

## **HISTORICAL BACKGROUND**

On October 26, 2004 (Item No. 39), the Board approved three (3) new Lease Agreements between Broward County and Sheltair (Leases) for development of facilities at FLL. The terms of the approved Leases required that Sheltair satisfy the existing leasehold mortgage within 180 calendar days of the Board approval (May 8, 2005). The Initial Parcels for the Leases include the Westside properties, Fuel Farm facility and Northside property. The effective lease term is thirty (30) years, with a ten (10) year lease option, subject to Board approval. The Leases require a capital investment of \$40 million.

On April 26, 2005 (Item No. 60), the Board approved Amendments No. 1 extending the effective date of the Westside Lease and the Fueling Facility Lease to September 30, 2005, and extending the May 8, 2005, deadline date for Sheltair to satisfy the existing leasehold mortgage to September 30, 2005.

On September 27, 2005, (Item No. 78 A,B,C,D,E,F,G and H), the Board approved the following:

- Consent to Assignment of the Northside property from Sheltair to Sheltair Aviation Northside, LLC;
- Amendments No. 2, amending the existing leases (Westside, Fueling Facility and Northside properties) to remove cross default language for the Northside property and provide for adjusting the capital expenditure requirement from \$40 million to \$32 million for the Westside and Fuel Farm properties, and \$8 million for the Northside property;
- Consent to Third Party Financing Agreement and Estoppel between Broward County, Sheltair Aviation Center, LLC, Fort Lauderdale Jet Center, LLC, and Bank of America, N.A., for satisfying the existing leasehold mortgage or approximately \$7.6 million, collateral assignment of Leases and other security documents encumbering Sheltair's interest in the Agreement of Lease for the Westside properties and the financing for the \$32 million capital investment for the Westside property;
- Consent to Leasehold Mortgage, Financing Documents and Estoppel between Broward County, Sheltair Aviation Northside, LLC, and City National Bank of Florida, N.A., for a leasehold mortgage, collateral assignment of Leases and other security documents encumbering Sheltair Northside's interest in the Agreement of Lease for the Northside property; and
- Extension of the September 30, 2005 deadline date until October 31, 2005 for Sheltair to complete their financing arrangements and to file the necessary documents to satisfy the existing leasehold mortgage requirements and extended the date.

On October 10, 2006 (Agenda Item No. 56), the Board approved Amendments No. 3 amending the Fueling Facility and Westside Leases extending the termination date of the Westside Lease and the Fueling Facility Lease to September 30, 2036, and certain

other time periods and dates in the existing leases, due to the uncertainty surrounding the potential runway or runway extension at FLL.

On September 11, 2007 (Item No. 71), the Board approved Amendments No. 4 to extend the termination dates for the Fueling Facility and Westside Leases to September 30, 2037, and certain other time periods and dates in the existing leases, due to the uncertainty surrounding the potential runway or runway extension at FLL.

On September 16, 2008 (Item No. 30 A,B and C), the Board approved Amendment No. 3 to the Northside Lease eliminating Section 34(a) regarding early termination; Amendment No. 5 to the Fueling Facility Lease extending construction completion deadlines and expiration dates by one year; and Amendment No. 5 to the Westside Lease extending certain time periods and dates in the Agreement, extending time periods for Additional Rent for Extended Reversion, imposing an interest rate of five percent (5%) on the reversion amount beginning October 1, 2008, and revising parcel sizes and adjusting property lines accordingly.

On August 31, 2009, the Director of Aviation approved Amendment No. 6 to the Westside Lease accepting the survey for the Westside Expansion Parcel and adjusting the square footage and rent accordingly.

On September 22, 2009 (Item No. 74), the Board approved Amendment No. 7 to the Westside Lease establishing time periods for payments of Additional Rent for Extended Reversion as follows: first Monthly Additional Rent installment payable on September 30, 2009, in the amount of \$147,500.00; Monthly Additional Rent installment payments on the last day of each month through September 30, 2014, in the amount of \$20,000.00; four Secondary Monthly Additional Rent installment payments on September 30, 2010, September 30, 2011, September 30, 2012, and September 30, 2013, in the amount of \$100,00.00; and a final Monthly Additional Rent installment payable on September 30, 2014 in the amount of \$2,614,089.41 plus any amount owing and interest accrued and not paid to date. Interest is at the annual rate of five percent (5%).