



Boca Raton Airport Authority Leasing Policy

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1.0 Introduction and Background

The Boca Raton Airport Authority (“BRAA” or “the Authority”) is an independent special district and political subdivision of the State of Florida, authorized pursuant to Chapter 2023-334, Laws of Florida, to own and operate the Boca Raton Airport (“Airport”).

The land on which the Airport is located was conveyed by the U.S. government to the City of Boca Raton in 1948 for the purposes of creating a public airport. The Airport property was subsequently conveyed by the City of Boca Raton to the State of Florida, which then conveyed it to the Boca Raton Airport Authority in January 2024.

Since the Airport is situated on property that was transferred by the federal government for airport purposes pursuant to the Surplus Property Act, and since the Authority receives grant funding from the Federal Aviation Administration Airport Improvement Program (“AIP”) to develop and improve the Airport property, the Airport is considered to be a federally obligated airport. As a result, the Authority must adhere to AIP Grant Assurances (hereinafter referred to as “Grant Assurances”) to ensure that civil aviation’s public interest is adequately served. All leases must comply with and be expressly subordinated to requirements of the Grant Assurances and with deed restrictions imposed by the Surplus Property Act deeds, in addition to all other state and federal regulatory requirements affecting general aviation airports.

The Authority is entirely self-sustaining and does not have the authority to levy taxes under its Enabling Legislation. It principally relies on revenue generated from leases. Thus, the Authority prioritizes its need to remain self-sustaining and to further the Authority’s immediate and long-term goals, as set forth in its Airport Layout Plan and Airport Master Plan, in the structuring and implementing its leases.

Through strategic leasing and management, the Authority ensures that the Airport serves the public effectively, remains open to all types of aeronautical activities, and maintains its self-sufficiency. This steadfast commitment underlines the Airport’s invaluable contribution to the community and its role as a pivotal asset for regional growth and development.

2.0 Purpose and Application

The purpose of this Leasing Policy is to provide clear and comprehensive guidance regarding the principles and considerations the Authority takes into account when considering leases for aeronautical and non-aeronautical purposes. The Authority is committed to ensuring that Airport leases and the Authority leasing practices are consistent with federal regulations; serve the best interests of the Authority, its stakeholders, and the public; and further the following goals:

- 2.1 Maximize Airport revenues to ensure the Airport’s self-sustainability;
- 2.2 Ensure compliance with federal and state contractual, regulatory, and deed obligations when leasing Airport property;
- 2.3 Ensure Authority policies and procedures are satisfied when leasing Airport property;

- 2.4 Protect the Authority from uses that are detrimental to its operation of the Airport, development and future needs;
- 2.5 Ensure equitable treatment of current and future lessees and sub-lessees of Airport property;
- 2.6 Ensure flexibility to the greatest extent possible to encourage new business and economic development; and
- 2.7 Mitigate the Authority's overall exposure to risk.

This Leasing Policy is not intended to alter certain provisions or requirements of existing leases or subleases with existing sub-lessees, except where allowed by such agreements. However, it is the intent of the Authority to apply this Leasing Policy to all new lessees and sub-lessees, where existing leases allow application of this Leasing Policy, and any time that a lease or sublease is modified.

3.0 Authority to Lease

Title to all Airport land is vested in the Authority, which has jurisdiction over the operation and maintenance of the Airport and any improvements thereon. Consistent with federal law, regulations, and Grant Assurances, the Authority has the power to lease the Airport or any portion of the Airport, including the buildings and hangars thereon; to lease any facility within the Authority's control; to fix the rates for any lease or sublease of any portion of the Airport or facilities; and to grant concessions upon such terms and conditions as it shall deem proper.

3.1 *Written lease requirements.* Prior to occupancy of Airport property, a potential lessee shall enter into a written lease with the Authority setting forth the terms and conditions by which the lessee shall occupy and use Airport property. Leases entered into by the Authority are designed to protect the public interest. All Airport leases shall comply with local, state, and federal law and legal requirements including, but not limited to, FAA orders, policies, Advisory Circulars, regulations, and Grant Assurances[BRAA Airport Rules and Regulations and Minimum Standards and Requirements for Aeronautical Activities at the Boca Raton Airport ("BRAA Minimum Standards"); and any other formal policies and design standards adopted by BRAA as these exist or as may be adopted or amended in the future.

3.2 *Lease terms and conditions.* Each lease shall include the General Terms and Conditions, attached as Exhibit A. These General Terms and Conditions have been developed through continuous review and revisions for conformance with FAA regulations, real estate law, changing economic conditions and other risks associated with land ownership. The Authority may consider substitute lease provisions if such lease provisions are in the best interest of the Authority and approved by the Authority after consultation with legal counsel. For land that has been developed or improved through the use of federal funds, leases shall contain certain required FAA lease provisions, as further described in Exhibit B.

3.3 *Authority approval.* The Boca Raton Airport Authority Board ("Board") must approve all leases of Airport property. All leases, subleases, lease amendments, extensions and renewals shall be approved at a Board meeting that is open to the public in compliance with the Florida Sunshine law. No individual Board member has the authority to negotiate lease terms. Pursuant to Authority By-Laws and the Authority Enabling Act, the Executive Director shall negotiate lease terms and make recommendations to the Board, with advice of counsel. Authority By-Laws require requests to sublease, assign, amend or extend an existing lease or any other request

related to a lease that requires Board consideration be submitted to the Executive Director at least twenty (20) days before the Board meeting at which the request is to be heard. Also, any person employed by a lessee or sub-lessee for the purpose of influencing the decision of the Board, either through oral or written communication, shall submit a fully executed Lobbyist Registration Form to the Executive Director in advance of any such activities.

3.4 Executive Director duties. The Board has delegated limited authority to the Airport's Executive Director to carry out administrative leasing functions, including but not limited to negotiating leases and lease terms, interpreting and enforcing this Leasing Policy, executing nondiscretionary lease options, issuing notices required or permitted under the lease, and other related tasks.

3.5 Recording requirements. Lessees shall be responsible for recording the lease in the form approved by the Executive Director within 30 days of execution. All recording fees shall be paid by the lessee.

4.0 Compliance with Grant Assurances

As the recipient of federal funds, the Authority is required to comply with the Grant Assurances in developing, leasing, and operating the Airport. Violations of Grant Assurances are a serious matter that can result in financial penalties for the Authority, loss of eligibility for future funding grants and further legal action against the Authority. The purpose of these Grant Assurances is to promote aeronautical activity and protect fair competition at federally obligated airports. This section briefly summarizes the Authority obligations under the most relevant Grant Assurances that relate to the leasing of Airport property. This summary is not intended as a substitute for review of the actual text of the currently effective Grant Assurances, which is available on the [FAA Grant Assurances website](#).

4.1 Grant Assurance No. 5. The Authority shall not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in the federal grant agreement.

4.2 Grant Assurance No. 8. The Authority will consult with other airport users before deciding to undertake any airport development project that may affect those airport users.

4.3 Grant Assurance No. 19. The Airport and all facilities which are necessary to serve the aeronautical users of the Airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards for maintenance and operation as may be required or prescribed by applicable Federal, state, and local agencies. The Authority will not cause or permit any activity or action thereon which would interfere with its use for airport purposes.

4.4 Grant Assurance No. 22. The Authority shall operate the Airport for the use and benefit of the public. The Airport must be made available to all types, kinds, and classes of aeronautical activity on fair and reasonable terms and without unjust discrimination.

4.5 Grant Assurance No. 23. The Airport may not grant a special privilege or an exclusive right to anyone providing aeronautical services on the Airport or engaging in an aeronautical use.

4.6 Grant Assurance No. 24. The Authority shall maintain a fee and rental structure for the Airport which will make the Airport as self-sustaining as possible under the circumstances existing at the Airport and to avoid unjust economic discrimination within classes of users, taking into account such factors as the volume of traffic and economy of collection.

It is the Authority's policy to include provisions in all leases that state that leases and subleases are expressly subordinate to the Grant Assurances and that all lease and sublease provisions shall be interpreted in a manner that ensures compliance with the Grant Assurances. The Authority reserves the right to deny any use of the leased or subleased property and deny any requests for lease modification, extension, sublease, transfer, or assignment, on the grounds that the use or request could, or is likely to, cause the Authority to become noncompliant with a Grant Assurance. If at any time the Authority becomes aware of activity on leased or subleased property that represents a potential or actual violation of any Grant Assurance, the Authority will take any and all actions necessary to cause the activity to cease and restore compliance with the Grant Assurances.

5.0 Adherence to the Airport Layout Plan (ALP)

Pursuant to Grant Assurance No. 29, the Authority has adopted an Airport Layout Plan ("ALP") that depicts all Airport property and identifies existing facilities and plans for future development. The ALP reflects the existing and proposed allocation of areas of the Airport to specific operations and land uses and may be amended from time to time. The Authority will not enter into any lease, consent to any sublease, or authorize any occupancy, construction, modification or improvement that is inconsistent with the ALP. It is the Authority's policy to make clear in all leases that leases and subleases are expressly subordinate to the ALP and that all lease and sublease provisions will be interpreted in a manner that ensures compliance with the ALP. The Authority reserves the right to deny any use of the leased or subleased property, and any requests for lease amendment, extension, sublease, transfer, or assignment, on the grounds that the use or request would be inconsistent with the ALP. If at any time the Authority becomes aware of activity on leased or subleased property that is inconsistent with the ALP, the Authority will take any and all actions necessary to cause the activity to cease and restore compliance with the ALP. The Authority will endeavor to consult with affected lessees and sub-lessees before making changes to the ALP.

6.0 FAA Review of Leases

It is the Authority's policy to request FAA review for leases for Airport property where such review is required by the FAA or is, in the view of the Authority, prudent best practice. The Authority may seek FAA review even where such review is not strictly required at the Authority's discretion when the Authority determines such review is in the best interest of the Authority. If the FAA objects to or comments on any lease, the Authority will not execute such lease, its amendment, renewal, or extension until any FAA objections have been resolved and any FAA concerns have been addressed to the Authority's satisfaction, in its sole discretion. The scope of FAA review depends on whether the lease is for aeronautical use, airport purpose use, non-aeronautical use, or mixed use as further described below.

6.1 Aeronautical leases. As defined by FAA policy, aeronautical use is any activity that involves, makes possible, is required for the safety of, or is otherwise directly related to, the operation of

aircraft. Aeronautical use includes services provided by air carriers related directly and substantially to the movement of passengers, baggage, mail, and cargo at the airport.

6.2 Airport purpose leases. As defined in FAA policy, airport purpose uses are those that are (1) directly related to the actual operation or the foreseeable aeronautical development of a public airport and (2) whose nonaeronautical components do not conflict with existing or foreseeable aeronautical needs/demands. These are situations where a primary aeronautical facility has some nonaeronautical components, including parking, that support that facility's core aeronautical function within its operation.

6.3 Mixed use leases. As defined in FAA policy, mixed use leases are those which contain both aeronautical and non-aeronautical uses, but the non-aeronautical use could be located off airport property. FAA approval or consent is required for all mixed use leases. Approval is required not just for an initial lease but for any discretionary amendments, extensions, renewals, options, or modifications to lease terms.

6.4 Non-aeronautical leases. As defined in FAA policy, non-aeronautical uses are all other uses that are not considered aeronautical use or airport purpose use. FAA approval or consent is required for all non-aeronautical leases. Approval is required not just for an initial lease but for any discretionary amendments, extensions, renewals, options, or modifications to lease terms.

Pursuant to the FAA Policy Regarding Proposed Land Use Changes, FAA approval or consent will be based on the following factors: (1) reasonableness and practicality of the Authority's request, (2) the effect of the request on needed aeronautical facilities, (3) the net benefit to civil aviation and (4) compatibility of the proposal with the needs of civil aviation.

Incompatible land uses on the Airport, including residential use, are prohibited by FAA policy and are contrary to Federal obligations. Additionally, FAA will not approve or consent to a non-aeronautical use of Airport property if it determines that an aeronautical demand for the land is likely to exist within the period of the requested land use.

The duration of FAA's approval or consent will depend on the circumstances at the Airport. The Authority is required to ensure that the leased premises will be returned to aeronautical use at the end of the lease or approval period, whichever is shorter. The Authority will not authorize any leasing action that is, or could be construed to be, inconsistent with any FAA approvals.

Because the Airport property is subject not only to terms of the FAA Policy Regarding Proposed Land Use Changes but also to deed restrictions or covenants, some leases for non-aeronautical uses also will require a formal release of deed restrictions. The Authority will comply with FAA requirements and procedures for obtaining formal deed releases in addition to FAA approval or consent as prudent or necessary.

7.0 Selection Process for New Leases

The Authority, in its sole discretion, may select new lessees and/or enter into new leases based on factors including, but not limited to, the nature of the proposed use, the economic impact of the proposed use, the financial strength and experience of the proposed lessee, whether the proposed lessee has provided a guarantor who will guarantee the payment of rent, and whether the lease would

further the Authority's mission and long-term goals, including the Airport's ability to be self-sustaining. The Authority may, but is not required to, issue a formal competitive solicitation for new leases for Airport property. There is no entitlement for a lessee to receive a new, renewed, or extended lease at the end of any lease term.

8.0 Unsolicited Proposals

The Authority may consider unsolicited proposals for leases. Unsolicited proposals must be in writing and provide a detailed description of how the proposal would further the Authority's mission and support its long-term goals. The proposal package should include a full description of the proposed project, a detailed financial plan, and a clear timeline for the implementation of the proposal including key milestones and deliverables. It should also include a detailed description of the proposer's qualifications and experience, whether the proposer will provide a guarantor who will guarantee the payment of rent and the form of the proposed guarantee, and a summary of the proposer's overall corporate organization, including the names of its principals and any parent, affiliate, and subsidiary companies. It should also include a description of the proposer's experience implementing similar projects on Airport property. Proposals must be consistent with Authority's enabling act, the Airport Master Plan, and the Airport Layout Plan, this Leasing Policy, the BRAA Minimum Standards, and must comply with the Grant Assurances. The proposer must be licensed to do business in Florida.

Upon receipt of a proposal that meets the above requirements, the Authority may, in its sole discretion, elect to work with the proposer to develop or refine the proposal or may instead issue a Request for Letters of Interest ("RLI") or Request for Proposals ("RFP") for competing proposals. The Authority will not consider any unsolicited proposal that is an advance proposal for property that the Authority has already expressed an intent to lease through a formal competitive solicitation. For unsolicited proposals for amendments, extensions, or renewals of existing leases, see Section 13.0.

9.0 Leases for Aeronautical Uses and/or Airport Purposes

9.1 Scope. This section applies to leases or subleases for aeronautical uses or airport purpose uses, as those terms are defined by the FAA, that typically occur at a general aviation airport including activities which, in the sole judgment of the Authority, because of their direct relationship to the operation of aircraft or the Airport, can appropriately be regarded as an aeronautical activity.

9.2 BRAA Minimum Standards. All aeronautical use or airport purpose leases and subleases shall comply with the BRAA Minimum Standards, as may be amended.

9.3 Lease term. While the Authority will approve aeronautical use or airport purpose lease terms on a case-by-case basis, care will be taken not to violate any applicable Grant Assurances, including, without limitation, Grant Assurance No. 5, which requires the Authority not to take action that deprives the Authority of its rights and powers to operate the Airport. A lease term that is so long as to represent a functional transfer of title will not be granted by the Authority. Accordingly, the Authority will not generally consider a lease term that is longer than reasonably commercially necessary to amortize a lessee's capital investment in facilities and improvements and provide the lessee a reasonable rate of return on its investment. Lease terms may include a

combination of initial and option terms which will be considered together for purposes of determining a reasonable lease term.

9.3.1 Reversion of leasehold improvements. The prohibition against divesting title at the Airport also requires the Authority to own capital improvements permanently affixed to Airport property at the conclusion of a lease. Accordingly, the Authority requires that if a lessee installs capital improvements, those improvements revert to the Authority at the conclusion of the lease (for whatever reason). Unless otherwise negotiated based on a specific and unique circumstance, reversion provisions in leases and subleases shall provide that title to capital improvements vests in the Authority no later than the expiration of the initial term of the lease. Once title to the capital improvement has reverted to the Authority, the lease rate for any period occurring after the reversion will include rent for both the land and the capital improvements at the current market rental rate. Lessees who receive extensions to any lease term need to understand this change in rental rate for any extension term. For more information about how the Authority exercises its reversionary rights to leasehold improvements and the Lessee's responsibilities to facilitate such reversions, see Section 15.0 "Reversionary rights"

9.3.2 Option term. Leases that provide for an option term shall specify that the lessee must notify the Executive Director of its intent to exercise an option term at least six (6) months but not more than one (1) year prior to the end of its current term to give the Authority sufficient time to determine the appropriate rate adjustment for that option term. Upon receipt of the request, the Authority will inspect any leasehold improvements for condition, appearance and viability for continued occupancy. The lease rate set for any option term will include the value of reverted capital improvements.

9.3.3 Maximum term. The Authority will not approve an aeronautical or airport purpose lease that has a term in excess of fifty (50) years in the aggregate, including extensions.

9.4 Lease Rates. To fulfill the Authority's obligation to make the Airport as self-sustaining as possible, the lease rate for aeronautical and airport purpose leases shall be based on the market rental rate for the property, except as otherwise permitted herein below.

9.4.1 Rental analysis. Market rental rate is distinct from fair market value. The Authority shall determine the market rental rate for Airport properties using a rental analysis that is based on an assessment of comparable rental rates for similar land and improvements at the Airport, an assessment of rental rates at similar sized airports throughout the state, and industry best practices. The Authority will regularly review and update its rental market analysis to reflect current market conditions.

9.4.2 Below market rent. The Authority will not accept a lease rate below the market rental rate except in extraordinary circumstances. In such cases, the lessee must provide compelling evidence to justify its request for a lower rate. The Authority may then consider factors such as proposed capital investment, fuel revenues and other concessions, and the extent to which lease would stimulate Airport development and aviation industry growth, to determine whether a below market rental rate is warranted. The Authority may also consider alternative methodologies to determine the appropriate below-market lease rate, including without limitation revenue sharing, concession recovery fees, and minimum annual

guarantees. Provisions allowing for a below market rental may be time-limited (e.g., for an incentive or pioneering period) and/or combined with other revenue-sharing provisions that allow for the Authority to recapture lost revenue resulting from the below market rent.

9.4.3 Mixed uses. If the primary aeronautical facility includes non-aeronautical components that could be located off-Airport property, the lease rate for the non-aeronautical components will be based on fair market value for similar, off-Airport property. See Section 10.4 for more information.

9.5 Periodic Adjustment of Lease Rates. To facilitate parity between new leases and existing leases and to make the Airport as self-sustaining as possible, leases shall contain an escalation provision that requires lease rates to be periodically adjusted to account for changing market conditions.

9.5.1 Annual increase. Unless otherwise negotiated, lease rates shall be subject to an annual increase based the Consumer Price Index (“CPI”) for all Urban Consumers Miami-Fort Lauderdale-West Palm Beach published most recently prior to the adjustment date.

9.5.2 Periodic rate review. In addition to annual rate increases, the Authority will review lease rates not less than every ten (10) years, or as otherwise negotiated, to determine whether a lease rate adjustment is required to make the lease rate consistent with the current market rental rate. Generally, leases will provide for a formal appraisal as part of the periodic rate review, that are conducted in accordance with FAA requirements and industry best practices.

9.5.3 Option terms, renewals, or extensions. Prior to the exercise of any option term or prior to any lease extension or renewal (if approved), the lease rate will be adjusted to account for changes in economic conditions affecting the lease, including but not limited to changes to market rental rate, value of improvements made by a lessee that have reverted to the Authority, changes to capital investment requirements, amortization schedules, revenue provided by lease, and other factors.

10.0 Leases for Non-Aeronautical or Mixed Uses

10.1 Scope. Lease or subleases for non-aeronautical or mixed uses include leases for uses that are not considered aeronautical uses or airport purpose uses. To further the Authority’s requirement for the Airport to be as self-sustaining as possible, the Authority may enter into leases or subleases for non-aeronautical uses if such use is consistent with the current and future use of land contemplated in the ALP. Non-aeronautical uses or mixed uses must not interfere with the aeronautical use of the Airport and must not jeopardize future Airport development or create or contribute to a flight hazard. In no event may Airport property be used for residential uses.

10.2 Cost recovery. Authority resources will not be used to support non-aeronautical activities unless there is a means for the Authority to recover such costs. The Authority will not provide any support services such as lawn care, irrigation, leasehold improvements, maintenance, trash removal, and other services to support non-aeronautical uses of the Airport, unless payment terms have been established in the lease.

10.3 Lease term. The Authority will approve non-aeronautical or mixed-use lease terms on a case-by-case basis. However, care will be taken not to violate any applicable Grant Assurances, including, without limitation, Grant Assurance No. 5, which prohibits the Authority from taking action that deprives the Authority of its rights and powers to operate the Airport. A lease term that is so long it represents a functional transfer of title will not be granted by the Authority. Accordingly, the initial lease term will not be longer than the time that is reasonably necessary to amortize or depreciate a prospective lessee's capital investment in facilities and improvements and provide the lessee a reasonable rate of return on its investment. Lease terms for non-aeronautical or mixed-use leases shall be based on a variety of factors including proposed use, capital investment, and the likelihood that an aeronautical demand for the land will arise during the lease term. The Authority may consider any aggregate combination of initial and option terms.

10.3.1 Priority of aeronautical uses. To further the Authority's obligation to ensure that non-aeronautical uses do not displace aeronautical uses, non-aeronautical or mixed use leases will specify that the Authority shall be entitled to terminate the lease if an aeronautical need for that land arises. Early termination will include compensation that is appropriate to the particular lease.

10.3.2 Reversion of capital improvements. The prohibition against divesting title at the Airport also requires the Authority to own capital improvements permanently affixed to Airport property at the conclusion of any lease term. Accordingly, the Authority requires that if a lessee installs capital improvements, those improvements revert to the Authority at the conclusion of the lease term (for whatever reason). Unless otherwise negotiated based on a specific and unique circumstance, reversion provisions in leases and subleases will provide that title to capital improvements vests in the Authority no later than the expiration of the initial term of the lease. Once title to the capital improvement has reverted to the Authority, the lease rate for any period occurring after the reversion will include rent for the capital improvements at the current market rental rate. Lessees who receive extensions to any lease term need to understand this change in rental rate for any extension term. For more information about how the Authority exercises its reversionary rights to leasehold improvements and the Lessee's responsibilities to facilitate such reversions, see Section 15.0 "Reversionary Rights."

10.3.3 Option term. Leases that provide for an option term shall specify that the lessee must notify the Executive Director of its intent to exercise an option term at least six (6) months but not more than one (1) year prior to the end of its current term to give the Authority sufficient time to determine the appropriate rate adjustment for that option term. Upon receipt of the request, the Authority will inspect any leasehold improvements for condition, appearance and viability for continued occupancy. The lease rate set for any option term will include the value of reverted capital improvements.

10.4 Lease rate. To comply with FAA regulations and to fulfill the Authority's obligation to make the Airport as self-sustaining as possible, the lease rates charged for non-aeronautical or mixed uses shall be at or above fair market value for similar, off-Airport property. Fair market value will be determined by an appraisal based on the highest and best use of similar off-Airport property in the surrounding and/or similar areas and the competing marketplace around the Airport. See Section 11 "Appraisals" for more information. The lease rate for non-aeronautical uses should be

different from, and usually higher than, the rates for aeronautical and airport purpose uses. See section 9.4.3 above concerning rental rates for aeronautical functions within a mixed-use lease.

10.5 Below market value rent for community uses. The Authority acknowledges that in extraordinary circumstances, FAA regulations permit the Authority to charge less than fair market value for certain uses such as uses that fulfill a public community purpose and/or uses by not-for-profit aviation organizations. Such uses are rare and given the need for property at and around the Airport, it is highly unlikely that any prospective user would be able to make the requisite showing that the property could not otherwise be used for revenue-producing purposes. If the Authority receives a request for a community use, the Authority will balance the benefit to the community of such a request against its obligations to make the Airport as self-sufficient as possible through the use of Airport property to generate revenue. Lease terms for community uses will be very short (generally not in excess of one year) and will include provisions for termination of the lease with no compensation in the event that the property is needed for aeronautical or revenue-generating purposes.

10.6 Periodic Adjustment of Lease Rates. To facilitate parity between new leases and existing leases and to make the Airport as self-sustaining as possible, leases shall contain an escalation provision that requires lease rates to be periodically adjusted to account for changing market conditions.

10.6.1 Annual increase. Unless otherwise negotiated, lease rates will be subject to an annual increase based the Consumer Price Index (“CPI”) for all Urban Consumers Miami-Fort Lauderdale-West Palm Beach published most recently prior to the adjustment date.

10.6.2 Periodic rate review. In addition to annual rate increases, the Authority will review lease rates not less than every ten (10) years, or as otherwise negotiated, to determine whether a lease rate adjustment is required to make the lease rate consistent with the current fair market value. Generally, leases will provide for a formal appraisal as part of the periodic rate review that are conducted in accordance with FAA requirements and industry best practices.

10.6.3 Option terms, renewals, or extensions. Prior to the exercise of any option term or prior to any lease extension or renewal (if approved), the lease rate will be adjusted to account for changes in economic conditions affecting the lease, including but not limited to changes in fair market value, the value of improvements made by the lessee that have reverted to the Authority, changes to capital investment requirements, amortization schedules, revenue provided by the lease, and other factors.

11.0 Appraisals

11.1 Purpose. To determine fair market value for non-aeronautical leases, the Authority will cause an appraisal to be prepared by an independent MAI-certified appraiser with specific experience in the appraising airport properties. The Authority will also seek an appraisal to determine the lease rate for lease renewals, extensions, and periodic adjustments.

11.2 Appraisal requirements. The appraisal and appraisal report shall be prepared in accordance with Uniform Standards of Professional Appraisal Practice (USPAP) and FAA

requirements. For leases that are subject to FAA approval or consent, the lease must be executed or the rate adjustment must be effectuated within one year of the date of the appraisal report. If the lease, renewal, or extension is not executed or the optional term not effectuated within one year of the date of the appraisal report, the Authority may require a new or updated appraisal to be prepared at the lessee's expense.

11.3 Review appraisal. FAA regulations require that two independent appraisal reports and a review appraisal be prepared for Airport property with an estimated value of \$1 million or more. For airport property valued at less than \$1 million, the Authority, in its sole discretion, may still cause a review appraisal to be prepared.

11.4 Dispute resolution. Leases shall contain provisions that allow the lessee to engage a second MAI-certified appraiser, at its own cost and expense, to conduct a second appraisal consistent with the requirements of this section if a lessee disagrees with the Authority's appraisal. The Authority and lessee will use best efforts to resolve any differences. The expense of any appraisals in addition to those contemplated in the lease or in this section will be equally shared by the parties.

12.0 Subleases

12.1 Definition. For the purposes of this Leasing Policy, "Sublease" means any written or oral agreement by which a lessee of Airport property grants to another person or entity (the "sub-lessee") the exclusive right to occupy or possess all or any portion of the leased premises for a term that is less than term of the master lease. A sublease involves the transfer of a possessory interest in the premises and is distinct from a license or grant of use or access rights that does not convey exclusive possession.

12.2 Scope. All subleases require Authority approval. Sublease approval will not be granted where the sublease could or is likely to jeopardize the Authority's compliance with any state, federal, or local law, or legal requirements including, but not limited to, FAA orders, policies, Advisory Circulars, regulations, Grant Assurances. Upon written approval of the Authority in the form of a consent to sublease, a lessee may sublease all or a portion of its leasehold for a use that is consistent with the terms of the lease. Subleases are always subordinated to, and subject to, all the terms and conditions of the lessee's lease, the Airport's Minimum Standards (if applicable), and BRAA Rules and Regulations. The lessee shall remain fully liable for the performance of all the conditions, covenants and obligations of lease by the sub-lessee. Subleases must not include provisions that require the sub-lessee to perform or pay for capital improvements, where such provisions result in or may result in a reduction in the rent payable to the Authority. The Authority's consent to sublease shall be limited to approval of the sub-lessee and may not be used to vary the terms of the master lease, waive obligations under the master lease, or place obligations on the Authority in favor of the sub-lessee not already contained within the master lease. In no circumstance will a consent to sublease serve as a waiver of lease terms and conditions as they apply to the master lessee.

12.3 Conditions. The Authority's approval of a sublease may be conditioned upon reasonable requirements in the Authority's sole discretion including, for example and without limitation, the receipt of the sub-lessee's proof of insurance or other information about the sub-lessee confirming its financial and operational fitness to perform the terms of the sublease, and any

other conditions the Authority may impose to ensure the sublease is in the best interest of the Authority. The term of the sublease cannot exceed the term of the master lease or grant the sub-lessee a right of possession extending beyond the term of the master lease.

12.4 *Revocation of sublease approval.* The Executive Director has the authority to immediately revoke the Authority's approval of a sublease if the sub-lessee is found to be out of compliance with any conditions contained in the Authority's approval; the conditions, covenants and obligations of the master lease; the Airport Rules and Regulations; the BRAA Minimum Standards (if applicable); local, state, or federal law; or legal requirements including, but not limited to, FAA orders, policies, Advisory Circulars, regulations, and the Grant Assurances.

13.0 Lease Amendments, Renewals, and Extensions

13.1 *Lessee's Right to Request.* Lessees may request, but do not have a right to, an amendment, renewal, or extension of a lease. The Authority will not typically consider a lessee's request to amend, renew or extend a lease term unless the lessee can demonstrate that such lease renewal or extension will benefit the Authority, such as through a significant capital improvement program that brings long-term value to the Airport; will further the Authority's ability to stay self-sustaining; and meets all other federal requirements for the use of Airport property.

13.2 *Basis of review.* In determining whether to amend, extend or renew a lease, the Authority will consider factors including but not limited to the reasonable useful life and condition of the existing improvements; the future capital investment the lessee proposes to improve the leasehold and extend the useful life or condition of the improvements; compatibility with long-term airport development goals, including but not limited to, the Airport Master Plan and ALP. The Authority will also review the lessee's history of compliance with lease terms and other Authority regulations, including but not limited to, Airport Minimum Standards and Rules and Regulations during the existing term of the lease.

13.3 *Adjustment of lease terms and rates.* Any lease amendment, extension, renewal, or new lease that replaces an existing lease shall include the Authority's current standard lease terms and conditions. The lease rate will be adjusted to the current market rental rate for aeronautical or airport purpose uses and the current fair market value for non-aeronautical or mixed-uses, as the case may be.

14.0 Construction of Improvements

14.1 *Improvements to conform to required standards.* All improvements on Airport property shall be constructed in conformance with Airport Minimum Standards, Airport Sign Code, Airport Design Standards, the Florida Building Code, the Florida Fire Prevention Code, and all other local, state, and federal regulations and applicable FAA orders, policies, Advisory Circulars, regulations, and the Grant Assurances. Lessees are responsible for identifying all use restrictions and site plan requirements, including height, density, and parking requirements. Lessees are also responsible for obtaining all necessary approvals from agencies having jurisdiction over the construction project, including but not limited to, the City of Boca Raton, Palm Beach County, the South Florida Water Management District, Florida Fish and Wildlife Conservation Commission, the Florida Department of Environmental Protection, and the FAA, as

applicable. A lessee must demonstrate, at its cost, that its use of its leasehold property will at all times comply with FAA Part 77 regulations (and implementing orders) concerning height of structures on the Airport.

14.2 Authority review required for all development and permit applications. Prior to seeking approval from the City of Boca Raton and/or any other government agency that has jurisdiction over the project, the lessee must first submit to the Authority the construction plans and any required development and permit applications and supporting documentation, including without limitation any agency requests for additional information, and all responses thereto. The construction plans must include architectural and engineering drawings, project specifications, estimated timeline for completion, description of the intended use of the improvements, and an environmental impact assessment, if applicable. The Authority will review the proposed improvements to determine whether they will be in the best interest of the Authority and further its goal of being self-sufficient, and to ensure that the proposed improvements do not conflict with or harm other Airport users, existing development, or development opportunities. Approval by the Authority is required but does not affect the need for additional approvals from applicable local, state, or federal agencies.

14.3 City of Boca Raton review and approval. The proposed improvements must comply with the City of Boca Raton Code of Ordinances and Land Development Regulations as set forth in the Memorandum of Understanding between the Authority and the City of Boca Raton, unless other federal or state laws, codes, or regulations are controlling. All plans for improvements on property designated for non-aeronautical or mixed-use shall be submitted to the City of Boca Raton in the same manner and be subject to the same approval requirements as any other similar projects occurring on privately owned land, including review and approval by the Planning and Zoning Board, the Community Appearance Board, and City Council as applicable.

14.4 FAA review and approval. The Authority and/or the FAA requires FAA review and approval or consent for certain improvements. The lessee shall submit “FAA Form 7460-1” to the FAA detailing specific requirements of each project. The lessee shall timely submit all required information to the FAA, and subsequently submit the FAA’s determination to the Authority. Submittal of this information shall be a prerequisite of the Authority’s releasing final design approval. No construction may commence without the written submission of the FAA’s action in response to Form 7460-1.

14.5 Development schedule. Leases will specify that time is of the essence with respect to the construction of improvements. Leases shall include a detailed construction schedule and require the lessee to submit construction contracts, bonds, and insurance documents to the Authority for review and approval prior to commencement of construction. Leases shall include liquidated damages or other specific remedies and/or permit the Authority to terminate the lease if a lessee fails to construct improvements in accordance with the submitted development schedule.

15.0 Reversionary Rights

15.1 Purpose. In order to ensure the Authority maintains all the rights and powers necessary to perform any or all of the terms, conditions, and Grant Assurances, leases shall include an appropriate reversionary clause which ensures that the ownership of all site and building

improvements will automatically revert to the Authority no later than the expiration of the lease. The lease rate for any option term or extension after reversion will include rent for land and improvements. Under no circumstances will the lessee be entitled to any compensation of any kind whatsoever as a result of the reversion of title for any and all capital improvements.

15.2 Lessee responsibilities. To facilitate the reversion of improvements, the lessee must ensure the property, including all site improvements, is maintained in good condition, consistent with the terms of the lease. All improvements will be subject to an inspection prior to the expiration of the initial lease term. At the Authority's discretion, the lessee may be required to repair any damage and perform all structural repairs as determined through Authority inspections, restore any alterations to the property that were made without the Authority's consent and approval, and/or remove some or all of the site improvements at its own cost. The lessee must conduct any necessary environmental remediation to address contamination or hazardous conditions caused during the term of the lease prior to the date the reversion is set to occur.

16.0 Assignment and Change of Ownership

16.1 Authority consent. Airport property is a valuable asset that is critical to the Authority's obligation to be as self-sustaining as possible. The Authority retains strict control over the assignment of leases to maintain the integrity and functionality of the Airport. Accordingly, in the event the lessee wants to assign or transfer its lease to another party, including any affiliate, or wants to pledge or otherwise encumber the leased property in any manner whatsoever, the lessee must obtain prior written consent from the Authority. The Authority's consent to assignment will be limited to approval of the specific transaction, and may not be used to vary the terms of the lease, waive obligations under the lease, or place obligations on the Authority in favor of the assignee not already contained within the master lease. In no circumstance will the Authority's consent serve as a waiver of lease terms and conditions. In the event the Authority does not consent to the assignment, the lessee shall have the right to request a meeting with the Executive Director to discuss the decision. The Executive Director may, at her discretion, submit the decision for reconsideration by the Board after such discussion. The Board will consider the lessee's arguments and any recommendation by the Executive Director and may, at its discretion, approve the assignment or uphold its decision not to consent to the assignment.

16.2 Criteria for assignment. The Authority's consideration of a request to consent to an assignment or transfer will include an evaluation of the proposed assignee's financial stability and operational experience and criteria similar to those applicable to a new lessee. The proposed assignee/transferee must demonstrate that it has the financial ability to satisfy the financial obligations under the lease and has sufficient experience managing and operating airport properties or similar facilities on airport land. At least 60 days prior to the Board's consideration of the proposed assignment, the assignee/transferee must provide financial statements, credit reports, evidence of previous experience, references from other Airport sponsors, and any other relevant documentation, as may be requested by the Authority in its sole discretion to support the assignee/transferee's capability to perform the obligations under the lease.

16.3 Right of first refusal. In the event the lessee requests Authority approval for assignment/transfer, the Authority will have a right of first refusal. The Authority's right of refusal for non-aeronautical leases and mixed use leases shall include terms and conditions

substantially similar to the proposed assignment and may include the right to purchase the lease at the current fair market value as determined by an independent appraisal, the cost of which will be shared equally by the parties. The Authority's right of refusal for aeronautical and/or airport purpose leases shall include terms and conditions substantially similar to the proposed assignment and may include the right to purchase the lease at the current market rental rate.

16.4 Adjustment of rent. If the Authority consents to the assignment/transfer, the lease rate will be adjusted to the current market rental rate for aeronautical or airport purpose uses or the current fair market value for non-aeronautical uses and mixed uses, as determined at the time of assignment.

16.5 Estoppel certificate. In the event a lessee requests Authority approval of an estoppel certificate in connection with an assignment of its interest in the lease, the Authority will provide a written statement affirming only the lease documents, the lease term and any renewal terms, the current amount of annual rent and the amount paid to date, and whether the lessee is in default of any provision of the lease. The Authority will also certify that it is the owner of the property that is the subject of the lease agreement and that the lease agreement contains the full agreement of the parties. Requests for the Authority to certify or affirm any other information regarding the lessee or the lease will be denied. The Executive Director has the authority to sign estoppel certificates that comply with these requirements.

17.0 Access to Records

Lessees must comply with Florida Public Records Act (Chapter 119, Florida Statutes). Accordingly, leases and any materials made or received in connection with transacting business with the Authority are considered public records and shall at all times be available to the public for inspection, unless otherwise exempt. If a lessee believes any of the information contained in the lease or other public record is confidential and/or exempt from production under the Florida Public Records Act, including without limitation trade secrets as defined by Florida law, the lessee must notify the Authority, who will determine whether the documentation is exempt from disclosure.

The Authority shall have the right to access and inspect the lessee and/or sublessee's business records related to the lease, including but not limited to: records related to the lease income owed to the Authority; rentals, fees and charges applicable to the lessee's operations at the Airport; rental income received from sub-lessees; hangar space waiting lists; maintenance and safety records; records related to the financial responsibility of the lessee/sublessee; permitting and construction records; and any other relevant records necessary to ensure compliance with the terms and conditions of the lease and adherence to all applicable federal, state, and local regulations, including without limitation, compliance with the Grant Assurances.

EXHIBIT A: LEASE GENERAL TERMS AND CONDITIONS

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Note: Terms and conditions that apply only to Aeronautical Leases and/or Airport Purpose Leases are identified herein as (A/AP), while terms and conditions that apply only to Non-Aeronautical Leases and/or Mixed-Use Leases are identified as (NA/MU).

ARTICLE I: DEFINITIONS.

As used in this Lease, in addition to those set forth in the Recitals, defined words and terms shall have the following meanings:

- 1.1 "Act of God" means an overwhelming, unpreventable event caused exclusively by forces of nature, such as an earthquake, flood, or tornado. Act of God does not include economic crises, pandemics, viral outbreaks, or other events that are foreseeable and the impacts of which can reasonably be avoided or mitigated by the Parties by using prudence and due diligence.
- 1.2 "Aeronautical Lease" means a lease for any activity that involves, makes possible, is required for the safety of, or is otherwise directly related to, the operation of aircraft.
- 1.3 "Airport" means land within the territorial limits of the City of Boca Raton known as the Boca Raton Airport, owned and operated by the Boca Raton Airport Authority.
- 1.4 "Airport Purpose Lease" means a lease for any activity that is directly related to the actual operation or the foreseeable aeronautical development of a public airport and whose nonaeronautical components do not conflict with existing or foreseeable aeronautical needs/demands.
- 1.5 "Airport Layout Plan" or "ALP" means the graphic presentation to scale of existing and

proposed airport facilities, their location on the Airport and the pertinent clearance and dimensional information required to show conformance with applicable standards, required by FAA Grant Assurances. .

- 1.4 "Applicable Laws" means all present and future applicable laws, ordinances, orders, directives, rules, codes, regulations and decrees of federal, state and municipal authorities and agencies and their respective agencies, departments, authorities and commissions (individually, a "Governmental Authority") and all present and future grant assurances provided by Authority to any Governmental Authority in connection with Authority's ownership or operation of the Airport and all rules, regulations, policies and procedures of Authority. Governmental Authorities shall include without limitation, the Authority, the City of Boca Raton, Palm Beach County, the State of Florida, the United States Department of Transportation (the "DOT"), the Federal Aviation Administration (the "FAA"), and the Transportation Security Administration (the "TSA").
- 1.5 "The Authority," "Authority," and/or "BRAA" means the Boca Raton Airport Authority, a body politic and corporate created and authorized pursuant to Chapter 2023-334, Laws of Florida, as may be amended, to function as a special improvement district of the State of Florida. The terms "the Authority" and "BRAA" may be used interchangeably herein.
- 1.6 "Board" means the Boca Raton Airport Authority Board, appointed pursuant to Chapter 2023-334, Laws of Florida, as may be amended.
- 1.7 "CERCLA" means the provisions of the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, 42 U.S. Code, Section 9601 et seq., especially with respect to the notification requirements respecting released substances.

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- 1.8 "City" means the City of Boca Raton.
- 1.9 "County" means Palm Beach County.
- 1.10 "Date of Execution" means the earliest date where the following conditions have been met: 1) all parties have signed the Lease; and 2) the Board has approved the Lease at a Board meeting held in conformance with the requirements of the Florida Sunshine Law, Chapter 286, Florida Statutes.
- 1.11 "EPA" means the federal Environmental Protection Agency, or an equivalent agency responsible for implementing federal environmental law.
- 1.12 "Executive Director" means that person employed by the Authority to administer all airport operations and to supervise all airport projects, pursuant to Section 9, Chapter 2023-334, Laws of Florida, as may be amended.
- 1.13 "FAA" means the Federal Aviation Administration created by the Federal Government under public law 85 726, Title I, Section 1001, August 23, 1958, 72 Stat. 737, as amended, or to such other agency or agencies of the Federal Government having from time to time similar jurisdiction over aviation and airports.
- 1.14 "FDOT" means the Florida Department of Transportation.
- 1.15 "Fair Market Value" means the value of the non-aeronautical or mixed-used leased premises as determined by an appraisal based on the highest and best use of similar off-Airport property in the surrounding and/or similar areas and the competing marketplace around the Airport. **(NA/MU)**
- 1.16 "Fixed-Base Operator" means a commercial business granted the right by the Authority to operate on the Airport and provide aeronautical services such as fueling, hangaring, tie-down and parking, aircraft rental, aircraft maintenance, flight instruction, and related services. **(A/AP)**
- 1.17 "Hazardous Material" means any substance, material or waste which is or becomes regulated by any local governmental authority, the State of Florida, or the United States Government as a hazardous or toxic substance. The term "Hazardous Material" includes, without limitation, any material or substance that is (a) defined as a "hazardous substance" under appropriate state law provisions; (b) petroleum and petroleum products; (c) asbestos; (d) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1321); (e) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act (42 U.S.C. § 6903); (f) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601); or (g) defined as a "regulated substance" pursuant to Subchapter IX, Solid Waste Disposal Act (Regulation of Underground Storage Tanks) (42 U.S.C. § 6991).
- 1.18 "Lessee Parties" means the Lessee, its employees, agents, successors-in-interests, business invitees, subtenants, and guests.
- 1.19 "Market Rental Rate" or "Market Rent" means the rental income that the leased premises would most likely command in the open market for aeronautical use indicated by the current rents paid and asked for comparable space for similar uses at comparable facilities at other airports within the same region, as of the date of the appraisal or market rental study, as may be applicable. **(A/AP)**

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1.20 "Minimum Standards" are the Minimum Standards and Requirement for Aeronautical Activities at the Boca Raton Airport, as amended December 21, 2021, as may be amended from time to time.

ARTICLE 2: PREMISES.

2.1 Premises. *To be determined by parties.*

2.2 Condition and Use of Premises. Lessee accepts the Premises in its "AS IS CONDITION" and "WITH ALL FAULTS," together with all defects, latent and patent, if any. Lessee further acknowledges that the Authority has made no representations or warranties of any nature whatsoever regarding 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; the suitability of the Premises or any improvements for Lessee's intended use; or Lessee's legal ability to use the Premises for Lessee's intended use.

ARTICLE 3: TERM

To be determined by parties.

ARTICLE 4: USES; PURPOSES; LIMITATIONS.

4.1 Use of the Airport. Subject to the terms and conditions of this Lease, Lessee, its employees, passengers, guests, customers, patrons and invitees, in common with other duly authorized users, is allowed to use the Airport, together with all other public areas and facilities, equipment, services and improvements which have been or may hereafter be, from time to time, provided at or in connection with the Airport for common or public use in connection with the Airport, including, but not limited to, the landing field and any extensions or additions, roadways, runways, aprons, taxiways, sewage and water facilities, drainage areas, lights, landing lights, beacons, control tower, signals, radio aids,

and all other conveniences for flying, landing, taxiing, refueling and taking off.
(A/AP)

4.2 Maximizing Revenues. Lessee agrees to use its best efforts to operate, use, and, if applicable, sublease the premises in a manner that maximizes the revenue generated from its use and ensures that Authority receives the full benefit of any revenue-sharing requirements. Such best efforts include, but are not limited to, diligently pursuing business activities or subtenancies that are consistent with maximizing revenues, maintaining full occupancy where applicable, and ensuring that any sub-lessees are actively engaged in generating income from the leased premises, consistent with the provisions of this Lease and subleases as the Authority may approve.

Lessee shall not take any action, or fail to take any action, that would reasonably be expected to materially diminish the revenues generated by the premises, without the prior written consent of the Authority. Lessee further agrees to provide the Authority upon request with sufficient documentation to demonstrate its efforts to ensure the generation of revenue, including without limitation documentation demonstrating any and all gross revenues generated by the Lessee and any sub-lessees.

4.3 Non-Interference. Lessee shall conduct its operations hereunder in an orderly and commercially reasonable manner, considering the nature of such operations so as not to unreasonably interfere with the operations of other tenants at the Airport.

4.4 Prohibited Use. Lessee shall not conduct activities that are prohibited at the Airport unless written authorization is provided by the Authority and/or the Executive Director. Activities which are prohibited without prior approval of the Executive Director include, but are not limited to, sky diving, banner

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towing, and the operation of gyrocopters, gliders, paragliders and unregistered ultralights.

4.5 Noise and Vibrations. Lessee shall support the reasonable noise mitigation measures established by the Authority to mitigate noise impacts of Lessee's operations outside the boundaries of the Airport.

4.6 Conduct of Lessee Parties. Lessee shall control the conduct, demeanor and appearance of Lessee Parties doing business at the Premises and, upon reasonable written objection from the Authority concerning the conduct of any such persons, shall immediately take all reasonable steps necessary to remove the cause of objection.

4.7 Nuisance. Lessee shall not commit any physical nuisance on the Premises and shall not do or permit any of its subtenants to do anything which would result in the creation, commission or maintenance of such nuisance on the Premises.

4.8 Vehicular Parking. Lessee shall not allow Lessee Parties to park vehicles within the grassed areas of the Premises or in other areas of the Airport that are not leased or licensed to Lessee without the prior consent of the Authority, which consent may be granted or withheld in the Executive Director's sole and absolute discretion.

4.9 Accessibility of Utility Systems. Lessee shall not unreasonably interfere with the effectiveness or accessibility of the utilities systems installed or located on or about the Premises that are also used by other occupants, customers or users of the Airport. This provision shall in no event require Lessee to modify or relocate any utilities systems.

4.10 Hazardous Operations. Lessee shall not do or permit to be done any act or thing upon the Premises that (a) will invalidate any insurance policies covering the Premises or

the Airport; or (b) constitutes a hazardous condition taking into account the risks normally attendant upon the operations permitted by this Lease. The Authority agrees to provide Lessee notice of any insurance policy or hazardous condition issues that come to its attention.

4.11 Storage of Flammable Liquids. All flammable liquids that are kept or stored at the Premises must at all times be handled, stored and used in accordance with all applicable federal, state and local laws.

4.12 Testing of Fire Systems. From time to time and as often as reasonably required by the Authority or any governmental authority having jurisdiction, Lessee shall conduct pressure, water flow, and other appropriate tests of the fire extinguishing system and apparatus which are maintained by Lessee or any subtenant.

4.13 Inoperable, Derelict, and Abandoned Aircraft. Lessee shall promptly notify Authority of any inoperable aircraft being stored on the Premises. For the purposes of this section, an inoperable aircraft is an aircraft that is not airworthy and not in the process of being restored to an airworthy condition. Upon receipt of such notice, the Executive Director may request in writing that Lessee demonstrate that maintenance of the inoperable aircraft necessary to render the aircraft operable is being actively pursued. If an inoperable aircraft, or a derelict or abandoned aircraft as defined in Florida Statutes, remains on the Premises for a period of forty-five (45) days or more after such written notice is provided, the Executive Director may, in her sole discretion, declare the aircraft "abandoned" or "derelict," as defined in Section 705.183, Florida Statutes. In the case of derelict or abandoned aircraft, the Authority may take the necessary steps under Florida law or appoint the Lessee as Authority's designee to take the necessary steps under Florida law, in order to have the aircraft removed from the Premises and the

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Airport by way of disposal, auction, or other reasonable method. In the event Authority designates Lessee, Lessee shall have 30 days to initiate the procedure under Florida law to remove the aircraft from the Premises. **(A/AP)**

4.13 Derelict Vehicles. Lessee shall not store and shall not allow tenants or users to store inoperable vehicles on the Premises and shall take reasonable steps to have inoperable vehicles removed from the Premises in a timely manner when it is aware of such a vehicle. In the event that a vehicle is identified as a derelict vehicle, pursuant to Section 705.184, Florida Statutes, the Authority and the Lessee shall cooperate to take the necessary steps under Florida law in order to have the vehicle removed from the Premises and the Airport.

4.14 Evacuation and Hurricane Plans. Within thirty (30) days of the Effective Date, Lessee shall provide the Authority with emergency evacuation and hurricane plans consistent with the Authority's plans for the Airport. These plans shall be detailed procedures of actions to be taken by Lessee and its sublessees if an evacuation need or hurricane alert warning is present. Hurricane plans are to be annually updated, if requested by the Authority.

ARTICLE 5: MAINTENANCE

5.1 Lessee's Maintenance Obligations. Lessee shall, at Lessee's sole cost, keep and maintain the Premises and every part thereof, in good and sanitary order, condition and repair, including without limitation the systems, roofs, exterior walls and doors of structures on the Premises, subject to renovation or replacement as set forth in Article 6.

5.2 Cleanliness of Premises/Maintenance. Lessee shall, throughout the Term and any extension thereof, be responsible for all repairs and maintenance of the Premises

(which shall include, but shall not be limited to, all aircraft apron areas, buildings and improvements thereon), whether such repair or maintenance be ordinary or extraordinary, structural or otherwise. Maintenance and repairs shall be in quality and class comparable to the original work, to preserve the Premises in good order, repair and first-class condition. Lessee shall be required to keep all aircraft apron areas, if applicable, buildings and other improvements in good and fit condition throughout the Term and any extension hereof, and without limiting the generality thereof, Lessee shall:

- a) Paint the exterior and interior of the Premises, repair and maintain all doors, windows, pavements, equipment, lighting fixtures, furnishings, fixtures, roof, exterior walls, and structural support systems.
- b) Keep the Premises at all times in a clean and orderly condition and appearance and all of the fixtures, equipment and personal property which are located in any part of the Premises that is open to or visible by the general public.
- c) Provide and maintain all obstruction lights and similar devices, fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, order, ordinance, resolution, or regulation of any applicable governmental authority.
- d) Repair any damage to the aircraft apron areas, as applicable, paving, or other surface of the Premises caused by any oil, gasoline, grease, lubricants or other liquids or substances having a corrosive or detrimental effect thereon. **(A/AP)**
- e) Take anti erosion measures, including, but not limited to, the planting and replanting of grasses with respect to all portions of the Premises not paved or built upon.

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- f) Be responsible for the maintenance and repair of all utilities that are now or subsequently located within the Premises and are exclusively used by Lessee or any of its sublessees, including, but not limited to, service lines for the supply of water, gas service lines, electrical power, telephone and telecommunications conduits and lines, sanitary sewers and storm sewers.
- g) Make no use of any portion of the Premises in a manner that causes or results in excessive dust, debris or waste of any kind to be blown about or raised so as to be ingested by aircraft. Be responsible for the maintenance, repair, cleaning and landscaping of the entrance and exit roadways, sidewalks and signage immediately serving the Premises, which Lessee acknowledges may be located outside of the Premises.

5.3 Inspections. With the exception of the need to address any emergency or other similar exigency, the Authority, with forty-eight (48) hours prior notice to Lessee, shall have the right to enter the Premises at reasonable times to inspect same for the purpose of determining whether Lessee is in compliance with the requirements of this Lease. In the event the inspection reveals that the Lessee is not in compliance with this Lease, as reasonably determined by the Authority, the Authority shall provide Lessee with written notice of such noncompliance that includes a reasonable length of time for cure under the circumstances. Lessee shall commence corrective action to remedy such noncompliance to the satisfaction of the Authority promptly after receipt of the notice of noncompliance. If corrective action is not promptly initiated and pursued in a diligent manner to completion, the Authority may cause the same to be accomplished. Lessee agrees that Lessee shall assume and be liable to the Authority

for payment of all reasonable costs incurred by the Authority, plus a twenty five percent (25%) administrative overhead fee, which costs and administrative overhead fee shall constitute additional rent hereunder and shall be due and payable within thirty (30) days of the date of the Authority's written notice.

5.4 Right to Entry. Authority and authorized agents of Authority shall have the right to enter the Premises at all reasonable times for the purpose of inspecting or repairing the Premises and at any time in the case of an emergency.

ARTICLE 6: IMPROVEMENTS.

6.1 Airport Improvement Program. *Parties to negotiate the type and scope of improvements and associated costs, hereinafter referred to as "the Improvement Program", and the base improvement investment as applicable.* Lessee agrees to use its best efforts to promptly and diligently undertake and complete the Improvement Program without cost to the Authority. "Best efforts" shall include, but are not limited to: obtaining all necessary plans, designs, studies, schematics, and surveys; identifying, applying for, obtaining, and maintaining any and all permits and approvals that may be required from any and all local, state, or federal agency having jurisdiction over the project; securing qualified contractors and consultants as may be required to design, permit, and complete the work; and ensuring that all improvements are designed, permitted, and constructed, in a timely manner. All improvements constructed or placed on the Premises, including, but not limited to, drainage and landscaping, shall be of attractive construction and first-class design, 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 applicable requirements of this Article. Lessee agrees that time is of the

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essence with respect to the completion of the Improvement Program and its failure to meet each and every deliverable set forth in the Improvement Program constitutes a breach of a Time-Sensitive Performance Obligation as that term is used in Article II, below.

6.2 Additional Improvements on the Premises.

Lessee shall obtain prior written approval from the Authority before constructing any improvements on the leased premises that are not included in the Airport Improvement Program. The improvements must be consistent with the Airport Layout Plan, the use provisions of this Agreement, the Airport's Minimum Standards and Rules and Regulations, as may be applicable, and must not conflict with Airport operations, or harm other Airport users, existing development, or development opportunities, as determined by the Airport's Executive Director or her designee. If approved by the Authority, the improvements must be constructed in conformance with Airport Minimum Standards, Airport Sign Code, Airport Design Standards, the Florida Building Code, the Florida Fire Prevention Code, and all other local, state, and federal regulations and applicable FAA Advisory Circulars, orders, policies and directives, as may be applicable. For all improvements installed or constructed by Lessee, Lessee shall at its sole cost and expense determine, apply for, obtain, and maintain all required permits, licenses, and approvals, from any and all state, local, and federal agencies having jurisdiction over the construction. Lessee shall provide the Authority with true and correct copies of any and all permit, license, and/or approval applications to any and all agencies, as well as any correspondence or submissions related thereto. Additionally, upon construction, Lessee shall provide the Authority with as-builts of the constructed improvements.

6.3 City MOU. Lessee acknowledges and has been provided a copy of the Authority's

Memorandum of Understanding with the City of Boca Raton governing the approval process for construction of improvements and/or structures at the Airport. Lessee acknowledges that it shall comply with all required approval processes, including without limitation applying for, obtaining, maintaining, and complying with, any and all required City permits and approvals prior to engaging in any construction at the Airport.

6.4 Approval of Plans. Except as otherwise provided for herein, prior to constructing any improvements on or alterations to the Premises, Lessee, without cost to the Authority, shall prepare and submit for approval the following plans:

a) Site plan/conceptual plan.

Lessee shall prepare a site plan/conceptual plan for the improvements and deliver the site plan/conceptual plan to the Authority for review, comment, and approval by the Board. The Authority shall review the site plan/conceptual plan at the next regularly scheduled Board meeting occurring not less than twenty days and not more than forty-five days after the site plan/conceptual plan submittal and shall provide prompt feedback or approval, as appropriate.

b) Detailed preliminary construction plans and specifications.

Lessee and Authority shall meet within 90 days after the Date of Execution and develop a jointly agreed upon timeline, process, and submission/review points of contact for the submission and review of drawings, revisions, and approvals, as required herein. Lessee shall prepare detailed construction plans and specifications for the improvements at the __%, __%, and __% stages (hereinafter collectively referred to as the "Preliminary Plans") in accordance with standards established by the Authority and deliver the Preliminary Plans to the Executive Director for review, comment, and

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adjustment by the Executive Director. The Executive Director shall review the Preliminary Plans and provide a written response to Lessee. In the event the Executive Director does not approve the Preliminary Plans, Lessee will be notified of the reasons for the disapproval and the necessary modifications and/or alterations to the Preliminary Plans.

c) Lessee shall prepare or cause to be prepared Final Working Plans in substantial conformity to the Preliminary Plans and shall obtain all permits and other government approvals required for the commencement of construction based on the Final Working Plans. Lessee shall submit to the Executive Director one complete set of the Final Working Plans as approved by the governmental agencies exercising jurisdiction thereover, for final review and approval before the commencement of construction.

f) Minor changes from the Final Working Plans shall be permitted if such changes may be reasonably inferred from the Final Working Plans or if they are made to comply with requirements of any governmental agency exercising jurisdiction thereover. The Construction Safety Plan shall be updated to reflect any such minor changes, as necessary, and shall be resubmitted to the Executive Director.

g) The Authority's approval of Plans under this Article shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the Authority agrees that detailed Plans shall not be required for minor non-structural alterations or improvements, but such Plans shall, at a minimum, be sufficient to ensure compliance with Applicable Laws, and building, fire, and zoning code requirements.

h) The Lessee shall submit to the Authority a copy of all correspondence related to

applications for approval from Andy and all local, state, or federal agencies for the development and permit applications, including without limitation, preapplications and/or applications and related materials; agency requests for additional information, and all responses thereto; and studies, statements, graphics, or other documentation provided to or presented at public hearing.

6.5 As Built Drawings. Within one hundred twenty (120) days of Lessee's receipt of a certificate of occupancy or certificate of completion, as appropriate, for improvements constructed pursuant to this Article, Lessee, at its sole cost and expense, shall have prepared and delivered to the Executive Director one (1) complete set of as built drawings in a PDF or other electronic format approved by the Executive Director, and one (1) complete set of Auto CADD files in the latest version acceptable by the Executive Director.

6.6 Performance Bonds. In accordance with the terms and conditions of this Lease, Lessee shall ensure that all improvements are 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 construction of improvements on the Premises, the estimated cost of which exceeds Two Hundred Thousand Dollars (\$200,000), Lessee shall execute and deliver to the Authority at Lessee's sole cost, a performance bond that is in a form and substance reasonably satisfactory to the Authority, and issued by a company reasonably acceptable to the Authority, and that guarantees Lessee's compliance with its obligations arising under this Section. Lessee may not subdivide improvements or phase projects for the purpose of avoiding

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the foregoing bond requirement. In lieu of the bond required by this Section, Lessee may file with the Authority an alternative form of security in the form of cash, money order, certified check, cashier's check, clean irrevocable letter of credit, or 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 the Authority. 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 bond or such alternative form of security may be reduced by Lessee 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, and the Authority, may execute such certificates, notices or other documents as may be necessary to effectuate such reduction.

6.7 Contractor Payment Bond. Lessee shall require contractors to furnish for the benefit of Lessee and the Authority a payment and performance bond as required under Section 255.05, Florida Statutes, in a form approved by the Authority. Lessee shall require its contractors to name the Lessee and the Authority as dual obligees on the bond(s). However, Lessee may reduce the Performance Bond or other security provided by Lessee in compliance with 6.7, above, to the extent the performance of the work required for the completion of construction of the improvements is secured by a payment and performance bond issued hereunder.

6.8 Contractor Requirements Insurance. Lessee shall also require contractors to furnish satisfactory evidence of statutory worker's compensation insurance, comprehensive general liability insurance, comprehensive auto insurance, and physical damage insurance on a Builder's

Risk form with the interest of the Authority endorsed thereon, in such amounts and in such manner as the Authority may reasonably require. The Authority may require additional insurance for any alterations or improvements approved hereunder, in such amounts as the Authority reasonably determines to be necessary.

6.9 Proof of Base Improvement Investment.

Within one hundred _____ days of completion of the Improvement Program as applicable, Lessee shall provide to the Authority a written, agreed upon procedures examination report detailing the costs of constructing the improvements, which shall include a schedule detailing the total cost of constructing the improvements by category and amount. Permissible costs that can be attributed to the base improvement investment include construction materials, labor, architectural and engineering fees, permits, site preparation, and project management fees directly related to completing the base improvements. Costs that should not be included as part of the base improvement investment include operational expenses, Lessee-specific modifications, marketing, financing, legal fees, non-fixed equipment, and unrelated taxes. The report shall be in a form and substance reasonably satisfactory to the Authority and shall be prepared and certified by an independent Certified Public Accountant who is not a regular employee of Lessee, and shall include an opinion regarding the information contained in the schedules. The report shall not contain a qualified opinion, an adverse opinion, or a disclaimer of opinion, as defined by the American Institute of Certified Public Accountants or any successor agency thereto, regarding the information contained in the required schedules.

6.10 Construction Precautions; Lighting. Lessee shall, at its expense, provide and maintain

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precautionary construction signage and take precautionary safety measures as required by Applicable Law during the construction of improvements, Lessee shall, at its expense, provide and maintain hazard lights on any structure erected by Lessee on the Premises, if required by Authority or the FAA. Any hazard lights so required shall comply with the specifications and standards established for such installations by the FAA.

ARTICLE 7: RENT; FEES; TAXES; AUDIT.

7.1 Rent. *To be determined by the parties.*

7.2 Sales and Use Tax. Lessee hereby covenants and agrees to pay monthly to the Authority any sales, use or other tax imposed pursuant to Florida Statutes, or any imposition in lieu thereof (excluding State and/or Federal Income Tax, franchise taxes and similar taxes) now or hereinafter imposed upon the rents, use or occupancy of the Premises by the United States of America, the State of Florida or Palm Beach County, notwithstanding the fact that the statute, ordinance or enactment imposing the same may endeavor to impose the tax upon the Authority as Landlord, to the extent as applicable.

7.3 Method of Payment. All payments due to Authority shall be made in the method or place designated in writing by the Authority.

7.4 Accounting Records. Lessee shall keep, throughout the Term and any extension thereof, all books of accounts and records customarily maintained by a company engaged in the same or similar business operations as the Lessee, in accordance with Generally Accepted Accounting Principles (GAAP). Such books of accounts and records shall be retained and be available for three (3) years, including three (3) years following the expiration or termination of this Lease. With three (3) business days advance written notice, the Authority shall have the right to audit and

examine during normal working hours all such books of accounts and records relating to Lessee's collection and payment of all rentals, fees and charges payable to the Authority hereunder no more than three (3) times per year. If the books of accounts and records are kept at locations other than the Airport, Lessee shall arrange for them to be brought to a location convenient to the auditors for the Authority in order for the Authority to conduct the audits and inspections as set forth in this Article.

7.5 Annual Report. No later than ninety (90) days from the end of Lessee's fiscal year, Lessee shall provide the Authority with an annual audit report covering Lessee's preceding fiscal year ("Annual Report"). The Annual Report shall be in a form reasonably satisfactory to the Authority and shall be prepared by an independent Certified Public Accountant, not a regular employee of Lessee, in accordance with Generally Accepted Auditing Standards prescribed by the American Institute of Certified Public Accountants or any successor agency thereto. The first Annual Report shall cover the first day of operation through the end of the first year of this Lease. The last Annual Report shall cover through Lessee's last day of operation pursuant to this Lease. The Annual Report shall include the following schedules, *as applicable*:

a) A schedule detailing the total number of gallons of fuel sold by fuel type and month; the total number of gallons of fuel disbursed by type and month; total number of gallons of oil sold by month, total number of gallons of oil disbursed by month; the total number of gallons of exempt fuel and/or oil disbursed by type and month; the total amount of Fuel Flowage Fees payable to the Authority by month; the actual amount Fuel Flowage Fees paid to the Authority by month; and a calculation of the amount owed, if any, to either party. **(A/AP)**

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b) A schedule detailing gross revenues from rental car agency services by company and month and any amounts due hereunder for the provision of such services, if any.

The Annual Report shall include an opinion regarding the information contained in the schedules and calculations listed above. The Annual Report shall not contain a qualified opinion, an adverse opinion, or a disclaimer of opinion, as defined by the American Institute of Certified Public Accountants or any successor agency thereto, regarding the information contained in the required schedules and calculations. If the Annual Report indicates that the amount due and owing is greater than the amount paid by Lessee to the Authority during such period, Lessee shall pay the difference to the Authority as indicated in the Annual Report. If the amount paid by Lessee to the Authority exceeds the amount due and owing for such period, the Authority shall credit the overpayment to Lessee in the following order: (a) against any past due amounts owed to the Authority by Lessee, including interest and late fees; (b) against currently outstanding, but not yet due, rental payments owed to the Authority by Lessee; and (c) against any other sums payable by Lessee to the Authority. The obligations arising under this Section shall survive the expiration or earlier termination of this Lease until satisfied.

7.6 Audit by the Authority. Notwithstanding any provision in this Lease to the contrary, the Authority or its representative(s) may at any time at its sole cost and expense perform audits of all or selected operations performed by Lessee under the terms of this Lease. In order to facilitate the audit performed by the Authority, Lessee agrees to make suitable arrangements with the Certified Public Accountant who is responsible for preparing the Annual Report on behalf of Lessee to make available to the Authority's representative(s) any and all

working papers relevant to the report prepared by the Certified Public Accountant. The Authority or its representative(s) shall make available to the Lessee a copy of the audit prepared by or on behalf of the Authority. The Lessee shall have sixty (60) days from receipt of the audit report from the Authority or its representative(s) to provide a written response to the Authority regarding the audit report. Lessee agrees that failure of Lessee to submit a written response to the audit report in accordance with the requirements of this Section shall constitute acceptance of the audit report as issued.

7.7 Audit Dispute Resolution. Lessee shall have the right to review and contest such audit report. If Lessee contests such report and audit, and Lessee and Authority cannot reach an agreement as to the final results of such audit within sixty (60) days of Lessee's notice to Authority of its contesting such audit, then either Party may request mediation to settle the dispute, whereupon both parties shall act in good faith to resolve such dispute through such mediation for a period of thirty (30) days and shall share the costs of such mediation equally (50%-50%); provided, however, that if the dispute is not resolved in such thirty (30) day period, then either Lessee or Authority may pursue the matter through litigation in order to finally resolve such dispute; and it shall not be deemed a breach of this Lease to pursue such dispute through litigation. It shall be a condition of any audit conducted pursuant to this Lease that the Authority and CPA agree in writing with Lessee to (i) keep confidential all of Lessee's books, records and other non-public information (such books, records and information, collectively, the "Confidential Data") to the extent permissible under Florida's Public Record Law, and (ii) perform such audit and communicate with Authority in such a manner so as to ensure that neither any Confidential Data nor any such communication containing any Confidential

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Data becomes publicly available, except as may be required under the Florida Public Records law.

7.8 Interest on Late Payments. If Rent to be paid under the provisions of this Lease is not paid as and when due, interest of _____ percent (____%) shall accrue against the delinquent amount(s) from the original due date until the Authority actually receives payment. To the extent permitted by law, Lessee agrees that acceptance of late payments by the Authority shall not constitute a waiver of Lessee's default by the Authority with respect to such overdue amount, nor prevent the Authority from terminating this Lease for default beyond applicable cure periods in the payment of rentals, fees or charges due to the Authority pursuant to this Lease or from enforcing any other provisions, rights, or remedies granted herein, or conferred by law.

7.9 Fees and Charges. Nothing contained in this Lease shall preclude the Authority from establishing other reasonable and non-discriminatory fees and charges applicable to aircraft operating at the Airport, including aircraft owned or operated by Lessee. Lessee expressly agrees to pay such fees and charges on aircraft owned or operated by Lessee, as if they were specifically included in this Lease. In the event Lessee engages in any activity or provides any services not on the Lessee's premises, such as at the Airport or aircraft parking and movement areas associated with the Airport, for which other companies operating at the Airport pay a fee to the Authority, including the servicing and cleaning of aircraft at the Airport, Lessee shall pay to the Authority fees equivalent to those paid by such other companies for engaging such activities or providing such services. Authority shall give Lessee advance written notice of such applicable fees and charges. **(A/AP)**

7.10 No Accord and Satisfaction. In the event Lessee pays any amount that is less than the

amount stipulated to be paid under this Lease, such payment shall be considered to be made only on account of the stipulated amount. No endorsement or statement on any check or letter shall be deemed an accord and satisfaction. The Authority may accept any check or payment without prejudice to The Authority's right to recover the balance due or to pursue any other remedy available to The Authority pursuant to this Lease or under the law.

7.11 Absolute Net Lease. This Lease shall be deemed to be "absolute net" without cost or expense to the Authority including, but not limited to, cost and expenses relating to taxes, insurance, and the maintenance, including without limitation structural maintenance, building reserves, and management and operation of the Premises.

7.12 Additional Remedies. The Authority shall have the same right to enforce due and timely payment by Lessee of any and all sums of money or charges required to be paid by Lessee under this Lease as are available to the Authority with regards to rent.

ARTICLE 8: ADJUSTMENT OF RENT

8.1 Adjustment of Premises Rent Rates. **To be determined by the parties.**

8.2 Appraisal. When an adjustment to Market Rental Rate or Fair Market Value, as applicable, is required by this Lease, the Airport shall cause an appraisal to be prepared by an MAI certified appraiser, with specific experience in the appraisal of airport properties, such experience including not less than three airport appraisals completed within five (5) years directly preceding the appraisal provided in this Lease. The appraisal shall be provided to Lessee for its review and concurrence. If Lessee disagrees with the appraisal, Lessee will provide written notice of such disagreement within thirty

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(30) days of its receipt of the Airport's initial appraisal, and the parties shall take reasonable efforts to resolve the disagreement.

ARTICLE 9: ABATEMENT OF RENT

9.1 Unusable. If greater than fifty percent of (50%) the Premises, or greater than fifty percent (50%) of the Airport itself, shall become completely or substantially unusable by Lessee for its operations for a period of more than thirty (30) days, then the Premises Rent provided for hereunder shall be abated during such period to the extent such abatement is consistent with the Authority's obligations under FAA Grant Assurances, unless such condition occurred, in whole or in part, as a result of Lessee Parties' negligent acts or omissions or misconduct.

9.2 Restriction on Use. Notwithstanding Section 9.1 above, if all or any part of the Premises is restricted from use or damaged by events or occurrences not caused by the fault or neglect of Lessee Parties (including, without limitation, any of the events described in Article 11) and Lessee's ability to use the damaged area is significantly affected, then the Premises Rent provided for hereunder shall be proportionately reduced to reflect both the time and extent of any deprivation suffered by Lessee, until such portion of the Premises shall be repaired or reconstructed to the same extent as before the damage; provided, however, that Lessee (or Authority, if it is Authority's obligation under this Lease to repair such portion of the Premises) exercises due diligence in repairing and reconstructing the same. This subsection shall not apply to any temporary closings of the Airport as a result of normal weather conditions, or closings for Airport sponsored activities, such as air shows, which may require closing of the Airport for less than twenty four (24) hours, or properly executed NOTAM closings for properly authorized purposes of the FAA or Authority as applicable, including without limitation

periods of construction, repair, maintenance, or emergency response activities.

ARTICLE 10: OWNERSHIP OF IMPROVEMENTS; REVERSION; LIEN.

10.1 Ownership. All buildings, fixtures, trade fixtures and other improvements which have been, or may be during the Term, purchased by or constructed by Lessee shall remain the property of Lessee until the date of reversion provided herein, whereupon they shall revert to and become the property of Authority. All buildings and other improvements upon the Premises installed by Lessee shall be made consistent with the terms of this Lease.

10.2 No Liens. Lessee agrees that nothing contained in this Lease shall be construed as consent by the Authority to subject the estate of the Authority to liability under the Construction Lien Law of the State of Florida and understands that the Authority's estate shall not be subject to such liability. Lessee shall notify any and all parties or entities performing work or providing materials relating to any improvements made by Lessee of this provision of this Lease. If so requested by the Authority, Lessee shall file a notice satisfactory to the Authority in the Official Public Records of Palm Beach County, Florida, stating that the Authority's interest shall not be subject to liens for improvements made by Lessee. In the event that a construction lien is filed against the Premises or other Authority property in connection with any work performed by or on behalf of Lessee, Lessee shall satisfy such claim, or transfer same to security, within ten (10) days from the date of filing. In the event that Lessee fails to transfer or satisfy such claim within the ten (10) day period, the Authority may do so and thereafter charge Lessee all costs incurred by the Authority in connection with the satisfaction or

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transfer of such claim, including attorneys' fees, and Lessee shall promptly pay to the Authority all such costs upon demand, as additional rent.

10.3 Authority's Lien. Authority hereby waives any constitutional, statutory or contractual landlord's lien against any property or improvements of Lessee.

10.4 Survival. The provisions of this Article 10.0 shall survive expiration or earlier termination of this Lease.

10.5 Reversion of Capital Improvements. Title to capital improvements shall revert to the Airport at the expiration of the initial term of the lease. Once title to the capital improvement has reverted to the Airport, the lease rate for any period occurring after the reversion will be modified to include rent for the capital improvements at the current fair market value or market rental rate, as may be applicable. Under no circumstances will the lessee be entitled to compensation of any kind whatsoever as a result of the reversion of title for any and all capital improvements, the value of which is additional consideration for this Lease. Lessee agrees to provide the Authority with a Bill of Sale documenting the transfer of title for any and all improvements at the time of reversion.

ARTICLE 11: TERMINATION; SURRENDER.

Termination by Lessee. Lessee, in addition to any right of termination or any other right herein given, may terminate this Lease by giving [REDACTED] days' written notice to Authority, given upon or after the happening of any of the following events:

a) No FAA Permission. Any failure or refusal by the FAA to permit Lessee or general aviation aircraft in general, to operate into, from or through the Airport (A/AP);

b) Breach by Authority. The breach by Authority of any of the covenants or agreements contained herein on its part to be kept and performed, and the failure of Authority to remedy such breach for a period of [REDACTED] days after receipt of written notice from Lessee of the existence of such breach, if such breach can reasonably be cured within the [REDACTED]-day period; and

c) Inability to Operate. The inability of Lessee to use said Premises and facilities continuing for a period longer than [REDACTED] days, due to any law or order, rule or regulations of any appropriate governmental authority having jurisdiction over the Premises or over the operation of the Airport, or due to war, earthquake, or other casualty; provided, however, that the negligence or wrongful acts of Lessee is not the cause of such inability of Lessee to use such facilities and premises.

11.2 Default. Any of the following occurrences or acts shall constitute an event of default (an "Event of Default") under this Lease:

a) The filing by or against Lessee of a voluntary or involuntary petition in bankruptcy that is not dismissed within thirty (30) days of the filing or commencement thereof;

b) The institution of proceedings in bankruptcy against Lessee and the adjudication of Lessee as a bankrupt pursuant to such proceedings;

c) The taking by a court of competent jurisdiction of Lessee and its assets pursuant to proceedings under the provisions of any Federal reorganization act and the failure for a six (6) month period of the court appointed trustee or receiver to otherwise comply with the terms of this Lease;

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- d) The appointment of a receiver of Lessee's assets and the failure for a six (6) month period of the receiver to comply with the terms of this Lease;
- e) The abandonment by Lessee, for a period of thirty (30) days or more, of its conduct of business at the Airport. "Abandonment" means conduct which is intentional, unequivocal, and inconsistent with the existence of this Lease, or the relinquishment of the Premises with the intent of not claiming rights or interests in the same;
- f) The default by Lessee in the performance of any covenant or agreement herein required to be performed by Lessee and the failure of Lessee to remedy such default for a period of thirty (30) days after receiving from Authority written notice to remedy the same (or, if such default is of such a nature that it is not reasonably capable of being cured within thirty (30) days, then the failure of Lessee to commence and diligently pursue the cure of such default); provided, however, that no notice of cancellation as above provided shall be of any force and effect if Lessee shall have remedied the default prior to receipt of Authority's notice of cancellation.
- g) While the Parties acknowledge that time is of the essence for the performance of each and every covenant and obligation provided for in this Lease, the Parties agree that certain performance obligations are especially time-sensitive and cannot be completely remedied after the passage of the deadlines provided for herein (hereinafter referred to as "Time Sensitive Performance Obligations"). Time Sensitive Performance Obligations include the construction deadlines set forth in Section 6.1, the submission of plans set forth in Section

6.4, the submission of as-built drawings set forth in Section 6.5, and the provision of bonds set forth in Sections 6.6 and 6.7, as well the provision of any and all statutory notices, permits, plans, or reports required to maintain federal and state regulatory compliance and/or to meet FAA Grant Assurances.

h) Notwithstanding the provisions of 11.2(f), above, default in the performance of time-sensitive performance obligations are not curable beyond the thirty-day cure period unless the Authority, in its sole and absolute discretion, extends the deadline. Such extension, however, does not relieve Lessee of liability for any direct damages incurred by the Authority as a result of Lessee's failure to meet the required deadline, unless so expressly stated by the Authority in writing.

11.3 Termination by Authority. Upon the occurrence of an Event of Default, Authority shall have the right to give Lessee notice of Authority's termination of this Lease. Upon the effectiveness of such notice, this Lease shall expire and terminate on the date set forth in such notice as fully and completely and with the same effect as if such date were the date herein fixed for the expiration of the Term, and all rights of Lessee hereunder shall expire and terminate.

11.4 Surrender Upon Expiration or Termination. Upon the expiration or sooner termination of this Lease, except as set forth in other provisions of this Lease, Lessee shall peaceably surrender to Lessor possession of the Premises, in as good a condition as the Premises were initially provided to Lessee at the commencement of this Lease, ordinary wear and tear excepted, without any compensation whatsoever, and free and clear of any claims of interest of Lessee or any other third party whomsoever.

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- a) Deterioration or damage caused by incident, accident, abuse, carelessness, negligence, or misconduct, including without limitation environmental damage of any kind, shall not be considered ordinary and reasonable wear and tear.
 - b) If Lessee fails to return the Premises to Lessor in good condition, Lessor may perform any work necessary to return the Premises to good condition including maintenance, repair, restoration, replacement, and Lessee shall be obliged to pay the additional balance to Lessor. This provision shall survive the termination of the Lease.
 - c) Lessee shall have fifteen (15) days from such date of expiration or termination to remove from the Premises all personal property and trade fixtures belonging to Lessee, its customers, or any third parties. Title to all such personal property and fixtures not removed by Lessee from the Premises within fifteen (15) days of the expiration or sooner termination of this Lease shall automatically vest in the Authority, without payment by the Authority to Lessee of any compensation whatsoever and said personal property and fixtures shall thereafter be owned by the Authority free and clear of any claim of interest by Lessee or of any third party whomsoever.
 - d) The voluntary or other surrender of this Lease or the Premises by Lessee, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of the Authority, terminate all or any existing subleases or sub-tenancies, or may, at the option of the Authority, operate as an assignment of any and all such subleases or sub-tenancies.
 - e) Upon the expiration or sooner termination of this Lease, Lessee shall allow Lessor to inspect the Leased Premises and complete a walk through to verify the condition of the Premises.
 - f) At the expiration or sooner termination of this Lease, if another entity enters into an agreement with Lessor to use and/or occupy the Premises, Lessee shall work with the Parties in a cooperative and responsive manner to complete the transition while also ensuring that there is no interruption in the provision of Activities to the public during the transition.
- 11.5 Remedies. If an Event of Default of the Lease by Lessee persists beyond the cure period provided in Section 11.2(f), or if the Event of Default is incurable as a Time Sensitive Performance Obligation, the Authority may thereafter, with notice or demand and without limiting any other right or remedy which the Authority may have under the law by reason of such default or breach, elect to exercise any one of the following remedies while concurrently taking all reasonable steps to mitigate any and all of its damages:
- a) Terminate Lessee's right to possession of the Premises by any lawful means and reenter and retake possession of the Premises for the account of Lessee, in which case the rent and other sums hereunder shall be accelerated and due in full and Lessee shall be liable for the difference between the rent which is stipulated to be paid hereunder plus other sums as described herein and what the Authority is able to recover from its good faith efforts to relet the Premises, which deficiency shall be paid by Lessee. Upon such reletting, all rentals received by the Authority shall be applied, first to the payment of any indebtedness other than rent due hereunder from Lessee; second, to the

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payment of any reasonable costs and expenses of such reletting, which shall include all damages incurred by the Authority due to Lessee's default including, but not limited to, the reasonable cost of recovering possession of the Premises including reasonable attorneys' fees, and reasonable real estate commissions, management, and/or leasing fees paid by the Authority relating to the unexpired Term of this Lease; third, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be paid to Lessee.

- b) Treat this Lease as terminated and re-enter and re-take possession of the Premises for the account of the Authority, thereby terminating any further liability under this Lease on the part of Lessee and the Authority. Notwithstanding the foregoing, the Authority shall have a cause of action to recover any rent remaining unpaid when the Authority retakes possession of the Premises for the account of the Authority.
- c) Pursue any other remedy now or hereinafter available to Lessee under the laws of the State of Florida.

11.6 Specific Performance. Notwithstanding any provision of this Lease to the contrary, the Authority shall have the right to bring an action for its damages upon an Event of Default by Lessee that persists beyond the cure period provided in Section 11.2(f), or is incurable as a Time Sensitive Performance Obligation, and the Authority reserves all rights which laws of the State of Florida confer upon a landlord against a tenant in default; provided, however, the Authority agrees that it shall not pursue specific performance of Lessee's obligation to construct any specific structure or improvement under the Improvement Program unless Lessee has commenced construction of the improvement or

structure, in which event Lessee acknowledges and agrees the Authority may seek specific performance of Lessee's obligation to complete construction of any specific structure or improvement that had been commenced under the Improvement Program.

- 11.7 Failure to Complete Improvements:** In the event that Lessee fails to complete the agreed-upon improvements as described in the approved Improvement Program within the specified timeframe, Lessee shall be liable to the Authority for the full value of the unbuilt improvements. The value of the unbuilt improvements shall be determined based on the budgeted or contracted cost of construction as outlined in the approved Improvement Program. Payment for the unbuilt improvements shall be made to the Authority within thirty (30) days of written notice from the Authority. This remedy is in addition to, and not in lieu of, any other rights or remedies available to the Authority under this Lease or applicable law.

ARTICLE 12: OPERATION OF THE AIRPORT. **(A/AP)**

- 12.1 Safe Operation.** Authority shall keep the Airport and its approaches free from obstruction and interference for the safe, convenient and proper use thereof by aeronautical users and Lessee in common with all others entitled to the use thereof.

- 12.2 Public Airport.** Authority covenants and agrees that at all times it will operate and maintain the Airport facilities as a public airport consistent with and pursuant to the Airport Sponsor's Grant Assurances given by Authority to the United States Government required under any federal regulation applicable to the ownership and operation of a public airport.

ARTICLE 13: UTILITIES/SERVICES.

- 13.1 Utilities.** Lessee shall provide, assume and pay for all security systems, lights, gas,

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electricity, water and other utilities used in any way on the Premises and shall pay the costs or charges made therefore by the suppliers thereof promptly when due. Lessee shall have the right to connect to any and all storm and sanitary sewers and water and utility outlets at its own cost and expense (to the extent such right is capable of being provided by Authority, it being understood by Lessee that the right to so connect may be controlled by a third party not within the control of Authority, in which case Authority shall not object to, and shall recommend, to such third party that Lessee be permitted to so connect), and Lessee shall pay for any and all service charges incurred, therefore. If Lessee is not permitted to connect to any sewer, water or utility service in connection with a specific construction capital improvement which it may undertake during the Term, then any deadline which may relate to such construction shall be extended until such time as Lessee is permitted to so connect. If Lessee is unable to obtain permission to connect to any sewer, water or utility service within nine (9) months after first making the request therefor, it has the option to terminate its plans for the specific structure/improvement so impacted without penalty or fault.

13.2 Security & Janitorial Services. It is understood and agreed that Lessee shall furnish and pay for all security services, janitorial services and supplies in respect to the Premises.

13.3 Garbage. Lessee shall provide for a complete and proper arrangement for the adequate sanitary handling and disposal, away from the Airport, of all trash, garbage and other refuse caused as a result of its use and occupancy of the Premises. Lessee shall provide and use suitable covered metal receptacles for all such garbage, trash and other refuse. Piling of boxes, cartons, barrels, pallets, debris or similar items in an unattractive or unsafe manner, on or about the Premises, shall not be permitted.

13.4 Access Control Systems. (A/AP) Authority shall be responsible for repair and maintenance of the access control systems that control access to the Airport Operations Area ("AOA") on the Premises.

ARTICLE 14: COMPLIANCE WITH LAWS.

14.1 Operations in Compliance. Lessee covenants and agrees to observe and obey, and to take reasonable steps to require Lessee Parties to observe and obey Applicable Laws, the Rules and Regulations, the Minimum Standards, and the Airport Layout Plan, to the extent applicable to the conduct and operations of Lessee and others on the Premises. The obligation of Lessee to require such observance and obedience on the part of Lessee Parties shall pertain only while such Persons are on or in occupancy of any portion of the Premises. Lessee acknowledges that the Rules and Regulations, the Minimum Standards, and the Airport Layout Plan, may be amended by the Authority where reasonably required to provide for a safe and well managed Airport environment, provided that the Lessee shall be provided with written notice no less than thirty (30) calendar days' notice before amendments take effect. Lessee shall not use the Premises demised hereunder or permit the same to be used for any unlawful purpose or do in or upon or about said Premises.

14.2 Compliance with the Airport Security Program. Lessee additionally agrees to comply and to require compliance by Lessee Parties with the rules and practices as set forth in the current Boca Raton Airport Security Program, as amended from time to time. Any fines assessed against Authority by TSA, FAA, or any state agency including without limitation FDOT, as a direct result of Lessee's failure to comply with the provisions of this paragraph or other intentional or grossly negligent acts of Lessee's employees or agents will be reimbursed to Authority by Lessee; provided

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that Authority will notify Lessee promptly of any letter of investigation or notification of fine and allow Lessee the opportunity to submit a response to the agency.

ARTICLE 15: PROTECTION CLAUSE.

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

15.2 No Hazard or Interference with Airport. Lessee expressly agrees for itself, its successors and assigns, to prevent any use Premises that would materially adversely interfere with or affect the operation or maintenance of the Airport, or otherwise constitute a hazard.

ARTICLE 16: AUTHORITY'S RIGHT OF INSPECTION AND SELF HELP.

16.1 Right to Enter. Authority, or its representatives, shall have the right to enter upon the Premises at any reasonable hour for the purpose of examining the same, periodic inspection for fire protection, maintenance, to investigate compliance with the terms of this Lease, or for any other lawful purpose.

16.2 Right to Repair. Lessee agrees that if a condition exists which Lessee is required under this Lease to repair, and/or maintain and if Lessee fails to repair said condition within thirty (30) days after receipt of such notice from Authority of the existence thereof, or complete such repair within a reasonable time after notice in the event such repair cannot reasonably be completed within said thirty (30) days, then

Authority shall have the right, but not the obligation, to make such repairs at the expense of Lessee. In the event such condition constitutes an imminent threat of injury to persons or damage to property, Authority shall exercise reasonable efforts to notify Lessee of such condition, but, in any event, Lessee agrees that Authority has the right to make such repairs as may be required to mitigate the threat regardless of Lessee's actual receipt of notice. Lessee further agrees that it shall assume and be liable to the Authority for payment of all reasonable costs incurred by the Authority, plus a twenty five percent (25%) administrative overhead fee, which costs and administrative overhead fee shall constitute additional rent hereunder and shall be due and payable within thirty (30) days of the date of the Authority's written notice.

ARTICLE 17: INSURANCE; INDEMNIFICATION.

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

a) Commercial General Liability/Airport Liability. Lessee shall maintain Commercial General Liability/Airport Liability Insurance with limits of liability not less than Ten Million Dollars (\$10,000,000) each occurrence, including coverage for, but not limited to, Premises/Operations, Products/Completed Operations, Contractual Liability, Personal/Advertising Injury and Cross Liability. This coverage shall be provided on a primary basis.

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- b) Hangarkeeper's Legal Liability. If applicable, Lessee shall maintain Hangarkeeper's Legal Liability Insurance providing coverage for property damage to aircraft that are the property of others while in the care, custody, or control of Lessee (when such aircraft are not in flight), in an amount not less than Ten Million Dollars (\$10,000,000) any one aircraft and Twenty Million Dollars (\$20,000,000) any one occurrence. **(A/AP)**
- c) Business Auto Liability. Lessee shall maintain Business Automobile Liability Insurance with limits of liability not less than Five Million Dollars (\$5,000,000) each occurrence for owned, non-owned and hired automobiles. If Lessee transports fuel the policy must include CA 99 48 Pollution Liability Broadened Coverage For Covered Autos Business Auto, Motor Carrier and Truckers Coverage Forms Endorsement or equivalent. In the event Lessee has no owned automobiles, Lessee shall maintain only Hired & Non Owned Auto Liability Insurance. This coverage may be satisfied by way of endorsement to the Commercial General Liability policy, or a separate Business Auto Liability policy. This coverage shall be provided on a primary basis.
- d) Workers' Compensation & Employers Liability. Lessee shall maintain Workers' Compensation & Employers Liability in accordance with Chapter 440, Florida Statutes, and federal law. This coverage shall be provided on a primary basis.
- e) Storage Tank Third Party Liability and/or similar Environmental Impairment Liability. If applicable, Lessee shall maintain Third Party Storage Tank Pollution Liability Insurance, or similar Environmental Impairment Liability Insurance at a minimum limit not less than One Million Dollars (\$1,000,000) per occurrence at each location and Two Million Dollars (\$2,000,000) annual aggregate at each location providing coverage for damages against, but not limited to, third party liability, clean up, corrective action including assessment, remediation and defense costs. In the event the policy includes a self-insured retention or deductible in excess of One Hundred Thousand Dollars (\$100,000), Lessee shall provide a copy of Lessee's most recent annual report or audited financial statements to Authority at Authority's request and Authority may reject or accept a higher self-insured retention or deductible based on Lessee's financial condition. **(A/AP)**
- f) Umbrella or Excess Liability. If necessary, Lessee may satisfy the minimum limits required above for Commercial General Liability/Airport Liability and/or Business Auto Liability and/or Environmental Impairment Liability coverage under Umbrella or Excess Liability Insurance. The Umbrella or Excess Liability policy shall have an aggregate limit not less than the highest "each occurrence" limit for the Commercial General Liability/Airport Liability, Business Auto Liability or Environmental Impairment Liability policy. The Authority shall be specifically endorsed as an "Additional Insured" on the Umbrella or Excess Liability policy unless the Certificate of Insurance notes the Umbrella or Excess Liability policy provides coverage on a "Follow Form" basis.
- 17.2 Property, Wind, & Flood Insurance. Lessee shall maintain:
- a) Property insurance in an amount not less than one hundred percent (100%) of the total replacement cost of the buildings, betterments and improvements, including those made by or on behalf of Lessee as well as

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Lessee's contents located on the Premises. The settlement clause shall be on a Replacement Cost basis. Coverage shall be written with a Special Cause of Loss (All Risk) form and include an endorsement for Ordinance & Law in an amount not less than twenty five percent (25%) of the Property insurance limit. This coverage shall be provided on a primary basis.

b) Flood insurance, regardless of the flood zone, in an amount not less than one hundred percent (100%) of the total replacement cost of the buildings, betterments and improvements, including, but not limited to, those made by or on behalf of Lessee as well as Lessee's contents, located on the Premises, or the maximum amount available from the National Flood Insurance Program. This coverage shall be provided on a primary basis.

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

17.3 Additional Insured Endorsement. Lessee shall endorse the Authority as an "Additional Insured" on each liability insurance policy required to be maintained by Lessee, except for Worker's Compensation and Business Auto Liability policies. The CG 2011 Additional Insured Managers or Lessors of Premises or its equivalent, shall be an endorsement to the Commercial General Liability policy. Other policies, when required, shall provide a standard

"Additional Insured" endorsement offered by the insurer. The "Additional Insured" endorsements shall provide coverage on a primary basis. "Additional Insured" endorsements shall read "Boca Raton Airport Authority including its Members, Officers, Employees, and Agents" or as otherwise acceptable to the Authority's Executive Director.

17.4 Loss Payee Endorsement. Lessee shall endorse the Authority as a "Loss Payee" on the Property, Flood, and Windstorm insurance policies. "Loss Payee" endorsements shall provide coverage on a primary basis and shall read "Boca Raton Airport Authority including its Members, Officers, Employees, and Agents" or as otherwise acceptable to the Authority's Executive Director.

17.5 Certificate of Insurance. Prior to the Commencement Date, Lessee shall provide the Authority with a certificate of insurance, or certificates of insurance, evidencing limits, coverages and endorsements required herein. All certificates of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage. In the event coverage is cancelled or is not renewed during the Term or any extension thereof, Lessee shall provide the Authority a new certificate of insurance or certificates of insurance evidencing replacement coverage no later than thirty (30) days prior to the expiration or cancellation of the coverage. The certificate holder's name and address shall read "the Boca Raton Airport Authority, including its Members, Officers, Employees, and Agents, 903 N.W. 35th Street, Boca Raton, FL 33431."

17.6 Waiver of Subrogation. By entering into this Lease, Lessee agrees to a Waiver of Subrogation for each policy required to be maintained or maintained by Lessee pursuant to or in connection with this Lease. When required by the insurer or

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should a policy condition not permit an insured to enter into a pre loss agreement to waive subrogation without an endorsement, Lessee shall notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, a condition to which the policy specifically prohibits such an endorsement, or voids coverage should Lessee enter into such an agreement on a pre loss basis. Nothing contained in this Section shall be construed as an obligation of Lessee to provide a Waiver of Subrogation in the event that Lessee's insurer will not provide it.

17.7 Premiums and Proceeds. Lessee shall not keep, use, sell or offer for sale in or upon the Premises any article which may be prohibited by any, condition, provision, or limitation of the property, flood or wind insurance policies. Lessee shall be responsible for all premiums, including increases, for property, flood and wind insurance policies. Subject to the terms of any Leasehold Mortgage or financing arrangement entered into by Lessee, Lessee agrees that all property, flood and windstorm insurance proceeds shall be made available for use to promptly replace, repair or rebuild the building, betterments and improvements, including, but not limited to, those made by or behalf of Lessee.

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

17.9 Right to Review or Adjust Insurance. The Executive Director may review, modify, reject or accept any required policies of insurance, including, but not limited to, limits, coverages or endorsements,

required by this Article from time to time throughout the Term and any extension thereof. Self-insurance shall not be acceptable. The Executive Director may also reject any insurer providing coverage because of poor financial condition or failure to operate legally. In such event, the Executive Director shall provide Lessee a written notice of rejection, and Lessee shall comply within thirty (30) days of receipt of the notice.

17.10 No Representation of Coverage Adequacy. Lessee acknowledges the limits, coverages and endorsements required by this Article are intended to minimize liability for the Authority. Lessee 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 Lessee against any loss exposures, whether as a result of this Lease or otherwise.

17.11 Indemnification by Authority. Authority shall defend, indemnify, and hold Lessee harmless from any and all claims, injuries and damages arising out of operation of the Airport outside of the Premises, where such claims, injuries and damages are caused by Authority's negligence or misconduct, and except to the extent that such claims, injuries, and damages arise from the negligence or misconduct of Lessee or its employees, agents and independent contractors. In the event that Lessee receives notice of any such claim, injury or damage, Lessee shall give Authority prompt notice of such claim, injury or damage and shall cooperate with Authority in the defense of such claim, injury, or damage. Lessee's failure to promptly notify the Authority of such claim, injury, or damage, waives Lessee's right to indemnification by the Authority, if such failure prevents Authority from adequately defending itself and/or Lessee from such claim.

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17.12 Indemnification by Lessee. Lessee shall protect, defend, reimburse, indemnify, and hold Authority and its appointed officers, members, employees, and agents, and each of them, 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's fees at trial and appellate levels) and causes of action of every kind and character (hereinafter collectively referred to as "Damages"), arising out of Lessee's or Lessee Party's use or occupancy of the Premises by Lessee or Lessee Party, including but not limited to, those arising by reason of any damage to property or the environment, or bodily injury (including death) incurred or sustained by any party hereto, any agent or employee of any party hereto, or any third party or other Person whomsoever, of any governmental agency, or the performance, non-performance, or purported performance of Lessee or any breach by Lessee or Lessee Party of the terms of this Lease; provided however, Lessee shall not be responsible for Damages that are attributable to the negligence or willful misconduct of Authority or its members, employees, or agents, or are a direct result of a breach of this Lease by the Authority. Nothing herein shall be deemed to abrogate Lessee's common law or statutory rights to contribution from the Authority for liability legally established as attributable to the Authority's negligence. Each party shall give to the other reasonable notice of any such claims or actions. Lessee recognizes the broad nature of this indemnification and hold harmless clause and acknowledges that the Authority would not enter into this Lease without the inclusion of such clause, and voluntarily make this covenant and expressly acknowledges the receipt of Ten Dollars (\$10.00) and such other good and valuable consideration provided by the Authority in support of this indemnification in accordance with the laws of the State of Florida. The obligations

arising under this Article shall survive the expiration or termination of this Lease.

17.13 No Consequential Damages. The parties agree that under no circumstances shall the Authority or Lessee or their respective subsidiaries and affiliated companies be liable to the other for indirect, incidental, consequential, special, punitive or exemplary damages (including, but not limited to, damages for loss of use, lost profits or diminution in value) whether in contract or tort (including strict liability and negligence), except as otherwise expressly provided for herein.

ARTICLE 18: DAMAGE, DESTRUCTION OR CONDEMNATION OF THE PREMISES

18.1 Removal of Debris. If the Premises, or any portion thereof, are damaged by fire, the elements or other casualty, Lessee shall promptly remove all debris resulting from such damage from the Premises and shall promptly take such actions and cause such repairs to be made to the Premises as will place the Premises in a neat and orderly condition and as are necessary for the safety of Persons entering upon the Premises. If Lessee fails to promptly comply with the provisions of this Section, the Authority may take such measures as it deems necessary to render the Premises in a neat, orderly, and safe condition. Lessee agrees that Lessee shall fully assume and be liable to the Authority for payment of any costs incurred by the Authority, plus a twenty five percent (25%) administrative overhead fee, which costs and administrative overhead fee, shall be due and payable to the Authority within thirty (30) days from the date of written notice provided by the Authority.

18.2 Lessee's Obligations. Lessee assumes full responsibility for the condition of the Premises and the character, acts and conduct of all Persons admitted to the Premises by or with the actual or constructive consent of Lessee or with the consent of any person acting for or on behalf

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of Lessee. If the Premises, or any portion thereof, is damaged in any way whatsoever, whether by an act of God or by the act, default or negligence of Lessee, or a Lessee Party or any Person admitted to the Premises by Lessee, Lessee shall at its sole cost and expense restore the Premises to the condition existing prior to such damage. Lessee shall commence restoration within ninety (90) days and shall diligently pursue such restoration to completion in accordance with the construction requirements set forth in herein; provided, however, that if the nature the damage is such that more than ninety (90) days are reasonably required Lessee shall commence restoration as soon as reasonably practicable under the circumstances taking into consideration the extent of the damage. All repairs and restoration shall be made by Lessee at Lessee's sole cost and expense, in accordance with the construction requirements contained herein. If Lessee fails to restore the Premises as required by this Section, the Authority shall have the right to enter the Premises and perform the necessary restoration. Lessee agrees that Lessee shall fully assume and be liable to the Authority for payment of the reasonable costs of restoration plus a twenty five percent (25%) administrative overhead fee, which costs and administrative overhead fee, shall be due and payable to the Authority within thirty (30) days from the date of the written notice provided by the Authority.

18.3 Insurance Proceeds. In the event of a compensable loss, the proceeds of insurance shall be held in a separate account by the Authority for the sole and express purpose of repairing and/or replacing leasehold improvements as may be necessary to return the Premises to its original condition as of the Date of Execution (or the date a Certification of Occupancy or Certificate of Completion was first issued for improvements built during the Term of this Lease), ordinary

wear and tear excepted, and to the extent of such proceeds of such insurance, except as otherwise provided herein.

18.4 Repair/Restoration. The Parties agree that with respect to any such repair and restoration, Lessee shall be responsible for the coordination and completion of the repair and restoration of the Premises, provided such insurance proceeds are made available for repair and restoration, and Lessee will proceed with reasonable promptness to repair and restore the same to its prior existing condition, subject to delays for insurance adjustments, and other matters beyond Lessee's control, and subject to zoning laws and building and fire codes then in effect. In performing the repair/restoration, Lessee may provide the Authority with proof that a contract has been entered to cause the repair/restoration work to be performed, and request that payment for the work be made promptly and directly to the contractor or other vendor from the funds held by the Authority, if any. In the event the work has already been performed, the funds shall be promptly released to Lessee to reimburse it for repair/restoration related expenditures, provided that Lessee provides the Authority with proof of such expenditure.

18.5 Right to Repair/Restore. If Lessee has not commenced the repair or replacement of such improvements within 120 days from the date of damage or destruction, which date shall be extended for delays for insurance adjustments and payment of insurance proceeds, issuance of building permits, and/or reasons of force majeure, and if such repair and replacement has not been completed within a reasonable time after commencement, the Authority shall, upon providing Lessee with ten (10) business days prior notice, have the right but not the responsibility to cause the repair and/or replacements to be made, as required to restore the premises to its original condition existing as of the Date of

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Execution, ordinary wear and tear excepted, and to the extent the cost of such repairs are covered by the insurance proceeds. The 120-day period will be extended on a daily basis for each day that there is a delay as described herein.

18.6 Repairs Not Capable of Being Performed. If the Parties jointly determine that repair and/or restoration of leasehold improvements are not reasonably capable of being completed on or before the end date of the Lease Term, the applicable Party shall not be obligated to use such insurance proceeds for repairs and/or restoration, as applicable, and the insurance proceeds or any remainder thereof shall be payable to the parties based on their pro rata share of reversionary interest remaining in the Term. In the event that the repair and restoration of leasehold improvements are not reasonably capable of being completed on or before the end date of the Lease Term, the Lease shall be terminated by written notification of the applicable party that the necessary repairs and/or restoration cannot be reasonably made within the remaining Lease Term, without further penalty or obligation to either party, except the insurance proceeds, or any remainder thereof, payable to the parties based on their pro rata share of reversionary interest remaining in the Term.

18.7 Termination in Lieu of Repairs. Even if the repairs and/or restoration of the leasehold improvements are capable of being made by the end of the Lease Term, where the compensable loss occurs in the last five (5) years of the Lease Term, the Authority and the Lessee may jointly agree in writing that repair and/or restoration of the leasehold improvements is not practicable or otherwise in the best interest of the parties and may choose to terminate the Lease without further penalty or obligation to either Party, except the insurance proceeds or any remainder thereof shall be payable to the parties based on their pro rata share of reversionary interest remaining in the Term.

18.8 Condemnation of the Entire Premises. If the entire Premises shall be taken or condemned for a public or quasi-public use or purpose by a competent governmental entity, or if such a portion of the Premises shall be so taken that the balance cannot reasonably be used for the same purpose and with substantially the same utility to Lessee as immediately prior to such taking, then in any of such events, this Lease shall terminate upon delivery of possession to the condemning authority, and any award, compensation or damages ("Award"), as determined under Florida condemnation law. The amounts payable to each party shall be determined by the court or other body before which the condemnation or taking is to be adjudicated or determined, taking into account the requirements of this Lease.

18.9 Partial Condemnation. If only a part of the Premises shall be so taken or condemned, but this Lease is not terminated pursuant to Sections 18.6 or 18.7 above, Lessee, at its sole cost and expense, shall promptly repair and restore the Premises and all improvements to a complete architectural unit and the Ground Rent will be adjusted accordingly on a per square foot basis of the Property so taken. During the period of repair, Ground Rent and Improvement Rent shall abate as to the portion of the Premises being repaired. In no event shall Lessee be required to expend an amount in excess of the amount of the Award in connection with the performance of its obligations under this Lease.

18.10 Failure of Utility Systems. The Authority shall not be responsible or liable to Lessee for any claims for compensation or any losses, damages or injury whatsoever sustained by Lessee including, but not limited to, those resulting from failure of any water supply, heat, air conditioning, electrical current, or sewerage or drainage facility, or caused by natural physical conditions on the Premises, whether on

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the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tornado, hurricane, act of God or state of war, civilian commotion or riot, or any cause beyond the control of the Authority. All personal property placed on or moved on to the Premises shall be at the sole risk of Lessee. The Authority shall not be liable for any damage or loss of any personal property placed or moved on to the Premises.

ARTICLE 19: ENVIRONMENTAL STATUS

19.1 Environmental and Natural Resource Laws, Regulations and Permits.

Notwithstanding any other provision of the Lease to the contrary, Lessee hereby expressly covenants, warrants, guarantees and represents to the Authority, upon which the Authority expressly relies, that Lessee is knowledgeable of, and shall comply with, any and all Environmental Laws applicable to Lessee and its operations hereunder.

19.2 Hazardous Substances.

Lessee acknowledges and understands that its operations performed pursuant to this Lease may involve the generation, processing, handling, storing, transporting and disposal of Hazardous Substances, which are, or may be, subject to regulation under applicable Environmental Laws. Lessee further expressly covenants, warrants, guarantees, and represents that it is fully qualified to handle and to arrange disposal of any and all such Hazardous Substances, in a manner which is both safe and in full compliance with any and all applicable Environmental Laws. **(A/AP)**

19.3 SPCC Plan.

Lessee acknowledges the Authority's Spill Prevention Control and Countermeasure ("SPCC") plan, and agrees that it is subject to, and a party to, the Authority's SPCC Plan. **(A/AP)**

19.4 Compliance, Training. Lessee hereby expressly assumes and accepts full responsibility and liability for compliance with all such applicable Environmental Laws in the handling and disposal of any and all Hazardous Substances resulting from or arising out of Lessee's operations conducted on the Premises, and Lessee shall, prior to commencement of any such operations pursuant to this Lease, secure any and all permits, and properly make all necessary notifications as may be required by any and all governmental agencies having jurisdiction over parties or the subject matter thereof. Lessee further represents, warrants, guarantees and covenants to the Authority, upon which the Authority hereby expressly relies, that Lessee, its employees, agents, contractors, and those Persons that are required to be so trained working for, or on behalf of, Lessee have been, or will be prior to commencement of operations on the Premises, fully and properly trained in the handling of all such Hazardous Substances, and that such training, at a minimum, complies with any and all applicable Environmental Laws. **(A/AP)**

19.5 Permits/Notifications. Lessee shall provide to the Authority satisfactory documentary evidence of all such requisite legal permits and notifications, as hereinabove required and as may be further required, upon request, from time to time by the Authority.

19.6 Generator of Hazardous Waste. If Lessee is deemed to be a generator of hazardous waste, as defined by applicable Environmental Laws:

- a) Lessee shall obtain all required permits, licenses, and identification from federal, state, and county agencies having jurisdiction, as may be applicable, including without limitation an EPA identification number, and shall comply with all requirements imposed upon a generator of hazardous waste,

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including, but not limited to, ensuring that the appropriate transportation and disposal of such materials are conducted in compliance with Environmental Laws;

- b) Lessee shall maintain an accurate inventory list (including quantities) of all such hazardous waste, whether stored, disposed of, or recycled, or, in the alternative, copies of hazardous waste manifests, available at all times for inspection upon reasonable advance notice at any time on the Premises by the Authority;
- c) Lessee shall notify the Executive Director, and such other appropriate agencies as the Executive Director may from time to time designate, of all hazardous waste activities occurring at the Premises.

(A/AP)

19.7 Emergency Coordinator. Lessee shall provide to the Executive Director and to all appropriate governmental entities having jurisdiction thereover, the name and telephone number of Lessee's emergency coordinator in case of any spill, leak, or other emergency situation involving hazardous, toxic, flammable, and/or other pollutant/contaminated materials. **(A/AP)**

19.8 Liability. Lessee shall be strictly liable for, and hereby expressly assumes all responsibility for all citations, fines, environmental controls, and monitoring, cleanup and disposal, restoration and corrective measures resulting from or in any way connected with the improper use, handling, storage, and/or disposal of Hazardous Substances by the Lessee Parties on or from the Premises. All such remedies of the Authority with regard to environmental requirements as set forth herein shall be deemed cumulative in nature and shall survive expiration or termination of this Lease. **(A/AP)**

19.9 Environmental Indemnification. Lessee agrees to protect, defend, reimburse,

indemnify, and hold the Authority, its agents, employees and elected officers harmless from and against any and all Damages arising from, resulting out of or in any way caused by or connected to the Lessee Parties' failure to comply with any and all applicable Environmental Laws. Lessee understands that this indemnification is in addition to and is a supplement of Lessee's indemnification agreement set forth elsewhere herein. Lessee acknowledges the broad nature of this indemnification and hold harmless clause and that the Authority would not enter into this Lease without the inclusion of such clause, and voluntarily makes this covenant and expressly acknowledges the receipt of Ten Dollars (\$10.00) and such other good and valuable consideration provided by the Authority in support of this indemnification in accordance with laws of the State of Florida. The obligations arising under this Section shall survive the expiration or earlier termination of this Lease.

ARTICLE 20: AIRPORT SECURITY PROGRAM **(A/AP)**

20.1 Security Program Compliance. Lessee agrees to observe all federal, state, and local laws, rules and safety and security requirements applicable to Lessee's operations, as now or hereafter promulgated or amended. Lessee agrees to comply with the Airport Security Program and the Air Operations Area (AOA) Vehicle Access Program, and amendments thereto, and to comply with such other rules and regulations as may be reasonably prescribed by the Authority and to take such steps as may be necessary or directed the Authority to ensure that subtenants, employees, invitees, and guests observe these requirements. If required by the Authority, Lessee shall conduct background checks of its employees in accordance with applicable federal, state, or local laws. Lessee further agrees to be responsible for the care and maintenance of the Airport security barriers and devices within the

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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), which are installed now or in the future at the Premises shall be borne by Lessee. Lessee agrees to rectify any safety or security deficiency, or other deficiency as may be determined as such by the Authority, FDOT, FAA or TSA. In the event Lessee fails to remedy any such deficiency, the Authority may do so at the reasonable and necessary cost and expense of Lessee after providing Lessee with reasonable prior written notice and a reasonable opportunity to cure, factoring in the nature of the deficiency. Lessee acknowledges and agrees that the Authority shall have the right to take whatever action is reasonably necessary to rectify any safety or security deficiency or other deficiency as may be determined by the Authority, FDOT, FAA or TSA.

ARTICLE 21: OTHER RIGHTS RESERVED BY AUTHORITY.

21.1 Other Rights Reserved. In addition to all other rights reserved by Authority, Authority expressly reserves the right to:

- a) Further Development. Further develop or improve the landing area of the Airport as Authority deems proper, regardless of the desires and views of Lessee and without interference or hindrance.
- b) Right of Passage. The right of ingress and egress for Authority and its reasonable designees over the Premises. The location of said ingress and egress area shall be reasonably designated by Lessee.

21.2 Restrict Obstructions & Hazards. Take any action it considers necessary to protect the aerial or instrument approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting to be erected any building or

other structure on the Airport which in the opinion of Authority would limit the usefulness of the Airport or constitute a hazard to aircraft.

21.3 Height Restriction. Lessee expressly agrees for itself, its successors, and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Premises to such a height so as to comply with Title 14, Part 77 of the Code of Federal Regulations, as now or hereafter amended.

ARTICLE 22: ASSIGNMENT.

22.1 Assignment. Lessee shall not assign this Lease or any interest herein, nor sublet all or any part of the Premises, rights, privileges, or agreements, without the advance written consent of Authority, which shall not be unreasonably withheld, delayed or conditioned, except as otherwise provided in this Lease. The Authority shall not be deemed to have withheld its consent unreasonably unless the Authority has been furnished evidence, reasonably satisfactory to the Authority, establishing that the proposed assignee: (a) has the financial ability to make the rental payments required under this Lease and to otherwise satisfy its financial obligations under this Lease; (b) has sufficient experience to operate in the manner required hereunder; (c) has the ability to otherwise perform all of the terms, conditions and covenants of this Lease; and (d) agrees to assume all obligations, responsibilities and liabilities of Lessee arising on and after the effective date of the Assignment. No assignment of this Lease shall release or relieve Lessee of its duties or liabilities arising under this Lease prior to the effective date of such assignment, but such assignment shall release or relieve Lessee of any duties or liabilities arising under this Lease after the effective date of such assignment.

22.2 Authority Consent. At least 60 days prior to the Authority's consideration of the proposed assignment, the assignee/transferee must provide financial

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statements, credit reports, evidence of previous experience, references from other Airport sponsors, and any other relevant documentation, as may be requested by the Authority in its sole discretion to support the assignee/transferee's capability to perform the obligations under the lease. In the event the Authority does not consent to the assignment, the Lessee shall have the right to request a meeting with the Executive Director to discuss the decision. The Executive Director may, at her discretion, submit the decision for reconsideration by the Authority after such discussion. The Authority will consider the Lessee's arguments and any recommendation by the Executive Director and may, at its discretion, approve the assignment or uphold its decision not to consent to the assignment.

22.3 Merger, Acquisition. Notwithstanding the foregoing and to the extent such consent can be granted consistent with state and federal law and FAA Grant Assurances, as applicable, the consent of the Authority shall not be withheld for an Assignment of this Lease in its entirety where all or substantially all of the assets of Lessee are acquired by another entity by reason of a merger, acquisition, or other business reorganization, provided that Lessee provides written notice to the Authority thirty (30) days prior to the change in ownership and the Authority has been furnished evidence, reasonably satisfactory to the Authority, establishing that the proposed assignee: (a) has the financial ability to make the rental payments required under this Lease and to otherwise satisfy its financial obligations under this Lease; (b) has sufficient experience at comparable airports to operate in the manner required hereunder; (c) has the ability to otherwise perform all of the terms, conditions and covenants of this Lease; (d) agrees to assume all obligations, responsibilities and liabilities of Lessee arising on and after the effective date of the Assignment; and (e) agrees to execute a Guaranty in a form acceptable to the

Authority in its sole discretion in favor of the Authority of the obligations under the Lease. Lessee shall remain primarily liable to the Authority for fulfilling all obligations, terms and conditions of this Lease, throughout the entire Term and any extension thereof, except in the event of a complete Assignment, in which event Lessee shall be released from all further obligation arising subsequent to such Assignment; provided that Lessee's assignee agrees in writing to be fully bound by the terms and provisions of this Lease from and after the effective date of such Assignment.

22.3 Assignee Operation. In the event of any assignment, Authority shall be authorized to deal with any assignee as fully and completely as if it was or had been the original Lessee hereunder without notice to Lessee. No consent by Authority to any assignment shall operate to constitute consent to any other or future assignment or operate as a waiver of the requirement of Authority's consent thereto. Lessee shall furnish Authority with a fully executed copy of any assignment of the Premises, except it shall not be deemed to apply to any office space licenses or leases, aircraft space licenses or leases or rentals made by Lessee.

ARTICLE 23: PAYMENT OF TAXES.

23.1 Licenses, Fees and Taxes. Lessee shall pay, on or before their respective due dates, all federal, state and local taxes and fees, and all special assessments of any kind, which are now or may hereafter be levied upon the Premises (including improvements) or the estate hereby granted, or upon Lessee, or upon the business conducted on the Premises, or upon any of Lessee's property used in connection therewith, or upon any rentals or other sums payable hereunder, including, but not limited to any ad valorem taxes, and sales or excise taxes on rentals, and personal property taxes

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against tangible and intangible personal property of Lessee; provided, however, that Lessee shall have the right to contest or protest any of the foregoing in accordance with applicable legal requirements. The Authority agrees to reasonably cooperate with Lessee in such contest or protest, which cooperation shall include, but not be limited to, executing any documents which must be executed by the owner of the Premises in connection with such contest or protest. The Authority also agrees to deliver to Lessee, promptly after receiving the same, but in any event at least thirty (30) days prior to the date such bills are due, any tax bills that the Authority receives with respect to the Premises. Lessee shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Lessee. Lessee may take the benefit of any applicable provisions of any statute or ordinance permitting any assessment to be paid over a period of years, and Lessee shall pay only those installments falling due during the Term of this Lease, provided, Lessee shall pay all taxes due on or before lease expiration or termination, whichever occurs first, to preclude any taxes being owed at the cessation of this Lease, to the extent such taxes are due and owed prior to the cessation of this Lease.

ARTICLE 24: SUBORDINATION OF AGREEMENT.

24.1 Subordination. This Lease shall be inferior and subordinate to the provisions of any existing or future agreement between Authority and the United States or any of its agencies, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of future funds for the development of the Airport. During time of war and/or national emergency, Authority shall have the right to lease the landing area or any part thereof

to the U.S. Government for military or national guard use, and, if any such lease is executed, then the provisions of this Lease insofar as they are inconsistent with the provisions of such lease with the Government, shall be suspended, with the Term of this Lease being extended by a period equal to the period of such suspension, and with Rents required under this Lease being abated and/or apportioned on a reasonable and equitable basis that reflects such suspended provisions of this Lease.

ARTICLE 25: PROTECTION OF PUBLIC.

25.1 Operation for the Benefit of the Public.

Lessee further covenants and agrees that it will, at all times during the continuance of the terms hereby demised and any renewals or extensions thereof, conduct, operate and maintain the Premises for the benefit of the public, and that it will devote its best efforts in the accomplishment of such purposes, and that it will at all times make charges to patrons and customers for all merchandise and services furnished and rendered, but that it will refrain from imposing or levying exclusive or otherwise unreasonable fees or charges for any such services or merchandise.

25.2 Non Discrimination in Contracts.

Lessee warrants and represents to the Authority that all of its employees are treated equally during employment without regard to race, color, national origin, religion, ancestry, sex, age, familial status, marital status, sexual orientation, gender identity and expression, disability, or genetic information.

25.3 Federal Non Discrimination Covenants.

Lessee, for its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

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a) In the event facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Lessee will maintain and operate such facilities and services in compliance with all requirements imposed by the nondiscrimination acts and regulations listed in the Nondiscrimination Authorities (as hereinafter defined), as may be amended, such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

b) 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 Authority property, including, but not limited to, the Premises.

c) In the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.

d) Lessee will use the Premises in compliance with all other requirements imposed by or pursuant to the Nondiscrimination Authorities.

e) In the event of breach of any of the above nondiscrimination covenants, the Authority shall have the right to terminate this Lease and to enter, reenter, and repossess the Premises, and hold the same as if this Lease had never been made or issued. This Lease

shall not be terminated pursuant to this paragraph until the procedures of 49 CFR Part 21 are followed and completed, including, the exercise or expiration of appeal rights.

f) For purposes of this Article, the term "Non Discrimination Authorities" includes, but is not limited to, the nondiscrimination statutes, regulations and authorities listed in Appendix "E" of Appendix "4" of FAA Order 1400.11, Nondiscrimination in Federally Assisted Programs at the Federal Aviation Administration, as may be amended.

25.4 Americans with Disabilities Act. Lessee shall comply with the applicable requirements of the Americans with Disabilities Act and the State of Florida Accessibility Requirements Manual, and applicable implementing regulations, and any similar or successor laws, ordinances, rules, and regulations, including cooperation with the Authority, concerning the same subject matter.

25.5 Operation of Airport. Lessee expressly agrees for itself, its sublessees, successors and assigns to prevent any use of the Premises that would interfere with or adversely affect the operation, maintenance or development of the Airport, or otherwise constitute an Airport hazard; provided that the operation of the Premises for the uses permitted under this Lease in accordance with the terms and conditions of this Lease and the Minimum Standards, as applicable, shall not be deemed to interfere with or adversely affect the operation, maintenance or development of the Airport or otherwise constitute an Airport hazard.

25.6 Release. Lessee acknowledges that noise and vibration are inherent to the operation of Airport and hereby releases the Authority from any and all liability relating to the same.

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25.7 Exclusive Rights. Notwithstanding any provision of this Lease to the contrary, Lessee understands and agrees that the rights granted under this Lease are nonexclusive, other than the exclusive right of use of the Premises, and that the Authority may grant similar privileges to another tenant or other tenants on other parts of the Airport.

25.8 Hazardous Wildlife Attractants. Lessee acknowledges that water detention and retention areas are considered wildlife attractants and shall request the approval of the Executive Director prior to constructing a water detention or retention area within the Premises. If approved by the Executive Director, water detention or retention areas shall be in compliance with the siting, design, and construction requirements of the Executive Director. Lessee further agrees to comply with the provisions of Federal Aviation Administration Advisory Circular No. 150/520033B, as now or hereafter amended, as such circular is interpreted by the Executive Director. (A/AP)

ARTICLE 26: MORTGAGE OF LEASEHOLD INTEREST.

26.1 Right to Encumber. Lessee shall have the right to encumber its leasehold interest in the Premises with a first mortgage, a deed of trust, a security agreement, or other instrument (any of the foregoing, a "Leasehold Mortgage"). The term of the obligation secured by the Leasehold Mortgage shall not exceed the remainder of the Term of this Lease. Authority does hereby subordinate any statutory landlord's lien that it may hereafter acquire (which subordination shall be self operative) to the lien and operation of any Leasehold Mortgage. The Mortgage Holder's duties and rights are as set forth in this Article 26.

26.2 Mortgage Holder's Assumption of Lessee's Rights. The Mortgage Holder shall

have the right, in case of default, to assume the rights and obligations of Lessee herein, with the further right to assign Lessee's interest to a third party, subject to approval of Authority, not to be unreasonably withheld, delayed or conditioned. The Mortgage Holder's obligations under this Lease, as substituted lessee, shall cease upon assignment to a third party and approval by Authority.

26.3 Notices to Authority. As a condition precedent to the exercise of the right granted to the Mortgage Holder by this Section, the Mortgage Holder shall notify Authority of all action taken by it in the event payments on the obligation underlying the Leasehold Mortgage shall become delinquent. The Mortgage Holder shall also notify Authority in writing of any change in the identity or address of the Mortgage Holder.

26.4 Notices to Mortgage Holder. All notices required by Article 30 to be given by Authority to Lessee shall also be given to the Mortgage Holder at the same time and in the same manner. Upon receipt of such notice, the Mortgage Holder shall have the same rights as Lessee to correct any default.

26.5 Release of Lien. Upon the scheduled expiration or early termination of this Lease, provided such termination is in accordance with the terms of this Lease including, but not limited to, this Article, Lessee and/or Leasehold Mortgagee, as appropriate, shall promptly execute, in recordable form, and deliver to the Authority a termination of lease, termination of memorandum of lease, release of mortgage and such other documents as the Authority may reasonably require (collectively, the "Release Documents"). In the event Lessee or Leasehold Mortgagee fails to provide the foregoing Release Documents within thirty (30) days after the Authority's

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written request therefor, the Authority, at its option, shall be entitled to execute the same for and on behalf of Lessee and/or Leasehold Mortgagee and Lessee and Leasehold Mortgagee hereby appoint the Authority as attorney in fact for the limited purpose of execution of such Release Documents.

26.6 Leasehold Mortgage NDA. On the request of any Leasehold Mortgagee, the Authority agrees to promptly execute and deliver to Lessee and Leasehold Mortgagee a consent and non-disturbance and attornment agreement in form and content reasonably acceptable to the Authority ("Leasehold Mortgage NDA"). In no event shall the Leasehold Mortgage NDA require the Authority to subordinate the fee estate to any Leasehold Mortgage. Lessee acknowledges and agrees that it shall not be unreasonable for the Authority to object to any Leasehold Mortgage NDA that would (a) adversely affect the Authority, the Authority's interest in the Property or this Lease; (b) alter or reduce the Authority's right to any and all amounts due to the Authority under this Lease; (c) materially alter the Authority's rights under this Article 26; or (d) alter any other terms or conditions of this Lease other than this Article 26.

26.7 Entry by Leasehold Mortgagee. The Authority hereby authorizes any Leasehold Mortgagee (or court appointed receiver) to enter on the Premises to exercise Leasehold Mortgagee's cure rights and power under this Lease; provided, however, that all such entries and exercises of Leasehold Mortgagee's cure rights and powers under this Lease shall be done in a commercially reasonable manner so as to minimize interference with the operations of the Airport.

ARTICLE 27: ESTOPPEL CERTIFICATE.

27.1 Estoppel Certificate Upon request, Executive Director may provide to Lessee or

Lessee's Mortgagee an estoppel certificate containing the following information and no more: confirmation that Authority remains owner of the Premises and lessor under this Lease; that this agreement contains the full agreement between Authority and Lessee with regard to the Premises;; that Lessee is current in its obligations under this Lease as of a certain date; that, to the best knowledge of Authority, Lessee is not in default under the terms of the Lease; the date through which Lessee has paid rent; the lease term and any renewal terms under this Lease. The Authority has no obligation under this Lease to certify or affirm any other information regarding the Lessee or the Lease.

ARTICLE 29: HOLDOVER.

29.1 Holdover. If Lessee shall continue to occupy the Premises beyond the Term without Authority's written renewal thereof, then such holding over shall not constitute a renewal or extension of this Lease, but shall create a tenancy from month to month which may be terminated at any time by Authority or Lessee by giving thirty (30) days written notice to the other party, and which shall be subject to all the other terms and conditions of this Lease, and any amendment thereof. The monthly Premises Rent due during the holdover period shall be as specified in Article 7.

ARTICLE 30: NOTICES.

30.1 Notices. All notices, demands and other official communications to be given or delivered under or by reason of the provisions of this Lease shall be in writing shall be effective when received via certified U.S. Mail, hand delivery, or other mail delivery service, such as UPS or Federal Express, at the addresses specified in the Lease. Changes in respective addresses to which such notices are to be directed may be made from time to time by either party by written notice to the other party. Email transmissions of less than fifty megabytes (50 MB) in size are acceptable notice when

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emailed to the email address set forth herein and are effective when received; however, email transmissions received after 5:00 p.m. or on weekends or holidays will be deemed received on the next business day. The original of the notice must also be mailed to the receiving party. Nothing contained in this section shall be construed to restrict the transmission of routine communications between Lessee and Authority the.

ARTICLE 31: LAWS, REGULATIONS AND PERMITS

31.1 Permits and Licenses Generally. Lessee agrees that it shall, at its sole cost and expense, obtain, comply with, and maintain current any and all permits, licenses, and other governmental authorizations required for its operations and activities on the Premises. Upon written request of the Authority, Lessee shall provide the Authority with copies of any and all permits and licenses required by the Authority pursuant to this Section. If any Permit or License required by the Authority pursuant to this Section is suspended, expires, or is revoked, Lessee shall notify the Authority within ten (10) business days of becoming aware of the suspension or revocation, and shall exercise best efforts to restore or reapply for said permits, as may be applicable promptly at its sole cost and expense.

31.2 Air and Safety Regulation. To the extent not otherwise required by this Lease, Lessee shall conduct its operations and activities under this Lease in a safe manner and shall comply with all safety regulations and standards imposed by Applicable Law and shall require the observance thereof by Lessee Parties and all other persons transacting business with or for Lessee resulting from, or in any way related to the conduct of Lessee's business on the Premises. Lessee shall procure and maintain such fire prevention and extinguishing devices as required by the Authority and by law and shall at all

times be familiar with and comply with the fire regulations and orders of the Authority. Lessee agrees that neither Lessee nor its employees or contractors or any person working for or on behalf of Lessee shall require any personnel engaged in the performance of Lessee's operations to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to their health or safety, as determined by standards adopted pursuant to the Occupational Safety and Health Act of 1970, as now or hereafter amended, as well as all applicable state and local law regulations and orders relative to occupational safety and health.

31.3 Easement. Nothing in this Lease shall impair any existing utility easements, nor impair the right of access to any existing utility lines. The Authority reserves the right to grant utility easements, licenses, and rights of way to others over, under, though, across or on the Premises; provided, however, that such grant or the use of any easement, license, or right of way does not interfere with Lessee's operations or reduce the value of the Improvements Program. The Authority shall restore the Property and the Premises to its condition prior to the date the Authority granted any such easement, license or right of way if any construction is performed in connection with any of the foregoing.

31.4 Independent Contractor. Lessee or any successor in interest to this Lease, is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions, and the Authority shall in no way be responsible therefor. (A/AP)

ARTICLE 32: MISCELLANEOUS PROVISIONS.

32.1 Computation of Time. All references in this Lease to "days" shall refer to calendar days unless expressly stated otherwise. For the

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purpose of counting a time period expressed in days, the following rules apply:

- a) begin counting from the next day that is not a Saturday, Sunday, or legal holiday;
- b) count every day, including intermediate Saturdays, Sundays, and legal holidays; and
- c) include the last day of the period, but if the last day is a Saturday, Sunday, or legal holiday, the period continues to run until the end of the next day that is not a Saturday, Sunday, or legal holiday.

32.2 Consistency with Master Lease, Applicable Laws, FAA Grant Assurances, and ALP. Lessee acknowledges that this Lease confers no rights to Lessee in conflict with, and that the terms and conditions of this Lease shall be read consistently the requirements of Applicable Laws, including without limitation all applicable FAA and State Grant Assurances, the Airport's Master Plan to the extent the Master Plan applies to the Premises, and the Airport Layout Plan to the extent the ALP applies to the Premises.

32.3 Compliance with Minimum Standards. **(A/AP)** Lessee acknowledges and agrees that: (a) upon the expiration or earlier termination of this Lease, Lessee shall remain obligated to satisfy the requirements of the Minimum Standards as applicable; and (b) the Authority has no obligation whatsoever to extend or otherwise modify this Lease beyond this Lease's Term.

32.4 Federal Right to Reclaim. This Lease and rights granted to Lessee hereunder are expressly subordinated and subject to whatever rights the United States government now has or in the future may acquire affecting the control, operation, regulation, and taking over of the Airport or the exclusive or non-exclusive use of the Airport by the United States government during the time of war or national emergency. This Section 32.4 shall not act

or be construed as a waiver of any rights Lessee may have against the United States as a result of such taking.

32.5 Federal Review.

a) **(A/AP).** Lessee acknowledges the Authority may submit this Lease to review or inspection by the FAA to determine satisfactory compliance with federal law or grant assurances and agrees that this Lease shall be in full force and effect and binding upon both parties pending such review or inspection by the FAA, if applicable; provided, however, that upon such review or inspection all parties hereto agree to modify any of the terms of this Lease which shall be determined by the FAA to be in violation of existing laws, regulations, grant assurances or other requirements.

b) **(NA/MU)** Lessee acknowledges that this Lease, and any discretionary amendments, extensions, renewals, options, or modifications to the Lease term is subject to review or inspection by the FAA. Lessee acknowledges that the FAA will not approve or consent to a non-aeronautical use of the Premises if it determines that an aeronautical demand for the land is likely to exist within the requested Lease term, or any amendments, extensions, renewals, options, or modifications to the Lease term. The Lessee agrees that this Lease shall be in full force and effect and binding upon both parties pending such review or inspection by the FAA, if applicable. The Lessee acknowledges that the Premises will be returned to aeronautical use at the end of the lease or FAA approval period.

32.6 Entire Agreement. This Lease and any exhibits referred to herein constitute the entire agreement among the parties concerning the use of the Premises and the Lessee's operations at the Airport. Lessee agrees that Authority has not made any statement, promise or agreement, or taken

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upon itself any engagements whatever, verbally or in writing, in conflict with the terms of this Lease, or that in any way modifies, varies, alters, enlarges, or invalidates any of its provisions, and that no obligations of Authority shall be implied in addition to the obligations herein expressed.

32.7 Time of Essence. Time is declared to be of the essence of this Lease and each and every one of the provisions herein contained.

32.8 Binding Effect. This Lease shall be binding upon and inure to the benefit of Authority and its successors and assigns. This Lease shall be binding upon and inure to the benefit of Lessee and its successors and permitted assigns.

32.9 No Waiver. The failure of the Authority to insist on a strict performance of any of the agreements, terms, covenants and conditions hereof shall not be deemed a waiver of any rights or remedies that the Authority may have for any subsequent breach, default, or non-performance, and the Authority's right to insist on strict performance of this Lease shall not be affected by any previous waiver or course of dealing.

32.10 Attorney's Expenses. In the event of any litigation or dispute arising from the enforcement of this Lease, the prevailing party shall be entitled to recover its reasonable attorney's fees, expenses, and other litigation costs from the non-prevailing party, except as expressly provided for otherwise herein.

32.11 Force Majeure. Notwithstanding anything else to the contrary contained in this Lease, no party hereto shall be deemed in default with respect to any of the terms, covenants, conditions and provisions of this Lease on such party's part to be performed if such party fails to timely perform same and such failure is

due in whole or in part to any civil disorder, failure of power, riots, insurrections, war, fuel shortages, accidents, casualties, Acts of God, and extraordinary inclement weather, and any time period or deadline to which such party is subject shall be extended to the extent reasonably necessary in order to resolve or remedy the cause of such failure. Any event or condition not listed herein does not constitute a condition upon which "force majeure" can be claimed.

32.12 Headings and Captions. The section headings and captions in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections.

32.13 Applicable Law; Venue; Jurisdiction. This Lease shall be construed by, and governed, enforced, and interpreted in accordance with, the laws of the State of Florida. The sole and exclusive venue for purposes of any litigation arising out of or related to this Lease shall be the federal courts covering the Southern Judicial District of Florida and, for state court matters, the Florida Fifteenth Judicial Circuit Court in and for Palm Beach County, Florida. Authority and Lessee consent to and agree to submit to the jurisdiction of any of such courts and agree to accept service of process to vest personal jurisdiction over them in any of such courts.

32.14 Severability. In the event any section, sentence, clause, phrase or provision of this Lease shall be held or declared to be unconstitutional, invalid, inoperative, ineffective, inapplicable or void by any court of competent jurisdiction, such adjudication shall not affect the remaining sections, sentences, clauses, phrases or provisions of this Lease; it is hereby declared to be of the express intention of Authority and Lessee in executing this Lease that any such invalid portion or portions of this Lease did not induce its

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execution and that the parties hereto would have executed this Lease without the inclusion of any such invalid portion or portions; and further, that such remaining sections, sentences, clauses, phrases and provisions shall nevertheless stand and continue to be effective.

32.15 Quiet Enjoyment. Lessee, upon paying the Premises Rent set forth in this Lease, and observing and keeping all covenants, agreements and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Premises during the Term of this Lease without hindrance or molestation by anyone claiming by or through Authority, subject, however, to the exceptions, reservations and conditions of this Lease and of record.

32.16 Prior Agreements. On the Effective Date, this Lease is controlling over prior agreements with the Lessee, if any. Authority hereby represents and warrants to Lessee that there are no agreements, contracts, or understandings with any third party which might in any way contradict, invalidate, or not permit compliance by Authority with, any term or provision of this Lease.

32.17 Amendment. This Lease may not be amended, changed, modified, supplemented, or revoked except by an express written document executed by both Authority and Lessee.

32.18 Counterparts. This Lease may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument. Executed copies of this Lease may be delivered by telecopier, but any party may require the subsequent delivery of originals in addition thereto, which requirement shall not affect the effectiveness of the delivery by telecopier.

32.19 Consent and Action. Whenever this Lease calls for an approval, consent or

authorization by the Authority, such approval, consent, or authorization shall be evidenced by the written approval of the Executive Director or his or her designee. In the event this Lease is silent as to the standard for any consent, approval, determination, or similar discretionary action, the standard shall be at the reasonable discretion of the Executive Director.

32.20 Rights Reserved to the Authority. All rights not specifically granted Lessee by this Lease are reserved to the Authority.

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

32.22 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.

32.23 No Broker. Lessee represents and warrants that Lessee 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 the Authority from and

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against any claims or demands of any such salesperson, agent, finder or broker claiming to have dealt with Lessee. 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.

32.24 Public Entity Crimes. As provided in Section 287.132 133, Florida Statutes, by entering into this Lease or performing any work in furtherance hereof, Lessee certifies that it, its affiliates, suppliers, subcontractors, and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the thirty six (36) months immediately preceding the effective date hereof. This notice is required by Section 287.133(3)(a), Florida Statutes.

32.25 Scrutinized Companies. As provided in Section 287.135, Florida Statutes, by entering into this Lease or performing any work in furtherance hereof, Lessee certifies that it, its affiliates, suppliers, subcontractors and consultants who perform hereunder, have not been placed on the Scrutinized Companies Activities in Sudan List, the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or the Scrutinized Companies with Activities in Iran Terrorism Sectors List created pursuant to Section 215.473, Florida Statutes, or on the Scrutinized Companies that boycott Israel List, or is engaged in a boycott of Israel, pursuant to Section 215.4725, Florida Statutes, or is engaged in business operations in Cuba or Syria. If the Authority determines, using credible information available to the public, that a false certification has been submitted by Lessee, 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.

32.26 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 the Palm Beach County's public health unit.

32.27 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 the Authority, Lessee, and/or Lessee Parties.

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

32.29 Recordation. Lessee shall record this Lease in the official records of Palm Beach County, Florida, to the extent such is required by Florida law, and shall bear the cost of such recordation.

32.30 Anti-Human Trafficking. Prior to any renewal and/or extension of this Lease, Lessee shall attest under penalty of perjury, that Lessee does not use coercion for labor or services as defined in Section 787.06(2), Florida Statutes. Attestations shall be documented using an Anti-Human Trafficking Affidavit as provided by the Authority.

EXHIBIT B: FEDERALLY REQUIRED LEASE PROVISIONS

EXHIBIT B: FEDERALLY REQUIRED LEASE PROVISIONS

As the Authority is a recipient of federal funding, including funding under the Airport Improvement Program, the Authority is required to include the following provision in all leases.

I. GENERAL CIVIL RIGHTS PROVISIONS

A. In all its activities within the scope of its airport program, the LESSEE agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

B. If the LESSEE transfers its obligation to another, the transferee is obligated in the same manner as the LESSEE. The above provision obligates the LESSEE for the period during which the property is owned, used or possessed by the LESSEE and the airport remains obligated to the Federal Aviation Administration.

The Authority is required to include the following provisions in leases for land or facilities acquired or approved under the Airport Improvement Program.

II. TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED UNDER THE AIRPORT IMPROVEMENT PROGRAM

A. The LESSEE for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

(1) In the event facilities are constructed, maintained, or otherwise operated on the property described in this Lease 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 LESSEE will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent 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.

B. With respect to leases in the event of breach of any of the above Nondiscrimination covenants, the BOCA RATON AIRPORT AUTHORITY will have the right to terminate the lease and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the lease had never been made or issued.

C. With respect to a deed, in the event of breach of any of the above Nondiscrimination covenants, the BOCA RATON AIRPORT AUTHORITY will have the right to enter or re-enter the lands and facilities thereon, and the above-described lands and facilities will there upon revert to and vest in and become the

EXHIBIT B: FEDERALLY REQUIRED LEASE PROVISIONS

absolute property of the BOCA RATON AIRPORT AUTHORITY and its assigns.

III. USE AND/OR ACCESS TO REAL PROPERTY ACQUIRED UNDER THE ACTIVITY, FACILITY OR PROGRAM

A. The LESSEE for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

(1) 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 LESSEE will use the premises in compliance with all other requirements imposed by or pursuant to the Title VI List of Pertinent Nondiscrimination Acts and Authorities.

B. With respect to leases, in the event of breach of any of the above Non-discrimination covenants, BOCA RATON AIRPORT AUTHORITY will have the right to terminate the lease and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said lease had never been made or issued.

C. With respect to deeds, in the event of breach of any of the above Non-discrimination covenants, BOCA RATON AIRPORT AUTHORITY will there upon revert to and vest in and become the absolute property of (Title of Sponsor) and its assigns.