
Hold Rooms		
Curbside Office		
Bag Service Office		
Operations Area		
Total Airline Preferential Space	[A]	
Airline Joint Use Space		
Bag Claim		
Concourse Circulation		
Bag Make-up		
Commuter Operating Area		
Tug Drive		
Total Airline Joint Use Space	[B]	
Total Airline Rentable Space	[C] = [A + B]	
Other Rentable Space		
Concessions		
TSA		
Commuter Operating Area		
Tenant Common Area		
Tenant Shared Area		
Total Other Rentable Space	[D]	
Total Rentable Space	[E] = [C + D]	