

**AVIATION ADVISORY BOARD
 FORT LAUDERDALE EXECUTIVE AIRPORT
 ADMINISTRATIVE OFFICE – MULTIPURPOSE ROOM
 6000 NW 21 AVENUE, FORT LAUDERDALE, FLORIDA
 THURSDAY, JULY 26, 2018 1:30 P.M.**

	Attendance	Cumulative Attendance 7/18 through 7/19	
		Present	Absent
Ed Kwoka, Chair	P	1	0
Edward Rebolz, Vice Chair	P	1	0
Louis Gavin	A	0	1
Tom Moody	A	0	1
Dana Pollitt	P	1	0
John Watt	P	1	0
Commissioner Marlon Bolton, City of Tamarac [non-voting]	A	0	1
Jeff Helyer, City of Oakland Park [non-voting]	P	1	0

Airport Staff

Rufus A. James, Airport Manager
 Carlton M. Harrison, Assistant Airport Manager
 Spencer A. Thornton, Assistant Airport Manager
 Florence Straugh, Noise Abatement Officer
 Fernando Blanco, Airport Engineer/Project Manager II
 Angelia Basto, Administrative Assistant I
 Mickaelle Bouchereau, Administrative Aide
 Taneil Mack, Airport Intern
 Oluwaferanmi Oke, Operations Aide
 Mitchell Bennett, Airport Intern
 Michael Mitchel, Recording Secretary, Prototype, Inc.

Guests

Chad Farischon, Partner, Lynx FBO Network (Lynx)
 Don Whittington, Owner, World Jet
 Michael Moskowitz, Counsel for Lynx
 Bruce Green, Counsel for World Jet
 Warren Kroepfel, Chief Operating Officer, Sheltair
 Tom O'Donnell, Engineer for W Aviation
 Pierre Taschereau, Greater Fort Lauderdale Alliance

CALL TO ORDER

Chair Kwoka called the meeting to order at 1:32 p.m.

1. Roll Call

The Board, Staff, and guests introduced themselves at this time.

VOTING ITEMS

1. Election of Chair

Motion made by Mr. Rebholz, seconded by Mr. Watt, to nominate Ed Kwoka as Chair. Mr. Kwoka accepted the nomination. In a voice vote, the **motion** passed unanimously.

2. Election of Vice Chair

Motion made by Mr. Pollitt, seconded by Mr. Watt, to nominate Ed Rebholz as Vice Chair. Mr. Rebholz accepted the nomination. In a voice vote, the **motion** passed unanimously.

Chair Kwoka spoke about Item 8CE, since many were present to talk about it. He asked for a show of hands for those in favor, and those opposed. He explained it is an update item, not a voting item on this agenda.

3. Joint Participation Agreement with Florida Department of Transportation to Design Taxiway Intersection Improvements

Mr. Harrison provided the staff report. There are five taxiway intersections currently leading directly from tenant aprons to the runways. This project is part of the airport's ongoing efforts to design new taxiway intersections in order to improve airfield operations, minimize runway incursions, and conform to current FAA design standards. Staff recommends the Joint Participation Agreement be approved for the City to accept \$200,000 from the Florida Department of Transportation for up to 80% of the costs for the design of taxiway intersection improvements.

Chair Kwoka observed that the taxiway projects seem to be occurring in a piecemeal fashion and asked if that was due to funding. Mr. Harrison replied in the affirmative and also said they are trying to minimize the impact to the overall operation of the Airport.

Chair Kwoka requested a brief spreadsheet or update of the ongoing projects for the next meeting.

Motion made by Mr. Watt, seconded by Vice Chair Rebholz, to approve. In a voice vote, the **motion** passed unanimously.

4. Task Order 1 with Kimley-Horn and Associates, Inc. for Taxiway Foxtrot Relocation Design Project

Mr. Blanco provided the staff report, noting that the taxiway is located 305 feet from the centerline of Runway 9-27, instead of the required 400-foot distance. The FAA is recommending that this portion be relocated to the required 400-foot separation distance in order to comply with current FAA runway/taxiway separation criteria.

Mr. Blanco described the steps involved in the project and said that the existing run-up apron located between taxiways Delta and Sierra will be demolished and a new run-up area will be constructed to the east of Taxiway Sierra.

Mr. Blanco explained the location, noting that the magenta lines in the diagram represent the new taxiway. The location of the blast shields was discussed.

Mr. Blanco stated that staff recommends approval of Task Order No. 1 with Kimley-Horn and Associates, Inc., in the amount of \$390,002. He stated that \$19,500 is coming from CIP.

Motion made by Mr. Pollitt, seconded by Vice Chair Rebholz, to approve. In a voice vote, the **motion** passed unanimously.

5. Parcel 21B Mitigation Services, Deed of Conservation Easement and Agreement

Mr. Blanco gave the staff report, noting that the Broward County Environmental Protection and Growth Management Department is requiring a Deed of Conservation Easement and Agreement. The parcel is six (6) acres, and the Deed will be for approximately 2.3 acres. The agreement will ensure that the conservation area is maintained. Both Airport and City staff have reviewed the Agreement and find it acceptable. Staff recommends entering into a Deed of Conservation Easement and Agreement for providing environmental mitigation services for Parcel 21B.

Chair Kwoka recalled that the plan was to put 300 parking spaces there to be sublet to other tenants on the airfield.

In response to a question by Chair Kwoka, Mr. James said they have already spent about \$200,000 including clearing of the site. At this time, they are working with consultants on design, and those Task Orders are approximately \$250,000.

Chair Kwoka asked if the parking spaces were worth that amount of money, and Mr. James believed so. They have received requests for additional parking, and he explained the need for parking.

Regarding the charges for parking, Mr. James explained that they are basing it on the number of parking spaces. Each tenant will have a fair share of parking spaces; if there is a need for more, they will take on another project in the future. There are several

vacant properties being used by outside entities where they can park on a temporary basis. They expect to receive grant money to help cover expenses.

*Using Exhibit 1, Mr. James discussed the location for parking. The tenant to the south wanted to “flip” the building to mirror what is on the south side, but they cannot do that with the Conservation Easement. The cost to mitigate, if they swapped sides, would not be worth it to the tenants. They want to clean up the Conservation area and make it more useful for the existing tenants.

Vice Chair Rebholz commented that the cost per parking space was “astronomical.” He could not support it from a business standpoint.

Chair Kwoka asked how they would get from the parking lot to a hangar, and Mr. James said they expect to use a shuttle service. Vice Chair Rebholz thought there might be a safety issue, since the road is so narrow. Mr. James said the parking will be on the north side of the conservation area.

Chair Kwoka asked Jon Tonko from Banyan, if they would utilize the spot for parking. Mr. Tonko replied that they are currently at capacity in their lot, and he thought the greatest value would be for rental car companies for their overflow. However, he would not be interested in leasing the property and developing it for parking.

Motion made by Mr. Pollitt, seconded by Mr. Watt, to approve. In a voice vote, the **motion** passed (3-1), with Vice Chair Rebholz opposed.

UPDATE ITEMS

A. Noise Compatibility Program

Florence Straugh, Noise Abatement Officer, reported there are a record low number of households calling monthly. Legislation adopted in 2012 has resulted in a significant drop in aircraft noise.

B. Development and Construction

Spencer Thornton, Assistant Airport Manager, reported on two ongoing projects: the South Perimeter Loop Road, and the Administration Building Renovations. The Airport has begun construction of the South Perimeter Loop Road, which will minimize the number of crossings of the runway for aircraft tugs and fuelers. The project is targeted for completion 95 days after July 1, 2018.

Permits were delivered this week for the Administration Building Renovations project, and work should begin on the addition of 1,000 square feet (new conference rooms and changes of office space) and other renovations like painting and light fixtures. They are trying to incorporate green measures. The project should last nine months.

C. Arrearages – None

D. Airport Master Plan Update - Public Meeting

Mr. Thornton reported that on Wednesday July 18, 2018, Fort Lauderdale Executive Airport Staff (with assistance from Ricondo Aviation Consulting firm, the Airport's Master Plan consultant) hosted the second Airport Master Plan public meeting at the Airport Administration Building. There were approximately 30 members of the public in attendance, and no controversial comments were given. It was noted there were no minutes of the meeting, but there are PDF files of the displays. The comments will be included in the Master Plan.

The consultant will be completing the Airport Master Plan, and then it will come to this Board for recommendation to the City Commission. After approval by the City Commission, it goes forward to the FAA for their review.

Mr. Pollitt brought up the possibility of larger aircraft being allowed, and Mr. James said they have not extended the runway; rather, the weight-bearing restriction was lifted. The Master Plan looks at where the Airport should be in 20 years. An extension of the runway may occur in the future to allow the existing aircraft to take on their full capacity of fuel and be able to depart and not have to stop for refueling somewhere else.

Mr. James said the proposed extension on the west end of Runway 9 would extend by 1,000 feet; that will allow for aircraft take off to occur sooner and enhance the ability to climb at a high altitude before flying over the residential area to the east. It would be used only for take-off.

E. Parcel 8CE, 10ABCD, 11ABC Lease Assignment Proposal

Chair Kwoka advised the public on the time constraints for comments. He asked if there was a lead person for the "opposition." Bruce Green stated he was present on behalf of World Jet, Inc., and he deferred to Mr. Moskowitz in the interest of time.

Mr. James presented the staff report, reviewing the leases owned by World Jet for the applicable parcels and the improvements made to the parcels. There are 40 acres up for assignment at this time, which is an atypical amount. In August 2017, World Jet advised staff of their interest to assign the Leases for Parcel 10 ABCD and 11 ABC to Mr. Chad Farischon of Lynx FBO Network (Lynx).

Mr. James described Lynx business endeavors, including acquisitions of Fixed Base Operations in several locations throughout the country.

After two previous proposals, Lynx presented an updated proposal on May 28, 2018, with the additional request to include Parcel 8CE as part of the Lease Assignment.

Unfortunately, the Lynx proposal still has not met the Airport's preferred terms, which should be consistent with industry expectations, Federal Aviation Administration (FAA) standards, and recently negotiated leases.

Mr. James concluded his report, noting that staff is asking for Board feedback on the item.

Chair Kwoka clarified that Parcels 10 and 11 have four years left on the lease, and Parcel 8 has 10 years left.

Chair Kwoka asked the attorney for Mr. Whittington what World Jet's intention is. Mr. Whittington deferred to Bruce Green.

Mr. Green stated that World Jet began developing property at the Airport in the early 1980s and invested significant sums of money. He said that roughly 1,000 people and their families generate their income through World Jet, either directly or as tenants.

Chair Kwoka expressed surprise that World Jet would want to forfeit their leases. Mr. Green said that in 2017 World Jet put a large amount of money (more than \$500,000) into hangar renovation, one parking lot, and bringing World Jet parcels up to Code. On top of that, a \$300,000 fine was paid to the City. Lynx approached World Jet, negotiations ensued, and a preliminary contract has been signed.

In response to a question by Chair Kwoka, Mr. James stated that FAA does not have to review it as it relates to aviation. Although it is Airport property, the transaction does not contribute financially to the Airport. The FAA requests that there be a "transaction commission" at the Airport, or they terminate the lease and put the parcel out to market.

Mr. James continued that Lynx is asking for an additional 26 years on what is left with the leases on Parcels 10 and 11, which would bring them back to 30 years. When the Federal government deeded the Airport to the City, there were Grant Assurances; one of those dealt with economic non-discrimination, and he described the lease with Sheltair as an example. The Airport wants to make sure that the proper rent is being paid and that they are not violating the Grant Assurances. He said that the Lynx agreement calls for keeping the rent at the same amount and making no improvements – that would be grounds for a complaint with the FAA for airport discrimination.

Mr. James explained this was not a voting item because the parties could not come to terms, and the City Manager requested input from this Board as to whether the transaction would be favorable to the Airport as a whole.

In response to a question by Chair Kwoka, Mr. Green said there have been inquiries over time made to Mr. Whittington, but never on the same terms as Lynx.

Mr. Watt asked what items were not in line to make the offer preferred, other than rent. Mr. James noted time to construct improvements – they expected 36 months, while the offer stipulated 6 to 15 years. He discussed the reason for improvements in terms of the advantage when a lease reverts to the Airport. Regarding the condition of the hangars, Mr. James said he would recommend a complete rebuild of the hangars. Several subtenants of World Jet have complained about the lack of maintenance in the hangars. The prime tenants are responsible for the maintenance, not the Airport.

Mr. Watt asked if there would be outstanding issues if the current tenant stayed for the rest of their lease. Mr. James stated there was the “occasional” noncompliance with boats or non-aviation related items being stored in the hangar, or businesses being operated out of a hangar. Mr. Kwoka thought those were minor issues.

Chair Kwoka asked Mr. Green if the World Jet tenants who are in attendance are supportive of the transaction, and Mr. Green replied that they all are, except for Banyan. He mentioned that the issues like boat storage are sub-tenant issues; that is not a World Jet misbehavior, but rather a tenant control issue. When these issues are called to the attention of World Jet, they are handled. Secondly, Mr. Green said the FAA does not generally involve itself at this level, although it does require fairness – it cannot tell the Airport what it can charge for its land.

Chair Kwoka noted that there are other Fixed Base Operators (FBOs) in the room who are long-time tenants and may be interested in the parcels. He believed the Board and the City should not be “tinkering around” with a business deal as long as it is legitimate, but other FBOs may have made plans to negotiate for the lease in the future. He invited comments from other FBOs on the topic.

Mr. Pollitt mentioned there are many variables to consider and said he would like to see a breakdown of which items best align with the Airport. He wanted a better understanding of the situation.

Mr. Watt asked what rights World Jet has in their lease contract to assign it to someone else. Chair Kwoka replied that he and Mr. James had a discussion about a different operator who wanted to extend by seven years and it was denied. Sometimes they have approved extensions. Mr. Watt said he did not have an issue with extension, but with the assignment.

Chair Kwoka called upon Michael Moskowitz, Esq., representing Lynx. Mr. Moskowitz explained it was on the agenda because the transaction discussion began in November of 2017. After eight months, they were unable to reach an agreement. They requested an appeal before the Board, and the issues they disagree on are policy issues.

Mr. Moskowitz stated that the key issue is the amount of rent to be paid. In discussions with staff, they made a proposal consistent with the policy of a certain amount per square foot. However, staff requested that at the end of the four-year term on Parcel 10

and 11, that Lynx would pay a rent that equals ground rent plus a rental amount based on the appraisal of the value of the improvements. At the end of a lease term, the improvements of the lease revert back to the Airport. Lynx declined to accept the invitation because it is “not reflective of anything this Airport has ever done.”

Chair Kwoka asked Mr. James to address the items brought up by Mr. Moskowitz. Mr. James reported there were three proposals submitted to Lynx:

1. The first one indicated there would be \$1.5 million in beautification within a certain number of months. There would be \$3 million to tear down one or two hangars to create an FBO facility. There are about six hangars that would still exist. In 2022, when the lease comes up, those improvements that are still there revert back to the Airport. At the end of the lease term, Lynx would pay a ground rent as well as an improvement rent (based on appraisal).
2. Lynx would spend \$10 million in improvements including demolishing and rebuilding hangars.

Chair Kwoka interrupted to establish that the City was negotiating with World Jet to remedy the possible lease termination, and then the Lynx offer came up.

Mr. Moskowitz mentioned several items that came up in the negotiations: the new rental conditions, and a 4% transaction fee if Lynx were to sell down the road. Mr. Moskowitz said the FAA does not allow an ad hoc approach – they expect fairness based on established policy. He said Lynx had difficulty understanding the terms that came up because they differ from current policy, and they believe their proposal is generally consistent with what the Airport has done in the past.

In response to a question by Chair Kwoka, Mr. James reviewed what the Airport had done in the past: a lease agreement and the tenant was offered the option of taking lease as is for the remainder of the term, or based on the term left and the terms that they were requesting (additional 13 years), property gets appraised and based on that value, using the Net Present Value formula, that money would be paid upfront or over a five-year period with interest.

Another option was the Airport gives the lessee the 30 years: at year 17 (which is what is left on the lease) it gets appraised and the ground rent and improvement rent structure can be established. No leases have come back to the Airport for extensions of this nature. The lease with Sheltair was a completely new lease, not an extension.

Mr. James confirmed that if Lynx did not execute the agreement, the Airport would be in a position of negotiating a lease at least on several of the leaseholds in four years. He stated that when they negotiate a new lease, 36 months is anticipated for construction of hangars. He said that Lynx was unsure of the market and therefore could not commit to having their improvements done in that time frame. They are asking for 30 years. Research from the consultants has indicated that a 20,000 square-foot hangar would

cost about \$177 per square foot. He said \$10 million does not add up to the proposed improvements.

Mr. James advised that they have had to add language – such as “construction assurance deposit” - into new lease contracts because of situations that have arisen.

Chair Kwoka mentioned that many of the Board members had not seen this information before and suggested tabling it to provide time for review.

Mr. Moskowitz stated they wanted to be before the Board because there is a difference of opinion between staff and Lynx and because this Board and the City Commission set policy. He wanted to give a presentation so that the Board could give feedback and perhaps direction. He thought they had reached an impasse.

Chair Kwoka said they always agree on the economic benefit that needs to be maintained within the area. Because this is not a voting item on this agenda, they could view the presentation, but would not be able to move it forward. He therefore said they might be better prepared by the next Board meeting.

Vice Chair Rebholz verified that if the tenant replaces the existing assets, their rent would be reduced (in exchange for building new structures). Mr. James clarified that at the end of the lease term, the Airport wants something that still has value. He discussed different rent amounts used by different airports.

Mr. Watt sought clarification on whether the new tenant is prepared to make a long-term commitment. Mr. Moskowitz stated they are prepared to make the commitment, and part of the proposal is for the rents to increase to the current ground rate (36 or 37 cents per square foot). The difference of opinion is on the issue of whether the rent will be increased to also include an appraisal of the improvements, and adjusted accordingly.

In response to a question by Mr. Watt, Mr. Moskowitz reviewed that their proposal is a capital commitment of \$14 million, spread out over a number of years. In addition, in response to staff request, they would need to post a performance bond for the first five years of improvement (\$5 million). That would protect the interests of the Airport.

Mr. James advised that Phase 5 of their proposal is a hangar rehabilitation of Parcel 10 – that lease comes to term in 2022. They propose it will take 10-15 years to complete that project. It will be appraised in 2022 to establish a new rent rate because in 2022 it reverts back to the airport.

Warren Kroepfel, Chief Operating Officer, Sheltair, stated they do not have a problem with any assignments or extensions. However, if the companies have a track record for investing during those terms and assisting the City investments and also meeting high standards during the terms of that 30-year lease, it is critical that there must be an even playing field for any tenants of the Airport. Many of Sheltair's tenants have been

investing for years, and thought the situation was a “gross economic disparity,” and he said the FAA would get involved.

Mr. Kroeppel said the rents in the proposals are almost half of what Sheltair negotiated, plus they have committed \$30 million (not \$10 million) and are doing the work within a two-year period. He agreed that this Lynx proposal will create an economic advantage, but it is discriminatory and agreed with Mr. Moskowitz that the terms are not consistent with the recent terms that have been signed.

Mr. Kroeppel continued that they have a reversion clause in their leasehold, and it is common for airports to ask for an assignment fee.

Chad Farischon, Partner with Lynx, referred to the second to last slide of the materials he gave to Mr. James. He stated there are two vacant lots with infrastructure that has to be developed: utilities, water/sewer, electrical, ramps, etc. Mr. Whittington has already invested that capital. Part of what they are paying is compensation to him. He said they are above the standard shown on the page. He reviewed the terms of the proposal. He commended what Sheltair has done, but said their site is totally different. A continued investment is not required, even though they are proposing it.

Mr. Farischon brought up the rent structure, stating it would put them at an economic disadvantage. The ability to do business would be compromised. He pointed out that there are “apples and oranges” with other leases.

Don Whittington, owner of World Jet Inc., mentioned that the Airport managers want to say that buildings are derelict and need to be torn down. The Board has approved leases with buildings that are much older and in worse condition than theirs. The people who operate at the Airport only have so many hours to work each week, limiting how much they can pay. They are getting by now, but if the Lynx proposal is put in place, they will all “be out of business immediately.” Nobody can afford to pay what he is asking to pay.

Chair Kwoka mentioned he runs a hangar at the airport and it is twice as expensive as an equivalent hangar that he rents in Philadelphia. He said that he is concerned with what would happen to the people who are beneath Mr. Whittington’s leasehold if the lease was terminated. He reiterated his request for more time to review the situation.

Mr. James agreed to put the matter on next month’s agenda.

Mr. Farischon noted that there was updated information in hard copies that he distributed at the meeting.

Chair Kwoka advised Mr. Moskowitz to not come prepared to give a presentation at the next meeting, but be prepared to answer questions. Mr. Moskowitz wanted to be able to

give a short presentation with the updated material, and Chair Kwoka was amenable to a 10- to 15-minute presentation.

Noting that Pierre Taschereau was present at the meeting, Mr. Pollitt asked if the Greater Fort Lauderdale Alliance had a particular interest in the discussion. Mr. Taschereau advised they are interested in aviation projects in general, since they impact companies with an aviation interest (such as aviation schools or air ambulances) that might wish to relocate.

Mr. Helyer commented he could benefit from a refresher on how the Airport contracts and executes the leases. Mr. James said there are presenters who might be able to come before the Board to provide education.

Chair Kwoka concluded by saying they have to be considerate of what it takes to run a business at the Airport.

F. Communications to the City Commission – None

G. FLL Update

Ms. Straugh announced the September meeting of the Broward County Aviation Department Noise Abatement Committee.

Mr. James asked Tom O'Donnell, Engineer for W Aviation, to provide an update on their construction. Mr. O'Donnell reported the sewer line is installed on the private side of the development, running through the middle of the property. Paneling has been installed on the hangar doors, and the motors for the doors will be installed when the secondary service for electrical is provided at the site. All the infrastructure has been installed for that, and they are working with FP&L to bring in the secondary power.

Mr. O'Donnell noted they are having some difficulties with permits from the City, and their expeditor is working with the Building Department. They are several weeks behind schedule and hope to make up the time. Mr. Kwoka said that they understand those kinds of delays.

Mr. Pollitt asked about the water park, and Mr. James said that Premier Parks is in a due diligence period and a presentation will be made to the City Commission soon.

NEXT SCHEDULED MEETING DATE: Thursday, August 23, 2018 – 1:30 p.m.

There being no further business to come before the Board at this time, the meeting was adjourned at 3:21 p.m.

Any written public comments made 48 hours prior to the meeting regarding items discussed during the proceedings have been attached hereto.

Aviation Advisory Board

July 26, 2018

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[Minutes prepared by J. Rubin, Prototype, Inc.]

Attachments:

Diagram of the Taxiway Foxtrot Relocation – Mr. Blanco

Exhibit 1 – Mr. James

Lynx handout – Mr. Farischon

Parcel 8, 10 & 11 Beautification Project & Lease Extension Proposal

July 2018



Introduction to Lynx FBO Network



- Lynx FBO Network (“Lynx”) was founded in 2016 to acquire and enhance FBO facilities in the U.S.
- Lynx is led by former Landmark Aviation executives with over 45 years of combined experience acquiring, developing and managing FBOs
- Significant experience in the south Florida market, having previously managed FBOs at Miami International (MIA), Miami Executive Airport (TMB) and Miami-Opa Locka Executive Airport (OPF)
- Lynx FBO is financially backed by The Sterling Group, L.P., a Houston-based private equity firm with \$1.25 billion in committed capital
- Current Chairman, Greg Elliott, was previously a board member for Landmark Aviation and the Chairman of the Board for both Trajen Holdings and Encore FBO
- Lynx currently operates five locations:
 - Destin Executive Airport (DTS) in Destin, Florida; acquired in September 2016
 - Aurora State Airport (UAO) near Portland, Oregon; acquired in October 2016
 - Anoka County-Blaine Airport (ANE) near Minneapolis, Minnesota; acquired in January 2017
 - Bill & Hillary Clinton National Airport (LIT) in Little Rock, Arkansas; acquired in February 2018
 - Napa County Airport (APC) in Napa, California; acquired in June 2018
 - Lynx FBO Network also has two additional locations under purchase agreement closing in the next 60 days
- ***Lynx is presently under agreement to acquire the assets of World Jet (Parcels 8, 10 & 11) and is seeking approval for the assignment of World Jet’s leases along with a lease extension based on future investment***

The Lynx Network



* Two additional locations under purchase agreement with close pending

Experience Developing FBO's

- The Lynx team has significant experience with large-scale redevelopment and construction of FBO facilities, most recently having been a part of over 12 development projects while with Landmark Aviation
 - New FBO facility construction experience: SAN, PWK, BKL, GRR, BFI
 - Facility remodel experience: TPA, MIA, OAK, ORF, SDL, ROA, GSO, SAT, CLE, SBN
- Lynx is currently in the design phase to build a new FBO terminal at its UAO facility opening in early 2019
- The Lynx team works with professional designers, decorators, and contractors to achieve beautiful aesthetics combined with the best customer flow and operational layout



Miami, FL



Tampa, FL



San Diego, CA

Phase I & II Snapshot



Existing Corner of 10th and Cypress



Existing Cypress looking East



Phase I: Parcel 10 & 11 Curb Front Beautification

Corner of NW 10th and Cypress



Phase I: Corner of 10th and Cypress



Phase I: Cypress Looking East



Phase I: Before & After



Phase II: New FBO Facility



JRMA

Phase II: New FBO Facility



Phase II: New FBO Facility



Phase II: New FBO Facility (Ramp-side View)



Lynx Proposal Summary



- Lynx seeks a 30-year term for Parcels 10 & 11 and an extension of Parcel 8's lease for an expected **investment of \$14 million** over the next 15 years (*immediate investment of ~\$4.5 million*)
- Staged development **preserves jobs** and **maximizes fuel flowage, etc.**
- Proposal estimated to result in **over \$30mm in development, equipment, rents and fees over the next 30 years**

Phases	\$ Investment	Completion Date ⁽¹⁾	Scope
Phase I: <i>Curb Front Beautification</i>	\$1.5 million	Year 1	<ul style="list-style-type: none"> • Repair and painting of hangars • Construction of screen wall for both parking and hangars
Phase II: <i>New FBO Terminal</i>	\$3.0 million	Year 2	<ul style="list-style-type: none"> • Development of world-class FBO terminal • Address perimeter fence and parking • Ramp repair, as necessary
Phase III: <i>Hangar Project (Parcel 11)</i>	\$2.5 million	Years 6-10	<ul style="list-style-type: none"> • Demolition of certain old, low-clearance hangars • Construction of new hangars to accommodate modern, large-cabin aircraft
Phase IV: <i>Hangar Project (Parcel 8)</i>	\$2.5 million	Years 6-10	<ul style="list-style-type: none"> • Demolition of certain old, under-utilized t-hangars • Construction of new hangars to accommodate modern, large-cabin aircraft
Phase V: <i>Hangar Projects (Parcels 10/11)</i>	\$4.5 million	Years 11-15	<ul style="list-style-type: none"> • Rehabilitation of certain hangars to accommodate modern, large-cabin aircraft

(1) Completion date dependent upon timing of receiving local approvals, including receiving permits, etc.

Specific Terms Requested

- As part of its commitment to spend \$14 million at the Airport, Lynx is willing to agree to the following key terms:
 - Lease Term: Re-set length of lease for Parcels 10 & 11 to 30 years upon assignment
 - Rent: Rental rates for Parcels 10 & 11 remain the same as in current World Jet leases until Lynx completes the Phase I & Phase II projects (not to exceed 30 months from commencement of new lease)
 - Thereafter, rents will be adjusted to the airport-established rate for ground rent for the remaining term of the lease
 - Financial Backstop: Performance bond in place equal to the projected combined cost for Phases I & II
 - Parcel 8 Lease: Currently 10 years remaining on existing lease. Each \$2.5 million of capital commitment would be an additional 5 years of lease extension resulting in a maximum 30 years of additional lease term

Appendix

Phase I: CURB FRONT BEAUTIFICATION

Scope: Vastly improve the curb front appeal of Cypress and 10th St through contrast of materials utilized in a screen wall for both parking and hangars. Repair and painting of hangars. (See renderings)

Amount of investment: \$1.5mm

Condition: Visually the curb front is in need of updating with parking lots and blue painted hangars that are not visually appealing from the major through fares. Structural inspection of the hangars/buildings have been completed. All improvements were found to be structurally sound but in need of cosmetic and other various repairs.

Anticipated completion date: Within 12 months of Lease Commencement Date

Phase II: CONSTRUCT A WORLD CLASS FBO

Scope:	Construct a world class FBO within Parcel 11. Perimeter fencing and auto parking will also be addressed. Ramp repair as necessary.
Amount of investment:	\$3.0mm
Condition:	The current FBO at hangar 13 is insufficient to accommodate the level of customer service expectations. The auto parking is also insufficient and within the secure perimeter fencing.
Anticipated completion date:	Within 24 months of Lease Commencement Date

Phase III: HANGAR DEMOLITION (PARCEL 11), HANGAR REPLACEMENT

Scope:	Demolition of certain old low clearance hangars on Parcel 11 to accommodate construction of modern hangars for new large cabin aircraft.
Amount of investment:	\$2.5mm
Condition:	A number of existing hangars are of an older design with low clear door heights which do not accommodate new, larger general aviation aircraft.
Anticipated completion date:	Year 6 - 10

Lease Term Sheet (Cont'd)



Phase IV: PARCEL 8, HANGAR DEVELOPMENT

Scope:	Demolition of certain t-hangars to accommodate new hangar development
Amount of investment:	\$2.5mm for an additional 5yr term will result in a maximum of 30-yr lease extension. After the existing 10-year lease term ends, rents will be adjusted to the airport-established rate for ground rent for the remaining term of the lease.
Condition:	The current t-hangars are old and in decreasing demand.
Anticipated completion date:	Year 6-10

Phase V: HANGAR REHABILITATION (PARCEL 10 & 11)

Scope:	Rehabilitation of certain hangars on Parcel 10 & 11 to accommodate new hangars
Amount of investment:	\$4.5mm
Condition:	<p>Parcel 10: Structural inspection of these three hangars were completed. Hangar 18 & 19 were built in 1987 and hangar 20 built in 1997. They were reported in good condition but in need of some repairs that will be addressed in Phase I. We anticipate a major rehabilitation will be needed in the future as projected in the lease life.</p> <p>Parcel 11: A number of existing hangars are of an older design with low clear door heights which do not accommodate new, larger general aviation aircraft.</p>
Anticipated completion date:	Year 11-15

Experienced and Proven Management



Biography

Prior Experience

Chad Farischon
President &
Partner

- An accomplished leader and team builder with 25 years of general aviation experience. Prior roles include: Regional Vice President, Regional Director, General Manager (OKC and ASE), as well as 12 years in airport management roles
- Exceptional track record of business improvement and operational success
- Successfully directed and assisted over 50 transitions



Tyson Goetz
President &
Partner

- Proven executive with 20+ years of general aviation experience. Prior roles include: Regional Vice President, VP of Business Development, Regional Director of Operations, General Manager, Operations Manager, and Line Service Technician
- Strong commitment to employee mentoring and development
- Received exceptional service recognition and Top AIN Rankings for managed FBOs: DTS, PIT, PWK, SDF, MDW, UES



Matt DeLellis
CFO

- Formerly Senior Vice President of Strategy & Corporate Development at Landmark Aviation (2010-2016)
- Proven ability to organically grow businesses as well as execute M&A and RFP growth strategies
- 13+ years of experience in various M&A, finance and investment banking roles in the energy, transaction processing and aviation industries



Strong Equity & Board Support

- **Lynx ownership is committed to the Company's long-term success and is focused on continuing to grow the Company**
- **Lynx is principally owned by The Sterling Group, a Houston-based middle market private equity firm founded in 1982**
 - Recently closed on \$1.25 billion for Fund IV; currently investing from 2 funds with over \$2 billion in equity commitments
 - Over \$2 billion already invested in 48 platform companies with total enterprise value of over \$10 billion
- **Significant aviation industry experience at the Board level**
 - Greg Elliott, a partner at Sterling, has 13 years of experience in the FBO sector as a board member of Landmark Aviation and as Chairman of both Trajen Holdings and Encore FBO
 - Scott Kelly is an astronaut and retired U.S. Navy Captain who is a veteran of four space flights and commanded the International Space Station on three different expeditions
 - Dan Bucaro has been involved in the FBO industry for over 15 years (most recently as CEO of Landmark Aviation), having built the Trajen, Encore and Landmark FBO businesses



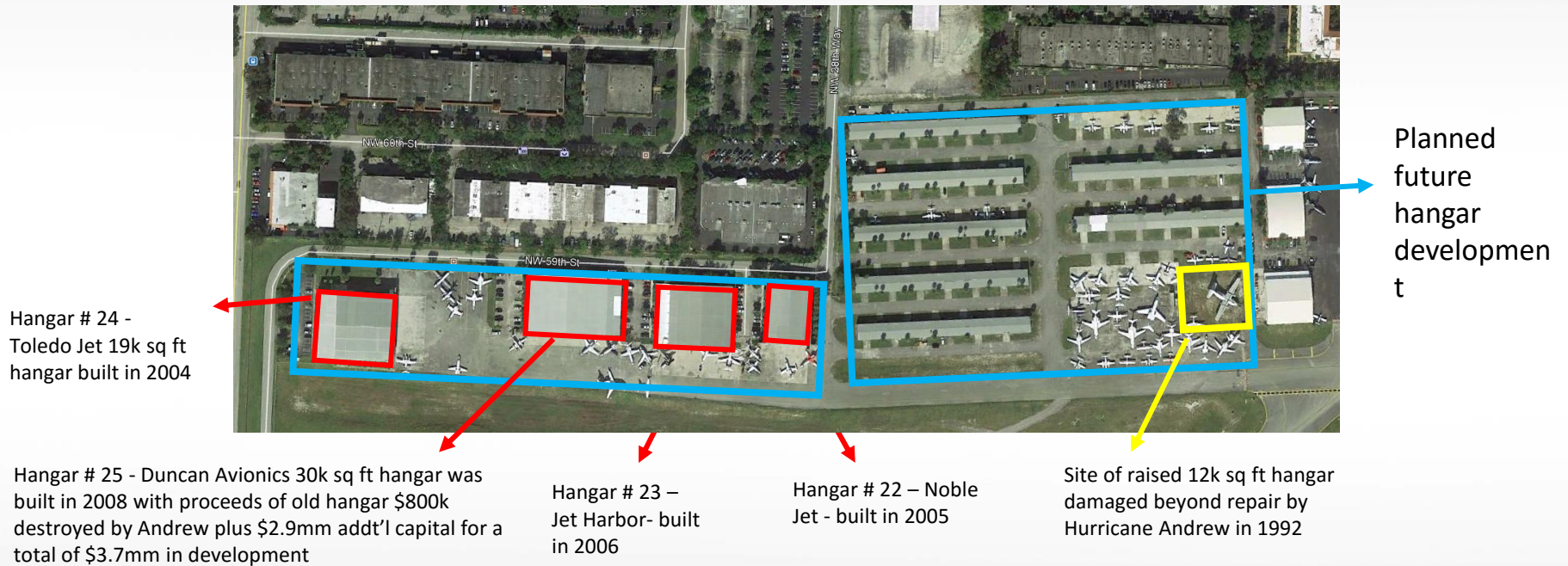
Lynx Proposal: Comparable Leases



Key Terms	W Aviation	Sano
Date of Lease/ Amendment	August 16, 2016	Signed: October 18, 2011 Commencement Date: January 1, 2012
Lease Term Given	30 Years ⁽¹⁾	30 Years
Required Investment	\$5.0 million (3 phases)	\$3.0 million
Project Scope	<ul style="list-style-type: none"> Phase I: Demolition of restaurant (\$200k) Phase II: Two hangars + office (\$1.8mm) Phase III: Hangar + FBO terminal (\$3.0mm) 	<ul style="list-style-type: none"> Demolition of hangar Construction of two hangars Apron work
Required Timeline	<ul style="list-style-type: none"> Phase I: First 12 months Phase II: 332 days after permits received (originally 3 years from lease start date) Phase III: ~6 years from date of amendment (originally 10 years from lease start date) 	<ul style="list-style-type: none"> 3 years from lease commencement date

(1) Original 30-yr term granted on October 20, 2009.

FXE – World Jet, Inc. - Parcel 8C & E



All four tenants are major providers of aircraft maintenance to south FL that employ over 300 high wage technicians