

**MINUTES OF THE SPECIAL MEETING OF THE
SANFORD AIRPORT AUTHORITY
MONDAY, NOVEMBER 14, 2011**

PRESENT: Tim Donihi, Chairman
Stephen P. Smith, Vice-Chairman
U. Henry Bowlin, Secretary/Treasurer
Tom Ball
Whitey Eckstein
William R. Miller
Clayton D. Simmons
Tim M. Slattery
Brett R. Renton, Airport Counsel
David A. Shontz, Airport Counsel

ABSENT: David L. Cattell
Commissioner Patty Mahany, City Liaison
Commissioner Dick Van Der Weide, County Liaison

STAFF PRESENT: Larry A. Dale, President & CEO
Diane Crews, Vice President of Administration
Bryant W. Garrett, Vice President of Finance
George Speake, Vice President of Operations & Maintenance
Diana M. Muñiz-Olson, Executive Secretary

OTHERS PRESENT: Paula Ross, Court reporter

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND INTRODUCTION OF GUESTS

The meeting was called to order at 1:00 p.m., followed by the Pledge of Allegiance.

2. ADVERTISEMENT OF SPECIAL MEETING

Copies attached.

President Dale confirmed there is a quorum and that the meeting has been properly advertised.

President Dale stated he needed to discuss other business before the executive session and asked Counsel if it mattered if the item was moved up. Counsel confirmed the Chairman, at his discretion, could move items out of order. Chairman Donihi gave the floor to President Dale to discuss Other Business.

3. OTHER BUSINESS

President Dale reported on the following:

- A. Widening of SR 46 – President Dale stated there is a proposed amendment that takes approximately \$1.8 million and moves it into the work program for the surcharge of the temporary bypass road. The widening of SR 46 is already in the program in regards to the Right-of-way; this puts it in the construction phase. President Dale stated he spoke with Representative Jason Brodeur and was assured that all the money for construction will be in this year, at least on the 5-year program.
- B. SunRail – President Dale stated he was briefed on the Sunrail project the other day. Sanford is on the first phase (31 mile phase) of the project, and the station is expected to be in operation in 2013. The Sanford station will have a passenger stop and a maintenance facility. The State has purchased the CSX Transportation freight track, which will allow the construction to begin. Board Member Miller questioned if it was going to be double-tracked. Board Member Bowlin believes they will use the sidings until they see how successful it is. President Dale will verify if it will be double-tracked.
- C. Add-on Item 1 – Staff recommends approval of Lease No. 2011-44 with SKYBLUE AVIATION GROUP, INC. for Building No. 517, located at 1250 East 26th Place (Hangar/Office). The lease shall have a five (5) year term, commencing on December 1, 2011, with two (2) five-year renewal options. The lease consists of 20,000 square feet of hangar/office space, at \$4.98 per square foot for Years 1-3. The annual rental rate for Years 1-3 is \$99,600.00; the monthly payment is \$8,881.00 including taxes. The tenant will be conducting a flight training school; aircraft sales and storage; and ground school for aircraft mechanics.

President Dale stated Skyblue Aviation has purchased the training facility next to Jim Watkins' place. Mr. Watkins' entities have ceased to exist; approval of this agreement releases Mr. Watkins from past and future obligations. Counsel clarified that implicit in the motion is the termination of the previous lease with Mr. Watkins. President Dale stated he sought direction from Counsel and Chairman Donihi on what needed to be brought to the Board. Staff and Counsel recommend approval of termination of the three leases with Mr. Watkins. Counsel clarified it is a forgiveness of debt, and the Authority will get the property back. President Dale stated the Authority would get the properties back without going through bankruptcy court or an IRS lien. Board Member Smith questioned if Mr. Watkins built any of the buildings. President Dale clarified they did not. The Authority owns the hangar with the paint shop, Mr. Watkins put in the improvements. Board Member Miller questioned if the locks will be changed. President Dale stated Mr. Watkins has some time to move out until the other lease is effective. Board Member Smith questioned if the Board can make a

condition regarding the equipment on the termination agreement. President Dale stated the terminations to the lease have been signed already; they need ratification from the Board. The terminations of the agreement do not change the terms of the lease agreement. Board Member Miller questioned what was the pressure to do this before bringing it to the Board. President Dale stated he feared Mr. Watkins would file bankruptcy or have an IRS lien against the property. Counsel stated all three entities are defunct. Board Member Slattery questioned how much money has been forgiven. President Dale stated it is approximately \$200,000.00 for all properties and some hangars; which was not budgeted for this year. Bryant Garrett stated it was entered under the "Doubtful Receivable" account for \$200,000.00. He clarified that it was recently that Mr. Watkins really fell farther behind; as far as cash flow, the Authority had a good year. President Dale clarified Mr. Watkins had paid approximately \$500,000.00 over the past three years. He briefed the new members on the direction given by the Board during the August meeting regarding arrearage. Board Member Slattery questioned if this was a positive "to the bottom line." President Dale stated the paint booth is worth \$180,000.00, the Authority will be getting that collateral back. Mr. Garrett stated it is not going to hurt the Authority from a cash flow perspective, but will help when we get a reliable tenant in the building. Chairman Donihi stated two things that influence the decision to sign the termination agreements were: 1) there was the possibility if something was not done, it might end up in bankruptcy and the building would have been foreclosed on; and 2) there was a new tenant ready to take over.

Motion by Board Member Smith, seconded by Board Member Ball to ratify termination of Lease No. 2003-05 (with Avion Jet Center, LLC), Lease No. 2003-22 (with Southern Jet Center, LLC), and Lease No. 2005-05 (with Avion Jet Center, LLC); and approve Lease No. 2011-44 with SKYBLUE AVIATION GROUP, INC., contingent upon receipt of the signed lease, insurance certificate, and payment of the deposit and December's rent. Vote taken, none opposed. Motion passed.

4. ADJOURN FOR EXECUTIVE SESSION – JAMES J. MCDONNELL & DONNA R. MCDONNELL VS. SANFORD AIRPORT AUTHORITY

The regular meeting was adjourned at 1:28 p.m. for the executive session.

5. EXECUTIVE SESSION – JAMES J. MCDONNELL & DONNA R. MCDONNELL VS. SANFORD AIRPORT AUTHORITY

6. RECONVENE

The regular meeting reconvened at 2:29 p.m.

7. OTHER BUSINESS

Due to the current economy and retirement funding issues, Board Member Eckstein disclosed he gave his son-in-law the money to buy Atkins shares, to get him interested on the market. Atkins share is a good investment, and Board Member Eckstein advised his son-in-law it would be wise to invest in his (son-in-law) own company.

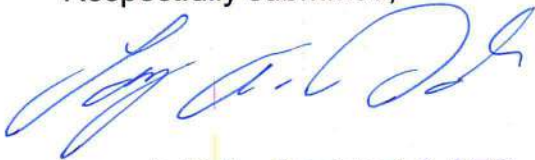
Board Member Eckstein also discussed the incident with Joe Paterno and cautioned the staff about similar incidents. President Dale stated he has discussed with staff that very aspect of what their duties are if something like that occurs. Not reporting similar incidents would violate the Authority's policies and the law.

8. REMINDER OF NEXT BOARD MEETING (DECEMBER 13, 2011)

9. ADJOURNMENT

There being no further business, the meeting was adjourned at 2:32 pm

Respectfully submitted,



Larry A. Dale, President & CEO
/dmm



SANFORD AIRPORT AUTHORITY
1200 Red Cleveland Boulevard
Sanford, Florida 32773
(407) 585-4001 • Fax (407) 585-4045
www.orlandosanfordairport.com

November 2, 2011

Via email: legals@mysanfordherald.com

The Sanford Herald
P. O. Box 1657
Sanford, Florida 32772 1657

Attn: Robin, Legal Classified

Please publish the following Public Notice one (1) time in the **Sunday edition (November 6, 2011) of the Sanford Herald Classifieds.** Please confirm receipt of this advertisement by email to dmuniz@osaa.net.

PUBLIC NOTICE
SANFORD AIRPORT AUTHORITY

Notice is hereby given that the Sanford Airport Authority will conduct a regular specially called meeting on Monday, November 14, 2011, at 1:00 p.m., at the Sanford Airport Authority Executive Offices Board Room, A.K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Information may be obtained by contacting the executive offices during normal business hours at (407) 585-4002.

Please take notice that if any person decides to appeal any decision made by the Sanford Airport Authority with respect to any matter considered at the meeting or hearing scheduled herein, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based, per Section 286.0105, Florida Statutes. Persons with disabilities needing assistance to participate in any of these proceedings should contact the executive offices 48 hours in advance of the meeting at (407) 585-4002.

Larry A. Dale
President & CEO

Certified proof of publication and invoice should be sent to:

Attn: Diana M. Muñoz-Olson
Sanford Airport Authority
1200 Red Cleveland Boulevard
Sanford, FL 32773

Please do not hesitate to call me at (407) 585-4002 if you have any questions.

Sincerely,

Diana M. Muñoz-Olson
Executive Assistant

PUBLIC NOTICE

BOARD MEETING

The regular meeting of the Sanford Airport Authority for November will be held on Tuesday, November 1, 2011, at 8:30 a.m., at the Sanford Airport Authority Executive Offices Board Room, A.K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Information may be obtained by contacting the executive offices during normal business hours at (407) 585-4002.

A specially called meeting of the Sanford Airport Authority will be held on Monday, November 14, 2011, at 1:00 p.m., at the Sanford Airport Authority Executive Offices Board Room, A.K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Information may be obtained by contacting the executive offices during normal business hours at (407) 585-4002.

SANAC

The Sanford Airport Noise Abatement Committee (SANAC) meeting scheduled for Tuesday, November 8, 2011, has been cancelled. Information may be obtained by calling (407) 585-4006.

USER GROUP

The Airport User Group meeting scheduled for Tuesday, November 8, 2011, has been cancelled. Information may be obtained by calling (407) 585-4006.

DESIGN REVIEW COMMITTEE (DRC)

The Sanford Airport Design Review Committee (DRC) meeting scheduled for Wednesday, November 2, 2011, has been cancelled. Information may be obtained by calling (407) 585-4002.

Please take notice that if any person decides to appeal any decision made by the Sanford Airport Authority with respect to any matter considered at the meeting or hearing scheduled herein, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based, per Section 286.0105, Florida Statutes. Persons with disabilities needing assistance to participate in any of these proceedings should contact the executive offices 48 hours in advance of the meeting at (407) 585-4002.

Larry A. Dale
President & CEO

PUBLIC NOTICE

EXECUTIVE SESSION/BOARD MEETING NOTICE SANFORD AIRPORT AUTHORITY

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Notice is hereby given that the regular meeting will adjourn to conduct an Executive Session pursuant to Florida Statute §286.011(8) to discuss "James J. McDonnell and Donna R. McDonnell v. Sanford Airport Authority" Case No. 11-CA-003909-14-W. Participants in the Executive Session will be:

Tim Donihi, Chairman
Stephen P. Smith, Vice Chairman
U. Henry Bowlin, Secretary/Treasurer
Tom Ball, Board Member
David L. Cattell, Board Member
Whitey Eckstein, Board Member
William R. Miller, Board Member
Clayton D. Simmons, Board Member
Tim M. Slattery, Board Member
Larry Dale, SAA President/CEO
David A. Shontz, SAA Legal Counsel
Brett R. Renton, SAA Legal Counsel
and a court reporter.

All others will be excluded during the Executive Session. The length of the Executive Session is estimated to be approximately thirty (30) minutes. Following adjournment of this Executive Session, the Sanford Airport Authority Board will reconvene for further business. Pursuant to Florida Statute §286.011(8), Florida Statutes, the attorney-client session will be recorded by a certified court reporter. However, the transcript of the proceeding will be exempt from the Florida Public Records Act until such time as the litigation is concluded. At the conclusion of the litigation, the transcript may be obtained from the executive offices by calling the Vice President of Administration during normal business hours.

Please take notice that if any person decides to appeal any decision made by the Sanford Airport Authority with respect to any matter considered at the special meeting or hearing scheduled herein, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based, per Section 286.0105, Florida Statutes. Persons with disabilities needing assistance to participate in any of these proceedings should contact the executive offices 48 hours in advance of the meeting at (407) 585-4002.

Larry A. Dale
President & CEO