

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u><u>\$-0-</u></u>	<u><u>\$-0-</u></u>	<u><u>\$-0-</u></u>	<u><u>\$-0-</u></u>	<u><u>\$-0-</u></u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

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

Budget Account No: Fund 4100 Department 120 Unit _____ RSource _____
 Reporting Category _____

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

No fiscal impact.

C. Departmental Fiscal Review: *Debbie Duncan* 7/19

III. REVIEW COMMENTS

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

Lucy Mat 7/20/23 OFMB 94 7/20 EDU 7-20-23 *Ar. J. Fowler* 7/24/23 Contract Dev. and Control 7/24/23

B. Legal Sufficiency:

Anne Adelford 8/3/23
 Assistant County Attorney

C. Other Department Review:

 Department Director

REVISED 11/17

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

CONSENT TO SUBLEASE

PALM BEACH COUNTY, a political subdivision of the State of Florida, (the "County"), by and through its Department of Airports, under that certain Lease Agreement with Signature Flight Support LLC, (the "Lessee"), dated September 30, 2004, (R-2004-1990, as amended), (the "Lease Agreement"), hereby consents to Lessee entering into a Space Permit with Steven Shenouda/EMTAC SR20, LLC (the "Sublessee"), effective as of July 1, 2023 (the "Sublease") for the sublease of space contained within the leasehold of Lessee under the Lease Agreement, as summarized in the attached "Space Permit".

Notwithstanding any provision of the Sublease to the contrary, the County hereby rejects any such provision in the Sublease, if any, which gives a greater right to the Sublessee than that which the Lessee has and, further, the County rejects any provision of the Sublease which purports to give the Sublessee a right or interest in the premises independent of the Lessee's Lease Agreement with the County. It is the express intent of the County in giving its consent that any forfeiture, loss, or termination of the Lessee's Lease Agreement shall automatically terminate any sublease of the premises. In giving its consent to sublease the premises, Palm Beach County does not in any manner adopt, accept, or approve the terms of the Sublease or alter the terms of the Sublease.

It is the County's intent that the Lessee shall remain liable to County for all rights and obligations contained in its Lease Agreement with the County.

APPROVED this 13 day of JULY 2023, by the County Administrator or the Director of the Department of Airports on behalf of and pursuant to the authority granted by the Board of County Commissioners.

By: RW Paula Bels
Title: Director of Airports

Approved as to Form and Legal Sufficiency:

By: Anne Adelant 7/11/23
County Attorney

SPACE PERMIT

"Effective Date": 7/1/2023

"Signature" Signature Flight Support LLC, a Delaware limited liability company:

"Permittee": Steven Shenouda / EMTAC SR20, LLC

"Master Lease": Signature and Palm Beach County ("Authority") entered into a lease ("Master Lease") for certain land (the "Base") at the Palm Beach International Airport in West Palm Beach, Florida.

"Base Rent": The monthly Base Rent shall be:

Building Name	Space Type (Hangar/T-Hangar) (Office/Shop/Ramp)	Rentable Square Feet	Suite Number	Monthly Base Rent
Hangar	Hangar	1197	NA	\$1550
Additional Monthly "CAM Charge" ¹				\$125
Additional Monthly Landing Fee				\$15.00
TOTAL MONTHLY BASE RENT				\$1690

¹ Charge is based on Permittee's proportionate share of actual reimbursable expenses from immediately preceding year and is subject to annual adjustment.

"Space": Permittee shall, during the Term hereof, have access to and use of certain portions of the Base (collectively listed above), as follows, collectively:

"Hangar Space" (listed above) means the non-dedicated, non-exclusive use of hangar deck space in the Hangar listed above for the purpose of storing the "Aircraft" (defined below).

"Office Space" (listed above) means the exclusive use of the area listed above.

"Shop Space" (listed above) means the exclusive use of the area listed above.

"Ramp Space" (listed above) means non-dedicated, non-exclusive use of area listed above for the purpose of storing the Aircraft.

"Aircraft": The following described aircraft, which is/are directly owned, leased, managed, operated or otherwise in the care, custody and control of Permittee (the "Aircraft"):

Aircraft Make	Aircraft Model	Tail Number	Serial Number
(1) Cirrus	SR22	N323HW	2727
(2)			
(3)			
(4)			
(5)			

"Term": This Space Permit ("Permit") shall be for an initial term, commencing upon the earlier of the Effective Date ("Effective Date") or the date on which Permittee actually took occupancy of the Space and expiring 6/31/2024 ("Term").

"Security Deposit": \$ 3380 (Less \$2694 on file)

Addresses for Notices:

If to Signature:
Signature Flight Support LLC
Attention: General Counsel
13485 Veterans Way, Suite 600
Orlando, Florida 32827
Email: legalnotices@signatureaviation.com

With a copy to:
Signature Flight Support LLC
Attention: Manager, Contracts
13485 Veterans Way, Suite 600
Orlando, Florida 32827
Email: legalnotices@signatureaviation.com

And

Signature Flight Support LLC
Attention: Robert Murphy; General Manager
1500 Perimeter Road
West Palm Beach, FL 33406
Email: robert.murphy@signatureflight.com

If to Permittee: Steven Shenouda

Address: 227 Brazilian Ave #2A; Palm Beach, FL 33480

Attention: Steven Shenouda


Phone: 561.309.1416
Email: shenouda@sloan.mit.edu

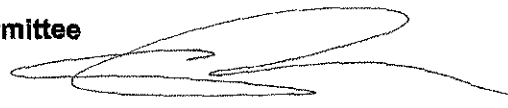
The "Permit" consists collectively of these Basic Provisions and the following attachments (i) General Terms & Conditions; and (ii) Exhibit A – "Third Party Vendor Release".

IN WITNESS WHEREOF, the authorized representatives of Signature and Permittee have executed this Permit as of the later of the dates set forth below.

Signature

Permittee

By: 
Printed Name: Robert Murphy
Title: General Manager
6/27/23

By: 
Printed Name: SHEN OUDA
Title: EMTAL S120, LLC

Witness: _____
Printed Name: _____
Date: _____

Witness: _____
Printed Name: _____
Date: _____

SPACE PERMIT
GENERAL TERMS AND CONDITIONS

1. **Basic Provisions.** The Basic Provisions preceding these General Terms and Conditions are incorporated herein and binding upon Signature and Permittee. For purposes of this Permit, Signature and Permittee may from time to time be referred to individually as a "Party" and collectively as the "Parties."
2. **Term.** This Permit shall be for Term as defined above. Permittee shall vacate the Space upon the expiration or earlier termination of this Permit. Permittee shall reimburse Signature for, and indemnify Signature against, all damages, costs, liabilities and expenses, including attorneys' fees, which Signature shall incur on account of Permittee's delay in so vacating the Space. If Permittee shall not vacate the Space upon the expiration or earlier termination of this Permit, the Base Rent shall be increased to 200% of the Base Rent then in effect and Permittee's obligation to pay Aggregate Rent shall continue, but nothing herein shall limit any of Signature's rights or Permittee's obligations arising from Permittee's failure to vacate the Space, including, without limitation, Signature's right to repossess the Space and remove all persons and property therefrom at any time after the expiration or earlier termination of this Permit and Permittee's obligations and covenants arising pursuant to this permit, including but not limited to its waivers, and obligations to reimburse and indemnify Signature as provided in the preceding sentence or as otherwise set forth in this Permit.
3. **Aircraft.** The Hangar Space and/or Ramp Space, as applicable, shall be used and occupied by Permittee for the storage of only the Aircraft.
4. **Rent.**
 - a. **Base Rent.** Permittee agrees to pay Base Rent to Signature (a prorated amount if the Term commences on a day other than the first day of the month), and, on the first day of each month thereafter Aggregate Rent (as defined below). Base Rent is payable in advance without notice, setoff, demand or deduction, except as provided in this Permit.
 - b. **Annual Base Rent Adjustment.** On the first anniversary of the Effective Date and continuing each anniversary thereafter (each an "Adjustment Date"), the then-current Base Rent shall be increased by the greater of the following: (i) three and one-half percent (3.5%) or (ii) the "CPI Adjustment". For purposes of this Permit, the "CPI" shall be the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for CPI U (All Urban Consumers), for All Urban Consumers, All Items (1982-1984 = 100). The "CPI Adjustment" shall be an amount equal to the Current Index Number minus the Base Index Number, divided by the Base Index Number. The "Current Index Number" shall be the CPI for the month two (2) months prior to the Adjustment Date. The "Base Index Number" shall be the CPI for the month twelve (12) months prior to the Current Index Number. In the event the compilation and/or publication of the CPI shall be discontinued or materially altered, Signature shall choose a reasonable replacement index. Failure to notify Permittee of such an adjustment shall not waive Signature's right to impose such an adjustment in accordance with the foregoing effective as of the applicable Adjustment Date.
 - c. **Supplemental and Aggregate Rent.** In addition to the Base Rent, Permittee shall pay to Signature, on a monthly basis, except for real estate taxes which shall be paid on an annual basis, along with such Base Rent, any and all additional sums other than Base Rent due and owing to Signature as a result of Permittee's tenancy, including but not limited to the Facility Charge, CAM Charge, and those amounts referenced in Section 4(d) below ("Supplemental Rent"). Base Rent and Supplemental Rent are hereinafter referred to collectively as "Aggregate Rent".
 - d. **Airport Concession Fees and Charges; and Taxes.** Permittee agrees to pay Airport concession fees, charges, and/or taxes, which shall be assessed at the rate applicable at the time of each monthly Base Rent payment and subject to change at the Airport's (or Authority's) discretion, as well as all applicable and then-prevailing state and federal taxes relating to Permittee's use and/or the terms and conditions of this Permit, including but not limited to ad valorem and real estate taxes.
 - e. **Common Area Maintenance (CAM) Charge:** Permittee shall pay to Signature monthly, as Supplemental Rent, the Permittee's proportionate share of expenses of every kind paid or incurred by Signature for the operation, upkeep, maintenance, repair or renewal of the Space and Common Use Areas. The CAM Charge shall include, but is not limited to, maintenance and landscaping, fire suppression system maintenance and certification, security and access controls/phones, utilities, and property insurance. Notwithstanding the foregoing, the CAM Charge shall exclude the following: (1) Master Lease rent; (2) capital improvements; (3) mortgage payments; (4) depreciation; (5) leasing commissions, attorneys' fees, space planning costs; (6) any amounts paid to affiliates of Signature to the extent such amounts exceed amounts that would have reasonably been paid to unrelated third parties for similar services; (7) any of Signatures' overhead and general administration expenses; (8) advertising and promotional expenditures; (9) penalties, fees or interest incurred as a result of Signature's failure to make a payment when due. The CAM Charge shall be adjusted annually.
 - f. **Late Fee.** Any payment not delivered within seven (7) calendar days following the date due shall be subject to a late fee equal to the greater of: (i) \$100; or (ii) ten percent (10%) of the amount due, but in no event higher than the maximum rate allowable by law. Any late fee so imposed shall be deemed Supplemental Rent.
5. **Security Deposit.** Permittee shall deposit the sum of two (2) months' estimated Base Rent ("Security") with Signature as security for the faithful performance by Permittee of its obligations under this Permit. Signature may apply any portion of the Security against any indebtedness which is not paid when due. If Signature pays Permittee's indebtedness from such Security or if Permittee's Base Rent increases, Permittee shall deposit an amount to replenish the Security to the sum of two (2) months' estimated Base Rent within ten (10) business days of Signature's written demand. Payment of any indebtedness from such Security does not waive Signature's right to any other remedy provided by this Permit or by law. Signature shall return any unused portion of the Security, without interest, upon Permittee's performance in full of its obligations under this Permit at the end of the Term.
6. **Authority.** Permittee represents that it is fully authorized to enter into this Permit on behalf of the Permittee and any owner(s) of the Aircraft and to bind the Permittee and the Aircraft owner(s) to the terms and conditions set forth in this Permit.
7. **Storage.** Permittee shall prohibit the storage, maintenance (including washing), or operation of any motor vehicle, recreational vehicle, or boat in the Space. Permittee covenants and agrees that at no time during the Term will Permittee, together with its agents, employees, contractors, subcontractors, invitees, officers, directors, servants or vendors (collectively, hereinafter referred to as ("Permittee Group"), be permitted to store, maintain or operate any motor vehicle, recreational vehicle, or any vehicle considered to be personal property in, around, or upon the Space.
8. **Common Areas.** Permittee is authorized to use designated common use areas of the Base, including, but not limited to, restrooms, entry ways, hallways and vending areas, as specified by Signature's local general manager, subject to reasonable rules and regulations imposed by Signature.
9. **Security of Personal Property.** Permittee is at all times responsible for securing and locking the Aircraft, including but not limited to properly attaching the down ropes or chains. Signature's performance of any Ancillary Services or providing ropes, chains, or chocks does not constitute Signature's acceptance of responsibility for the Aircraft's overall security. Signature shall not accept keys to Permittee's Aircraft, automobiles, or other vehicles. Signature shall not be responsible for the storage or security of Permittee's personal property, including but not limited to deliveries made to Permittee. Permittee acknowledges that any security or safety measures employed by Signature are for the protection of Signature's own interests; that Signature is not a guarantor of the security or safety of Permittee, its employees, guests, contractors or licensees, or of its property; and that such security and safety matters are the responsibility of Permittee and the local law enforcement authorities.
10. **Utilities.** For purposes of this Permit, "Utilities" shall mean heating, cooling, electricity and water. If Permittee requires utilities other than those or in quantities greater than those available at the Effective Date, Permittee is solely responsible to arrange for them, coordinate their installation with Signature's requirements, and pay for such costs, including any impact fees.
11. **Master Lease; Alteration of Prevailing Land Rents by Authority.** The Master Lease and all amendments thereto, prior to and subsequent to the Effective Date, are incorporated herein and are available for Permittee's inspection and review. The terms and conditions of this Permit shall be subject and subordinate in all respects to the Master Lease, as amended from time to time, and any provision of such Master Lease required to be addressed herein shall be deemed incorporated herein. Signature reserves the right to increase Permittee's then-prevailing monthly Base Rent and/or Supplemental Rent by a corresponding amount of any increase imposed upon Signature including but not limited to any increase imposed by the Authority or any other authority having jurisdiction over the Airport and Signature's leasehold interest by changes in rules, regulations, ordinances, orders, decrees, or any law resulting in an increase in the prevailing land rents or concession fees, etc. applicable to Signature, and/or alteration or adjustment of rents pursuant to the Master Lease. Signature shall provide Permittee a minimum of ten (10) business days' written notice from Signature of any increase allowable pursuant to this Paragraph 11; provided however that failure to deliver such notice shall not be deemed a waiver of Signature's right to such payment.
12. **Taxes.** Additionally, Permittee agrees to pay all such taxes and assessments, which are assessed against or provided to Signature for personal property in the care, custody and control of Permittee located in, on or about the Space. Signature agrees to furnish Permittee promptly with all pertinent official tax bills, statements, invoices, and assessments consistent with Signature's receipt of same. Permittee hereby authorizes Signature to provide information relating to the presence of Permittee's personal property on or about the Space as requested by any governmental authority having jurisdiction or authority with respect to the taxation of such personal property.

13. **Signature Ancillary Services.** It is acknowledged by the Parties that other services not described in this Permit may be requested by Permittee for the Aircraft (or on behalf of the Aircraft owner/operator) to be performed by Signature. Such ancillary services may include, but are not limited to, the sale of aircraft parts and components, temporary hangar space, the performance of aircraft maintenance and avionics, fueling, defueling, deicing and interior/exterior cleaning (collectively, "Ancillary Services"). Signature agrees to furnish and/or perform such Ancillary Services at the request of the Permittee at Signature's prevailing and locally-established rates or as otherwise negotiated between Signature local management and Permittee. Such requests may be made by Permittee verbally or in writing. If such Ancillary Services are provided, Permittee agrees to pay Signature for all such work, which shall be subject to all of the terms and conditions of this Permit. Any sums due and owing to Signature as a result of its provision of Ancillary Services shall be Supplemental Rent unless paid for at the time of service.

14. **Prohibited Uses.** Permittee shall not use the Space for any use which is not expressly allowed by the Master Lease or any applicable rule or regulations, and further, Permittee shall not allow the use of the Space for the operation of a fixed base operation or any business substantially similar to any portion of Signature's authorized general or commercial aviation operations at the Airport. Permittee expressly warrants and represents without limitation that it shall not at any time during the term of this Permit undertake for itself or cause to be undertaken through others, including, but not limited to its employees, agents, subcontractors, or invitees, any services permitted to Signature under the Master Lease, including, but not limited to the following:

- a. Installation of any fuel storage and dispensing facilities (including mobile delivery of fuel);
- b. Receipt and storage of any fuel product, including, but not limited to, aviation and motor fuels;
- c. Into-plane or into-truck delivery of any aviation or motor fuels;
- d. Rotorcraft or aircraft sales or rentals (Permittee demonstration flights excluded);
- e. Flight training (Permittee in-house flight training excluded);
- f. Rotorcraft or aircraft radio and instrument sales and service (avionics);
- g. Specialized rotorcraft or aircraft repair service for a third party;
- h. Air transport of mail or cargo for hire;
- i. Hangaring or servicing of aircraft for a third party, including without limitation that of a transient or non-based tenant, subtenant, sub-permittee, guest, or invitee of the Permittee;
- j. Deicing of aircraft;
- k. Temporary parking, including overnight parking, of aircraft, other than the Aircraft;
- l. Maintenance/ avionics services for a third party;
- m. Wash aircraft;
- n. Other activity adverse or disruptive to Signature or Airport interests as may be determined by Signature in its sole but reasonable judgment.

15. **Third Party Vendors.** Any third party seeking access to any part of the Space and/or the Base to perform any commercial activity ("Third Party Vendor") may enter Signature's leasehold (including the Space) only after the Third Party Vendor has:

- a. Executed the Vendor Release, an exemplar of which is attached as Exhibit A;
- b. Provided Signature with a Certificate of Insurance for the requisite insurance coverage; and,
- c. Obtained written authorization for entry from Signature via its execution of the Vendor Release.

Permittee shall bear any and all costs associated with ensuring such Third Party Vendors fully comply with any and all prevailing Airport and government regulations, including, but not limited to, authorization to perform services by the Authority through Signature, those of the Federal Aviation Administration ("FAA") and the Transportation Security Administration ("TSA") for all purposes, including, but not limited to security, identification, and clearance for access. Permittee agrees that at no time shall it or its Third Party Vendor's activities infringe upon the ability of Signature's other customers or Signature to conduct business or operate aircraft, including, but not limited to, ingress and egress from the Space and/or Signature's leasehold.

16. **Termination of Master Lease.** If the Master Lease is terminated or abated, such termination or abatement shall cancel or abate this Permit and Permittee shall look to Signature's successor-in-interest or to the Authority for relief or continuance of its rights as established in this Permit. Permittee shall have the right to remove all of its fixtures, equipment, personal property and other property from the Space deemed to be removable or non-improvement provided Permittee shall repair any damage to the Space as a result of such removal.

17. **Destruction or Condemnation of Space.** If, after the Effective Date, any significant portion of the Space is destroyed by fire or other casualty, Permittee or Signature shall have the option upon written notice to the other Party to terminate its obligations under this Permit provided Permittee shall not exercise such right in the event such destruction or casualty arises either directly or indirectly from Permittee's acts or omissions. If all or part of the Space is taken or condemned by any authority for any public use or purpose, which renders the Space untenable or unusable, this Permit shall terminate as of the date title vests in such authority, and the Aggregate Rent shall be apportioned as of such date.

18. **Acceptance; Maintenance; Surrender.**

a. Permittee accepts the Space in its "as is" condition on the Effective Date of this Permit and Signature shall have no liability or obligation to make any alterations or improvements of any kind on or about any portion of the Space. Permittee shall not alter the Space in any fashion without the prior written consent of Signature, which may be withheld in Signature's sole discretion. Upon the expiration or termination of this Permit, all fixtures installed or additions and improvements made to the Space, specifically excluding furniture and Permittee's trade fixtures, shall, at Signature's option (to be exercised in its sole discretion) either (i) become the property of Signature and shall remain in the Space, without compensation or payment to the Permittee, unless otherwise agreed to in writing by Permittee and Signature, or (ii) be promptly removed by Permittee, and Permittee shall, at its sole cost and expense, restore the Space to the condition that existed immediately prior to its occupancy of the Space (normal wear and tear excepted) and repair any damage resulting from the removal of the additions and improvements.

b. Subject to section 4.e. herein, Signature is responsible for coordinating all necessary maintenance and routine repair to the Space, specifically excluding any Permittee requested improvements to the space as set forth in Section 18.a. herein. Permittee shall be responsible for all maintenance and repair costs arising from the acts or omissions of the Permittee Group. Permittee shall be responsible for keeping the Space clean and orderly, including the removal of trash and debris from the Space and for complying with applicable rules and regulations for the operation of equipment and Permittee's business within the Space. The cost of janitorial services to the Space shall be the responsibility of Permittee. Permittee shall have the exclusive right to engage a janitorial service provider of its choice.

c. Permittee shall not perform or conduct any operation that in any way adversely impacts the structural integrity of any portion of the Space or which accelerates its ordinary deterioration.

d. Upon the expiration, or earlier termination, of the Term, Permittee shall immediately remove its personal property and surrender the Space to Signature in good repair and broom clean condition, ordinary wear and tear excepted.

e. Signature and the Authority may enter the Space at all reasonable times for the purpose of routine inspections of the Space, or any other purpose reasonably necessary to protect Signature's or Authority's interest in the Space or to perform Signature's or Authority's duties under this Permit.

19. **Signage.** Permittee shall not place or permit to be placed in or on the Space any signs or insignias without Signature's and, if applicable, the Airport's written consent, in the sole discretion of such parties.

20. **Non-Exclusive Easements.** Signature grants to Permittee a non-exclusive easement to transition Permittee's Aircraft, if applicable, to and from the Hangar Deck Space or other aircraft storage space controlled by Signature to an Airport taxiway and to provide ingress and egress to and from the Space for authorized vehicles, including, all vehicles and other equipment required by Permittee's employees, vendors, contractors and authorized subcontractors. All vehicles and vehicle operators shall fully comply with Signature's and the Authority's rules and regulations regarding Airport and Aircraft Operations Area (AOA) access.

21. **Airport Security.** Permittee and the Permittee Group shall comply at its own expense with all applicable security requirements, including, but not limited to, those of Signature, Federal Aviation Regulations ("FAR") and the TSA, any Airport Security Program, all as amended from time to time. Permittee shall take all action necessary or as directed by Authority to

ensure that members of the Permittee Group comply with such requirements. If Signature or the Authority incur any fines as a result of the acts or omissions of the Permittee and/or the Permittee Group, Permittee agrees to pay all such fines and penalties in accordance with its indemnification obligation set forth herein and to cure any security deficiency immediately. Signature and the Authority reserve the right to take whatever action necessary to cure any security deficiency if Permittee fails to remedy the security deficiency promptly and to be reimbursed any and all costs and expenses associated with such action.

22. LIMITATION OF LIABILITY. THE PARTIES HEREBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE, DIMINUTION OR LOSS OF VALUE, LOSS OF USE, LOSS OF ANTICIPATED PROFITS OR THE COST ASSOCIATED WITH SUBSTITUTE OR REPLACEMENT AIRCRAFT.

23. Insurance.

a. Minimum insurance dollar limits required of Permittee:

i. Aircraft Hull and Liability

- (1) **Aircraft hull:** All risk aircraft hull insurance for 100% of total aircraft cost insuring against loss to aircraft or other property
- (2) **Aircraft liability:** Aircraft liability insurance (ground/flight) with a minimum combined single limit at least equal to the requisite commercial general liability (below) covering bodily injury (including passengers) and property damage
 - Aircraft hull and liability coverage shall be conditionally waived if this Permit does not include the storage of an aircraft. This conditional waiver shall be automatically revoked and Permittee shall obtain the requisite coverage if this Permit is later amended to add aircraft storage space.

ii. Liability - Airport Premises

(1) **Commercial General**

- (a) Office Space only: Combined single limit \$1,000,000 per occurrence
- (b) Turbo Jet Aircraft: Combined single limit \$5,000,000 per occurrence*
- (c) Turbo Prop Aircraft: Combined single limit \$3,000,000 per occurrence*
- (d) Piston/Reciprocating Aircraft: Combined single limit \$1,000,000 per occurrence*

*Aggregate for products and completed operations. The requirement to carry third party products and completed operations liability coverage shall be conditionally waived if Permittee does not offer goods or services to third parties. This conditional waiver shall be automatically revoked and Permittee shall obtain the requisite coverage if Permittee subsequently offers goods or services to third parties.

(2) **Motor Vehicle:** Combined single limit \$5,000,000 per occurrence

- (a) This coverage is conditionally waived if Permittee does not have a motor vehicle that is both (1) registered in its name and (2) driven on Signature's ramp. If Permittee subsequently registers a vehicle in its name and uses it to drive on the ramp, the waiver shall be automatically revoked and Permittee shall obtain the requisite coverage.

(3) **Environmental / pollution:** Combined Single Limit \$1,000,000 per occurrence

- (a) This coverage shall be conditionally waived if this Permit does not include the maintenance of aircraft. This conditional waiver shall be automatically revoked and Permittee shall obtain the requisite coverage if this Permit is later amended to add aircraft maintenance or if Permittee commences, without amendment, performance of aircraft maintenance in the Space (including but not limited to aircraft washing).

iii. Property

(1) **All Risk Property:** Full Replacement Value of any alteration or improvement to the Space installed by Permittee

- (a) This coverage shall be conditionally waived if Permittee does not perform any alterations to the Space. This conditional waiver shall be automatically revoked and Permittee shall obtain the requisite coverage if Permittee subsequently alters or improves the Space.

iv. Worker's Compensation & Employer's Liability

- (1) **Worker's compensation:** The greater of \$500,000 or as required by statute
- (2) **Employer's liability:** \$500,000 each occurrence for bodily injury by accident
\$500,000 each occurrence for bodily injury by disease
\$500,000 aggregate policy limit

- (a) Employer's liability coverage shall be conditionally waived if Permittee does not have any employees. This conditional waiver shall be automatically revoked and Permittee shall obtain the requisite coverage if Permittee subsequently hires employees.

b. **Insurers; Special Provisions For Certificates of Insurance:** The insurance required to be carried by Permittee pursuant to the terms of this Agreement shall be effected under valid and enforceable policies issued by reputable and independent insurers permitted to do business in the State in which the Space is located, and rated in Best's Insurance Guide, or any successor thereto (or if there be none, an organization having a national reputation) as having a general policyholder rating of "B++" or greater and a financial rating of at least "XIII." All such required liability insurance, except (1) worker's compensation and (2) employer's liability shall name (exactly as set forth in quotations) "Signature Flight Support LLC, its parent, subsidiaries, related, and affiliated companies and the Authority" as additional insureds. To the extent All Risk Property is required pursuant to Section 23(a)(ii)(1)(a) above, Signature shall be named as Loss Payee. If the required liability policies do not contain a standard separation of insured provision, they shall be endorsed to provide cross liability coverage. To the extent that such loss, damage or liability is covered by valid and collectible insurance maintained by it, or that pursuant to this Permit should have been maintained by it, Permittee hereby waives all rights of recovery against Signature and the Signature Group. All required insurance policies shall contain a waiver of subrogation in favor of "Signature Flight Support LLC, its parent, subsidiary, related, and affiliated companies and the Authority". All required insurance policies shall be evidenced by certificates of insurance that provide at least thirty (30) days advance written notice of any cancellation or changes adverse to the interests of Signature or its subsidiaries. Permittee may send insurance certificates to the Signature Insurance Department via any of the following methods: (i) by mail to Signature Flight Support LLC, 13485 Veterans Way, Attention: Real Estate 5th Floor, Orlando, FL 32827; or (ii) by email to Realestate@signatureflight.com. Permittee shall reimburse Signature upon demand for any and all third-party vendor costs and expenses incurred by Signature in order to enforce Permittee's compliance with the above insurance requirements, and any such costs and expenses shall be deemed Supplemental Rent hereunder.

c. Permittee shall ensure that minimum insurance amounts stated shall not be lowered without express written consent of Signature. Higher insurance limits may be required by the Airport, in which case, the Airport's limits shall supersede the limits stated above.

d. Permittee shall ensure that the certificates of insurance, with respect to the insurance requirements described above, shall state that such coverage is primary and without right of contribution from any insurance carried by Signature and that the liability assumed by Permittee under this Agreement has been specifically insured under the policies above, but such insurance in no way limits Permittee's liability hereunder.

e. PERMITTEE ACKNOWLEDGES THAT ITS POTENTIAL LIABILITY IS NOT LIMITED TO THE AMOUNT OF ANY LIABILITY INSURANCE COVERAGE OR TO INSURANCE POLICY LIMITS REQUIRED IN THIS PERMIT. FURTHER, PERMITTEE SHALL BE SOLELY RESPONSIBLE FOR INSURING ITS PERSONAL PROPERTY OR OTHER CONTENTS WITHIN OR ABOUT THE SPACE.

f. Minimum insurance dollar limits required of Signature:

Signature shall at all times during the Term, at its sole cost and expense, maintain the same types and amounts of insurance required under the Master Lease.

24. Indemnification.

a. **Permittee's indemnification.** Permittee shall be liable for the acts or omissions of the Permittee Group without limitation and further agrees to indemnify, defend, and forever hold harmless Signature, the Authority and their respective officers, directors, employees, agents, servants, contractors, subcontractors, vendors, invitees (collectively, the "Signature Group") from and against any and all claims, liabilities, losses, demands, fines, suits, penalties, actions, judgments or other expenses, including, but not limited to, FAA and TSA fines or assessments, reasonable attorneys' fees and costs (collectively, "Damages") incurred by the Signature Group and arising from any negligent acts or omissions of the Permittee Group; provided, however, that this indemnity does not apply to Damages caused by the negligence of Signature and its respective officers, directors, and employees. Such indemnification is subject to and limited by Paragraph 22 Limitation of Liability.

b. **Signature's Indemnification.** Signature shall be liable for the acts or omissions of Signature and its respective officers, directors, and employees without limitation and further agrees to indemnify, defend, and forever hold harmless the Permittee Group from and against any and all Damages incurred by the Permittee Group and arising from any negligent or willful acts or omissions of Signature and its respective officers, directors, and employees; provided, however, that this Indemnity does not apply to Damages caused by the acts or omissions of the Permittee Group. Such Indemnification is subject to and limited by Paragraph 22 Limitation of Liability.

c. **Exclusion and Duration.** These provisions expressly exclude all Environmental Damages as set forth in Paragraph 25, below. The indemnifications set forth in this Paragraph 24 shall (1) survive the termination or expiration of this Permit, and (2) shall not be construed to negate or abridge any other indemnity obligation that would exist at common law or pursuant to this Permit, and (3) shall not be limited by any provision of insurance; and (4) shall apply to the acts or omissions of Permittee Group occurring on or about the Space or otherwise within the network of fixed base operations owned, operated, controlled or managed by Signature.

25. Environmental Removal and Disposal.

a. **Compliance with Environmental Regulation.** Permittee is solely responsible for the proper removal and disposal of all hazardous substances, hazardous wastes and petroleum products as defined and regulated under applicable local, state, or federal law (collectively, "Regulated Substances") that Permittee, or Permittee Group, generates or otherwise brings, or causes to be brought onto the space or Airport. Such removal and disposal shall include, but not be limited to, proper documentation of such Regulated Substances under its assigned Environmental Protection Agency ("EPA") Identification Number in Permittee's name. Permittee agrees to provide Signature, upon request, with the required EPA identification number and copies of any and all documentation in Permittee's name. Permittee shall comply with any and all applicable local, state and federal law and any and all Airport requirements in such removal and disposal. Additionally, Permittee is solely responsible for any and all environmental contamination that impacts the Space or any portion of Signature's leasehold premises as a result of the Permittee Group's storage or handling of any Regulated Substances on, in or at the Space.

b. **Environmental Audits.** Permittee acknowledges that Signature may enter the Space from time to time to conduct environmental audits. If such environmental audit reveals the presence of contaminants in excess of acceptable levels under applicable law as a result of Permittee's use of the Space, Signature shall serve written notice to Permittee to correct the conditions within seven (7) days. Permittee shall act diligently to remove any and all such contaminants and to take all such prompt action necessary to satisfy Signature and any authorities having jurisdiction over the Space that proper remediation has occurred as described above. If Permittee fails to act within the seven (7) day period, Signature may act to correct the conditions and shall be entitled to reimbursement for any and all costs directly or indirectly associated with such corrective action.

c. **Indemnification by Permittee.** Permittee shall indemnify, defend, and forever hold harmless the Signature Group from and against all environmental claims, liabilities, damages, fines, penalties, losses or impairments, including, but not limited to, any penalty or fine imposed by any governmental agency and the expense of cleaning up or disposing of any Regulated Substances, as well as any and all reasonable attorneys' fees (collectively, "Environmental Damages") resulting from the use and occupancy or any negligent act or omission of the Permittee Group. Permittee shall not be responsible for any type of Environmental Damages or any environmental conditions that existed before the Effective Date of the first space permit entered into between the parties (or their predecessors), except to the extent the Permittee Group exacerbates any such issue or matter. The indemnities set forth herein Paragraph 25(c) shall survive the termination or expiration of this Permit.

d. **Environmental Protection Procedures.** Permittee shall conduct its operations to meet or exceed requirements set forth in applicable local, state, and federal laws and in accordance with safe and proper industry practices in order to prevent environmental accidents. Such practices include but are not limited to the following:

- (i) Permittee shall at all times protect the drain from spills of Regulated Substances and agrees to instruct all its employees, agents, servants, contractors, subcontractors, invitees, and other representatives in writing regarding such requirement and the proper operation and maintenance of this drainage system, and immediately notify Signature of any discharge;
- (ii) Permittee shall properly label all containers and shall not place or maintain open containers outside of the Space;
- (iii) Permittee shall cover all trash containers placed or maintained outside the Space.

26. Compliance With Laws. Each member of the Signature Group and the Permittee Group shall comply with all prevailing and applicable federal, state and local rules, regulations, orders, and laws of all jurisdictions having authority, including, but not limited to the Airport, FAA, TSA, in which the space is located. Permittee represents and warrants to Signature that Permittee is not a party with whom Signature is prohibited from doing business pursuant to the regulations of the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury, including those parties named on OFAC's Specially Designated Nationals and Blocked Persons List. Permittee is currently in compliance with, and shall at all times during the Term remain in compliance with, the regulations of OFAC and any other governmental requirements relating thereto. In the event of any violation of this section, Signature shall be entitled to immediately terminate this Permit and take such other actions as are permitted or required to be taken under law or in equity. Permittee represents and warrants that neither Permittee nor any of its subsidiaries, directors, officers, agents, employees, affiliates or other person associated with or acting on Permittee's behalf have (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity or to influence official action; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment; or (iv) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"); and Permittee has conducted its businesses in compliance with the FCPA and has instituted and maintains policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, compliance therewith. PERMITTEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS SIGNATURE FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, RISKS, LIABILITIES AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COSTS) INCURRED BY SIGNATURE ARISING FROM OR RELATED TO ANY BREACH OF THE FOREGOING CERTIFICATIONS. These indemnity obligations shall survive the expiration or earlier termination of this Permit.

27. Brokers. The Parties acknowledge that no broker was in any way involved consummating this Permit and that no conversations or prior negotiations were had with any broker. The indemnities in Paragraph 24, above, shall be applicable to claims by any broker for a brokerage commission arising out of this Permit.

28. Notice. Any notice or demand required under this Permit may be by personal service, courier, recognized overnight delivery service, or United States mail (certified mail/postage prepaid only). Notices served by United States mail are deemed properly delivered effective the third (3rd) business day and personal service, courier service and recognized overnight delivery service are deemed served at the time and date of receipt confirmation provided that such notice is addressed to the Permittee as set forth in the Basic Provisions.

29. Default; Remedies.

a. It shall be considered a "Default" pursuant to this Permit if (i) Permittee fails to make, within fourteen (14) calendar days of the date due (the "Grace Period"), payments of Aggregate Rent or any other payment required herein; (ii) Permittee shall fail to perform any non-monetary covenant herein, and such default shall continue for a period of thirty (30) days or such period of time as otherwise specified in this Permit after receipt of written notice of the default from the non-defaulting Party, provided, however, that if such Default is not reasonably susceptible to cure within such thirty (30) day period, Permittee shall be permitted the reasonable additional time as may be required to pursue, through its best and most diligent efforts, the required corrective action, not to exceed an additional thirty (30) days (this subsection ii shall not apply to Permittee's failure to pay Aggregate Rent or to any Parties failure to comply with federal, state, local, or other law, statute, or regulation); (iii) Permittee shall cease to do business as a going concern; (iv) a petition is filed by or against Permittee under the Bankruptcy Act or any amendment thereto (including a petition for reorganization or an arrangement) or under any other debtor protection laws; (v) Permittee assigns its property for the benefit of creditors; (vi) Permittee assigns, transfers or encumbers this Permit without Signature's express and advance written authorization; or, (vii) there is a seizure of this Permit or the Space or any part thereof, upon execution or by other process of law directed against Permittee, or upon or subject to any creditor's attachment. The Grace Period referenced above with respect to monetary payments shall be revoked without further notice to Permittee in the event Permittee fails more than two (2) times to timely deliver any payment when due (regardless of cure) in any given consecutive twelve (12) month period.

b. In the event of any Default hereunder, Signature shall have the right to pursue any combination of the following remedies: (i) terminate this Permit; (ii) remove the Aircraft and other personal property from the Space and relocate the Aircraft to any location on the ramp upon termination and without notice and Permittee hereby waives any right or claim to recover damages from Signature relating to such towing, removal, and relocation or storage on the ramp; (iii) declare all Aggregate Rent and other amounts payable hereunder for the balance of the Term to be immediately due and payable; (iv) perform any of Permittee's obligations and Permittee shall reimburse Signature for any and all costs and expenses incurred, including attorneys' fees, plus an administrative fee equal to ten percent (10%) of such costs, with a minimum of \$100.00; (v) Signature may enter the Space and proceed to sell, in a commercially reasonable manner, all goods, chattels and personal property found to offset any portion of Aggregate Rent and outstanding additional payments and Permittee shall pay all costs and expenses incurred or chargeable to Signature as a result of such sale; (vi) Signature may, at Signature's sole option, alter or repair the Space as necessary in order to relet the entire or any part or parts of it either in Signature's name or otherwise on terms at Signature's option which may be less than or greater than the balance of Permittee's Term. No re-entry, alteration, repair or reletting shall be construed as Signature's election to terminate this Permit unless Signature has indicated otherwise. Permittee for Permittee's and Permittee's

successors and assigns hereby irrevocably constitutes and appoints Signature as its agent to collect the rents due and to become due under any of Permittee's permit for the Space (or any parts thereof) without in any way affecting Permittee's obligation to pay any unpaid balance of Aggregate Rent due or to become due hereunder. In addition to the foregoing, Signature is entitled to all rights and remedies available to it at law or equity.

c. If either Party institutes an action to enforce its rights under this Permit, the prevailing Party shall be reimbursed by the other Party for its reasonable attorneys' fees in addition to any other recoverable damages.

d. If Signature shall fail to perform or observe any covenant or requirement of this Permit, and such failure continues for a period of thirty (30) days following receipt of written notice from Permittee of such failure (provided that such time period shall be reasonably extended for so long as Signature diligently prosecutes such cure), Permittee shall have the right to terminate this Permit by written notice to Signature.

e. Permittee agrees that any amounts outstanding beyond any grace or cure period set forth in this Permit shall bear interest at the rate of one and one-half percent (1.5%) per month of the delinquent amount, but in no event shall the foregoing exceed the maximum amount allowable by applicable law.

30. **Independent Contractor.** The relationship between the Parties shall be that of independent contractors for all purposes and in no event shall persons employed or retained by either Party be employees or agents of the other.

31. **Force Majeure.** Except for the payment of Aggregate Rent and any other sums due hereunder by Permittee, neither Party shall be liable for its failure to perform under this Permit or for any loss, injury, damage or delay of any nature that is caused by any act of God, act of terrorism, act of nature, fire, flood, wind storm, strike, labor dispute, riot, insurrection, war or any other cause beyond either Party's control, providing, however, should the force majeure continue for more than sixty (60) days, either Party may terminate this Permit upon ten (10) days' written notice.

32. **Governing Law.** This Permit shall be construed, interpreted, and enforced in accordance with the laws of the state in which the Space is located.

33. **WAIVER OF JURY TRIAL.** THE PARTIES HEREBY WAIVE THEIR RIGHT TO TRIAL BY JURY.

34. **Assignment and Subletting.** Permittee shall have no right to assign, transfer, mortgage, pledge, hypothecate or encumber this Permit or any interest herein or sublet the Space or any part thereof, or permit the use of the Space by any other party without Signature's prior written consent which may be withheld in its sole discretion. Signature's written consent to such a transaction shall not be deemed a release of Permittee from the obligations of this Permit, unless otherwise stated in writing by Signature. Any such contemplated assignment or subletting may further be subject to advance, written approval by the Authority. The use of the Space by any aircraft other than the Aircraft defined above shall be subject to Signature's prior written approval, which may be withheld in its sole discretion. Any such transactions in violation of the foregoing requirement shall be considered null and void and shall constitute an immediate Default, for which no cure period is available; provided however that the obligations of Permittee hereunder shall remain in full force and effect, including but not limited to the insurance, waiver and indemnification provisions, notwithstanding such a transaction or change of aircraft.

35. **Fuel Purchases.** Unless Permittee occupies Office or Shop Space only, Permittee agrees to purchase reasonable and substantial quantities of fuel from Signature in connection with the operation of the Aircraft based or otherwise operated from the Space in exchange for Signature furnishing Permittee the use of Signature's general aviation terminal facilities and amenities, as well as furnishing other basic and customary Ancillary Services related to the Aircraft based or operated from the Space. Such fuel purchases constitute an integral part of the basis of bargain and material consideration for Signature to enter into this Permit at the rental rates set forth herein.

36. **Aircraft Towing.** Signature shall have the primary responsibility to tow Aircraft at the Airport as one of the Ancillary Services offered by Signature. The Permittee Group agrees not to undertake the towing/repositioning of the Aircraft, except in the event of an emergency. "Emergency" is defined as an unanticipated and sudden event in which the safety, security or integrity of an Aircraft or a person, or their property, is in imminent peril or jeopardy. Permittee shall indemnify, defend and hold harmless the Signature Group from and against any and all damages resulting from towing by Permittee.

37. **Time of Essence.** Time is of the essence in this Permit.

38. **Amendment.** No amendment, modification or alteration of the terms of this Permit shall be binding unless it is in writing and executed by both Parties.

39. **Entire Agreement.** All Exhibits attached hereto are fully incorporated into the terms and conditions of this Permit. This Permit constitutes the entire agreement and all prior correspondence, memoranda, negotiations, or understandings (written or oral) and are merged into and superseded by this Permit, excepting the Parties' joint and several obligations under the Master Lease. This Permit shall be interpreted simply according to the plain meaning of its terms and not strictly for or against with Party regardless of which Party drafted it.

40. **Severability.** If any authority with proper jurisdiction determines that any provision is illegal, unenforceable, or invalid in whole or in part for any reason, all valid and enforceable provisions remain unaffected.

41. **Applicability.** The provisions of Paragraph 22 and Paragraph 24 shall bind Permittee and Signature with respect claims, losses, and damages arising with respect to the Space and all additional services performed by Signature with respect to the Permittee Group and its property (including the Aircraft) throughout the Base and at any other fixed base operation owned, operated, managed or controlled by Signature.

42. **Election of Remedies.** The Parties' rights and remedies are cumulative and in addition to all other rights and remedies at law and equity. No action initiated by either Party shall be construed or interpreted as a sole election of remedies and will in no way diminish, restrict, prejudice or otherwise waive any other rights or remedies.

43. **Authority Consent Required.** Permittee acknowledges that, pursuant to the provisions of the Master Lease, Signature may be required to obtain Authority's written consent to this Permit, and accordingly, if applicable, the obligations, understandings and commitments of the Parties as set forth herein are expressly subject to obtaining such Authority consent.

44. **Estoppel Certificates.** Permittee shall, within fifteen (15) days after any written request from Signature, execute, acknowledge and deliver a statement certifying certain facts regarding this Permit, including but not limited to confirming the effectiveness of this Permit and the status of any defaults thereunder and/or such other matters as Signature may reasonably request. Any such statement may be relied upon by or as may be requested by Signature, its lenders, insurance carriers, auditors, and prospective purchasers. If Permittee shall fail to execute and return such statement within the time required herein, Permittee shall be deemed to have agreed with the matters set forth therein.

45. **Relocation.** Notwithstanding any provision of this Permit to the contrary, Signature shall have the right to temporarily relocate the Aircraft to reasonably similar space at the Base without prior notice to Permittee. Signature shall have the option to permanently relocate the Space upon thirty (30) days' prior written notice to Permittee and at Signature's sole cost and expense. In the event Permittee objects to such permanent relocation, Permittee may elect to terminate this Permit by written notice delivered to Signature within fifteen (15) days of receipt of the foregoing notice from Signature with such termination effective upon the thirtieth (30th) day following said notice from Signature. In addition to the foregoing, Signature shall have the right, but not the obligation, to relocate any Aircraft which is not airworthy from the Space to another portion of the Base in Signature's sole discretion.

46. **Non-Waiver.** No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Permit shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

47. **No Waste.** Permittee shall not commit any waste upon the Space, or any nuisance or act which may disturb the quiet enjoyment of any other tenant of the Base.

48. **Inclement Weather.** In the event of any inclement weather (each event, a "Storm") Permittee hereby requests that Signature continue to store the Aircraft in the Hangar Space during the period that the Storm may strike or adversely affect the Hangar Space. In consideration of such storage, and notwithstanding any other agreement, lease or license, whether verbal or in writing, to the contrary, Permittee confirms that Permittee assumes all risk that the Aircraft may be damaged or destroyed by the effects of the Storm while in storage in the Hangar Space. Signature makes no warranties or representations of any kind that the Aircraft can be protected from the effects of the Storm. Permittee agrees to indemnify, hold harmless, release and defend Signature and the Signature Group from any and all Damages arising out of any effects of a Storm. Permittee shall be solely responsible for any such losses or it will look solely to its insurance coverage. Permittee waives all rights of subrogation for itself and its insurance carriers.

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