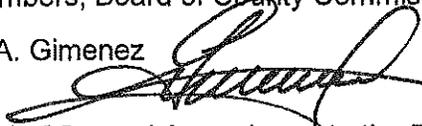


Date: May 6, 2014

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Approval of Second Amendment to the Development Lease Agreement between Miami-Dade County and Centurion Air Cargo, Inc. and its assignee Aero Miami III, LLC

Agenda Item No. 8(A)(4)

Resolution No. R-405-14

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) adopt the attached resolution approving the Second Amendment to the Development Lease Agreement between Miami-Dade County and Centurion Air Cargo, Inc. (Centurion) and Aero Miami III, LLC (Aero Miami), as co-lessees under the Agreement. This Second Amendment finalizes the Agreement's commencement and other dates, confirms the amounts to be reimbursed by way of rental credits to Aero Miami, and clarifies other matters.

The Second Amendment is primarily directed to resolution of the work done and costs expended by Aero Miami on the project, but the Second Amendment will also legally apply to Centurion as the co-lessee. Aero Miami has been a tenant at Miami International Airport (Airport) since 2004. During this time, Aero Miami has been a responsible tenant meeting all of its financial commitments in a timely manner. However, the owner of Centurion, Alfonso Rey, is the owner of other Centurion affiliated companies at the Airport that are in arrears to the Aviation Department. The Centurion arrearages arise from claims by the Aviation Department that are typical of claims asserted against tenants that are disputed but ultimately worked out between the parties. Delaying this second amendment because of Centurion's arrearages would therefore unfairly penalize Aero Miami, as Aero Miami wishes to utilize its development lease as security for financing and is unable to do so without favorable Board action on the attached Second Amendment (see attached letter). In addition, the Centurion arrearages are currently under review by the Aviation Department and the Centurion Affiliates, and both parties are working towards a resolution. Accordingly, the attached Resolution ratifies my determination as Mayor under Section 2-8.1(h) of the Code of Miami-Dade County that it is in the best interest of the County to enter into the Second Amendment.

SCOPE

Miami International Airport (MIA) is located within Chairwoman Rebeca Sosa's District 6; however, the impact of this item is countywide as MIA is a regional asset.

FISCAL IMPACT

There is no direct outlay of funds from the Miami-Dade Aviation Department (MDAD) to Aero Miami; rather, MDAD will waive rental payments until the \$6,607,321.25 owed by the Aviation Department to Aero Miami is paid.

TRACK RECORD/PROJECT MONITOR

Aero Miami III, a co-lessee with Centurion, is one of the subsidiaries of AeroTerm. Aero Miami II is another subsidiary of AeroTerm that is currently a co-lessee under the premises for Building 711 in the Eastern U of the cargo area. Aero Miami is a third subsidiary and is the current owner of Building 831. All AeroTerm companies are current in their obligations under their respective leases.

Centurion, the other co-lessee, is a company wholly owned by Alfonso Rey, who also owns affiliates by the name of Alpha Cargo (formerly known as JW Acquisitions) and Lynx. Section 2-8.1(h)(ii) of the Code prevents the County from entering into this Second Amendment with Centurion based on certain outstanding obligations that are owed by Mr. Rey's companies to the Aviation Department, but the

County may do so upon my recommendation as Mayor that it would be in the best interest of the County to do so notwithstanding the arrearages. That recommendation is being made in this memorandum based on the on-going discussions between MDAD and the principals of the companies over their obligations and the impact to Aero Miami with respect to their inability to obtain financing on their MDAD lease. The outstanding arrearages are as follows:

- Lynx was a tenant in Building 701 and was required by the lease to leave the premises in a certain condition. MDAD's Consulting Engineer determined that Lynx needed to spend \$671,680.00 to correct conditions in Building 701. Lynx is making corrections to Building 701 with approximately \$100,000 worth of work remaining.
- Under the lease agreement, Lynx was required to pay MDAD 7% of its gross revenues, but Lynx objects to MDAD's interpretation of the lease term that would require Lynx to pay 7% on what are called "pass through" revenues. The 7% in dispute represents \$3.1 million.
- Alpha Cargo as a tenant in Building 711 is disputing its obligation to pay \$63,119.00 in Ramp Management Fees, and both parties are discussing that obligation.

MDAD, Audit and Management Services, (AMS) and these companies are actively reviewing and negotiating these disputes. Because of this on-going dialogue, I have determined that it would be unfair to Aero Miami III not to enter into the Second Amendment while the dispute process with Centurion and its affiliates works its way to a conclusion.

This lease agreement is managed by MDAD's Assistant Director for Business Development and Retention, Gregory C. Owens.

BACKGROUND

In September 2007, the Board adopted Resolution No. R-955-07 approving the Development Lease Agreement between the County and Centurion Air Cargo, Inc. The Agreement permitted Centurion to assign the lease to Aero Miami III, LLC, for the design, construction and operation of a substantial cargo handling facility in the northeast section of MIA. Both companies are joint Lessees and are referred to as the "Lessee." The 2007 lease covers the 47-acre former Eastern Air Lines site, and extends for 30 years with two five-year options.

The Agreement required the Lessee to invest a minimum of \$110 million for a warehouse of at least 250,000 square feet, rehabilitate 65,000 square feet of office space and 140,000 square feet of hangar space, construct 350,000 square feet of paved aircraft ramp, and construct a ground services equipment storage facility. In addition, the Lessee is required to complete the Aviation Department's Taxiway "K" Extension Project, which will extend the taxiway to the east to provide access to the Lessee's warehouse facility and facilitate access to MIA's northeast aircraft parking overflow area.

Several facilities required demolition, including Building 906 then occupied by Wings Aviation, to allow construction to proceed. In order to facilitate Aero Miami's removal of Wings from Building 906, the County assigned the Wings lease to the Lessee.

The Lessee also desired to lease hangar Building 890/891. Normally, the Lessee would have to pay ground and improvement rent to MDAD. Instead, the Agreement allowed the Lessee to purchase the facility for the appraised value of \$6.4 million and avoid paying rent on the facility. The County retains fee simple title to the land underneath the facility and the Lessee pays ground rent throughout the term of the lease.

The Agreement provided that the Lessee would pay the \$6.4 million for the purchase of Building 890/891 by constructing the Taxiway "K" extension at its cost. However, due to unforeseen conditions and a required shift of the Taxiway "K" extension, the cost of the taxiway construction will exceed the building's \$6.4 million purchase price by \$2 million. In addition to reimbursing the Lessee \$2 million, MDAD will pay a fixed-interest payment of \$449,285.00 that is contractually required under the Agreement and applicable to the reimbursement amounts.

The eviction of Wings from its facility became a significant problem for both parties and led to an extension of the lease under the First Amendment (as approved in Resolution No. R-807-09). Under the First Amendment:

1. The commencement date was moved forward 27 months to January 1, 2010.
2. The 30-month completion date for the improvements was therefore moved forward to June 30, 2012.
3. The 25-month rent commencement date was moved forward to January 1, 2012.
4. A provision was added specifically covering the Wings lease and the facility, with the Lessee agreeing to absorb the first \$250,000.00 in costs associated with efforts to remove Wings from the facility and handle any required environmental remediation.
5. The Lessee would be reimbursed by MDAD for those costs plus 7% interest.

Wings Aviation's refusal to vacate Building 906 caused Aero Miami III significant delays resulting in the need for the Lessee to file a lawsuit to evict Wings. Further, the environmental condition of Building 906 was worse than anticipated and the complicated remediation process that the Lessee was required to follow added to the delay. The net cost of environmental remediation was \$2,823,319.00.

Ground rent on the 47.2-acre premises amounts to approximately \$3.1 million per year, against which the amounts to be reimbursed to Aero Miami III will be deducted until the ground rent credits are exhausted. The total of the credits is \$6,607,321.25 (detailed below) and it is anticipated that the County will start receiving ground rent payments from Lessee in 2016.

As a result of (i) the excusable delays the Lessee experienced on the project, (ii) the County's obligations to reimburse the Lessee for the environmental remediation costs (plus 7% interest), (iii) the Taxiway "K" costs to be reimbursed to the Lessee, and (iv) clarifications the parties desire to make, the Second Amendment will provide the following:

1. The commencement date is extended for one (1) year, resulting in a rent commencement date of January 1, 2013, and a construction completion deadline of June 30, 2013. Construction of the cargo handling facility has been completed, and therefore the construction deadline has been met.
2. The Phase I premises is identified on an Exhibit to the Amendment.
3. The parties confirm that the Lessee's expenditures on the project under the lease satisfy the minimum development obligation.
4. The environmental remediation costs to be reimbursed to the Lessee amount to \$2,823,319.00.
5. The net Taxiway "K" costs to be reimbursed to the Lessee amount to \$2 million.
6. The County will pay the Lessee the sum of \$449,285.00 for all interest charges due to the Lessee.
7. Aero Miami III's 2012 rent payments of \$1,334,717.25 will be credited to the Lessee's ground rent payments that commence in January 2013.
8. The Lessee's deletion of Phase II is confirmed.

9. The Lessee's right to cure any outstanding defaults that may occur at the time of a renewal is clarified.
10. The Aviation Department's right to access N.W. 36th Street from the premises is clarified.
11. The Lessee agrees to use commercially reasonable efforts to pursue its rights against Wings and Wings' principal for damages caused by such parties.

MDAD is pleased that construction of this important and significant project by Aero Miami III for Centurion's use has been completed and that the Second Amendment resolves all currently outstanding matters of the project between the County and Aero Miami. Furthermore, MDAD does not wish to impede Aero Miami's ability to leverage its existing lease for financing opportunities. As noted above, Centurion is a co-lessee of the premises and the facility along with Aero Miami III; Centurion and its affiliates are tenants under other leases at MIA and need to discharge outstanding obligations that have arisen under those separate leases.

This office is familiar with the issues regarding those obligations and, under the provisions of Section 2-8.1(h) of the Code of Miami-Dade County, is recommending approval of the Second Amendment on the basis that Centurion is working with the Aviation Department to resolve outstanding obligations. The attached Resolution both ratifies this decision under Section 2-8.1(h) and approves the Second Amendment.



Jack Osterholt, Deputy Mayor



MEMORANDUM
(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: May 6, 2014

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(A)(4)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(A)(4)
5-6-14

RESOLUTION NO. R-405-14

RESOLUTION RELATING TO MIAMI INTERNATIONAL AIRPORT; APPROVING AND AUTHORIZING THE MAYOR OR MAYOR'S DESIGNEE TO EXECUTE THE SECOND AMENDMENT TO THE DEVELOPMENT LEASE AGREEMENT BETWEEN MIAMI-DADE COUNTY AND CENTURION AIR CARGO, INC., AND AERO MIAMI III, LLC, AS JOINT LESSEES, THAT CLARIFIES DATES AND OTHER PROVISIONS OF THE AGREEMENT, APPROVES RENTAL CREDITS IN THE TOTAL AMOUNT OF \$6,607,321.25, AND RATIFIES DETERMINATION OF THE MAYOR OR MAYOR'S DESIGNEE UNDER SECTION 2-8.1(H) OF THE CODE OF MIAMI-DADE COUNTY TO ENTER INTO THE SECOND AMENDMENT; AUTHORIZING THE MAYOR OR MAYOR'S DESIGNEE TO TAKE ALL STEPS NECESSARY TO EFFECTUATE THE TERMS OF THE SECOND AMENDMENT

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves the attached Second Amendment to the Development Lease Agreement between Miami-Dade County and Centurion Air Cargo, Inc and Aero Miami III LLC, as co-lessees, which, among other items contained in such Second Amendment, establishes January 1, 2013 as the rent commencement date and June 30, 2013 as the construction completion date, approves ground rent credits in the amount of \$6,607,321.25 consisting of \$2,823,319.00 for net environmental remediation costs expended by the Lessee, \$2,000,000.00 for the Lessee's Taxiway "K" extension work, \$449,285.00 in interest charges, and \$1,334,717.25 for ground rent payments made by the Lessee in 2012 and authorizes such ground rent credit amounts to be deducted from

rent and payments due under the Agreement in the estimated annual amount of \$3,100,000.00 until such ground rent credits are exhausted, following which the Aviation Department shall charge and collect then-current rent and other charges due and owing from Lessee under the Agreement, and confirms the remaining terms of the Agreement; ratifies the determination by the Mayor or Mayor's designee under Section 2-8.1(h) of the Code of Miami-Dade County to enter into the Second Amendment based on the current negotiations between affiliates of Centurion Air Cargo, Inc. and the Aviation Department over obligations owing by such affiliates to the Aviation Department; authorizes the Mayor or Mayor's designee to take all steps necessary to effectuate the terms of the Second Amendment.

The foregoing resolution was offered by Commissioner **Dennis C. Moss**, who moved its adoption. The motion was seconded by Commissioner **Rebeca Sosa** and being put to a vote, the vote was as follows:

	Rebeca Sosa, Chairwoman	aye
	Lynda Bell, Vice Chair	aye
Bruno A. Barreiro	absent	Esteban L. Bovo, Jr. aye
Jose "Pepe" Diaz	aye	Audrey M. Edmonson aye
Sally A. Heyman	aye	Barbara J. Jordan aye
Jean Monestime	aye	Dennis C. Moss aye
Sen. Javier D. Souto	aye	Xavier L. Suarez aye
Juan C. Zapata	absent	

The Chairperson thereupon declared the resolution duly passed and adopted this 6th day of May, 2014. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS



HARVEY RUVIN, CLERK

By: **Christopher Agrippa**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

TPA

Thomas P. Abbott

Commercial Real Estate

8521 Leesburg Pike
220-0011
Suite 405
Vienna, VA 22182

March 5, 2014

Erin Gruver
Executive Vice President
Aeroterm
201 West Street
Suite 200
Annapolis, Maryland 21401

Re: Aero Miami III, LLC

Dear Mr. Gruver:

It has been a pleasure working with you and we are excited to see Aeroterm's continued growth in the air cargo facility sector with the commencement and delivery of your recent projects at Miami International and Chicago O'Hare International Airport. Further, I appreciate being able to attend your recent groundbreakings.

While RBS Citizens is keenly interested in expanding our relationship with Aeroterm by providing financing to Aero Miami III, LLC for its Centurion Air Cargo project located at Miami International Airport, we are unable to consider this opportunity due to the status of the Development Lease with MDAD.

If the County does not confirm the good standing of the Development Lease with Aero Miami III, LLC by execution of the Second Amendment, RBS would unfortunately be unable to consider debt financing for this project. As you are aware, RBS Citizens would utilize the Development Lease as security in exchange for our lending so this is a key issue that must be resolved.

As discussed, RBS Citizens would be interested in providing such financing upon the full execution of the pending Amendment #2 to the Development Lease as this Amendment would cure the current default. Again, we are disappointed that we can not move forward with you at this time, but we do look forward to working with you once the Amendment is executed.

Yours truly,



Douglas L. Davidson

**SECOND AMENDMENT TO
DEVELOPMENT LEASE AGREEMENT**

This Second Amendment to Development Lease Agreement ("Second Amendment") is entered into this ___ day of _____, 2013 ("Second Amendment Effective Date"), by and between the MIAMI-DADE COUNTY, a political subdivision of the State of Florida ("County" or "Lessor"), and AERO MIAMI III, LLC, a Delaware limited liability company ("Aero Miami"), and CENTURION AIR CARGO, INC. ("Centurion"), (Aero Miami and Centurion being collectively referred to as "Lessee").

WITNESSETH:

WHEREAS, pursuant to that certain Development Lease Agreement between Miami-Dade County, Florida, as Lessor, and Centurion Air Cargo, Inc., as Lessee, for Premises at Miami International Airport, dated September 4, 2007 (as assigned to Aero Miami pursuant to that certain Assignment and Assumption of Development Lease dated September 4, 2007); which was amended by that certain First Amendment to Development Lease Agreement, dated September 8, 2009 (collectively, the "Development Lease"), Aero Miami has leased from the County certain property ("Premises") at the Miami International Airport ("Airport"), which the County owns and operates through its Aviation Department ("MDAD") (capitalized terms used but not otherwise defined herein shall have the meaning ascribed thereto within the Development Lease); and

WHEREAS, Aero Miami is currently developing on the Premises a new cargo handling facility and is rehabilitating an existing building on the Premises known as Building 890/891 ("Building 890/891") (collectively, the "Phase I Improvements"); and

WHEREAS, pursuant to a separate Lease Development Agreement dated November 14, 2002 (the "Wings Lease"), between the County and Wings Aviation Services, Inc. ("Wings"), the County leased to Wings that certain property known as Building 906 which is located in the middle of the Premises leased to Aero Miami under the Development Lease; and

WHEREAS, Lessee's removal of Wings from the Wings Space and completing the environmental remediation that was required on the Wings premises, in addition to the demolition of Building 906, were necessary in order for Aero Miami to complete the construction of the Phase I Improvements; and

WHEREAS, Aero Miami had planned to commence construction of the Phase I Improvements no later than January 1, 2010; and

WHEREAS, as a result of legal challenges and other tactics employed by Wings, Aero Miami was unable to gain complete possession of the Wings Space until the Fall of 2010, and in addition Aero Miami was required to engage in a complex and expensive

environmental cleanup effort on the Wings premises as required by the County's environmental regulators; and

WHEREAS, Aero Miami has commenced construction of the Phase I Improvements on an expedited basis, and has completed most of the construction of the Phase I Improvements as reflected by the Certificate of Occupancy Aero Miami has obtained for the cargo handling facility; and

WHEREAS, the County and Lessee desire to amend the Development Lease to

- (i) Extend the Development Agreement for two successive six month periods, the first six month period to account for the delays Aero Miami encountered in gaining access to the Wings premises and the second six month period to account for the extensive environmental cleanup requirements imposed on Aero Miami;
- (ii) Confirm the size and location of the entire Premises and the rental rate applicable thereto;
- (iii) Confirm the amount of Aero Miami's environmental cleanup costs that are to be reimbursed to Aero Miami through ground rent credits;
- (iv) Confirm the amount of Aero Miami's expenditures on the Taxiway K Extension costs that are required to be reimbursed to Aero Miami through ground rent credits;
- (v) Confirm the amount of interest charges payable to Aero Miami arising out of the agreed-upon environmental cleanup costs;
- (vi) Confirm the order of the Lessee's entitlement to the ground rent credits;
- (vii) Confirm that the Phase II project has been removed from the Development Agreement;
- (viii) Clarify the terms applicable to the Lessee's exercise of the two renewal periods that are provided in the Development Agreement;
- (ix) Confirm the nature of Lessor's access rights to N.W. 36th Street; and
- (x) Confirm Lessee's obligations to pursue collection actions against Wings;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree to amend the Development Lease as follows:

JDF 

1. **Recitals.** The Recitals set forth above are true and correct and are incorporated herein.

2. **Commencement Date.** The Commencement Date as defined under the Development Lease is hereby amended to be January 1, 2011 with respect to the following provisions and definitions in the Development Lease: (i) the Phase I Completion Deadline in Section 2.1; (ii) the Rent Commencement Date in Section 4.1(A); (iii) the completion deadlines in Sections 5.3(A) and 5.6(A); and (iv) the Minimum Investment (Section 5.8). As a result of such amendment to the Commencement Date, the Rent Commencement Date is January 1, 2013, and the Phase I Completion Deadline is June 30, 2013.

3. **Size and Location of the Premises, Rental Rate Applicable Thereto; Satisfaction of Investment Requirement.**

(A) The parties agree that the Premises consist of the Phase I Premises of approximately one million six hundred twenty one thousand nine hundred eighty nine (1,621,989) square feet and the Phase IA Premises which consists of four hundred thirty four thousand one hundred sixty one (434,161) square feet as described and as shown on Exhibit A hereto.

(B) The ground rental rate applicable to the Premises from January 1, 2013 to September 30, 2013 shall be \$1.55 per square foot for land, \$.70 per square foot for aircraft pavement, and \$.25 per square foot for vehicle pavement. Such rental rates shall be subject to the terms of Article 4 of the Development Lease, including annual adjustment or other adjustments thereunder, and the terms of Article 4 of the Development Lease shall apply to all land and improvement rentals on the Premises, except as modified in this Section 3 and Section 5(A) below.

(C) The parties acknowledge and agree that minimum investment obligations of the Lessee under the Development Lease, and specifically Article 2.11 thereof, have been met and that Lessor shall have no right (and hereby waives any right) to take any actions under Article 5.8.

4. **Environmental Cleanup Costs to be Reimbursed to Lessee.**

(A) The parties acknowledge that the net amount of Aero Miami's environmental cleanup and demolition costs, including the costs of evicting Wings and gaining access to the premises, to be reimbursed by the Lessor to Aero Miami as provided in Section 2.7 of the Development Agreement, is the sum of two million eight hundred thousand dollars (\$2,823,319.00). Such net amount of \$2,823,319.00 shall be reimbursed to Aero Miami through ground rent credits to be applied in the manner set forth in Section 7 below.

5. **Taxiway K Construction Costs to be Reimbursed to Lessee.**

(A) The Parties acknowledge that, as of the date of this Second Amendment, the Taxiway K Project (sometimes referred to as the "Taxiway K Extension Project") is approximately 60% completed by Lessee's contractor, and that the budgeted costs for completion of the Project is \$10.4 million, with the completion expected to occur at some time in late 2013. Notwithstanding such facts, the parties are able to determine with finality in this Second Amendment the maximum amount of Taxiway K Project costs for which Lessor shall be liable, with Lessee remaining liable for completion of the Project with its contractor and payment of all costs arising therefrom including costs associated with delay claims from the contractor. Accordingly, the parties agree that Lessor's liability for the Taxiway K Project costs shall be expressly limited to eight million four hundred thousand dollars (\$8,400,000.00). However, as provided in Article 4.1(B)(3) of the Development Lease, Lessee is required to pay Lessor the sum of \$6.4 million for the conveyance to Lessee of Buildings 890/891 for Lessee's use during the duration of the Development Lease term. Because the Taxiway K costs have exceeded the previous estimated cost of not to exceed \$6.4 million, the parties acknowledge that Lessor's obligation to reimburse Lessee for the Taxiway K costs and Lessee's obligation to pay Lessor up to \$6.4 million under Article 4.1(B)(3) and Article 2.6 of the Development Lease shall be discharged in their entirety by:

- (i) the parties' acceptance of \$8.4 million as the maximum amount payable by Lessor to Lessee for the Taxiway K costs, regardless of the final costs incurred by Lessee for the Taxiway K Project (except for Lessor's changes in the scope of work as provided in (B) below);
- (ii) Lessee's payment to Lessor of the \$6.4 million for Buildings 890/891, such payment to be effected through a reduction of the \$8.4 million in agreed costs of Lessor for the Taxiway K Project, so that the net amount of two million dollars (\$2.0 million) is payable by Lessor to Lessee; and
- (iii) Lessor's payment to Lessee, through ground rent credits, of the net amount of \$2.0 million.

(B) Lessee releases and discharges Lessor forever from any obligation to pay Lessee more than \$8.4 million for the Taxiway K project costs. The parties acknowledge that the Taxiway K project is not 100% completed and that the budgeted project costs are currently in the amount of \$10.4 million. Lessee agrees to absorb any difference between the \$8.4 million and the final Taxiway K Project costs, whether they are more or less than \$10.4 million, and Lessee shall not be entitled to any further payment from, or reimbursement by, Lessor for the Taxiway K Project costs in excess of \$8.4 million. Provided, however, that Lessor shall be liable for any costs in excess of \$8.4 million that result from Lessor's written request for a change in scope of the work issued at any time following the date of this Second Amendment. Lessee agrees that Lessor's obligation in this regard shall be based solely on a written request for such work signed by the Aviation Director or a Deputy Director of MDAD and that any work performed by Lessee on the basis of any request from staff members of the Aviation Department other

JDK (AP)

than the aforementioned executive staff members of Lessor shall not require Lessor in any manner to compensate or reimburse Lessee for the cost of such work.

(C) Lessor shall provide reasonable cooperation to Lessee, at no charge to Lessee, in the event Lessee's contractor on the Taxiway K Project makes any claim for delay damages. Lessor reserves the right to recover from Lessee all of Lessor's costs that are in excess of the costs associated with reasonable cooperation.

6. Interest Charges Payable to Lessee. Lessor agrees to pay Lessee the sum of four hundred forty nine thousand two hundred eighty five dollars (\$449,285.00) in full payment of all interest charges due to Lessee under the Development Lease to date, including but not limited to Section 5 of the First Amendment which amended Section 2.7 of the original lease, and Lessee acknowledges that payment to Lessee of this amount through ground rent credits under Section 7 below shall be in full satisfaction of Lessor's obligations for interest charges payable to Lessee under such Section 5 of the First Amendment and under the Development Lease for charges payable to Lessee to date and for all amounts to be reimbursed to Lessee through ground rent credits under Section 7 below.

7. Ground Rent Credits Due to Lessee.

(A) The Parties acknowledge that Aero Miami made ground rent payments to the Aviation Department in the total amount of 1,334,717.25 in 2012. Because Section 2 above amends the Rent Commencement Date under the Development Agreement to January 1, 2013, Aero Miami is entitled to have such payments made in 2012 applied against the monthly ground rents starting on the amended Rent Commencement Date of January 1, 2013. As provided in Section 6 above, Lessor shall not be required to pay interest on such 2012 rent payments made by Lessee and shall not be required to pay interest on any amounts that are reimbursable to Lessee. Accordingly, Lessor shall be entitled to apply the rent credit amounts in whatever manner Lessor chooses until they are exhausted. The application of the rent credits in the order set forth below is one method Lessor may select, but Lessor may select any method it chooses.

(B) Upon exhaustion of the ground rent credits in the amount of \$1,334,717.25, Lessor shall immediately apply the net environmental cleanup cost credits of \$2,823,319.00 set forth above in Section 4 against the ground rents until the \$2,823,319.00 (with no interest applying thereto) is fully exhausted.

(C) Upon exhaustion of both the ground rent credits set forth above in (A) and (B), Lessor shall apply the amount of \$2.0 million payable to Lessee for the Taxiway K Project costs as set forth above in Section 5, until such \$2.0 million is exhausted. As provided in Section 6 above, no interest shall be payable to Lessee on the \$2.0 million.

(D) Lessee is therefore entitled to ground rent credits in the total amount of six million five hundred eighty four thousand two dollars and twenty five cents (\$6,607,321.25), consisting of \$1,334,717.25 million in already-paid rent payments,

JDK (AP)

\$2,823,319.00 for environmental clean-up costs, \$2.0 million for the Taxiway K Project costs, and \$449,283.00 in interest charges. Because the current ground rent is approximately \$3.1 million per year (subject to increase annually in the manner set forth in the Development Lease), the parties anticipate that Lessee shall be required to commence ground rent payments to Lessor in approximately the third quarter of 2015.

8. Deletion of Phase II. The Parties acknowledge and agree that (i) Phase II has been removed from the Development Agreement, (ii) Lessee shall not be entitled to develop any portion of the Phase II Premises, (iii) Lessee shall have no obligation as to development of the Phase II Premises, (iv) Article 2.3 and all other provisions of the Development Agreement referring to Lessee's development of Phase II shall have no further force and effect, and (v) Lessor shall have all rights as owner to make use of and develop the area that is in, under, and around Phase II in whatever manner Lessor chooses.

9. Renewal Option. Article 2.5 of the Development Agreement is deleted in its entirety and the following inserted in its place:

This Agreement may be renewed ("Renewal Option") by Lessee for two successive terms ("Renewal Terms") of 60 months each as long as Lessee is not in default under the terms of this Agreement both at the time that Lessee exercises that Renewal Option and at the time the ensuing Renewal Term would commence. Lessee will exercise that Renewal Option, if at all, by delivering writing notice (the "Option Notice") to the County not less than six months prior to the date on which the Term will expire in the absence of the exercise of this option, or six (6) months prior to the date on which the first sixty (60) month Renewal Term would expire in the absence of the exercise of the second sixty (60) month option. Lessee shall be required prior to such exercise of each option to request, not later than three (3) months prior to the Option Notice date, a determination in writing from Lessor whether Lessee is then in a state of default that will preclude Lessee from renewing the Lease. If Lessee fails to request such a determination or fails to make a timely request for such a determination and Lessee is in fact in a state of default at the time of Lessee's exercise of the option, then Lessee shall not be entitled to exercise the option. If Lessee has made a timely request for such a determination and Lessor advises Lessee that Lessee is not in a state of default, Lessee shall be entitled to exercise its option, but if Lessor advises that Lessee is in a state of default, then Lessee shall have the right to cure the default, either by effecting the cure prior to the Option Notice date or, if the default cannot be cured within such period of time, Lessee commences substantial corrective steps to cure the default and diligently pursues same to completion. The foregoing procedure for determination of a default prior to the Option Notice date shall apply to the determination of default at the time the ensuing Renewal Term would commence, except that Lessee must make the request more than thirty (30) days and less than forty five (45) days prior to such commencement date. If Lessor receives a timely request for a determination and fails to respond in a timely manner so that Lessee would have time to effect a cure or commence the effecting of the cure within such time period, then Lessee shall have the same opportunity to cure the default if Lessee promptly initiates the substantial corrective steps upon its receipt of Lessor's

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response and diligently pursues same to completion. In connection with the exercise of the foregoing options and in connection with Lessee's use of the Premises during any Renewal Term, the provisions of this Agreement shall govern.

10. Lessor's Access Rights to N.W. 36th Street. The parties acknowledge that Lessee has complied with its obligations under Article 2.2(B) of the Development Lease to provide Lessor with access to N.W. 36th Street during the Lessor's work on the North Terminal Development Project. The parties may agree in the future to permit Lessor's access to N.W. 36th Street from Lessor's Premises on terms and conditions mutually acceptable to both parties.

11. Wings Aviation Services, Inc. Lessee agrees to use commercially reasonable efforts to pursue Wings and its principal for recovery of all rentals and environmental costs that Wings is liable for under the terms of the Wings' lease in Building 906 subject to Section 5 of the First Amendment to Development Lease Agreement. Upon recovery of any amounts from Wings or its principal, either as a result of a trial or a negotiated settlement, Lessee shall remit to Lessor the net amounts that are payable to Lessor either under the terms of the Wings lease with the County or as a matter of law. "Net amounts" refers to the total of any recovery against Wings and its principal, less the reasonable costs of litigation and less any portion of the recovery that represents damages to Lessee that are not payable to Lessor under the Development Lease or costs to Lessee that were not reimbursed to Lessee by Lessor.

12. Development Lease Confirmed. Except as modified as provided in this Second Amendment, all terms and conditions of the Development Lease and its First Amendment shall remain in full force and effect. The Development Lease and its First Amendment, as amended by this Second Amendment, are hereby ratified and confirmed. The Development Lease, its First Amendment, and this Second Amendment, constitute and represent the entire agreement between the parties hereto with respect to the subject matter hereof and supersede any prior understandings or agreements, written or verbal, between the parties hereto respecting the subject matters herein.

IN WITNESS WHEREOF, the parties have set their hands to this Second Amendment effective as of the Second Amendment Effective Date.

LESSOR:

MIAMI-DADE COUNTY

By: _____
Mayor or Designee

ATTEST:

By: _____
Name: _____
Title: _____

JDR

AC

AERO MIAMI III, LLC

By: Bristol Miami Airport, LLC
Its Managing Member

By: Bristol Group Inc.
Its Manager

ATTEST:

By: *Genevieve A. Cadwaladr*
Name: Genevieve A. Cadwaladr
Title: Associate

By: *J. S. Kott*
Name: Jeffrey S. Kott
Title: Managing Partner

CENTURION AIR CARGO, INC.

By: *[Signature]*
Alfonso C. Rey
Printed Name:

Title: Chairman

ATTEST:

By: *[Signature]*
Luis M. Coballos
Printed Name
Title: Legal Consultant

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

Before me, _____, a notary public of the state and county mentioned, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself or herself to be the Mayor of Miami-Dade, Florida, or his designee, the within bargainer, a political subdivision of the State of Florida, and that he as such authorized County official, being authorized, so to do, executed the foregoing instrument for the purpose therein contained, by personally signing the name of the political subdivision by himself as Mayor or his designee.

Witness my hand and seal, at office in my office in Miami, Florida, this _____ day of _____, 2011.

NOTARY PUBLIC

My Commission Expires: _____

[SEAL]

STATE OF _____
COUNTY OF _____

Before me, Iraq Pacheco, a notary public of the state and county mentioned, personally appeared Alfonso Rey, whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be Chairman of Centurion Air Cargo, Inc., the within bargainer, a Delaware limited liability company, and that he as such Chairman, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by personally signing the name of the limited liability company by himself as Chairman.

Witness my hand and seal, at office in Miami Florida, this 19 day of July, 2011

[Signature]
NOTARY PUBLIC

My Commission Expires: 4/27/17

STATE OF California
COUNTY OF San Francisco



Before me, J. Becker, a notary public of the state and county mentioned, personally appeared Jeffrey S. Kott, whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be Managing Partner of Aero Miami III, LLC, the within bargainer, a Delaware limited liability company, and that

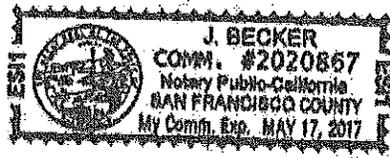
he as such Managing Partner, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by personally signing the name of the limited liability company by himself as Managing Partner

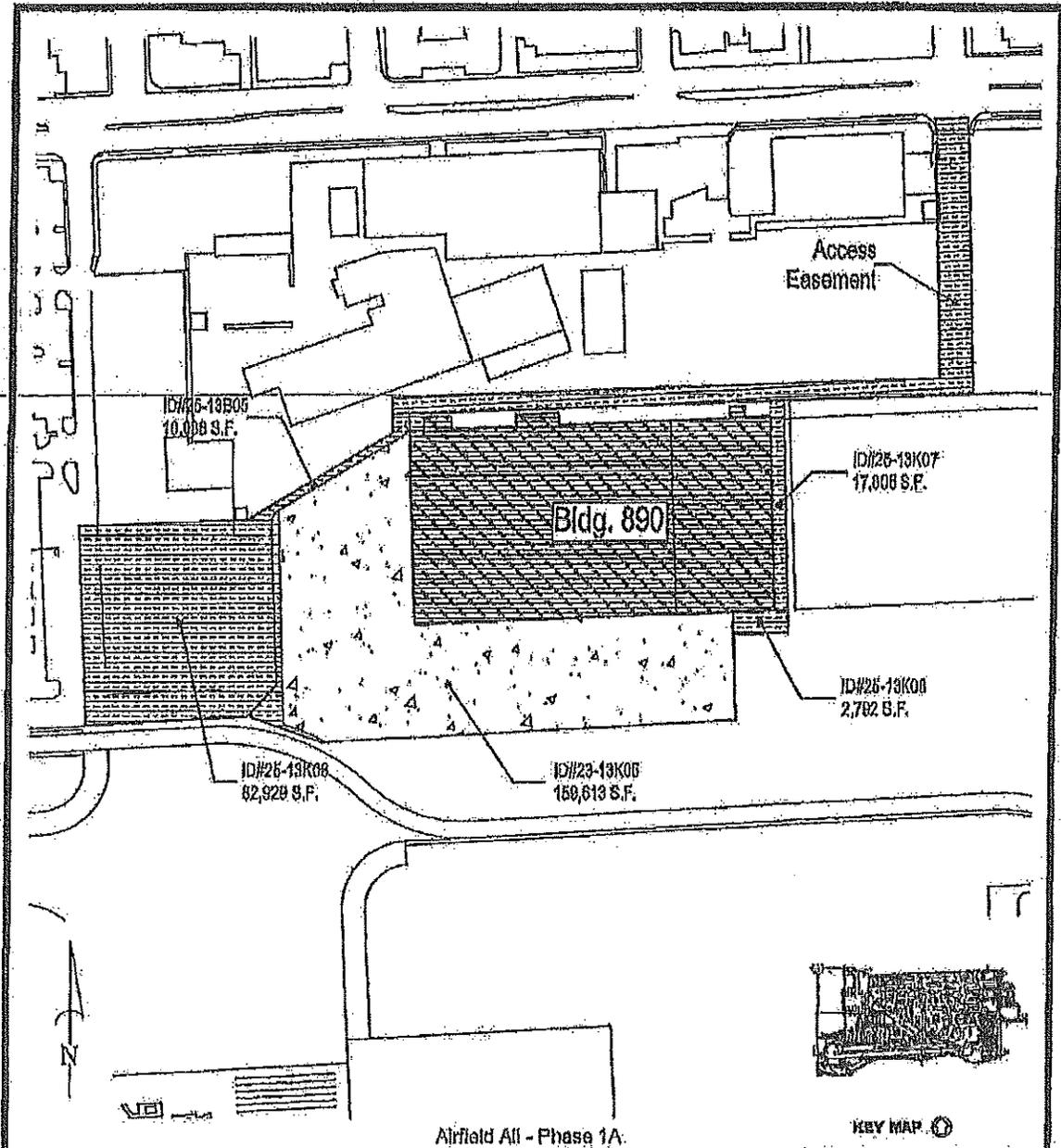
Witness my hand and seal, at office in San Francisco, California,
this 3rd day of July, 2011. 2013.

[Signature]
NOTARY PUBLIC

My Commission Expires: 5/17/17

[SEAL]





CODE	SPACE CLASS	SQ. FT.	MIAMI DADE AVIATION DEPARTMENT MIAMI INTERNATIONAL AIRPORT	
	Airfield Aircraft Pavement	159,613	EXHIBIT P-1 CENTURION AIR CARGO	
	Landside Vehicular Pavement	113,665		
	Building	160,883		
		434,161		
SCALE: 1" = 100'		FILE #: 2888	DATE: 4/05/2013	

JAK

EXHIBIT A

2 of 2

Centurion Air Cargo
Development

Phase 1A

	<u>Rate</u>	<u>SF</u>	<u>Annual</u>	<u>Monthly</u>
Landside/vehicle pavement	\$ 0.25	113,565	\$28,391.25	\$2,365.94
Aircraft pavement	\$ 0.70	159,613	\$111,729.10	\$9,310.76
Land	\$ 1.55	434,161	\$672,949.55	\$56,079.13
			<u>\$813,069.90</u>	<u>\$67,755.83</u>

Phase 1

Land	\$ 1.55	1,621,989	<u>\$2,514,082.95</u>	<u>\$209,506.91</u>
Total			<u>\$1,927,182.85</u>	<u>\$277,262.74</u>

Note: Based on Exhibit P-1 revised 4/5/13

CDK

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STATE OF FLORIDA)
)
COUNTY OF MIAMI-DADE)

SS:

I, **HARVEY RUVIN**, Clerk of the Circuit Court in and for Miami-Dade County, Florida and Ex-Officio Clerk of the Board of County Commissioners of Said County, Do Hereby Certify that the above and foregoing is a true and correct copy of the "Personal Guarantee of Corporate Accounts for Alfonso Rey", as appears of Record.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on
This 9th day of October, A.D. 2007.

HARVEY RUVIN, Clerk
Board of County Commissioners
Dade County, Florida

By *Alfonso Rey*
Deputy Clerk



Board of County Commissioners
Miami-Dade County, Florida

ALFONSO REY
120 Knollwood Dr.
Key Biscayne, FL 33149

CLERK OF THE BOARD
MAY 07 9 11 25
CLERK OF THE BOARD

TO: MIAMI-DADE COUNTY AVIATION DEPARTMENT
PO BOX 025504
MIAMI, FLORIDA 33102-5504

RE: PERSONAL GUARANTEE OF CORPORATE ACCOUNTS

In consideration of, and subject to and conditioned upon, (1) Miami-Dade County's execution and delivery of that certain "Development Lease Agreement Between Miami-Dade County, Florida, as Lessor, and Centurion Air Cargo, Inc. ("Centurion"), as Lessee, relating to the development of the Centurion cargo facility to be located at the northeast corner of Miami International Airport ("MIA") (the "Centurion Northeast Corner Cargo Facility") (the "Lease Agreement") and, (2) the full and final approval of the Miami-Dade County Commission ("Final Approval") of the Lease Agreement (1 and 2 collectively, the "Conditions Precedent"). Subject to the occurrence of both of the Conditions Precedent, I hereby guarantee to you full and complete payment when due of any sums of money owing to Miami-Dade County or Miami-Dade County Aviation Department (collectively, such parties being referred to herein as "MDAD") by the following companies operating at or doing business with MIA:

Centurion Air Cargo, Inc.
Cielos del Peru S.A.
UnoHandling, Inc.

(collectively, the "Tenant Companies")

I agree that my guarantee shall apply to all sums of money due to MDAD under the current leases in effect for facilities located in Buildings 701, 706, and 707 at MIA as such facilities are changed, substituted, or modified by agreement of the parties (the "Current Facilities") and under any lease between MDAD and the Tenant Companies relating thereto (the "Current Leases"), with such sums including, but not being limited to, rentals for the Current Facilities leased or used by any of the Tenant Companies, and all other fees and charges imposed by contract or law by MDAD for the use of the Current Facilities, including attorney's fees and costs of litigation as provided for in such Current Leases for the period commencing upon such Final Approval and terminating upon the earlier of Centurion's occupation of the completed Centurion Northeast Corner Cargo Facility or the date that the Lease Agreement is terminated in accordance with its terms (the "Guarantee Period").

I agree that my guarantee is fully enforceable against me or my estate personally without the need for Miami-Dade County or MDAD to proceed first against the foregoing obligors.

I agree that MDAD may pursue collection of such accounts first from the foregoing obligors or else simultaneously from the foregoing obligors and me without affecting my personal guarantee of payment of such sums of money to MDAD.

My guarantee applies to all past, current, and future obligations of the Tenant Companies coming due prior to or during the Guarantee Period.

I agree that my personal guarantee may not be revoked or terminated by me for any reason, and that my personal guarantee shall apply for the duration of the Guarantee Period.

Under this guarantee of payment, I agree to make complete payment to MDAD of the sum of money then due and owing by any of the Tenant Companies upon my receipt of written notice from MDAD of the sum of money then due and owing. Upon my receipt of such notice, I agree to make such payment in immediately available U.S. funds, drawn on a U.S. bank, to be received by MDAD within five (5) business days from the date of my receipt of such notice.

Such notice shall be effective if it indicates which of the foregoing Tenant Companies is obligated to make the payment and the date such payment was originally due. I agree that a copy of an invoice from MDAD to any of the foregoing companies displaying such information served upon me in accordance with the provisions hereof, without more, is sufficient notice for me to pay such amount indicated in the notice, in the manner and at the time set forth herein.

I agree that MDAD may send such notice to me in any of the following manners: (1) facsimile transmission; (2) email; (3) certified or registered U.S. mail; (4) hand delivery; or (5) overnight delivery by a recognized delivery company, such as Federal Express, UPS, DHL, or the like. I agree that such notice shall be effective as to my personal Guarantee if sent in the foregoing manner to any of the following recipients:

1. To me, at:

120 Knollwood Drive
Key Biscayne, Florida 33149
Fax: (305) 871-0118

2. To Centurion, at:

Centurion Air Cargo, Inc.
1800 NW 89 Avenue Miami, Florida 33172
Fax: (305) 392-7494

3. To Cielos del Peru S.A. at:

1851 NW 68 Avenue
Bldg. 706, Suite 225
Miami, Florida 33126
Fax: (305) 871-0118

4. To Uno Handling, Inc. at:

2460 NW 66th Avenue
Bldg. 701, Suite 100/101
Miami, Florida 33122
Fax: (305) 526-8773

With a copy to (for any notice to Guarantor or any Tenant Company):

Jarvis & Associates, P.A.
1500 San Remo Ste 145
Coral Gables, Florida 33146
Fax: 305-445-4545
E-mail: jwj@jarvislaw.com

If any of the foregoing street addresses, facsimile addresses, or email addresses should change, I agree that such change shall not be effective until I notify MDAD in writing as to such change. Until such written notification to MDAD, I agree that notice sent by MDAD to any of the foregoing addresses shall be sufficient to trigger my personal Guarantor obligation. My written notice to MDAD regarding any such change and any other written notice to MDAD, shall be sufficient only if sent in writing to the following:

Aviation Director
Miami-Dade County Aviation Department
PO Box 025504
Miami, Florida 33102-5504

With a copy to:

Office of the County Attorney
PO Box 025504
Miami, Florida 33102-5504

I understand and agree that (i) any payment due and owing from the Tenant Companies shall be subject to a delinquency payment obligation either to the extent set forth in the Current Leases under which the obligation arises or to the extent required of all users of MIA under County laws, rules or regulations applicable to all users of MIA. (ii) such delinquency payment is generally in the amount of one and one-half percent (1 1/2%) per

month, and (iii) my personal guarantee herein applies to my obligation to pay such delinquency amounts as well.

I agree that MDAD may pursue collection of any sum of money due and owing from any of the Tenant Companies by resort to its remedies under this personal Guarantee or by resort to any other remedy provided by law or agreement without affecting my personal guarantee of payment provided herein, and that MDAD is not required to (i) pursue any of the foregoing remedies in any particular order before seeking payment from me under this personal guarantee.

My personal guarantee provided herein applies to all sums of money due and owing from the Tenant Companies arising prior to or during the Guarantee Period (and thereafter for interest, costs, and expenses accruing thereon, but only to the extent that the original obligation arose during the Guarantee Period), and is not limited to any maximum amount.

I agree that my personal guarantee shall not be affected by any of the following:

a. A forbearance or agreement by MDAD to extend time for payment by any of the foregoing companies of any of their respective obligations to MDAD;

b. MDAD's failure to resort to any security deposit or other asset of the foregoing companies. Specifically, I agree that MDAD shall have the right to pursue its remedies under my personal guarantee without resorting to the security deposit or other assets of the Tenant Companies;

c. Any change, material or otherwise, that may be agreed upon by the parties to the Current Leases;

d. Any bankruptcy proceeding applicable or related to any of the Tenant Companies.

I agree that my personal guarantee is an absolute guarantee and, subject to the Conditions Precedent, not a conditional guarantee, and that my obligations hereunder are measured solely by the terms of this document and cannot be limited, qualified, or varied by parol evidence.

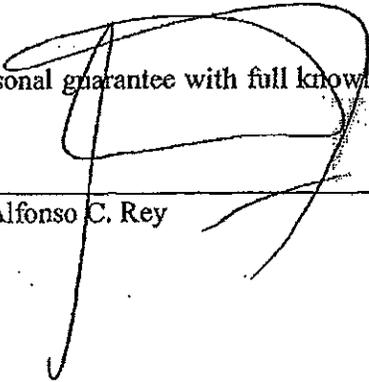
My personal guarantee is not assignable by me to any other party, and MDAD has no obligation to accept the personal guarantee of any other attempted assignee party.

I acknowledge and agree that I am making this personal guarantee as an individual and not in my capacity as an employee, officer, or director of any of the foregoing companies.

I acknowledge and agree that Miami-Dade County would not have entered into the Lease Agreement without my personal guarantee of payment of the sums of money due and owing to MDAD by any or all of the Tenant Companies hereunder.

I acknowledge and agree that nothing herein precludes MDAD from pursuing its lien rights under Section 329.40, Florida Statutes, as such statutory provision may be moved or amended from time to time, as to any aircraft of the Tenant Companies using MIA, and that MDAD's exercise of its lien rights as to any such aircraft shall not affect my personal guarantee as set forth herein.

IN WITNESS WHEREOF, I have executed this personal guarantee with full knowledge and acceptance of its terms.



Alfonso C. Rey

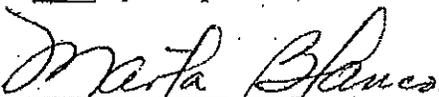
DATED this 24th day of September, 2007.

STATE OF FLORIDA)
)ss
COUNTY OF Miami-Dade)

BEFORE ME the undersigned authority, personally appeared Mr. Alfonso C. Rey, who, after first being duly sworn under oath by me, deposes and says that he has read the foregoing Personal Guarantee and fully understands its terms.

SWORN TO AND SUBSCRIBED before me

this 24th day of September, 2007.



NOTARY PUBLIC

MARTA BLANCO
(Print, Type or Stamp Commissioned Name of Notary Public)

My Commission Expires: March 7, 2009



Personally Known or
Produced Identification

Type of Identification Produced: _____