

AMENDMENT NO. 2 TO FIXED BASE OPERATOR LEASE AGREEMENT

THIS AMENDMENT NO. 2 TO FIXED BASE OPERATOR LEASE AGREEMENT (“Amendment No. 2”) is made and entered into as of _____, 2023 (“Effective Date”), by and between City of Ocala, a municipal corporation (“Landlord”), and Sheltair Ocala, LLC, a Florida limited liability company, having its office and principal place of business at 4302 NW 21st Terrace, Fort Lauderdale, Florida 33334 (“Tenant”).

WHEREAS:

- A. As evidenced by a Memorandum of Lease, recorded in OR Book 6221, Page 51, Public Records of Marion County, Florida, Landlord and Tenant entered into a Fixed Based Operator Lease Agreement (the “Original Lease”) on or about June 1, 2015, and dated May 19, 2015).
- B. The parties entered into Amendment No. 1 to the Amended Lease dated March 1, 2020 (the Original Lease as amended by Amendment No. 1 shall be hereinafter collectively referred to as the “Amended Lease”).
- C. Landlord and Tenant desire to further amend the Amended Lease as follows.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, and other good and valuable consideration, the receipt of which the parties hereby expressly acknowledge, the parties hereto covenant and agree to the following terms and conditions:

- 1. **Recitals.** The above recitals are incorporated herein by reference.
- 2. **New Hangar.** The parties acknowledge that Tenant timely satisfied all requirements of Amendment No. 1 related to the construction of the New Hangar as set forth, inter alia, in Sections 8.1.1.1, 8.1.1.5 and 8.2 of the Amended Lease.
- 3. **Term, Section 3.1.2.** Section 3.1.2 of the Amended lease shall be amended to read as follows:

3.1.2 The Term of this Lease shall expire at 5:00 pm EST on the following date:

3.1.2.1 if no further construction is completed by the Tenant in accordance with this Amendment No. 2, then the Term shall expire on May 31, 2050;
or

3.1.2.2 alternatively if Tenant, in Tenant’s sole discretion, shall complete Hangar #3 and/or Hangar #4, and/or #5 and/or #6 pursuant to the exercise of its Option arising under section 4.11, then upon each such completion evidenced by receipt of a Certificate of Occupancy (a “Completion Date”), the Term shall automatically be extended and shall expire on the 30th anniversary of such Completion Date.

- 4. **Term, Section 3.1.3.** A new section 3.1.3 shall be added to the Amended Lease, which shall read in its entirety as follows:

3.1.3 Notwithstanding any other term of this Lease (as amended in the Amended Lease or herein, including any extensions contemplated in Section 3.1.2.2), the Term of this Lease shall expire no later than 5:00 p.m. EST on May 31, 2063 unless such extension is accomplished through an amendment to this Lease executed by Landlord and Tenant.

5. **Section 4.11, Conditional Exclusive Option Parcel.** A new Section 4.11 shall be added to the Amended Lease which shall read in its entirety as follows:

4.11 Tenant is hereby granted a conditional and non-exclusive option to lease all or any portion of the Phase 2 area as depicted on Appendix "A" pursuant to the following terms and conditions:

4.11.1 Commencing on the Effective Date of this Amendment No. 2, Landlord grants to Tenant a conditional and non-exclusive continuing right during the Term of this Lease to lease from Landlord all or a portion of those certain tracts of real property identified as Phase 2 on Appendix "A" ("Phase 2 Parcel") and consisting of approximately 3.18 +/- acres, together with all appurtenances, easements and rights of way (the "Phase 2 Option"), subject to the following:

4.11.1.1 Commencing on the Effective Date of this Amendment No. 2, and in consideration of Tenant's rights under the Phase 2 Option, Tenant agrees to pay to Landlord an annual fee in the amount of One Thousand Dollars and no/100 (\$1,000.00) Dollars per acre (the "Option Fee"), and the Option Fee for each of the following years ("Option Year") being due and payable on the next subsequent anniversary of the Effective Date of this Amendment No. 2.

4.11.2 Tenant may exercise all or a portion of the Phase 2 Option by giving Landlord written notice of exercise (the "Phase 2 Option Notice") specifically describing the portion of the Phase 2 Parcel for which the Phase 2 Option is exercised (each an "Additional Premises") at any time commencing after the fifth anniversary of the Effective Date of this Amendment No. 2 through the remaining Term of the Amended Lease. If Tenant provides Landlord with the Phase 2 Option Notice, the Additional Premises shall from the Date of the Phase 2 Option Notice be deemed to be a part of the Premises for all purposes herein.

4.11.3 Within three hundred sixty-five (365) days of each Phase 2 Option Notice, and in accordance with the requirements of Section 8 generally, Tenant shall submit plans and specifications for the construction of the applicable portion of the Phase 2 Improvements as defined in Section 8.3.2 below.

4.11.4 Rent shall not commence to be due and owing on an Additional Premises once exercised, until completion of the Phase 2 Improvement (Hangar #5 or Hangar #6) as evidenced by Tenant's receipt of a Certificate of Occupancy allowing Tenant lawful use of the Hangar, as defined in Section 8.3.2 below. Until such time, Tenant shall continue to pay Landlord the Option Fee for the Additional Premises. Upon receipt of the Certificate(s) of Occupancy for the Phase 2 Improvement(s), Rent shall be due and owing on the corresponding Additional Premises in an amount determined pursuant to Section 5.2.2.3. The remaining portion(s) of the Phase 2 Option Parcel not yet exercised, if any, will continue to be charged the applicable Option Fee for the unexercised acreage of Phase 2 Parcel.

6. **Section 5.2. Rent.** A new sections 5.2.2.3 and 5.2.2.4 shall be added to Section 5.2 which shall read as follows: ...

5.2.2.3 Additional Premises is/are leased by exercise of Tenant's Phase 2 Option, then upon the issuance of a Certificate of Occupancy for Additional Improvements (as defined herein) located on such Additional Premises, Base Rent shall increase in an amount equal to the greater of (i) Twenty-Six Cents (\$.26) per square foot of the Additional Premises or (ii) 10% of the appraised value of the Additional Premises which shall be determined in accordance with the procedure set forth in section 8.1.3.2 of the Original Lease (concerning New Terminal Rent) (the "Additional Premises Rent"). Such Additional Premises Rent shall be payable at the time, place and manner, and subject to Rent adjustments, set forth in the Amended Lease.

5.2.2.4 The Term is extended beyond May 31, 2050 pursuant to section 3.1.2.2, then in such event, Rent payable for use of the Premises, as the Premises are defined as of the Effective Date of this Amendment No. 2 (and excluding the real property and improvements lying within the Phase 2 Parcel or any Additional Premises) ("Original Leasehold Premises"), shall be adjusted effective June 1, 2050, to reflect the then-current fair market value of the Original Leasehold Premises and improvements thereon, which fair market value shall be determined in accordance with the procedure set forth in section 8.1.3.2 of the Original Lease (concerning New Terminal Rent).

7. **Section 8.3, Additional Improvements.** A new second paragraph shall be added to Section 8.3 which shall read as follows:

Subject to the further requirements of Sections 8.4.2 through 8.4.5, Tenant shall be entitled in Tenant's sole discretion, to construct at Tenant's expense the following:

8.3.1 **Phase 1 Tenant Improvements.** The Phase 1 Tenant Improvements, if constructed by Tenant, may be completed in any order at Tenant's sole discretion, and may include any or all of the following:

8.3.1.1 Demolish the City Owned structure depicted as Hangar #14 on Appendix "A". Notwithstanding the foregoing, the Parties acknowledge that the Tenant shall not demolish Hangar #14 for at least one hundred eighty days (180) from the Effective Date of this Amendment No. 2.

8.3.1.2 Construct a new Hangar #3 in approximately the location as depicted on Appendix "A", which Hangar shall be at least fifteen thousand (15,000 sq. ft.) square feet in size subject to all governmental approvals of all applicable site and building codes ("Hangar #3"); and

8.3.1.3 Construct a new Hangar #4 in approximately the location as depicted on Appendix "A", which Hangar shall be at least fifteen thousand (15,000 sq. ft.) square feet in size subject to all governmental approvals of all applicable site ("Hangar #4").

8.3.2 **Phase 2 Tenant Improvements.** Conditioned on the Phase 2 Option having been at least partially exercised (all or in part) in accordance with Section 4 above, the Phase 2 Tenant Improvements *may* be completed in any order at Tenant's sole discretion and *may* include one or both of the following:

8.3.2.1 At Tenant's sole and exclusive discretion, construct a new Hangar #5 in approximately the location as depicted on Appendix "A", which Hangar shall be at least

fifteen thousand (15,000 sq. ft.) square feet in size subject to all governmental approvals of all applicable site (“Hangar #5”); and

8.3.2.2 At Tenant’s sole and exclusive discretion, construct a new Hangar #6 in approximately the location as depicted on Appendix “A”, which Hangar shall be at least fifteen thousand (15,000 sq. ft.) square feet in size subject to all governmental approvals of all applicable site (“Hangar #6”).

8.3.3 Phase 3 Tenant Improvements. Conditioned on: (i) the Phase 2 Option having been exercised in full or in part in accordance with Section 4.11 above and (ii) the Phase 2 Tenant Improvements having been fully completed (i.e. both Hangars #5 and #6), the Phase 3 Tenant Improvements *may* be completed at Tenant’s sole discretion as follows:

8.3.3.1 At Tenant’s sole and exclusive discretion, demolish the structure depicted as Hangar #7 on Appendix “A”;

8.3.3.2 Install additional aircraft parking apron in all or a portion of the “Phase 3” area as depicted on Appendix “A”.

8. **Grant of Temporary Construction Easement.** Landlord, for good and valuable consideration to Landlord in hand paid by Tenant, the receipt of which is hereby acknowledged, hereby grants, bargains and sells to the Grantee, a temporary construction easement, for the purposes described below, over, under, across a portion of Phase 2 to be subsequently approved by Landlord in writing (the “Easement Area”). The Purpose of this Temporary Construction Easement is to allow excavation, grading, construction, installation, and maintenance of roads and utilities by Tenant, and related facilities, including above-ground and underground potable water, sanitary sewer (including lift stations), stormwater, and electric transmission or distribution lines, systems, poles, guy anchors and related facilities (all of which items, to be located in the Easement Area, being collectively referred to as the “Facilities”) and other construction activities upon the Easement Area during the construction of such Facilities. Tenant shall utilize the Easement Area in a manner that does not unreasonably interfere with the use, occupancy, or enjoyment of the Easement Area by Landlord, its tenants, licensees, and invitees. This easement is temporary and shall automatically terminate 365 days from the Effective Date of this Amendment No. 2. Upon completion of such construction or maintenance activities, the Grantee shall restore the site to a condition as similar as possible to its previous condition.

9. **Effect on Original Lease.**

9.1. The deletion of any paragraph hereby shall also delete any subparagraphs thereof unless explicitly stated otherwise.

9.2. The amendment of any paragraphs, or of any provisions of a paragraph, shall not be deemed to amend any subparagraphs thereof, or other provisions thereof, unless they are expressly amended.

9.3. Except as expressly set forth herein, the Amended Lease is not amended or modified. All references herein or in the Amended Lease to “this Lease,” “the Lease,” or similar terms shall be deemed to refer to the Amended Lease as amended hereby.

[REMAINDER LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 on the day and year first written above.

LANDLORD

City of Ocala, a Florida municipal corporation

Witness

Print Witness Name

Witness

Print Witness Name

James P. Hilty, Sr.
President, Ocala City Council

ATTEST:

_____(Name)
City Clerk

Approved as to form and legality

_____(Name)
City Attorney

TENANT

Sheltair Ocala, LLC, a Florida limited liability company

By: _____
Gerald M. Holland, Manager

Witness

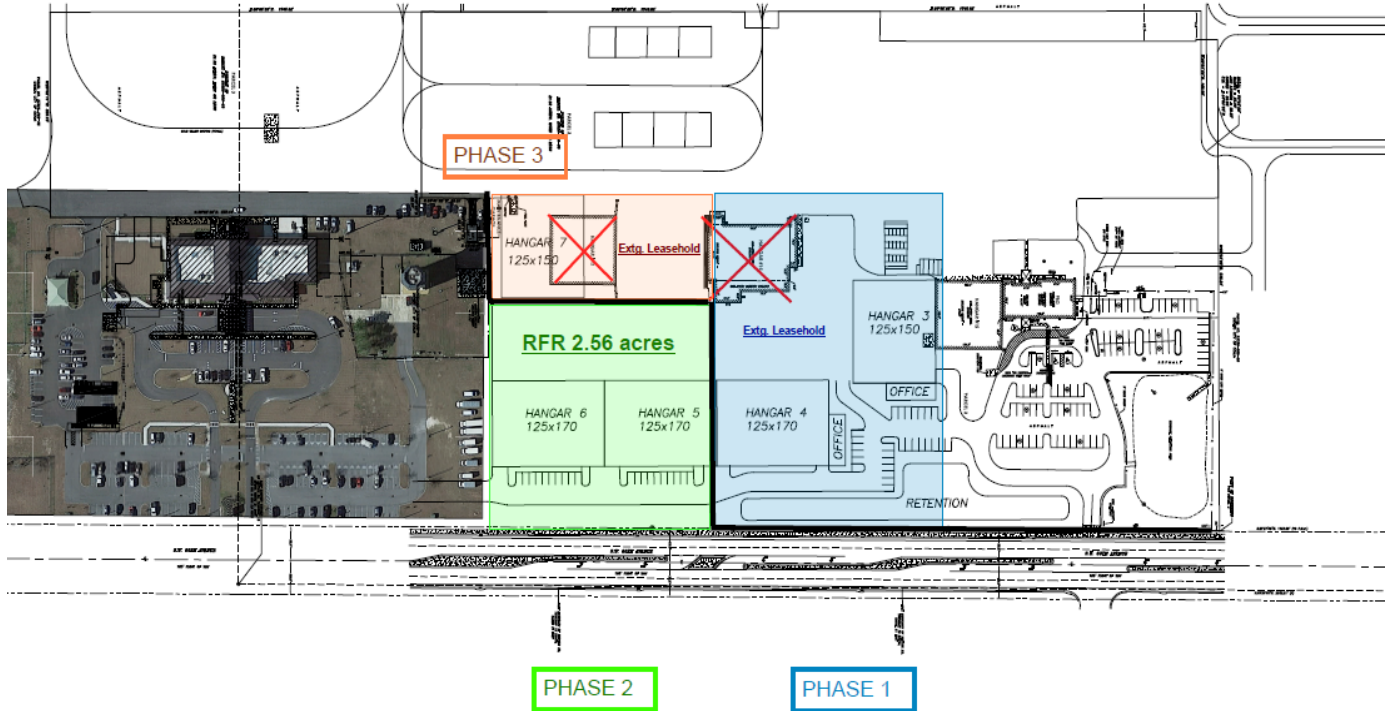
Print Witness Name

Witness

Print Witness Name

APPENDIX "A"

Additional Tenant Improvements



SHELTAIR
OCF HANGAR EXPANSION PLAN
July 27, 2021