

EXHIBIT B

CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 10/18/2012

Contract/Lease Control #: C10-1831-AP

Bid #: NA Contract/Lease Type: AGREEMENT

Award To/Lessee: TRANSPORTATION SECURITY CLEARINGHOUSE

Lessor/Owner: OKALOOSA COUNTY

Effective Date: 10/29/2010

Expiration Date: Indefinite BCC approved 10/2/2012

Description of Contract/Lease: PROVIDE CHRC AND STA SERVICES

Department Manager: AIRPORT

Department Monitor: G. DONOVAN

Monitor's Telephone #: 651-7160

Monitor's FAX # OR E-Mail: GDONOVAN@CO.OKALOOSA.FL.US

Date Closed: _____

Cc: Finance Dept Contracts & Grants Division

RECEIVED AUG 27 2012
FK

EXHIBIT D

CONTRACT & LEASE
INTERNAL COORDINATION SHEET

Contract/Lease Number: C10-183-AP Tracking Number: 470-12
 Contractor/Lessee Name: Transportation Security Clearinghouse
 Purpose: Provide CHRC + STA Services
 Date/Term: October 1, 2012 - Indefinite 1. GREATER THAN \$50,000
 Amount: \$25,000.00 2. GREATER THAN \$25,001
 Department: Airport 3. \$25,000 OR LESS
 Dept. Monitor Name: G. Donovan / J. Morris

Purchasing Review

Procurement requirements are met: [Signature] Date: 8/23/12
 Contracts & Lease Coordinator

needs E&O and GL coverage Risk Management Review
 Approved as written: [Signature] *not needed on further analysis by Gary Real jrm* Date: 8/29/12
 Risk Management Director

[Signature] County Attorney Review
 Approved as written: [Signature] *Need a termination provision. Sections 9.5 and 9.14 need to be changed to Florida*
 County Attorney *Changes made jrm* Date: 9/6/12

Following Okaloosa County approval:

Contract & Grant

Document has been received: _____ Date: _____
 Contracts & Grants Manager

**TRANSPORTATION SECURITY CLEARINGHOUSE SERVICES
AGREEMENT**

THIS TRANSPORTATION SECURITY CLEARINGHOUSE SERVICES AGREEMENT ("Agreement") is made and entered into as of October 1, 2012 (the "Effective Date") by and between (i) the American Association of Airport Executives' wholly owned and operated not-for-profit entity, the Transportation Security Clearinghouse ("TSC"), and (ii) Okaloosa County, a entity organized under the laws of the State of Florida (hereinafter referred to as "Airport"), who, intending to be legally bound, hereby agree as follows:

1. INTRODUCTION AND BACKGROUND

The TSC is a national clearinghouse for biometric checks performed pursuant to Transportation Security Administration (TSA) statutes and for biographical data collected and transmitted to the federal government per TSA mandate. The TSC is responsible for collecting and transmitting to TSA or another appropriate government agency fingerprints and biographical data from U.S. commercial airports, and for collecting and transferring to TSA payments for fingerprints from such airports. In addition, TSC serves as a point of contact to airports regarding fingerprinting and other vetting requirements and provides assistance, training, and support to airports.

Specifically, TSC's clearinghouse responsibilities includes mandated background investigations, including a fingerprint-based criminal history records check, biographical security threat assessment and a review of available law enforcement databases and records of other governmental agencies, of each individual employed in, or applying for, a position in which the individual: (1) has unescorted access, or may permit other individuals to have unescorted access, to aircraft of an air carrier or foreign air carrier or a secured or sterile area of an airport in the United States the TSA Administrator designates that serves an air carrier or foreign air carrier; (2) will be responsible for screening passengers or property to be carried aboard an aircraft; (3) is a supervisor of the individuals described in (2), above; (4) who exercises security-related functions associated with aircraft, or perform their duties in sensitive areas of the aviation system, as the TSA Administrator determines is necessary to ensure air transportation security; and (5) airport operator employee or agent known as a trusted agent who collects information from applicants and current airport identification media holders used in the CHRC and STA, transmits the information to the TSC, authorizes the issuance of identification media, or issues the identification media.

Over the last seven years, since becoming a national clearinghouse, TSC has added several generations of new system functionality, quality processes and record update capabilities to meet evolving TSA requirements and varied airport needs. Chief among these additional services is the processing and maintenance of individual worker STA records, which includes related record status updates and real time compliance with TSA requirements and system-wide development, quality assurance, secure record storage, maintenance and customer service.

**CONTRACT #C10-1831-AP
TRANSPORTATION SECURITY CLEARINGHOUSE
PROVIDE CHRC & STA SERVICES
EXPIRES: INDEFINITE**

2. CLEARINGHOUSE SERVICES

2.1 Services. In accordance with the terms of this Agreement, TSC shall provide the following services to Airport.

In consideration of the fees paid pursuant to Section 3 below, the TSC will conduct Criminal History Record Checks (CHRC) and Security Threat Assessments (STA). The TSC service obligations include:

- Collecting the Airport's aviation worker fingerprints, biographical data and required payments for processing the background investigations and immediately forwarding each fingerprint to TSA or another appropriate Federal agency for processing, using electronic means to transmit electronic prints.
- Digitizing inked fingerprint card submissions and forwarding them electronically. TSC takes all necessary steps required to ensure that the fingerprints are not altered in any way from their original condition.
- Utilizing TSC's fingerprint tracking process, which allows for accurate fingerprint submission status at any point in the background check process.
- Performing "real-time" processing to transmit fingerprints to the federal system.
- Providing quality assurance and error corrections, when possible, allowing for the maintenance of one of the best error rates in the U.S. for submissions to the FBI.
- Providing superior customer support to Airport for questions regarding TSC services and coordinating the resolution of Airport problems regarding TSA technical and procedural issues.
- Ensure that the Airport data transmitted to TSA is secured in accordance with the Federal Information Security Management Act (FISMA), DHS 4300a controls, and appropriate DHS and TSA security policies.
- Ensure that processes are in strict accordance with TSA and FBI regulations and guidance and TSC maintains the highest standards for privacy of the employee information.

In addition to the services outlined above, the Airport has chosen to take advantage of TSC's Automated Integration Services, in particular "Web Enroll." Web Enroll enables airport operators to enter applicant and badge holder data directly to the TSC website, allowing the TSC to act as a system of record for the airport operator. The TSC's Web Enroll Services assist the airport with ensuring Security Threat Assessment (STA) data is accurately submitted directly into the TSC STA processing system, ensuring the accurate and timely processing of all submitted STA data. By entering the STA data directly into the TSC STA system with the Web Enroll interface, the need to constantly create, modify, and upload excel spreadsheets is eliminated.

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2.2 Service Levels. TSC shall be required to meet the TSA standards set for the aviation worker vetting program. In the event of any subsequent, material modifications or additions to the standards or other applicable law which have a material adverse effect on the services, the parties shall promptly negotiate in good faith for the purpose of making appropriate adjustments to this Agreement.

2.3 Airport Obligations. Airport agrees to use the TSC as a national clearinghouse for the aviation worker vetting programs outlined above for the term of the agreement and so long as the TSC is accepted as a clearinghouse by TSA and is not in material default of this Agreement. Airport shall perform all obligations required to support TSC in performing the services, including, but not limited to: (a) Enter applicant data directly into the TSC website without the use of spreadsheets; (b) delivering to TSC formatted data, associated supporting documentation, and certification, as required by TSA; (c) establishing and maintaining in good working order appropriate capability to support secure and reliable communications with TSC; and (d) providing TSC with complete and accurate documents and biometric data, in a form and format that is reasonably acceptable to TSC, for each aviation worker program applicant.

3. FEES

3.1 Fee Payment. In full payment for the services to be provided, Airport shall pay the fees set forth in this Section 3 at the times and in the manner set forth herein. TSC reserves the right to adjust the following fees in case of a material change in the CHRC and STA programs including a price adjustment for the CHRC or STA by TSA or other government entity.

3.2 Enrollment & Renewal Fee. Airport shall pay TSC Twenty Eight Dollars (\$28.00) for a complete initial aviation worker vetting enrollment. Enrollments that require only a CHRC or STA will be discounted accordingly. For example, individuals that require CHRC checks only will be charged Twenty Five Dollars (\$25.00). Individuals that do not require CHRC checks and only require biographical name-based checks will be charged Three Dollars (\$3.00). In addition, Airport will be charged a Three Dollar (\$3.00) recurrent fee one year and three (3) business days after the initial vet date.

Airport has opted to take advantage of the TSC's Automated Integration Services, in particular "Web Enroll". As a result, the Airport will only be charged a One Dollar (\$1.00) recurrent fee in 2012.

3.3 Scanning Fee. The above charges do not reflect the Two Dollar (\$2.00) scanning fee per card for inked card submissions.

3.4 Payment Procedures. Airport shall establish and maintain a deposit account on which TSC shall have the limited authority to debit the fees set forth in Sections 3.2, 3.3, and 3.4 for each of Airport's enrollments. Airport shall retain full ownership of the deposit account and shall replenish such account balance periodically as needed. TSC shall notify Airport immediately at any time that there is an unavailability

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of funds in Airport's deposit account. Airport's deposit account can be replenished by ACH, wire transfer, check or credit card. TSC will debit the Airport's deposit account for any ACH or electronic transfer fees incurred prior to releasing the funds for processing records.

3.5 Invoicing. The Airport's account will be debited through an automated system. However, for the purposes of corrections or other administrative purposes where an individual will be required to have access to the account, TSC shall designate a qualified TSC official, and alternate, with accounting responsibilities to have access to the deposit account.

TSC shall provide to the Airport the ability to view basic financial information on the TSC website through the Financial Information link. This information can be sorted and searched by the airport to provide an invoice itemizing with reasonable specificity the debits made by TSC during the prior month. In the event Airport disputes any items, the parties shall work in good faith to resolve such disputes and make any necessary refunds and credits.

4. TERM AND TERMINATION

4.1 Term. The term of this Agreement shall be effective October 1, 2012; and, unless earlier terminated by either party without fault by giving 30 days written notice, or pursuant to Section 4.2 or 4.3, it shall continue indefinitely.

4.2 Termination for Default. This Agreement may be terminated by either party in the event that the other party has not performed any material obligation or has otherwise breached any material term of this Agreement upon the expiration of thirty (30) days (or any longer cure period authorized by the non-breaching party with respect to any individual breach) after receipt of written notice thereof if the breach or nonperformance has not then been cured.

4.3 Action upon Termination. Upon expiration or earlier termination of the Agreement, TSC shall provide to Airport a final accounting, including but not limited to, all uninvoiced amounts.

5. REPRESENTATIONS AND WARRANTIES

5.1 By TSC. TSC hereby represents and warrants to Airport as follows:

a. Authorization and Binding Obligation. TSC has full corporate power and authority to enter into, deliver and perform fully its obligations under this Agreement. This Agreement has been fully executed and delivered by TSC, and constitutes the legal, valid and binding obligation of TSC, enforceable against it in accordance with its terms.

b. No Conflict. The execution, delivery and performance by TSC of its obligations under this Agreement do not knowingly conflict with, result in a breach of or require any consent under the charter or bylaws of TSC or any applicable law or

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regulation, any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which TSC is a party or by which it is bound or to which it subject, or constitute a default under such agreement or instrument.

5.2 By Airport. Airport hereby represents and warrants to TSC as follows:

a. Authorization and Binding Obligation. Airport has full corporate power and authority to enter into, deliver and perform fully its obligations under this Agreement. This Agreement has been duly executed and delivered by Airport and constitutes the legal, valid and binding obligation thereof, enforceable against Airport in accordance with its terms.

b. No Conflict. The execution, delivery and performance by Airport of its obligations under this Agreement do not conflict with, result in a breach of or require any consent under, the charter or bylaws of Airport or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which Airport is a party, or by which it is bound or to which it is subject, or constitute a default under any such agreement or instrument.

6. CONFIDENTIALITY AND PRIVACY

6.1 Confidentiality. Each party agrees that all proprietary or confidential information disclosed by the other party in connection with this Agreement shall be protected from risk of disclosure to others with the same degree of care that the receiving party accords to its own confidential or proprietary information.

7. INTELLECTUAL PROPERTY RIGHTS

7.1 TSC and Airport acknowledge that both parties and/or third parties retain all right, title and interest under applicable contractual, copyright, intellectual property, and related laws to their previously owned, developed or obtained intellectual property and any enhancements and modifications to same and in the databases and information contained therein used to provide either party's products or services hereunder, and the parties shall use such materials consistent with such right, title and interest and notify the applicable party of any threatened or actual infringement thereof.

7.2 The TSC retains all its previously owned, developed or obtained intellectual property. The Airport shall use TSC's intellectual property with such rights as necessary to perform the functions of TSC's Automated Integration Services, and notify the TSC of any threatened or actual infringement thereof.

7.3 In the event that development work is undertaken under this contract by TSC, which specifically excludes all previously owned, developed or obtained intellectual property, then any such developed items shall be owned by TSC.

7.4 Airport shall not, except as required by applicable law (and then only to that extent):

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- Reverse engineer, translate, disassemble, decompile the whole or any part of the TSC's service offering, solution or proprietary assets or otherwise attempt to access same;
- Assign, transfer, sell, license, sub-license, lease, rent, charge or otherwise deal in or encumber the proprietary material of TSC or use the proprietary material of TSC on behalf of or for the benefit of any third party, or make available the same in any way whatsoever to any third party without TSC's prior written consent in a fashion contrary to the terms of this Agreement;
- Distribute, create derivative works of or modify proprietary material of TSC in anyway, nor create or develop a competitive or similar offering to that of TSC, nor use, copy, duplicate or display the proprietary material of TSC on a commercial or development basis except as expressly provided under an agreement.

Unless and until the Airport is released by an authorized representative of the TSC, the conditions and obligations of this Agreement will apply during the work of TSC's Automated Integration Services and at all times thereafter.

8. DATA PROTECTION

TSC is dedicated to protecting the Airport provided data, including biometric and biographic information and providing the Airport with the highest level of service.

Airport provided data, which includes personal information sent to us, is not disclosed, made available or otherwise used for any purposes other than for those purposes of completing fingerprint-based criminal history records checks and security threat assessments as prescribed by federal regulation or other forms of government mandate or requests or as mutually agreed upon by Airport and TSC. Fingerprint and biographical information can be used for other purposes only with the data provider's express permission or as required to comply with applicable laws.

TSC does not provide the Airport provided information to companies outside TSC and TSC agents and subcontractors, except as required by law. The confidentiality of Airport information is an important part of our operations and a standard business practice.

9. MISCELLANEOUS

9.1 Relationship. This Agreement does not create any partnership, joint venture, franchisor-franchisee or employer-employee relationship between the parties hereto. Neither party hereto is granted any express or implied right or authority to bind the other party hereto in any manner whatsoever.

9.2 No Third Party Beneficiaries. There are no third-party beneficiaries entitled to enforce any provisions of this Agreement.

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9.3 Entire Agreement. This Agreement, together with the Exhibits attached hereto, contains the entire agreement and understanding of the parties hereto with respect to the matters herein set forth, and all prior agreements, negotiations and understandings relating to the subject matter of this Agreement are merged herein and are superseded and canceled by this Agreement.

9.4 Amendment. This Agreement may not be modified except in writing, signed by both of the parties hereto.

9.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without giving effect to conflicts of law principles thereof.

9.6 Notices. All communications between the parties with respect to any of the provisions of this Agreement shall be in writing, and shall be sent by personal delivery or airmail, facsimile transmission, or other commercial means of rapid delivery, postage or costs of transmission and delivery prepaid, to:

If to TSC, to:

Transportation Security Clearinghouse
601 Madison Street
Alexandria, VA 22314
Attn: Carter Morris
Tel.: (703) 824-0500
Fax: (703) 820-1395

If to Airport:

Northwest Florida Regional Airport
1701 State Road 85 North
Eglin AFB, FL 32542-1498
Attn: Greg Donovan
Tel: (850) 651-7160 ext. 4
Fax: (850) 651-7164

or at such other address, such other person's attention, or such other facsimile number, as shall be specified by like notice.

9.7 Severability. In the event that any provision of this Agreement is declared by a court of competent jurisdiction or arbitration tribunal to be void or unenforceable, the parties hereto expressly agree that such void or unenforceable provision shall be deemed severed from this Agreement, and the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect to the extent feasible in the absence of the void and unenforceable provision. The parties furthermore agree to execute and deliver such amendatory contractual provisions to accomplish lawfully as nearly possible the goals and purposes of the provision so held to be void or unenforceable.

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9.8 Waiver. Any party may waive compliance by the other party with any of the provisions of this Agreement. No waiver of any provision shall be construed as a waiver of any other provision or the same provision in a subsequent instance. Any waiver must be in writing.

9.9 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. No assignment of this Agreement or of any contractual rights or obligations hereunder may be made by either party (by operation of law or otherwise) without the prior written consent of the other party hereto, which shall not be unreasonably withheld, and any attempted assignment without the required consent shall be null and void; provided, however, that no such consent shall be required for Airport to assign its rights and obligations hereunder to, directly or indirectly to a subsidiary or affiliate of Airport.

9.10 Cooperation. Each party hereto shall take all such steps and measures as may be requested by the other party hereto in order to effectuate the purposes of this Agreement.

9.11 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

9.12 Headings. The section headings and other descriptions contained in this Agreement are for reference purposes only and shall not affect any way the meaning or interpretation of this Agreement.

9.13 Further Assurances. Each party hereto shall do and perform or cause to be done and performed all further acts and things and shall execute and deliver all such other certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

9.14 Dispute Resolution. The parties shall make good faith efforts to first resolve internally any dispute under this Agreement by escalating it to higher levels of management. Any dispute, controversy, or claim arising out of, relating to, involving, or having any connection with this Agreement, including any question regarding the validity, interpretation, scope, performance, or enforceability of this dispute resolution provision, shall be exclusively and finally settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA") and the AAA Optional Procedures for Large, Complex Commercial Disputes. Any arbitration will be conducted on an individual, rather than a class-wide, basis. The arbitration shall be conducted in the State of Florida, unless the parties agree on another location, by three arbitrators, with each party selecting one arbitrator and the third selected by the AAA. The parties shall be entitled to engage in reasonable discovery, including requests for production of relevant non-privileged documents. Depositions and interrogatories may be ordered by the arbitral panel upon a showing of need. All decisions, rulings, and awards of the arbitral panel shall be made pursuant to majority vote of the three

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arbitrators. The award shall be in accordance with the applicable law, shall be in writing, and shall state the reasons upon which it is based. The arbitrators shall have no power to modify or abridge the terms of this Agreement.

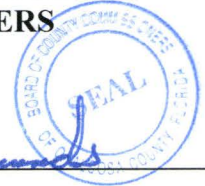
IN WITNESS WHEREOF, this Agreement has been duly executed by or on behalf of each of the parties hereto as of the date first above written.

**TRANSPORATION SECURITY
CLEARINGHOUSE (TSC)**

**OKALOOSA COUNTY BOARD OF
COUNTY COMMISSIONERS**

By: *Carter Morris*
Name: *Carter Morris*
Title: *SVP*
Date: *9/17/12*

By: *Don R. Amunds*
Name: Don R. Amunds
Title: Chairman
Date: *10-2-12*



9/14/10

Jon Morris,
Coordination Complete!

EXHIBIT D

**CONTRACT & LEASE
INTERNAL COORDINATION SHEET**

Contract/Lease Number: _____ Tracking Number: 205-10
 Contractor/Lessee Name: Transportation Security Clearinghouse Services (TSC)
 Purpose: National Biomatrix Checking Security
 Date/Term: 2 years 1. GREATER THAN \$50,000
 Amount: _____ 2. GREATER THAN \$25,001
 Department: Airport 3. \$25,000 OR LESS
 Dept. Monitor Name: G. Donovan

Purchasing Review

Procurement requirements are met:
 _____ Date: 9/8/10
 Contracts & Lease Coordinator

Risk Management Review

Approved as written:
 _____ Date: 9/9/10
 Risk Management Director

County Attorney Review

Approved as written:
 _____ Date: 9/14/10
 County Attorney

Following Okaloosa County approval:

Contract & Grant

Document has been received:
 _____ Date: _____
 Contracts & Grants Manager

**BOARD OF COUNTY COMMISSIONERS
AGENDA REQUEST**

DATE: October 19, 2010
TO: Honorable Chairman & Members of the Board
FROM: Greg Donovan, Airports Director
SUBJECT: *Transportation Security Clearinghouse (TSC)
Services Agreement*
DISTRICT: All

REQUESTING DEPT: Airports

STATEMENT OF ISSUE: The BCC is requested to approve an agreement with the Transportation Security Clearinghouse for background investigation services for Airport personnel.

BACKGROUND: The TSC is a national clearinghouse for obtaining clearances for personnel based on fingerprints submitted to the FBI. The BCC approved a non-disclosure agreement with the TSC on June 15, 2010. The attached agreement is the complete agreement that specifies the services to be performed and the fee structure. The initial term is for 24 months. It is interesting to note that the TSC is operated by the American Association of Airport Executives and has dramatically reduced the processing time from 52 days to four (4) hours. It has been so successful at using technology that it has actually reduced the cost per background investigation from over \$35 to about \$30 each.

OPTIONS: Approve, Reject or Table

RECOMMENDATION: Approve the TSC agreement for background investigation services.

RECOMMENDED BY:



Greg Donovan, Airports Director

APPROVED BY:



James D. Curry, County Administrator

TRANSPORTATION SECURITY CLEARINGHOUSE SERVICES AGREEMENT

THIS TRANSPORTATION SECURITY CLEARINGHOUSE SERVICES AGREEMENT ("Agreement") is made and entered into as of 10/29, 2010 (the "Effective Date") by and between (i) the American Association of Airport Executives' wholly owned and operated not-for-profit entity, the Transportation Security Clearinghouse ("TSC"), and (ii) Okaloosa County, a political subdivision of the State of Florida ("County or Airport"), who, owns and operates Northwest Florida Regional Airport (VPS), and intending to be legally bound, hereby agree as follows:

1. INTRODUCTION AND BACKGROUND

The TSC is a national clearinghouse for biometric checks performed pursuant to Transportation Security Administration (TSA) statutes and for biographical data collected and transmitted to the federal government per TSA mandate. The TSC is responsible for collecting and transmitting to TSA or another appropriate government agency fingerprints and biographical data from U.S. commercial airports, and for collecting and transferring to TSA payments for fingerprints from such airports. In addition, TSC serves as a point of contact to airports regarding fingerprinting and other vetting requirements and provides assistance, training, and support to airports.

Specifically, TSC's clearinghouse responsibilities includes mandated background investigations, including a fingerprint-based criminal history records check, biographical security threat assessment and a review of available law enforcement databases and records of other governmental agencies, of each individual employed in, or applying for, a position in which the individual: (1) has unescorted access, or may permit other individuals to have unescorted access, to aircraft of an air carrier or foreign air carrier or a secured or sterile area of an airport in the United States the TSA Administrator designates that serves an air carrier or foreign air carrier; (2) will be responsible for screening passengers or property to be carried aboard an aircraft; (3) is a supervisor of the individuals described in (2), above; (4) who exercises security-related functions associated with aircraft, or perform their duties in sensitive areas of the aviation system, as the TSA Administrator determines is necessary to ensure air transportation security; and (5) airport operator employee or agent known as a trusted agent who collects information from applicants and current airport identification media holders used in the CHRC and STA, transmits the information to the TSC, authorizes the issuance of identification media, or issues the identification media.

Over the last seven years, since becoming a national clearinghouse, TSC has added several generations of new system functionality, quality processes and record update capabilities to meet evolving TSA requirements and varied airport needs. Chief among these additional services is the processing and maintenance of individual worker STA records, which includes related record status updates and real time compliance with TSA requirements and system-wide development, quality assurance, secure record storage, maintenance and customer service.

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2.1 Services. In accordance with the terms of this Agreement, TSC shall provide the following services to Airport.

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- Utilizing TSC's fingerprint tracking process, which allows for accurate fingerprint submission status at any point in the background check process.
- Performing "real-time" processing to transmit fingerprints to the federal system.
- Providing quality assurance and error corrections, when possible, allowing for the maintenance of one of the best error rates in the U.S. for submissions to the FBI.
- Providing superior customer support to Airport for questions regarding TSC services and coordinating the resolution of Airport problems regarding TSA technical and procedural issues.
- Ensure that the Airport data transmitted to TSA is secured in accordance with the Federal Information Security Management Act (FISMA), DHS 4300a controls, and appropriate DHS and TSA security policies.
- Ensure that processes are in strict accordance with TSA and FBI regulations and guidance and TSC maintains the highest standards for privacy of the employee information.

In addition to the services outlined above, the Airport has chosen to take advantage of TSC's Automated Integration Services, in particular "Web Enroll". Web Enroll enables airport operators to enter applicant and badge holder data directly to the TSC website, allowing the TSC to act as a system of record for the airport operator. The TSC's Web Enroll Services assist the airport with ensuring Security Threat Assessment (STA) data is accurately submitted directly into the TSC STA processing system, ensuring the accurate and timely processing of all submitted STA data. By entering the STA data directly into the TSC STA system with the Web Enroll interface, the need to constantly create, modify, and upload excel spreadsheets is eliminated.

2.2 Service Levels. TSC shall be required to meet the TSA standards set for the aviation worker vetting program. In the event of any subsequent, material modifications or additions to the standards or other applicable law which have a material adverse effect on the services, the parties shall promptly negotiate in good faith for the purpose of making appropriate adjustments to this Agreement.

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3. FEES

3.1 Fee Payment. In full payment for the services to be provided, Airport shall pay the fees set forth in this Section 3 at the times and in the manner set forth herein. TSC reserves the right to adjust the following fees in case of a material change in the CHRC and STA programs including a price adjustment for the CHRC or STA by TSA or other government entity.

3.2 Enrollment & Renewal Fee. Airport shall pay TSC Thirty Dollars (\$30.00) for a complete initial aviation worker vetting enrollment. Enrollments that require only a CHRC or STA will be discounted accordingly. For example, individuals that require CHRC checks only will be charged Twenty Seven Dollars (\$27.00). Individuals that do not require CHRC checks and only require biographical name-based checks will be charged Three Dollars (\$3.00). In addition, Airport will be charged a Three Dollar (\$3.00) recurrent fee three (3) business days after the initial vet date.

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of funds in Airport's deposit account. Airport's deposit account can be replenished by ACH, wire transfer, check or credit card. TSC will debit the Airport's deposit account for any ACH or electronic transfer fees incurred prior to releasing the funds for processing records.

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TSC shall provide to Airport, no later than the fifteenth (15th) day of each month, an invoice itemizing with reasonable specificity the debits made by TSC during the prior month. Airport shall have a period of twenty (20) days to reconcile the provided invoice to Airport's records and dispute any items thereon. In the event Airport disputes any items during such time period, the parties shall work in good faith to resolve such dispute and make any necessary refunds and credits.

4. TERM AND TERMINATION

4.1 Term. The term of this Agreement shall be effective from the date of signature and unless earlier terminated pursuant to Section 4.2 or 4.3, it shall continue for an initial term of twenty-four (24) months.

4.2 Termination for Default. This Agreement may be terminated by either party in the event that the other party has not performed any material obligation or has otherwise breached any material term of this Agreement upon the expiration of thirty (30) days (or any longer cure period authorized by the non-breaching party with respect to any individual breach) after receipt of written notice thereof if the breach or nonperformance has not then been cured.

4.3 Action upon Termination. Upon expiration or earlier termination of the Agreement, TSC shall provide to Airport a final accounting, including but not limited to, all uninvoiced amounts.

5. REPRESENTATIONS AND WARRANTIES

5.1 By TSC. TSC hereby represents and warrants to Airport as follows:

a. Authorization and Binding Obligation. TSC has full corporate power and authority to enter into, deliver and perform fully its obligations under this Agreement. This Agreement has been fully executed and delivered by TSC, and constitutes the legal, valid and binding obligation of TSC, enforceable against it in accordance with its terms.

b. No Conflict. The execution, delivery and performance by TSC of its obligations under this Agreement do not knowingly conflict with, result in a breach of or require any consent under the charter or bylaws of TSC or any applicable law or

regulation, any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which TSC is a party or by which it is bound or to which it subject, or constitute a default under such agreement or instrument.

5.2 By Airport. Airport hereby represents and warrants to TSC as follows:

a. Authorization and Binding Obligation. County has full power and authority to enter into, deliver and perform fully its obligations under this Agreement. This Agreement has been duly executed and delivered by County and constitutes the legal, valid and binding obligation thereof, enforceable against County in accordance with its terms.

b. No Conflict. The execution, delivery and performance by County of its obligations under this Agreement do not conflict with, result in a breach of or require any consent under, the charter or bylaws of Airport or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which Airport is a party, or by which it is bound or to which it is subject, or constitute a default under any such agreement or instrument.

6. CONFIDENTIALITY AND PRIVACY

6.1 Confidentiality. Each party agrees that all proprietary or confidential information disclosed by the other party in connection with this Agreement shall be protected from risk of disclosure to others with the same degree of care that the receiving party accords to its own confidential or proprietary information.

7. INTELLECTUAL PROPERTY RIGHTS

7.1 TSC and Airport acknowledge that both parties and/or third parties retain all right, title and interest under applicable contractual, copyright, intellectual property, and related laws to their previously owned, developed or obtained intellectual property and any enhancements and modifications to same and in the databases and information contained therein used to provide either party's products or services hereunder, and the parties shall use such materials consistent with such right, title and interest and notify the applicable party of any threatened or actual infringement thereof.

7.2 The TSC retains all its previously owned, developed or obtained intellectual property. The Airport shall use TSC's intellectual property with such rights as necessary to perform the functions of TSC's Automated Integration Services, and notify the TSC of any threatened or actual infringement thereof.

7.3 In the event that development work is undertaken under this contract by TSC, which specifically excludes all previously owned, developed or obtained intellectual property, then any such developed items shall be owned by TSC.

7.4 Airport shall not, except as required by applicable law (and then only to that extent):

- Reverse engineer, translate, disassemble, decompile the whole or any part of the TSC's service offering, solution or proprietary assets or otherwise attempt to access same;
- Assign, transfer, sell, license, sub-license, lease, rent, charge or otherwise deal in or encumber the proprietary material of TSC or use the proprietary material of TSC on behalf of or for the benefit of any third party, or make available the same in any way whatsoever to any third party without TSC's prior written consent in a fashion contrary to the terms of this Agreement;
- Distribute, create derivative works of or modify proprietary material of TSC in anyway, nor create or develop a competitive or similar offering to that of TSC, nor use, copy, duplicate or display the proprietary material of TSC on a commercial or development basis except as expressly provided under an agreement.

Unless and until the Airport is released by an authorized representative of the TSC, the conditions and obligations of this Agreement will apply during the work of TSC's Automated Integration Services and at all times thereafter.

8. DATA PROTECTION

TSC is dedicated to protecting the Airport provided data, including biometric and biographic information and providing the Airport with the highest level of service.

Airport provided data, which includes personal information sent to TSC, is not disclosed, made available or otherwise used for any purposes other than for those purposes of completing fingerprint-based criminal history records checks and security threat assessments as prescribed by federal regulation or other forms of government mandate or requests or as mutually agreed upon by Airport and TSC. Fingerprint and biographical information can be used for other purposes only with the data provider's express permission or as required to comply with applicable laws.

TSC does not provide the Airport provided information to companies outside TSC and TSC agents and subcontractors, except as required by law. The confidentiality of Airport information is an important part of TSC operations and a standard business practice.

9. MISCELLANEOUS

9.1 Relationship. This Agreement does not create any partnership, joint venture, franchisor-franchisee or employer-employee relationship between the parties hereto. Neither party hereto is granted any express or implied right or authority to bind the other party hereto in any manner whatsoever.

9.2 No Third Party Beneficiaries. There are no third-party beneficiaries entitled to enforce any provisions of this Agreement.

9.3 Entire Agreement. This Agreement, together with the Exhibits attached hereto, contains the entire agreement and understanding of the parties hereto with respect to the matters herein set forth, and all prior agreements, negotiations and understandings relating to the subject matter of this Agreement are merged herein and are superseded and canceled by this Agreement.

9.4 Amendment. This Agreement may not be modified except in writing, signed by both of the parties hereto.

9.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without giving effect to conflicts of law principles thereof.

9.6 Notices. All communications between the parties with respect to any of the provisions of this Agreement shall be in writing, and shall be sent by personal delivery or airmail, facsimile transmission, or other commercial means of rapid delivery, postage or costs of transmission and delivery prepaid, to:

If to TSC, to:
Transportation Security Clearinghouse
601 Madison Street
Alexandria, VA 22314
Attn: Carter Morris
Tel.: (703) 824-0500
Fax: (703) 820-1395

If to Airport:

Northwest Florida Regional Airport
1701 SR 85 N
Eglin AFB, FL 32542

Attn: Greg Donovan
Tel: (850)651-7160
Fax: (850)651-7164

or at such other address, such other person's attention, or such other facsimile number, as shall be specified by like notice.

9.7 Severability. In the event that any provision of this Agreement is declared by a court of competent jurisdiction or arbitration tribunal to be void or unenforceable, the parties hereto expressly agree that such void or unenforceable provision shall be deemed severed from this Agreement, and the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect to the extent feasible in the absence of the void and unenforceable provision. The parties furthermore agree to execute and deliver such amendatory contractual provisions to accomplish lawfully as nearly possible the goals and purposes of the provision so held to be void or unenforceable.

9.8 Waiver. Any party may waive compliance by the other party with any of the provisions of this Agreement. No waiver of any provision shall be construed as a waiver of any other provision or the same provision in a subsequent instance. Any waiver must be in writing.

9.9 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. No assignment of this Agreement or of any contractual rights or obligations hereunder may be made by either party (by operation of law or otherwise) without the prior written consent of the other party hereto, which shall not be unreasonably withheld, and any attempted assignment without the required consent shall be null and void; provided, however, that no such consent shall be required for Airport to assign its rights and obligations hereunder to, directly or indirectly to a subsidiary or affiliate of Airport.

9.10 Cooperation. Each party hereto shall take all such steps and measures as may be requested by the other party hereto in order to effectuate the purposes of this Agreement.

9.11 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

9.12 Headings. The section headings and other descriptions contained in this Agreement are for reference purposes only and shall not affect any way the meaning or interpretation of this Agreement.

9.13 Further Assurances. Each party hereto shall do and perform or cause to be done and performed all further acts and things and shall execute and deliver all such other certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

9.14 Dispute Resolution. The parties shall make good faith efforts to first resolve internally any dispute under this Agreement by escalating it to higher levels of management. Any dispute, controversy, or claim arising out of, relating to, involving, or having any connection with this Agreement, including any question regarding the validity, interpretation, scope, performance, or enforceability of this dispute resolution provision, shall be exclusively and finally settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) and the AAA Optional Procedures for Large, Complex Commercial Disputes. Any arbitration will be conducted on an individual, rather than a class-wide, basis. The arbitration shall be conducted in the Commonwealth of Virginia, unless the parties agree on another location, by three arbitrators, with each party selecting one arbitrator and the third selected by the AAA. The parties shall be entitled to engage in reasonable discovery, including requests for production of relevant non-privileged documents. Depositions and interrogatories may be ordered by the arbitral panel upon a showing of need. All decisions, rulings, and awards of the arbitral panel shall be made pursuant to majority

vote of the three arbitrators. The award shall be in accordance with the applicable law, shall be in writing, and shall state the reasons upon which it is based. The arbitrators shall have no power to modify or abridge the terms of this Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed by or on behalf of each of the parties hereto as of the date first above written.

**TRANSPORATION SECURITY
CLEARINGHOUSE (TSC)**

**OKALOOSA COUNTY BOARD OF
COUNTY COMMISSIONERS for
Northwest Florida Regional Airport**

By: *Carter Morris*
Name: *Carter Morris*
Title: *SVP*
Date: *10/29/10*

By: *Wayne Harris*
Name: *Wayne Harris*
Title: *Chairman*
Date: *10-21-10*

