UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2021**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission file number **001-37386**

FORTRESS TRANSPORTATION & INFRASTRUCTURE

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC

(Exact name of registrant as specified in its charter)

Delaware	**32-0434238**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1345 Avenue of the Americas, 45th Floor **New York** **NY**	**10105**
(Address of principal executive offices)	(Zip Code)

(Registrant's telephone number, including area code) **(212) 798-6100**

(Former name, former address and former fiscal year, if changed since last report) **N/A**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol:	Name of exchange on which registered:
Class A common shares, $0.01 par value per share	FTAI	New York Stock Exchange
8.25% Fixed-to-Floating Rate Series A Cumulative Perpetual Redeemable Preferred Shares	FTAI PR A	New York Stock Exchange
8.00% Fixed-to-Floating Rate Series B Cumulative Perpetual Redeemable Preferred Shares	FTAI PR B	New York Stock Exchange
8.25% Fixed-Rate Reset Series C Cumulative Perpetual Redeemable Preferred Shares	FTAI PR C	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the voting and non-voting common equity of Fortress Transportation and Infrastructure Investors LLC held by non-affiliates as of the close of business as of June 30, 2021 was approximately $2.8 billion.

There were 99,188,696 common shares representing limited liability company interests outstanding at February 22, 2022.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for the registrant's 2022 annual meeting, to be filed within 120 days after the close of the registrant's fiscal year, are incorporated by reference into Part III of this Annual Report on Form 10-K.

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
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FORWARD-LOOKING STATEMENTS AND RISK FACTORS SUMMARY

This report contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact but instead are based on our present beliefs and assumptions and on information currently available to us. You can identify these forward-looking statements by the use of forward-looking words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” “target,” “projects,” “contemplates” or the negative version of those words or other comparable words. Any forward-looking statements contained in this report are based upon our historical performance and on our current plans, estimates and expectations in light of information currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by us, that the future plans, estimates or expectations contemplated by us will be achieved.

Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business, prospects, growth strategy and liquidity. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements. The following is a summary of the principal risk factors that make investing in our securities risky and may materially adversely affect our business, financial condition, results of operations and cash flows. This summary should be read in conjunction with the more complete discussion of the risk factors we face, which are set forth in Item 1A. “Risk Factors” of this report. We believe that these factors include, but are not limited to:

- changes in economic conditions generally and specifically in our industry sectors, and other risks relating to the global economy, including, but not limited to, the ongoing COVID-19 pandemic and other public health crises, and any related responses or actions by businesses and governments;
- reductions in cash flows received from our assets, as well as contractual limitations on the use of our aviation assets to secure debt for borrowed money;
- our ability to take advantage of acquisition opportunities at favorable prices;
- changes in our asset composition, investment strategy and liquidity as a result of a potential spin-off of our infrastructure business or other factors;
- a lack of liquidity surrounding our assets, which could impede our ability to vary our portfolio in an appropriate manner;
- the relative spreads between the yield on the assets we acquire and the cost of financing;
- adverse changes in the financing markets we access affecting our ability to finance our acquisitions;
- customer defaults on their obligations;
- our ability to renew existing contracts and enter into new contracts with existing or potential customers;
- the availability and cost of capital for future acquisitions;
- concentration of a particular type of asset or in a particular sector;
- competition within the aviation, energy and intermodal transport sectors;
- the competitive market for acquisition opportunities;
- risks related to operating through joint ventures, partnerships, consortium arrangements or other collaborations with third parties;
- our ability to successfully integrate acquired businesses;
- obsolescence of our assets or our ability to sell, re-lease or re-charter our assets;
- exposure to uninsurable losses and force majeure events;
- infrastructure operations and maintenance may require substantial capital expenditures;
- the legislative/regulatory environment and exposure to increased economic regulation;
- exposure to the oil and gas industry’s volatile oil and gas prices;
- difficulties in obtaining effective legal redress in jurisdictions in which we operate with less developed legal systems;
- our ability to maintain our exemption from registration under the Investment Company Act of 1940 and the fact that maintaining such exemption imposes limits on our operations;
- our ability to successfully utilize leverage in connection with our investments;
- foreign currency risk and risk management activities;
- effectiveness of our internal control over financial reporting;
- exposure to environmental risks, including natural disasters, increasing environmental legislation and the broader impacts of climate change;
- changes in interest rates and/or credit spreads, as well as the success of any hedging strategy we may undertake in relation to such changes;

- actions taken by national, state, or provincial governments, including nationalization, or the imposition of new taxes, could materially impact the financial performance or value of our assets;
- our dependence on our Manager and its professionals and actual, potential or perceived conflicts of interest in our relationship with our Manager;
- effects of the merger of Fortress Investment Group LLC with affiliates of SoftBank Group Corp.;
- volatility in the market price of our shares;
- the inability to pay dividends to our shareholders in the future; and
- other risks described in the "Risk Factors" section of this report.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report. The forward-looking statements made in this report relate only to events as of the date on which the statements are made. We do not undertake any obligation to publicly update or review any forward-looking statement except as required by law, whether as a result of new information, future developments or otherwise.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we may have expressed or implied by these forward-looking statements. We caution that you should not place undue reliance on any of our forward-looking statements. Furthermore, new risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us.

PART I

Item 1. Business

Our Company

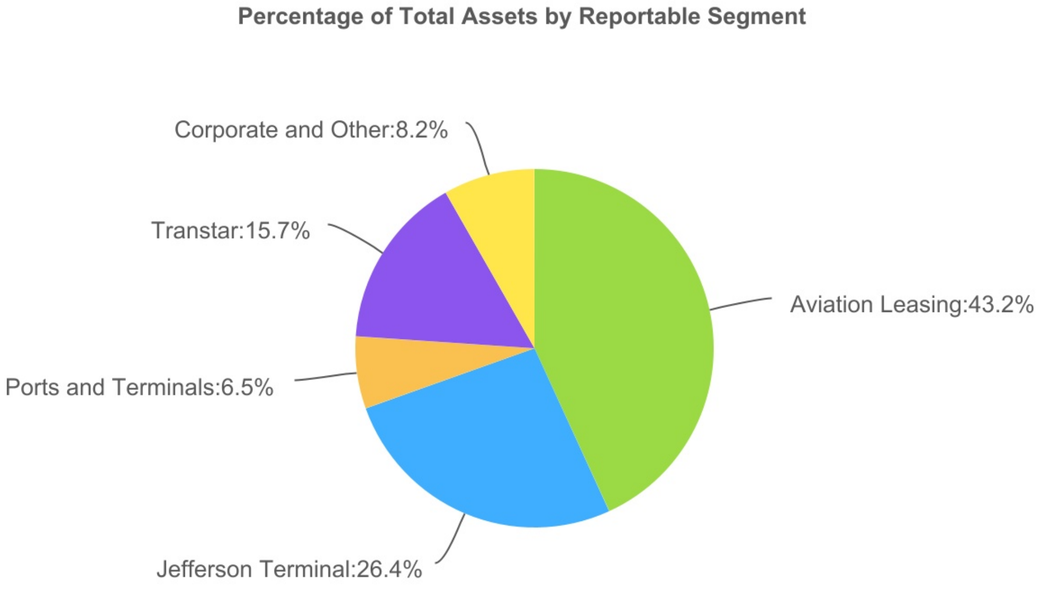
Fortress Transportation and Infrastructure Investors LLC, a Delaware limited liability company, was formed on February 19, 2014. Except as otherwise specified, "FTAI", "we", "us", "our", or "the Company" refer to us and our consolidated subsidiaries, including Fortress Worldwide Transportation and Infrastructure General Partnership ("Holdco"). Our business has been, and will continue to be, conducted through Holdco for the purpose of acquiring, managing and disposing of transportation and transportation-related infrastructure and equipment assets. Fortress Worldwide Transportation and Infrastructure Master GP LLC (the "Master GP"), owns approximately 0.05% of Holdco and is the general partner of Holdco.

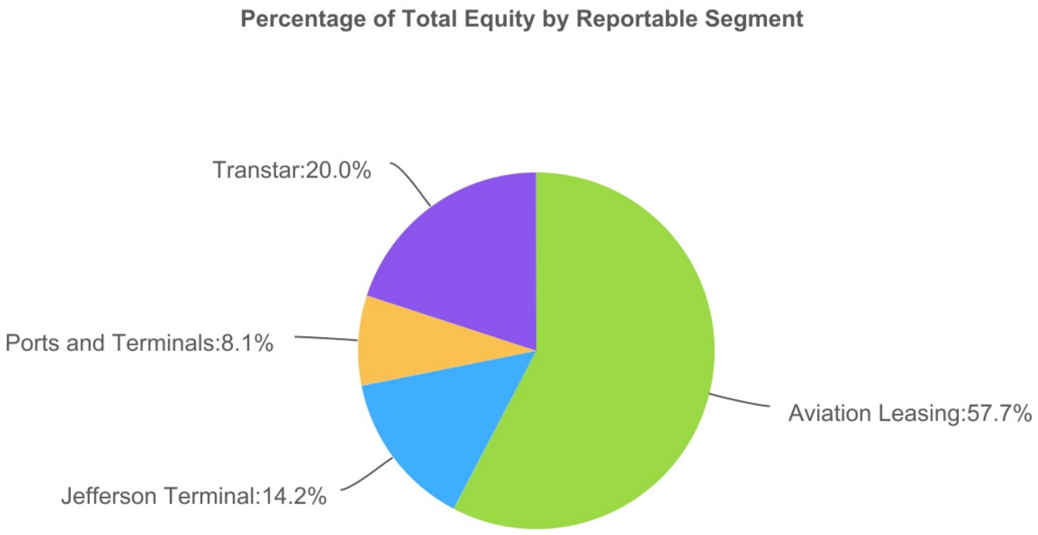
We are externally managed by FIG LLC (the "Manager"), an affiliate of Fortress Investment Group LLC ("Fortress"), which has a dedicated team of experienced professionals focused on the acquisition of transportation and infrastructure assets since 2002. On December 27, 2017, SoftBank Group Corp. ("SoftBank") acquired Fortress (the "SoftBank Merger"). In connection with the SoftBank Merger, Fortress operates within SoftBank as an independent business headquartered in New York.

We own and acquire high quality infrastructure and related equipment that is essential for the transportation of goods and people globally. We target assets that, on a combined basis, generate strong cash flows with potential for earnings growth and asset appreciation. We believe that there are a large number of acquisition opportunities in our markets and that our Manager's expertise and business and financing relationships, together with our access to capital, will allow us to take advantage of these opportunities. As of December 31, 2021, we had total consolidated assets of $4.9 billion and total equity of $1.1 billion.

As of December 31, 2021, our operations consist of two primary strategic business units — Infrastructure and Equipment Leasing. Our Infrastructure Business acquires long-lived assets that provide mission-critical services or functions to transportation networks and typically have high barriers to entry. We target or develop operating businesses with strong margins, stable cash flows and upside from earnings growth and asset appreciation driven by increased use and inflation. Our Equipment Leasing Business acquires assets that are designed to carry cargo or people. Transportation equipment assets are typically long-lived, moveable and leased by us on either operating leases or finance leases to companies that provide transportation services. Our leases generally provide for long-term contractual cash flow with high cash-on-cash yields and include structural protections to mitigate credit risk.

The charts below illustrate our existing assets, and our equity deployed in acquiring these assets separated by reporting segment as of December 31, 2021:





Note:

- Jefferson Terminal, Ports and Terminals and Transtar are included in our Infrastructure Business; Aviation Leasing is included in our Equipment Leasing Business.

Proposed Spin Off

In the fourth quarter of 2021, the Company announced that it intends to spin off its infrastructure business as a separate publicly traded entity. The infrastructure business is expected to be spun out in an entity taxed as a corporation for U.S. federal income tax purposes and will hold, among other things, the Jefferson, Repauno, Long Ridge and Transtar assets, and will retain all related project-level debt of those entities. The infrastructure entity intends to remit to FTAI approximately $800 million in cash as part of the separation. FTAI is expected to retain the aviation business and certain other assets and FTAI's outstanding corporate indebtedness, other than any indebtedness that may be paid off in connection with the transaction. The spin off transaction is expected to be completed during the second quarter of 2022. The spin off transaction remains subject to approval by FTAI's board of directors and may not be completed on the terms described above or at all.

Our Strategy

We invest across a number of major sectors within the transportation industry, including aviation, energy, intermodal transport and ports and terminals, and we may pursue acquisitions in other areas as and when they arise in the future. In general, we seek to own a diverse mix of high-quality infrastructure and equipment within our target sectors that generate predictable cash flows in markets that we believe provide the potential for strong long-term growth and attractive returns on deployed capital. We believe that by investing in a diverse mix of assets across sectors, we can select from among the best risk-adjusted investment opportunities, while avoiding overconcentration in any one segment, further adding to the stability of our business.

We take a proactive investment approach by identifying key secular trends as they emerge within our target sectors and then pursuing what we believe are the most compelling opportunities within those sectors. We look for unique investments, including assets that are distressed or undervalued, or where we believe that we can add value through active management. We consider investments across the size spectrum, including smaller opportunities often overlooked by other investors, particularly where we believe we may be able to grow the investment over time. We believe one of our strengths is our ability to create attractive follow-on investment opportunities and deploy incremental capital within our existing portfolio.

Within each sector, we consider investments in operating infrastructure as well as in equipment that we lease to operators. We believe that as owners of both infrastructure and equipment assets, we have access to more opportunities and can be a more attractive counterparty to the users of our assets. Our Manager has significant prior experience in all of our target sectors, as well as a network of industry relationships, that we believe positions us well to make successful acquisitions and to actively manage and improve operations and cash flows of our existing and newly-acquired assets. These relationships include senior executives at lessors and operators, end users of transportation and infrastructure assets, as well as banks, lenders and other asset owners.

Asset Acquisition Process

Our strategy is to acquire assets that are essential to the transportation of goods and people globally. We acquire assets that are used by major operators of transportation and infrastructure networks. We seek to acquire assets and businesses that we believe operate in sectors with long-term macroeconomic growth opportunities and that have significant cash flow and upside potential from earnings growth and asset appreciation.

We approach markets and opportunities by first developing an asset acquisition strategy with our Manager and then pursuing optimal opportunities within that strategy. In addition to relying on our own experience, we source new opportunities through our Manager’s network of industry relationships in order to find, structure and execute attractive acquisitions. These relationships include senior executives at industry leading operators, end users of the assets as well as banks, lenders and other asset owners. We believe that sourcing assets both globally and through multiple channels will enable us to find the most attractive opportunities. We are selective in the assets we pursue and efficient in the manner in which we pursue them.

Once attractive opportunities are identified, our Manager performs detailed due diligence on each of our potential acquisitions. Due diligence on each of our assets always includes a comprehensive review of the asset itself as well as the industry and market dynamics, competitive positioning, and financial and operational performance. Where appropriate, our Manager conducts physical inspections, a review of the credit quality of each of our counterparties, the regulatory environment, and a review of all material documentation. In some cases, third-party specialists are hired to physically inspect and/or value the target assets.

We and our Manager also spend a significant amount of time on structuring our acquisitions to minimize risks while also optimizing expected returns. We employ what we believe to be reasonable amounts of leverage in connection with our acquisitions. In determining the amount of leverage for each acquisition, we consider a number of characteristics, including, but not limited to, the existing cash flow, the length of the lease or contract term, and the specific counterparty.

Management Agreement

In May 2015, in connection with our initial public offering (“IPO”), we entered into a new management agreement with the Manager (the “Management Agreement”), an affiliate of Fortress, pursuant to which the Manager is paid annual fees in exchange for advising us on various aspects of our business, formulating our investment strategies, arranging for the acquisition and disposition of assets, arranging for financing, monitoring performance, and managing our day-to-day operations, inclusive of all costs incidental thereto.

Please refer to Note 18 of our consolidated financial statements included in Item 8 in this Annual Report on Form 10-K for further details regarding our Management Agreement.

Our Portfolio

We own and acquire high quality infrastructure and equipment that is essential for the transportation of goods and people globally. We currently invest across four market sectors: aviation, energy, intermodal transport and ports and terminals. We target assets that, on a combined basis, generate strong and stable cash flows with the potential for earnings growth and asset appreciation.

Leasing Equipment

Aviation

As of December 31, 2021, in our Aviation Leasing segment, we own and manage 315 aviation assets, consisting of 108 commercial aircraft and 207 engines.

As of December 31, 2021, 91 of our commercial aircraft and 140 of our engines were leased to operators or other third parties. Aviation assets currently off lease are either undergoing repair and/or maintenance, being prepared to go on lease or held in short term storage awaiting a future lease. Our aviation equipment was approximately 78% utilized during the three months ended December 31, 2021, based on the percent of days on-lease in the quarter weighted by the monthly average equity value of our aviation leasing equipment, excluding airframes. Our aircraft currently have a weighted average remaining lease term of 44 months, and our engines currently on-lease have an average remaining lease term of 18 months. The table below provides additional information on the assets in our Aviation Leasing segment:

Aviation Assets	Widebody	Narrowbody	Total
Aircraft			
Assets at January 1, 2021	**15**	**63**	**78**
Purchases	1	51	52
Sales	(4)	—	(4)
Transfers	1	(19)	(18)
Assets at December 31, 2021	**13**	**95**	**108**
Engines			
Assets at January 1, 2021	**88**	**98**	**186**
Purchases	11	49	60
Sales	(29)	(27)	(56)
Transfers	(2)	19	17
Assets at December 31, 2021	**68**	**139**	**207**

Infrastructure

Jefferson Terminal

In August 2014, we and certain other Fortress affiliates purchased substantially all of the assets and assumed certain liabilities of Jefferson Terminal ("Jefferson"), a Texas-based group of companies developing crude oil and refined products logistics assets since 2012. As of December 31, 2021, Jefferson is wholly owned by us and certain Fortress affiliates.

Jefferson Terminal is located on approximately 250 acres of land at the Port of Beaumont, Texas, a deep-water port near the mouth of the Neches River (the "Port"). Today, Jefferson Terminal leases 185 acres from the Port. As part of the lease, Jefferson Terminal was granted the concession to operate as the sole handler of liquid hydrocarbons at the Port. Jefferson Terminal does not own any land at Jefferson Terminal but does own certain equipment and leasehold improvements carried out as part of the Jefferson Terminal build-out.

Jefferson Terminal is developing a large multi-modal crude oil and refined products handling terminal at the Port, and also owns several other assets for the transportation and processing of crude oil and related products. Jefferson Terminal has a unique combination of six rail loop tracks and direct rail service from three Class I railroads, multiple direct pipeline connections to local refineries and interstate pipeline systems, barge docks and deep water ship loading capacity, capabilities to handle multiple types of products including refined products and both free-flowing crude oil and bitumen, and a prime location close to Port Arthur and Lake Charles, which are home to refineries with over 2.3 million barrels per day of capacity. Jefferson Terminal currently has approximately 4.4 million barrels of heated and unheated storage tanks in operation servicing both crude oil and refined products. As we secure new storage and handling contracts, we expect to expand storage capacity and/or develop new assets. The timing of the ultimate development of Jefferson Terminal will be dependent, in part, on the pace at which contracts are executed as well as the amount of volume subject to such contracts.

Jefferson Terminal's prime location and excellent optionality make it well suited to provide logistics solutions to regional and global refineries, including blending, storage and delivery of crude oil and refined products. Jefferson handles, stores, and blends both light and heavy crudes that originate by marine, rail or pipeline from most major North American productions markets, including Western Canada, the Uinta Basin, the Permian Basin, and the Bakken Formation, as well as other international markets, with full heating capabilities for unloading heavier crude prior to storing and blending. Jefferson also transloads refined products, such as automotive gasoline and diesel fuel, that nearby refineries produce and ship through its terminal by rail and marine to other domestic and foreign markets in North America, including Mexico.

Heavy crude oils, such as those produced in Western Canada, are in high demand on the Gulf Coast because most refineries in the area are configured to handle heavier crudes (previously sourced predominately from Mexico and Venezuela) than those in other parts of the United States. Heavy crude is well suited for transport by rail rather than pipeline because of its high viscosity. Jefferson Terminal is one of only a few terminals on the Gulf Coast that has heated unloading system capabilities to handle these heavier grades of crude. As the production of North American heavy crude grows in excess of existing takeaway capacity, demand for crude-by-rail to the Gulf Coast is expected to increase. Refined products opportunities for storage and logistics are expected to be positively impacted by demand growth in export markets.

Mexican demand for U.S.-sourced refined products continues to increase; however, Mexico lacks the infrastructure required to efficiently import, store and distribute large volumes of gasoline and diesel. This has spurred the rapid build-out of new Mexican rail terminals, as well as storage capacity on both sides of the U.S.-Mexico border. To meet such increased demand, Jefferson Terminal operates a refined products system that receives three grades of products by direct pipeline connection from a large area refiner, as well as inland tank barge via the barge dock, stores the cargo in six tanks with a combined capacity of approximately 0.7 million barrels, and operates a 20 spot rail car loading system with the capacity to load approximately 70,000 barrels per day. This system may be further expanded to meet additional market demand.

Recent expansion projects completed include the construction of three pipeline systems, including a bundle of six pipelines, varying in size, a 14.2 mile outbound crude oil pipeline connection to a large refinery in Port Arthur, and a 5.6 mile inbound pipeline connecting to neighboring Delek Paline pipeline.

In addition to the Jefferson Terminal, Jefferson Terminal owns several other energy and infrastructure-related assets, including 299 tank railcars which are leased to third parties; a gas processing and condensate stabilization plant; pipeline rights-of-way; and a private inland marine terminal property all of which can be developed. These assets can be deployed or developed in the future to meet market demands for transportation and hydrocarbon processing, and if successfully deployed or developed, may represent additional opportunities to generate stable, recurring cash flow. As we secure customer contracts, we expect to invest equity capital to fund working capital needs and future construction, which may be required.

Long Ridge Energy Terminal

During 2017, through Ohio River Partners Shareholder LLC ("ORP"), a consolidated subsidiary, FTAI purchased 100% of the interests in the assets of Long Ridge Terminal LLC ("Long Ridge"), which consisted primarily of land, buildings, railroad track, docks, water rights, site improvements and other rights. In December 2019, ORP contributed its equity interests in Long Ridge into Long Ridge Terminal LLC and sold a 49.9% interest for $150 million in cash, plus an earn out. We no longer have a controlling interest in Long Ridge but still maintain significant influence through our retained interest and, therefore, now account for this investment in accordance with the equity method.

The Long Ridge Energy Terminal is one of the Appalachian Basin's leading multimodal energy terminals with a 485 MW power plant, nearly 300 acres of developable industrial land, two barge docks on the Ohio River, a unit-train-capable loop track and direct highway access.

In October 2021, Long Ridge completed its construction of its now fully-functional 485 MW combined-cycle power plant at the site and the associated plans to self-supply the natural gas fuel requirements for the plant. We continue to evaluate opportunities to deploy Long Ridge assets for sustainable and traditional energy projects and other value-driving enterprises.

With respect to the power plant, Long Ridge plans to eventually run its power plant on carbon-free hydrogen and intends to begin providing power to customers as early as next year by blending hydrogen in the gas stream and transition the plant to be capable of burning 100% green hydrogen over the next decade with hydrogen produced nearby as an industrial byproduct. Upon project completion, Long Ridge will be among the first purpose-built hydrogen-burning power plants in the United States and among the first worldwide to blend hydrogen in a GE H-class gas turbine.

We believe that the combination of Long Ridge's location, availability of development acreage, access to economic transportation including barge, rail and highway alternatives, and production of efficient power from its on-site power plant provide a number of flexible, attractive options for further development.

Repauno

During 2016, through Delaware River Partners LLC ("DRP"), a consolidated subsidiary, FTAI purchased the assets of Repauno, which consisted primarily of land, a storage cavern, and riparian rights for the acquired land, site improvements and rights. We currently hold an approximately 98% economic interest, and a 100% voting interest in DRP. DRP is solely reliant on us to finance its activities and therefore is a variable interest entity ("VIE"). We concluded that we are the primary beneficiary; accordingly, DRP has been presented on a consolidated basis in the accompanying financial statements.

As one of the newest marine terminals on the Delaware River, Repauno is uniquely positioned as a premier multimodal facility on the Atlantic Seaboard. The deep water terminal is located on 1,600 acres in Gibbstown, New Jersey with underground granite storage cavern infrastructure, a new multipurpose dock and convenient truck access to two major interstate highways.

Shortly after the end of 2020, DRP completed its new state-of-the-art rail-to-ship transloading system. This allows DRP to load Liquified Petroleum Gas ("LPG") marine vessels from its new wharf, including 30 marine vessels loaded in 2021. As the newest marine terminal on the Delaware River, Repauno is designed to safely and efficiently handle a wide variety of freight, providing critical logistics services to a multitude of industrial segments. In addition, Repauno is expanding its storage and transloading capacity, and pursuing accretive sustainable energy projects such as the development of a recycling facility on-site.

Transtar

Transtar is comprised of five short-line freight railroads and one switching company, including two railroads that connect to U.S. Steel's largest production facilities in North America: the Gary Railway Company, Indiana; The Lake Terminal Railroad Company, Ohio; Union Railroad Company LLC, Pennsylvania; Fairfield Southern Company Inc., Alabama; Delray Connecting Railroad Company, Michigan; and the Texas & Northern Railroad Company, Texas. FTAI and USS also agreed to enter into an exclusive strategic rail partnership under which FTAI will provide rail service to USS for an initial term of 15 years with minimum volume commitments for the first five years. Through operational improvements and potential long-term development projects, we intend to enhance performance of any under-utilized Transtar assets.

Acquisition of Transtar

On July 28, 2021, FTAI completed the purchase of 100% of the equity interests of Transtar (the "Transtar Acquisition"), which was a wholly owned short-line railroad subsidiary of U.S. Steel, for a cash purchase price of $640.0 million, subject to certain customary adjustments set forth in the Transtar Purchase Agreement.

Railway Services Agreement

On July 28, 2021, in connection with the closing of the Transtar Acquisition, Transtar, certain Transtar subsidiaries (together with Transtar, the "Transtar Parties"), and U.S. Steel entered into a railway services agreement (the "Railway Services Agreement"). Under the Railway Services Agreement, for an initial term of 15 years from and after the closing of the Transtar Acquisition, Transtar will continue to provide U.S. Steel with rail haulage, switching and transportation services at U.S. Steel's facilities in and around Gary, Indiana, Pittsburgh, Pennsylvania, Fairfield, Alabama, Ecorse, Michigan, Lorain, Ohio and Lone Star, Texas, including but not limited to: railcar maintenance and repair services, locomotive maintenance, inspection and repair services, maintenance-of-way services, car management services, and rail and material handling services. The first five years of the Railway Services Agreement term contain the following minimum annual dollar value requirements: (i) from the closing until the first anniversary, $85.8 million, (ii) from the first anniversary until the second anniversary, $92.3 million, (iii) from the second anniversary until the third anniversary, $94.5 million, (iv) from the third anniversary until the fourth anniversary, $103.5 million, and (v) from the fourth anniversary until the fifth anniversary, $106.5 million.

Corporate and Other

In addition to the above investments, our Corporate and Other segment includes (i) offshore energy related assets which consist of vessels and equipment that support offshore oil and gas activities and are typically subject to operating leases, (ii) an investment in an unconsolidated entity engaged in the leasing of shipping containers, (iii) railroad assets which consist of equipment that support a railcar cleaning business and (iv) various clean technology and sustainability investments.

Asset Management

Our Manager actively manages and monitors our portfolios of assets on an ongoing basis, and in some cases engages third parties to assist with the management of those assets. Our Manager frequently reviews the status of all of our assets, and in the case that any are returning from lease or undergoing repair, outlines our options, which may include the re-lease or sale of that asset. In the case of operating infrastructure, our Manager plays a central role in developing and executing operational, finance and business development strategies. On a periodic basis, our Manager discusses the status of our acquired assets with our board of directors.

In some situations, we may acquire assets through a joint venture entity or own a minority position in an investment entity. In such circumstances, we will seek to protect our interests through appropriate levels of board representation, minority protections and other structural enhancements.

We and our Manager maintain relationships with operators worldwide and, through these relationships, hold direct conversations as to leasing needs and opportunities. Where helpful, we reach out to third parties who assist in leasing our assets. As an example, we often partner with Maintenance, Repair and Overhaul ("MRO") facilities in the aviation sector to lease engines and support airlines' fleet management needs.

While we expect to hold our assets for extended periods of time, we and our Manager continually review our assets to assess whether we should sell or otherwise monetize them. Aspects that will factor into this process include relevant market conditions, the asset's age, lease profile, relative concentration or remaining expected useful life.

Credit Process

We and our Manager monitor the credit quality of our various lessees on an ongoing basis. This monitoring includes interacting with our customers regularly to monitor collections, review periodic financial statements and discuss their operating performance. Most of our lease agreements are written with conditions that require reporting on the part of our lessees, and we actively reach out to our lessees to maintain contact and monitor their liquidity positions. Furthermore, many of our leases and contractual arrangements include credit enhancement elements that provide us with additional collateral or credit support to strengthen our credit position.

We are subject to concentrations of credit risk with respect to amounts due from customers on our direct finance leases and operating leases. We attempt to limit credit risk by performing ongoing credit evaluations. See "Customers."

Customers

Our customers primarily consist of global operators of transportation and infrastructure networks and global industrial and energy companies, including airlines, manufacturers, corporations that refine crude oil and trade petroleum products, local electricity markets, offshore energy service providers and major shipping lines. We maintain ongoing relationships and discussions with our customers and seek to have consistent dialogue. In addition to helping us monitor the needs and quality of our customers, we believe these relationships help source additional opportunities and gain insight into attractive opportunities in the transportation and infrastructure sectors. A substantial portion of our revenue has historically been derived from a small number of customers. As of and for the year ended December 31, 2021, our largest customer accounted for 11% of our revenue and 36% of total accounts receivable, net. We derive a significant percentage of our revenue within specific sectors from a limited number of customers. However, we do not think that we are dependent upon any particular customer, or that the loss of one or more of them would have a material adverse effect on our business or the relevant segment, because of our ability to re-lease assets at similar terms following the loss of any such customer. See "Risk Factors-Contractual defaults may adversely affect our business, prospects, financial condition, results of operations and cash flows by decreasing revenues and increasing storage, positioning, collection, recovery and lost equipment expenses."

Competition

The business of acquiring, managing and marketing transportation and transportation-related infrastructure assets is highly competitive. Market competition for acquisition opportunities includes traditional transportation and infrastructure companies, commercial and investment banks, as well as a growing number of non-traditional participants, such as hedge funds, private equity funds, and other private investors.

Additionally, the markets for our products and services are competitive, and we face competition from a number of sources. These competitors include engine and aircraft parts manufacturers, aircraft and aircraft engine lessors, airline and aircraft services and repair companies, aircraft spare parts distributors, offshore services providers, maritime equipment lessors, shipping container lessors, container shipping lines, and other transportation and infrastructure equipment lessors and operators.

We compete with other market participants on the basis of industry knowledge, availability of capital, and deal structuring experience and flexibility, among other things. We believe our Manager's experience in the transportation and the transportation-related infrastructure industry and our access to capital, in addition to our focus on diverse asset classes and customers, provides a competitive advantage versus competitors that maintain a single sector focus.

Governmental Regulations

We are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants to air and water, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites and noise and emission levels. Under some environmental laws in the United States and certain other countries, strict liability may be imposed on the owners or operators of assets, which could render us liable for environmental and natural resource damages without regard to negligence or fault on our part. We could incur substantial costs, including cleanup costs, fines and third-party claims for property or natural resource damage and personal injury, as a result of violations of or liabilities under environmental laws and regulations in connection with our or our lessee's or charterer's current or historical operations. While we typically maintain liability insurance coverage and typically require our lessees to provide us with indemnity against certain losses, the insurance coverage is subject to large deductibles, limits on maximum coverage and significant exclusions and may not be sufficient or available to protect against any or all liabilities and such indemnities may not cover or be sufficient to protect us against losses arising from environmental damage. In addition, changes to environmental standards or regulations in the industries in which we operate could limit the economic life of the assets we acquire or reduce their value, and also require us to make significant additional investments in order to maintain compliance.

Sustainability

As part of our strategy, we are focused on supporting the transition to a low-carbon economy and aim to provide sustainable transportation and infrastructure solutions by leveraging our Manager's expertise and business and financing relationships, as well as our access to capital. Certain of our current sustainability solutions and investments are highlighted below, and we expect to continue to explore additional sustainability-related opportunities.

Leasing Equipment

Aviation

As previously announced, in December 2021 we entered into an agreement with AAR CORP. (NYSE: AIR) to create Serviceable Engine Products, an exclusive seven-year CFM56 used serviceable material ("USM") partnership. The partnership aims to build USM inventory for the global aviation aftermarket and our own consumption at The Module Factory™, a dedicated commercial maintenance center designed to focus on modular repair and refurbishment of CFM56-7B and CFM56-5B engines. Through its worldwide network, AAR is expected to manage the teardown, repair, marketing and sales of spare parts from our CFM56 engine pool totaling over 200 engines and growing. We believe our partnership with AAR will help maximize the life of our engine assets and reduce our carbon footprint and environmental impact.

Infrastructure

As previously announced, our ongoing sustainable solutions and investments in our infrastructure business include the following:

- **Waste plastic to renewable fuel.** In November 2021, we announced a joint venture with Clean Planet Energy, a UK-based green tech company, that aims to develop Clean Planet Energy USA ecoPlants in key North American markets. The ecoPlants will be designed to convert non-recyclable waste plastics (which are typically destined for landfill) into ultra-clean fuels and oils to support the manufacture of new plastics. The first facility is under development at Repauno in Gibbstown, New Jersey, and is expected to initially process 20,000 tons of waste plastics each year.
- **Lithium-ion battery recycling.** In September 2021, we acquired a 50% interest in Aleon Renewable Metals LLC ("Aleon") and a 1% interest in Gladieux Metals Recycling ("GMR"). Aleon plans to develop a lithium-ion battery recycling business across the United States. Each planned location is anticipated to collect, discharge and disassemble lithium-ion batteries to extract various metals in high-purity form for resale into the lithium-ion battery production market. GMR specializes in recycling spent catalyst produced in the petroleum refining industry. The initial battery recycling plant is planned to be build-out at the Freeport site owned by GMR, leveraging their existing assets and infrastructure. At full ramp, the plant is expected to process approximately 110,000 tons of spent lithium-ion batteries each year.
- **Hydrogen-fueled power plant.** In October 2020, Long Ridge Energy Terminal ("Long Ridge"), located in Hannibal, Ohio, announced its plan to transition its 485 MW combined-cycle power plant to run on carbon-free hydrogen, in collaboration with New Fortress Energy, GE, Kiewit Power Constructors Co., Black & Veatch and NAES Corporation. With first hydrogen blending in the gas stream expected to start in April 2022, Long Ridge is expected to be the first purpose-built hydrogen-burning power plant in the United States and the first worldwide to blend hydrogen in a GE H-class gas turbine. The plant is anticipated to be transitioned to be capable of burning 100% green hydrogen over the next decade.
- **Carbon capture.** In December 2021, we invested in CarbonFree, whose operations are intended to capture carbon from industrial emitters and convert it to beneficial products that also sequester the carbon permanently.

Human Capital Management

Our Manager provides a management team and other professionals who are responsible for implementing our business strategy and performing certain services for us, subject to oversight by our board of directors. As of December 31, 2021, we also have approximately 600 employees at certain subsidiaries across our business segments, approximately 370 of whom are party to a collective bargaining agreement. We consider our relationship with our employees to be good and we focus heavily on employee engagement. We have invested substantial time and resources in building our team, and our human capital management objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and new employees. To facilitate attraction and retention, we strive to create a diverse, inclusive, and safe workplace, with opportunities for our employees to grow and develop in their careers, supported by strong compensation and benefits programs.

Insurance

Our leases generally require that our customers carry physical damage and liability insurance providing primary insurance coverage for loss and damage to our assets as well as for related cargo and third parties while the assets are on lease. In addition, in certain cases, we maintain contingent liability coverage for any claims or losses on our assets while they are on hire or otherwise in the possession of a third-party. Finally, we procure insurance for our assets when they are not on hire or are otherwise under our control.

Conflicts of Interest

Although we have established certain policies and procedures designed to mitigate conflicts of interest, there can be no assurance that these policies and procedures will be effective in doing so. It is possible that actual, potential or perceived conflicts of interest could give rise to investor dissatisfaction, litigation or regulatory enforcement actions.

One or more of our officers and directors have responsibilities and commitments to entities other than us. In addition, we do not have a policy that expressly prohibits our directors, officers, security holders or affiliates from engaging in business activities of the types conducted by us for their own account. See "Risk Factors-Risks Related to Our Manager-There are conflicts of interest in our relationship with our Manager."

Our key agreements, including our Management Agreement, the Partnership Agreement, and our operating agreement were negotiated among related parties, and their respective terms, including fees and other amounts payable, may not be as favorable to us as terms negotiated on an arm's-length basis with unaffiliated parties. Our independent directors may not vigorously enforce the provisions of our Management Agreement against our Manager. For example, our independent directors may refrain from terminating our Manager because doing so could result in the loss of key personnel.

We may compete with entities affiliated with our Manager or Fortress for certain target assets. From time to time, affiliates of Fortress may focus on investments in assets with a similar profile as our target assets that we may seek to acquire. These affiliates may have meaningful purchasing capacity, which may change over time depending upon a variety of factors, including, but not limited to, available equity capital and debt financing, market conditions and cash on hand. Fortress has multiple existing and planned funds focused on investing in one or more of the sectors in which we acquire assets, each with significant current or expected capital commitments. We may co-invest with these funds in certain target assets. Fortress funds generally have a fee structure similar to ours, but the fees actually paid will vary depending on the size, terms and performance of each fund.

Our Manager may determine, in its discretion, to make a particular acquisition through an investment vehicle other than us. Investment allocation decisions will reflect a variety of factors, such as a particular vehicle's availability of capital (including financing), investment objectives and concentration limits, legal, regulatory, tax and other similar considerations, the source of the opportunity and other factors that the Manager, in its discretion, deems appropriate. Our Manager does not have an obligation to offer us the opportunity to participate in any particular investment, even if it meets our asset acquisition objectives. In addition, employees of Fortress or certain of its affiliates—including personnel providing services to or on behalf of our Manager—may perform services for Fortress affiliates that may acquire or seek to acquire transportation and infrastructure-related assets.

Where Readers Can Find Additional Information

Fortress Transportation and Infrastructure Investors LLC is a Delaware limited liability company. Our principal executive offices are located at 1345 Avenue of the Americas, New York, New York 10105. Fortress Transportation and Infrastructure Investors LLC files annual, quarterly and current reports, proxy statements and other information required by the Exchange Act, with the SEC. Our SEC filings are available to the public from the SEC's internet site at http://www.sec.gov.

Our internet site is http://www.ftandi.com. We will make available free of charge through our internet site our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and Forms 3, 4 and 5 filed on behalf of directors and executive officers and any amendments to those reports filed or furnished pursuant to the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Also posted on our website in the ''Investor Center - Corporate Governance'' section are charters for our Audit Committee, Compensation Committee, Nominating Committee, as well as our Corporate Governance Guidelines, Code of Ethics for our officers, and our Code of Business Conduct and Ethics governing our directors, officers and employees. Information on, or accessible through, our website is not a part of, and is not incorporated into, this report.

Item 1A. Risk Factors

You should carefully consider the following risks and other information in this Form 10-K in evaluating us and our shares. Any of the following risks, as well as additional risks and uncertainties not currently known to us or that we currently deem immaterial, could materially and adversely affect our results of operations or financial condition. The risk factors generally have been separated into the following categories: risks related to our business, risks related to our Manager, risks related to taxation, risks related to our common shares and general risks. However, these categories do overlap and should not be considered exclusive.

Risks Related to Our Business

A pandemic, including COVID-19, could have an adverse impact on our business, financial condition, and results of operations.

In recent years, the outbreaks of certain highly contagious diseases have increased the risk of a pandemic resulting in economic disruptions. In particular, the ongoing COVID-19 pandemic has led to severe disruptions in the market and the global, U.S. and regional economies that may continue for a prolonged duration and trigger a recession or a period of economic slowdown. In response, various governmental bodies and private enterprises have implemented, and may in the future implement, numerous measures intended to mitigate the outbreak, such as travel bans and restrictions, quarantines, shutdowns and testing or vaccination mandates. The COVID-19 pandemic continues to be dynamic and evolving, including a resurgence of COVID-19 cases in certain geographies, and its ultimate scope, duration and impact, including the efficacy and availability of vaccines, remain uncertain.

The ongoing COVID-19 pandemic adversely affected our Jefferson Terminal business in several material ways during the years ended December 31, 2020 and 2021. Although difficult to quantify the impact, the pandemic adversely affected macro trends in refinery utilization rates in the United States and the global consumption of petroleum and liquid fuels in 2020 and part of 2021, which adversely affected our revenue potential at our Jefferson Terminal business. In addition, we were unable to complete anticipated new customer contracts and certain of our existing customers did not increase volumes as anticipated which also adversely affected our revenue potential for those periods.

We expect that this pandemic, and any future epidemic or pandemic crises, could result in direct and indirect adverse effects on our industry and customers, which in turn may impact our business, results of operations and financial condition. Effects of the current pandemic have included, or may in the future include, among others:

- deterioration of worldwide, regional or national economic conditions and activity, which could adversely affect global demand for crude oil and petroleum products, demand for our services, and time charter and spot rates;
- disruptions to our operations as a result of the potential health impact, such as the availability and efficacy of vaccines, on our employees and crew, and on the workforces of our customers and business partners;
- disruptions to our business from, or additional costs related to, new regulations, directives or practices implemented in response to the pandemic, such as travel restrictions, increased inspection regimes, hygiene measures (such as quarantining and physical distancing) or increased implementation of remote working arrangements;
- a lack of air travel demand or an inability of airlines to operate to or from certain regions could impact demand for air travel and the financial health of certain airlines, including our lessees;
- potential delays in the loading and discharging of cargo on or from our vessels, and any related off hire due to global supply chain disruptions resulting from quarantines, worker health, regulations or other impacts of the COVID-19 pandemic, which in turn could disrupt our operations and result in a reduction of revenue;
- potential shortages or a lack of access to required spare parts for our vessels, or potential delays in any repairs to, scheduled or unscheduled maintenance or modifications;
- potential delays in vessel inspections and related certifications by class societies, customers or government agencies;
- potential reduced cash flows and financial condition, including potential liquidity constraints;
- reduced access to or increased cost of capital, including the ability to refinance any existing obligations, as a result of any credit tightening generally or due to continued declines in global financial markets, including potential interest rate increases and declines in the prices of publicly-traded securities of us, our peers and of listed companies generally; and
- potential deterioration in the financial condition and prospects of our customers, joint venture partners or business partners, or attempts by customers or third parties to invoke force majeure contractual clauses as a result of delays or other disruptions.

As the COVID-19 pandemic continues to evolve, the extent to which COVID-19 impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak, and the actions that may be required to try and contain COVID-19 or treat its impact. We continue to monitor the pandemic and, the extent to which the continued spread of the virus adversely affects our customer base and therefore revenue. As the COVID-19 pandemic is complex and rapidly evolving, our plans as described above may change. At this point, we cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on our business, results of operations, financial position and cash flows.

Uncertainty relating to macroeconomic conditions may reduce the demand for our assets, result in non-performance of contracts by our lessees or charterers, limit our ability to obtain additional capital to finance new investments, or have other unforeseen negative effects.

Uncertainty and negative trends in general economic conditions in the United States and abroad, including significant tightening of credit markets and commodity price volatility, historically have created difficult operating environments for owners and operators in the transportation industry. Many factors, including factors that are beyond our control, may impact our operating results or financial condition and/or affect the lessees and charterers that form our customer base. For some years, the world has experienced weakened economic conditions and volatility following adverse changes in global capital markets. Excess supply in oil and gas markets can put significant downward pressure on prices for these commodities, and may affect demand for assets used in production, refining and transportation of oil and gas. In the past, a significant decline in oil prices has led to lower offshore exploration and production budgets worldwide. These conditions have resulted in significant contraction, deleveraging and reduced liquidity in the credit markets. A number of governments have implemented, or are considering implementing, a broad variety of governmental actions or new regulations for the financial markets. In addition, limitations on the availability of capital, higher costs of capital for financing expenditures or the desire to preserve liquidity, may cause our current or prospective customers to make reductions in future capital budgets and spending.

Further, demand for our assets is related to passenger and cargo traffic growth, which in turn is dependent on general business and economic conditions. Global economic downturns could have an adverse impact on passenger and cargo traffic levels and consequently our lessees' and charterers' business, which may in turn result in a significant reduction in revenues, earnings and cash flows, difficulties accessing capital and a deterioration in the value of our assets. We may also become exposed to increased credit risk from our customers and third parties who have obligations to us, which could result in increased non-performance of contracts by our lessees or charterers and adversely impact our business, prospects, financial condition, results of operations and cash flows.

The industries in which we operate have experienced periods of oversupply during which lease rates and asset values have declined, particularly during the most recent economic downturn, and any future oversupply could materially adversely affect our results of operations and cash flows.

The oversupply of a specific asset is likely to depress the lease or charter rates for and the value of that type of asset and result in decreased utilization of our assets, and the industries in which we operate have experienced periods of oversupply during which rates and asset values have declined, particularly during the most recent economic downturn. Factors that could lead to such oversupply include, without limitation:

- general demand for the type of assets that we purchase;
- general macroeconomic conditions, including market prices for commodities that our assets may serve;
- geopolitical events, including war, prolonged armed conflict and acts of terrorism;
- outbreaks of communicable diseases and natural disasters;
- governmental regulation;
- interest rates;
- the availability of credit;
- restructurings and bankruptcies of companies in the industries in which we operate, including our customers;
- manufacturer production levels and technological innovation;
- manufacturers merging or exiting the industry or ceasing to produce certain asset types;
- retirement and obsolescence of the assets that we own;
- increases in supply levels of assets in the market due to the sale or merging of operating lessors; and
- reintroduction of previously unused or dormant assets into the industries in which we operate.

These and other related factors are generally outside of our control and could lead to persistence of, or increase in, the oversupply of the types of assets that we acquire or decreased utilization of our assets, either of which could materially adversely affect our results of operations and cash flow. In addition, lessees may redeliver our assets to locations where there is oversupply, which may lead to additional repositioning costs for us if we move them to areas with higher demand. Positioning expenses vary depending on geographic location, distance, freight rates and other factors, and may not be fully covered by drop-off charges collected from the last lessees of the equipment or pick-up charges paid by the new lessees. Positioning expenses can be significant if a large portion of our assets are returned to locations with weak demand, which could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

There can be no assurance that any target returns will be achieved.

Our target returns for assets are targets only and are not forecasts of future profits. We develop target returns based on our Manager's assessment of appropriate expectations for returns on assets and the ability of our Manager to enhance the return generated by those assets through active management. There can be no assurance that these assessments and expectations will be achieved and failure to achieve any or all of them may materially adversely impact our ability to achieve any target return with respect to any or all of our assets.

In addition, our target returns are based on estimates and assumptions regarding a number of other factors, including, without limitation, holding periods, the absence of material adverse events affecting specific investments (which could include, without limitation, natural disasters, terrorism, social unrest or civil disturbances), general and local economic and market conditions, changes in law, taxation, regulation or governmental policies and changes in the political approach to transportation investment, either generally or in specific countries in which we may invest or seek to invest. Many of these factors, as well as the other risks described elsewhere in this report, are beyond our control and all could adversely affect our ability to achieve a target return with respect to an asset. Further, target returns are targets for the return generated by specific assets and not by us. Numerous factors could prevent us from achieving similar returns, notwithstanding the performance of individual assets, including, without limitation, taxation and fees payable by us or our operating subsidiaries, including fees and incentive allocation payable to our Manager.

There can be no assurance that the returns generated by any of our assets will meet our target returns, or any other level of return, or that we will achieve or successfully implement our asset acquisition objectives, and failure to achieve the target return in respect of any of our assets could, among other things, have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. Further, even if the returns generated by individual assets meet target returns, there can be no assurance that the returns generated by other existing or future assets would do so, and the historical performance of the assets in our existing portfolio should not be considered as indicative of future results with respect to any assets.

Contractual defaults may adversely affect our business, prospects, financial condition, results of operations and cash flows by decreasing revenues and increasing storage, positioning, collection, recovery and lost equipment expenses.

The success of our business depends in large part on the success of the operators in the sectors in which we participate. Cash flows from our assets are substantially impacted by our ability to collect compensation and other amounts to be paid in respect of such assets from the customers with whom we enter into leases, charters or other contractual arrangements. Inherent in the nature of the leases, charters and other arrangements for the use of such assets is the risk that we may not receive, or may experience delay in realizing, such amounts to be paid. While we target the entry into contracts with credit-worthy counterparties, no assurance can be given that such counterparties will perform their obligations during the term of the leases, charters or other contractual arrangements. In addition, when counterparties default, we may fail to recover all of our assets, and the assets we do recover may be returned in damaged condition or to locations where we will not be able to efficiently lease, charter or sell them. In most cases, we maintain, or require our lessees to maintain, certain insurances to cover the risk of damages or loss of our assets. However, these insurance policies may not be sufficient to protect us against a loss.

Depending on the specific sector, the risk of contractual defaults may be elevated due to excess capacity as a result of oversupply during the most recent economic downturn. We lease assets to our customers pursuant to fixed-price contracts, and our customers then seek to utilize those assets to transport goods and provide services. If the price at which our customers receive for their transportation services decreases as a result of an oversupply in the marketplace, then our customers may be forced to reduce their prices in order to attract business (which may have an adverse effect on their ability to meet their contractual lease obligations to us), or may seek to renegotiate or terminate their contractual lease arrangements with us to pursue a lower-priced opportunity with another lessor, which may have a direct, adverse effect on us. See "-The industries in which we operate have experienced periods of oversupply during which lease rates and asset values have declined, particularly during the most recent economic downturn, and any future oversupply could materially adversely affect our results of operations and cash flows." Any default by a material customer would have a significant impact on our profitability at the time the customer defaulted, which could materially adversely affect our operating results and growth prospects. In addition, some of our counterparties may reside in jurisdictions with legal and regulatory regimes that make it difficult and costly to enforce such counterparties' obligations.

If we acquire a high concentration of a particular type of asset, or concentrate our investments in a particular sector, our business, prospects, financial condition, results of operations and cash flows could be adversely affected by changes in market demand or problems specific to that asset or sector.

If we acquire a high concentration of a particular asset, or concentrate our investments in a particular sector, our business and financial results could be adversely affected by sector-specific or asset-specific factors. For example, if a particular sector experiences difficulties such as increased competition or oversupply, the operators we rely on as a lessor may be adversely affected and consequently our business and financial results may be similarly affected. If we acquire a high concentration of a particular asset and the market demand for a particular asset declines, it is redesigned or replaced by its manufacturer or it experiences design or technical problems, the value and rates relating to such asset may decline, and we may be unable to lease or charter such asset on favorable terms, if at all. Any decrease in the value and rates of our assets may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We operate in highly competitive markets.

The business of acquiring transportation and transportation-related infrastructure assets is highly competitive. Market competition for opportunities includes traditional transportation and infrastructure companies, commercial and investment banks, as well as a growing number of non-traditional participants, such as hedge funds, private equity funds and other private investors, including Fortress-related entities. Some of these competitors may have access to greater amounts of capital and/or to capital that may be committed for longer periods of time or may have different return thresholds than us, and thus these competitors may have certain advantages not shared by us. In addition, competitors may have incurred, or may in the future incur, leverage to finance their debt investments at levels or on terms more favorable than those available to us. Strong competition for investment opportunities could result in fewer such opportunities for us, as certain of these competitors have established and are establishing investment vehicles that target the same types of assets that we intend to purchase.

In addition, some of our competitors may have longer operating histories, greater financial resources and lower costs of capital than us, and consequently, may be able to compete more effectively in one or more of our target markets. We likely will not always be able to compete successfully with our competitors and competitive pressures or other factors may also result in significant price competition, particularly during industry downturns, which could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Certain liens may arise on our assets.

Certain of our assets are currently subject to liens under separate financing arrangements entered into by certain subsidiaries in connection with acquisitions of assets. In the event of a default under such arrangements by the applicable subsidiary, the lenders thereunder would be permitted to take possession of or sell such assets. See "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources." In addition, our currently owned assets and assets that we purchase in the future may be subject to other liens based on the industry practices relating to such assets. Until they are discharged, these liens could impair our ability to repossess, re-lease or sell our assets, and to the extent our lessees or charterers do not comply with their obligations to discharge any liens on the applicable assets, we may find it necessary to pay the claims secured by such liens in order to repossess such assets. Such payments could materially adversely affect our operating results and growth prospects.

The values of our assets may fluctuate due to various factors.

The fair market values of our assets may decrease or increase depending on a number of factors, including the prevailing level of charter or lease rates from time to time, general economic and market conditions affecting our target markets, type and age of assets, supply and demand for assets, competition, new governmental or other regulations and technological advances, all of which could impact our profitability and our ability to lease, charter, develop, operate, or sell such assets. In addition, our assets depreciate as they age and may generate lower revenues and cash flows. We must be able to replace such older, depreciated assets with newer assets, or our ability to maintain or increase our revenues and cash flows will decline. In addition, if we dispose of an asset for a price that is less than the depreciated book value of the asset on our balance sheet or if we determine that an asset's value has been impaired, we will recognize a related charge in our consolidated statement of operations and such charge could be material.

We may not generate a sufficient amount of cash or generate sufficient free cash flow to fund our operations or repay our indebtedness.

Our ability to make payments on our indebtedness as required depends on our ability to generate cash flow in the future. This ability, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we do not generate sufficient free cash flow to satisfy our debt obligations, including interest payments and the payment of principal at maturity, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot provide assurance that any refinancing would be possible, that any assets could be sold, or, if sold, of the timeliness and amount of proceeds realized from those sales, that additional financing could be obtained on acceptable terms, if at all, or that additional financing would be permitted under the terms of our various debt instruments then in effect. Furthermore, our ability to refinance would depend upon the condition of the finance and credit markets. Our inability to generate sufficient free cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms or on a timely basis, would materially affect our business, financial condition and results of operations.

We may acquire operating businesses, including businesses whose operations are not fully matured and stabilized. These businesses may be subject to significant operating and development risks, including increased competition, cost overruns and delays, and difficulties in obtaining approvals or financing. These factors could materially affect our business, financial condition, liquidity and results of operations.

We have acquired, and may in the future acquire, operating businesses, including businesses whose operations are not fully matured and stabilized (including, but not limited to, our businesses within the Jefferson Terminal, Ports and Terminals and Transtar segments). While we have deep experience in the construction and operation of these companies, we are nevertheless subject to significant risks and contingencies of an operating business, and these risks are greater where the operations of such businesses are not fully matured and stabilized. Key factors that may affect our operating businesses include, but are not limited to:

- competition from market participants;
- general economic and/or industry trends, including pricing for the products or services offered by our operating businesses;
- the issuance and/or continued availability of necessary permits, licenses, approvals and agreements from governmental agencies and third parties as are required to construct and operate such businesses;
- changes or deficiencies in the design or construction of development projects;
- unforeseen engineering, environmental or geological problems;
- potential increases in construction and operating costs due to changes in the cost and availability of fuel, power, materials and supplies;
- the availability and cost of skilled labor and equipment;
- our ability to enter into additional satisfactory agreements with contractors and to maintain good relationships with these contractors in order to construct development projects within our expected cost parameters and time frame, and the ability of those contractors to perform their obligations under the contracts and to maintain their creditworthiness;
- potential liability for injury or casualty losses which are not covered by insurance;
- potential opposition from non-governmental organizations, environmental groups, local or other groups which may delay or prevent development activities;
- local and economic conditions;
- changes in legal requirements; and
- force majeure events, including catastrophes and adverse weather conditions.

Any of these factors could materially affect our business, financial condition, liquidity and results of operations.

Our use of joint ventures or partnerships, and our Manager's outsourcing of certain functions, may present unforeseen obstacles or costs.

We have acquired and may in the future acquire interests in certain assets in cooperation with third-party partners or co-investors through jointly-owned acquisition vehicles, joint ventures or other structures. In these co-investment situations, our ability to control the management of such assets depends upon the nature and terms of the joint arrangements with such partners and our relative ownership stake in the asset, each of which will be determined by negotiation at the time of the investment and the determination of which is subject to the discretion of our Manager. Depending on our Manager's perception of the relative risks and rewards of a particular asset, our Manager may elect to acquire interests in structures that afford relatively little or no operational and/or management control to us. Such arrangements present risks not present with wholly-owned assets, such as the possibility that a co-investor becomes bankrupt, develops business interests or goals that conflict with our interests and goals in respect of the assets, all of which could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

In addition, our Manager expects to utilize third-party contractors to perform services and functions related to the operation and leasing of our assets. These functions may include billing, collections, recovery and asset monitoring. Because we and our Manager do not directly control these third parties, there can be no assurance that the services they provide will be delivered at a level commensurate with our expectations, or at all. The failure of any such third-party contractors to perform in accordance with our expectations could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

We are subject to the risks and costs of obsolescence of our assets.

Technological and other improvements expose us to the risk that certain of our assets may become technologically or commercially obsolete. For example, in our Aviation Leasing segment, as manufacturers introduce technological innovations and new types of aircraft, some of our assets could become less desirable to potential lessees. Such technological innovations may increase the rate of obsolescence of existing aircraft faster than currently anticipated by us. In addition, the imposition of increased regulation regarding stringent noise or emissions restrictions may make some of our aircraft less desirable and less valuable in the marketplace. In our offshore energy business, development and construction of new, sophisticated, high-specification assets could cause our assets to become less desirable to potential charterers, and insurance rates may also increase with the age of a vessel, making older vessels less desirable to potential charterers. Any of these risks may adversely affect our ability to lease, charter or sell our assets on favorable terms, if at all, which could materially adversely affect our operating results and growth prospects.

The North American rail sector is a highly regulated industry and increased costs of compliance with, or liability for violation of, existing or future laws, regulations and other requirements could significantly increase our operational costs of doing business, thereby adversely affecting our profitability.

The rail sector is subject to extensive laws, regulations and other requirements including, but not limited to, those relating to the environment, safety, rates and charges, service obligations, employment, labor, immigration, minimum wages and overtime pay, health care and benefits, working conditions, public accessibility and other requirements. These laws and regulations are enforced by U.S. federal agencies including the U.S. Environmental Protection Agency (the “U.S. EPA”), the U.S. Department of Transportation (the “DOT”), the Occupational Safety and Health Act (the “OSHA”), the U.S. Federal Railroad Administration (the “FRA”), and the U.S. Surface Transportation Board (the “STB”), as well as numerous other state, provincial, local and federal agencies. Ongoing compliance with, or a violation of, these laws, regulations and other requirements could have a material adverse effect on our business, financial condition and results of operations.

We believe that our rail operations are in substantial compliance with applicable laws and regulations. However, these laws and regulations, and the interpretation or enforcement thereof, are subject to frequent change and varying interpretation by regulatory authorities, and we are unable to predict the ongoing cost to us of complying with these laws and regulations or the future impact of these laws and regulations on our operations. In addition, from time to time we are subject to inspections and investigations by various regulators. Violation of environmental or other laws, regulations and permits can result in the imposition of significant administrative, civil and criminal penalties, injunctions and construction bans or delays.

Legislation passed by the U.S. Congress or Canadian Parliament or new regulations issued by federal agencies can significantly affect the revenues, costs and profitability of our business. For instance, more recently proposed bills such as the “Rail Shipper Fairness Act of 2017,” or competitive access proposals under consideration by the STB, if adopted, could increase government involvement in railroad pricing, service and operations and significantly change the federal regulatory framework of the railroad industry. Several of the changes under consideration could have a significant negative impact on the Company’s ability to determine prices for rail services, meet service standards and could force a reduction in capital spending. Statutes imposing price constraints or affecting rail-to-rail competition could adversely affect the Company’s profitability.

Under various U.S. and Canadian federal, state, provincial and local environmental requirements, as the owner or operator of terminals or other facilities, we may be liable for the costs of removal or remediation of contamination at or from our existing locations, whether we knew of, or were responsible for, the presence of such contamination. The failure to timely report and properly remediate contamination may subject us to liability to third parties and may adversely affect our ability to sell or rent our property or to borrow money using our property as collateral. Additionally, we may be liable for the costs of remediating third-party sites where hazardous substances from our operations have been transported for treatment or disposal, regardless of whether we own or operate that site. In the future, we may incur substantial expenditures for investigation or remediation of contamination that has not yet been discovered at our current or former locations or locations that we may acquire.

A discharge of hydrocarbons or hazardous substances into the environment associated with operating our rail assets could subject us to substantial expense, including the cost to recover the materials spilled, restore the affected natural resources, pay fines and penalties, and natural resource damages and claims made by employees, neighboring landowners, government authorities and other third parties, including for personal injury and property damage. We may experience future catastrophic sudden or gradual releases into the environment from our facilities or discover historical releases that were previously unidentified or not assessed. Although our inspection and testing programs are designed to prevent, detect and address any such releases promptly, the liabilities incurred due to any future releases into the environment from our assets, have the potential to substantially affect our business. Such events could also subject us to media and public scrutiny that could have a negative effect on our operations and also on the value of our common shares.

We could be negatively impacted by environmental, social, and governance (ESG) and sustainability-related matters.

Governments, investors, customers, employees and other stakeholders are increasingly focusing on corporate ESG practices and disclosures, and expectations in this area are rapidly evolving. We have announced, and may in the future announce, sustainability-focused investments, partnerships and other initiatives and goals. These initiatives, aspirations, targets or objectives reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Our efforts to accomplish and accurately report on these initiatives and goals present numerous operational, regulatory, reputational, financial, legal, and other risks, any of which could have a material negative impact, including on our reputation and stock price.

In addition, the standards for tracking and reporting on ESG matters are relatively new, have not been harmonized and continue to evolve. Our selection of disclosure frameworks that seek to align with various voluntary reporting standards may change from time to time and may result in a lack of comparative data from period to period. Moreover, our processes and controls may not always align with evolving voluntary standards for identifying, measuring, and reporting ESG metrics, our interpretation of reporting standards may differ from those of others, and such standards may change over time, any of which could result in significant revisions to our goals or reported progress in achieving such goals. In this regard, the criteria by which our ESG practices and disclosures are assessed may change due to the quickly evolving landscape, which could result in greater expectations of us and cause us to undertake costly initiatives to satisfy such new criteria. The increasing attention to corporate ESG initiatives could also result in increased investigations and litigation or threats thereof. If we are unable to satisfy such new criteria, investors may conclude that our ESG and sustainability practices are inadequate. If we fail or are perceived to have failed to achieve previously announced initiatives or goals or to accurately disclose our progress on such initiatives or goals, our reputation, business, financial condition and results of operations could be adversely impacted.

We transport hazardous materials.

We transport certain hazardous materials and other materials, including crude oil and toxic inhalation hazard (TIH) materials, such as ammonia, that pose certain risks in the event of a release or combustion. Additionally, U.S. laws impose common carrier obligations on railroads that require us to transport certain hazardous materials regardless of risk or potential exposure to loss. In addition, insurance premiums charged for, or the self-insured retention associated with, some or all of the coverage currently maintained by us could increase dramatically or certain coverage may not be available to us in the future if there is a catastrophic event related to rail transportation of these materials. A rail accident or other incident or accident on our network, at our facilities, or at the facilities of our customers involving the release or combustion of hazardous materials could involve significant costs and claims for personal injury, property damage, and environmental penalties and remediation in excess of our insurance coverage for these risks, which could have a material adverse effect on our results of operations, financial condition, and liquidity.

Our business could be adversely affected if service on the railroads is interrupted or if more stringent regulations are adopted regarding railcar design or the transportation of crude oil by rail.

As a result of hydraulic fracturing and other improvements in extraction technologies, there has been a substantial increase in the volume of crude oil and liquid hydrocarbons produced and transported in North America, and a geographic shift in that production versus historical production. The increase in volume and shift in geography has resulted in increased pipeline congestion and a corresponding growth in crude oil being transported by rail from Canada and across the U.S. High-profile accidents involving crude-oil-carrying trains in Quebec, North Dakota and Virginia, and more recently in Saskatchewan, West Virginia and Illinois, have raised concerns about derailments and the environmental and safety risks associated with crude oil transport by rail and the associated risks arising from railcar design. In Canada, the transport of hazardous products is receiving greater scrutiny which could impact our customers and our business.

In May 2015, the DOT issued new production standards and operational controls for rail tank cars used in “High-Hazard Flammable Trains” (i.e., trains carrying commodities such as ethanol, crude oil and other flammable liquids). Similar standards have been adopted in Canada. The new standard applies for all cars manufactured after October 1, 2015, and existing tank cars must be retrofitted within the next three to eight years. The applicable operational controls include reduced speed restrictions, and maximum lengths on trains carrying these materials. Retrofitting our tank cars will be required under these new standards to the extent we elect to move certain flammable liquids in the future. While we may be able to pass some of these costs on to our customers, there may be costs that we cannot pass on to them. We continue to monitor the railcar regulatory landscape and remain in close contact with railcar suppliers and other industry stakeholders to stay informed of railcar regulation rulemaking developments. It is unclear how these regulations will impact the crude-by-rail industry, and any such impact would depend on a number of factors that are outside of our control. If, for example, overall volume of crude-by-rail decreases, or if we do not have access to a sufficient number of compliant cars to transport required volumes under our existing contracts, our operations may be negatively affected. This may lead to a decrease in revenues and other consequences.

The adoption of additional federal, state, provincial or local laws or regulations, including any voluntary measures by the rail industry regarding railcar design or crude oil and liquid hydrocarbon rail transport activities, or efforts by local communities to restrict or limit rail traffic involving crude oil, could affect our business by increasing compliance costs and decreasing demand for our services, which could adversely affect our financial position and cash flows. Moreover, any disruptions in the operations of railroads, including those due to shortages of railcars, weather-related problems, flooding, drought, accidents, mechanical difficulties, strikes, lockouts or bottlenecks, could adversely impact our customers’ ability to move their product and, as a result, could affect our business.

Because we depend on Class I railroads for a significant portion of our operations in North America, our results of operations, financial condition and liquidity may be adversely affected if our relationships with these carriers deteriorate.

The railroad industry in the United States and Canada is dominated by seven Class I carriers that have substantial market control and negotiating leverage. In addition, Class I carriers also traditionally have been significant sources of business for us, and may be future sources of potential acquisition candidates as they divest branch lines. A decision by any of these Class I carriers to cease or re-route certain freight movements or to alter existing business relationships, including operational or relationship changes, could have a material adverse effect on our results of operations. The overall impact of any such decision would depend on which Class I carrier is involved, the routes and freight movements affected, as well as the nature of any changes.

We may be affected by fluctuating prices for fuel and energy.

Volatility in energy prices could have a significant effect on a variety of items including, but not limited to: the economy; demand for transportation services; business related to the energy sector, including the production and processing of crude oil, natural gas, and coal; fuel prices; and, fuel surcharges. Particularly in our rail business, fuel costs constitute a significant portion of our expenses. Diesel fuel prices and availability can be subject to dramatic fluctuations, and significant price increases could have a material adverse effect on our operating results. If a severe fuel supply shortage arose from production curtailments, disruption of oil imports or domestic oil production, disruption of domestic refinery production, damage to refinery or pipeline infrastructure, political unrest, war, terrorist attack or otherwise, diesel fuel may not be readily available and may be subject to rationing regulations. Currently, we receive fuel surcharges and other rate adjustments to offset fuel prices, although there may be a significant delay in our recovery of fuel costs based on the terms of the fuel surcharge program. If Class I railroads change their policies regarding fuel surcharges, the compensation we receive for increases in fuel costs may decrease, which could have a negative effect on our profitability; in fact, we cannot be certain that we will always be able to mitigate rising or elevated fuel costs through fuel surcharges at all, as future market conditions or legislative or regulatory activities could adversely affect our ability to apply fuel surcharges or adequately recover increased fuel costs through fuel surcharges.

International, political, and economic factors, events and conditions affect the volatility of fuel prices and supplies. Weather can also affect fuel supplies and limit domestic refining capacity. A severe shortage of, or disruption to, domestic fuel supplies could have a material adverse effect on our results of operations, financial condition, and liquidity. In addition, lower fuel prices could have a negative impact on commodities we process and transport, such as crude oil and petroleum products, which could have a material adverse effect on our results of operations, financial condition, and liquidity.

Transtar faces competition from other railroads and other transportation providers.

Transtar faces competition from other railroads, motor carriers, ships, barges, and pipelines. We operate in some corridors served by other railroads and motor carriers. In addition to price competition, we face competition with respect to transit times, quality, and reliability of service from motor carriers and other railroads. Motor carriers in particular can have an advantage over railroads with respect to transit times and timeliness of service. However, railroads are much more fuel-efficient than trucks, which reduces the impact of transporting goods on the environment and public infrastructure. Additionally, we must build or acquire and maintain our rail system, while trucks, barges, and maritime operators are able to use public rights-of-way maintained by public entities. Any of the following could also affect the competitiveness of our rail services, which could have a material adverse effect on our results of operations, financial condition, and liquidity: (i) improvements or expenditures materially increasing the quality or reducing the costs of these alternative modes of transportation, such as autonomous or more fuel efficient trucks, (ii) legislation that eliminates or significantly increases the size or weight limitations applied to motor carriers, or (iii) legislation or regulatory changes that impose operating restrictions on railroads or that adversely affect the profitability of some or all railroad traffic. Additionally, any future consolidation of the rail industry could materially affect our competitive environment.

Our assets are exposed to unplanned interruptions caused by catastrophic events outside of our control which may disrupt our business and cause damage or losses that may not be adequately covered by insurance.

The operations of transportation and infrastructure projects are exposed to unplanned interruptions caused by significant catastrophic events, such as hurricanes, cyclones, earthquakes, landslides, floods, explosions, fires, derailments, major plant breakdowns, pipeline or electricity line ruptures or other disasters. Operational disruption, as well as supply disruption, and increased government oversight could adversely impact the cash flows available from these assets. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in temporary or permanent loss of customers, substantial litigation or penalties for regulatory or contractual non-compliance, and any loss from such events may not be recoverable under relevant insurance policies. Although we believe that we are adequately insured against these types of events, either indirectly through our lessees or charterers or through our own insurance policies, no assurance can be given that the occurrence of any such event will not materially adversely affect us. In addition, if a lessee or charterer is not obligated to maintain sufficient insurance, we may incur the costs of additional insurance coverage during the related lease or charter. We can give no assurance that such insurance will be available at commercially reasonable rates, if at all.

Our assets generally require routine maintenance, and we may be exposed to unforeseen maintenance costs.

We may be exposed to unforeseen maintenance costs for our assets associated with a lessee's or charterer's failure to properly maintain the asset. We enter into leases and charters with respect to some of our assets pursuant to which the lessees are primarily responsible for many obligations, which generally include complying with all governmental requirements applicable to the lessee or charterer, including operational, maintenance, government agency oversight, registration requirements and other applicable directives. Failure of a lessee or charterer to perform required maintenance during the term of a lease or charter could result in a decrease in value of an asset, an inability to re-lease or charter an asset at favorable rates, if at all, or a potential inability to utilize an asset. Maintenance failures would also likely require us to incur maintenance and modification costs upon the termination of the applicable lease or charter; such costs to restore the asset to an acceptable condition prior to re-leasing, charter or sale could be substantial. Any failure by our lessees or charterers to meet their obligations to perform required scheduled maintenance or our inability to maintain our assets could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

Some of our customers operate in highly regulated industries and changes in laws or regulations, including laws with respect to international trade, may adversely affect our ability to lease, charter or sell our assets.

Some of our customers operate in highly regulated industries such as aviation and offshore energy. A number of our contractual arrangements-for example, our leasing aircraft engines or offshore energy equipment to third-party operators-require the operator (our customer) to obtain specific governmental or regulatory licenses, consents or approvals. These include consents for certain payments under such arrangements and for the export, import or re-export of the related assets. Failure by our customers or, in certain circumstances, by us, to obtain certain licenses and approvals could negatively affect our ability to conduct our business. In addition, the shipment of goods, services and technology across international borders subjects the operation of our assets to international trade laws and regulations. Moreover, many countries, including the United States, control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. Governments also may impose economic sanctions against certain countries, persons and other entities that may restrict or prohibit transactions involving such countries, persons and entities. If any such regulations or sanctions affect the asset operators that are our customers, our business, prospects, financial condition, results of operations and cash flows may be materially adversely affected.

Certain of our assets are subject to purchase options held by the charterer or lessee of the asset which, if exercised, could reduce the size of our asset base and our future revenues.

We have granted purchase options to the charterers and lessees of certain of our assets. The market values of these assets may change from time to time depending on a number of factors, such as general economic and market conditions affecting the industries in which we operate, competition, cost of construction, governmental or other regulations, technological changes and prevailing levels of charter or lease rates from time to time. The purchase price under a purchase option may be less than the asset's market value at the time the option may be exercised. In addition, we may not be able to obtain a replacement asset for the price at which the asset is sold. In such cases, our business, prospects, financial condition, results of operations and cash flows may be materially adversely affected.

The profitability of our offshore energy assets may be impacted by the profitability of the offshore oil and gas industry generally, which is significantly affected by, among other things, volatile oil and gas prices.

Demand for assets in the offshore energy business and our ability to secure charter contracts for our assets at favorable charter rates following expiry or termination of existing charters will depend, among other things, on the level of activity in the offshore oil and gas industry. The offshore oil and gas industry is cyclical and volatile, and demand for oil-service assets depends on, among other things, the level of development and activity in oil and gas exploration, as well as the identification and development of oil and gas reserves and production in offshore areas worldwide. The availability of high quality oil and gas prospects, exploration success, relative production costs, the stage of reservoir development, political concerns and regulatory requirements all affect the level of activity for charterers of oil-service vessels. Accordingly, oil and gas prices and market expectations of potential changes in these prices significantly affect the level of activity and demand for oil-service assets. Oil and gas prices can be extremely volatile and are affected by numerous factors beyond our control, such as: worldwide demand for oil and gas; costs of exploring, developing, producing and delivering oil and gas; expectations regarding future energy prices; the ability of the Organization of Petroleum Exporting Countries ("OPEC") to set and maintain production levels and impact pricing; the level of production in non-OPEC countries; governmental regulations and policies regarding development of oil and gas reserves; local and international political, economic and weather conditions; domestic and foreign tax or trade policies; political and military conflicts in oil-producing and other countries; and the development and exploration of alternative fuels. Any reduction in the demand for our assets due to these or other factors could materially adversely affect our operating results and growth prospects.

We may not be able to renew or obtain new or favorable charters or leases, which could adversely affect our business, prospects, financial condition, results of operations and cash flows.

Our operating leases are subject to greater residual risk than direct finance leases because we will own the assets at the expiration of an operating lease term and we may be unable to renew existing charters or leases at favorable rates, or at all, or sell the leased or chartered assets, and the residual value of the asset may be lower than anticipated. In addition, our ability to renew existing charters or leases or obtain new charters or leases will also depend on prevailing market conditions, and upon expiration of the contracts governing the leasing or charter of the applicable assets, we may be exposed to increased volatility in terms of rates and contract provisions. For example, we do not currently have long-term charters for our construction support vessel and our ROV support vessel. Likewise, our customers may reduce their activity levels or seek to terminate or renegotiate their charters or leases with us. If we are not able to renew or obtain new charters or leases in direct continuation, or if new charters or leases are entered into at rates substantially below the existing rates or on terms otherwise less favorable compared to existing contractual terms, or if we are unable to sell assets for which we are unable to obtain new contracts or leases, our business, prospects, financial condition, results of operations and cash flows could be materially adversely affected.

Litigation to enforce our contracts and recover our assets has inherent uncertainties that are increased by the location of our assets in jurisdictions that have less developed legal systems.

While some of our contractual arrangements are governed by New York law and provide for the non-exclusive jurisdiction of the courts located in the state of New York, our ability to enforce our counterparties' obligations under such contractual arrangements is subject to applicable laws in the jurisdiction in which enforcement is sought. While some of our existing assets are used in specific jurisdictions, transportation and transportation-related infrastructure assets by their nature generally move throughout multiple jurisdictions in the ordinary course of business. As a result, it is not possible to predict, with any degree of certainty, the jurisdictions in which enforcement proceedings may be commenced. Litigation and enforcement proceedings have inherent uncertainties in any jurisdiction and are expensive. These uncertainties are enhanced in countries that have less developed legal systems where the interpretation of laws and regulations is not consistent, may be influenced by factors other than legal merits and may be cumbersome, time-consuming and even more expensive. For example, repossession from defaulting lessees may be difficult and more expensive in jurisdictions whose laws do not confer the same security interests and rights to creditors and lessors as those in the United States and where the legal system is not as well developed. As a result, the remedies available and the relative success and expedience of collection and enforcement proceedings with respect to the owned assets in various jurisdictions cannot be predicted. To the extent more of our business shifts to areas outside of the United States and Europe, such as Asia and the Middle East, it may become more difficult and expensive to enforce our rights and recover our assets.

Our international operations involve additional risks, which could adversely affect our business, prospects, financial condition, results of operations and cash flows.

We and our customers operate in various regions throughout the world. As a result, we may, directly or indirectly, be exposed to political and other uncertainties, including risks of:

- terrorist acts, armed hostilities, war and civil disturbances;
- acts of piracy;
- potential cybersecurity attacks;
- significant governmental influence over many aspects of local economies;
- seizure, nationalization or expropriation of property or equipment;
- repudiation, nullification, modification or renegotiation of contracts;
- limitations on insurance coverage, such as war risk coverage, in certain areas;
- political unrest;
- foreign and U.S. monetary policy and foreign currency fluctuations and devaluations;
- the inability to repatriate income or capital;
- complications associated with repairing and replacing equipment in remote locations;
- import-export quotas, wage and price controls, imposition of trade barriers;
- U.S. and foreign sanctions or trade embargoes;
- restrictions on the transfer of funds into or out of countries in which we operate;
- compliance with U.S. Treasury sanctions regulations restricting doing business with certain nations or specially designated nationals;
- regulatory or financial requirements to comply with foreign bureaucratic actions;
- compliance with applicable anti-corruption laws and regulations;
- changing taxation policies, including confiscatory taxation;
- other forms of government regulation and economic conditions that are beyond our control; and
- governmental corruption.

Any of these or other risks could adversely impact our customers' international operations which could materially adversely impact our operating results and growth opportunities.

We may make acquisitions in emerging markets throughout the world, and investments in emerging markets are subject to greater risks than developed markets and could adversely affect our business, prospects, financial condition, results of operations and cash flows.

To the extent that we acquire assets in emerging markets-which we may do throughout the world-additional risks may be encountered that could adversely affect our business. Emerging market countries have less developed economies and infrastructure and are often more vulnerable to economic and geopolitical challenges and may experience significant fluctuations in gross domestic product, interest rates and currency exchange rates, as well as civil disturbances, government instability, nationalization and expropriation of private assets and the imposition of taxes or other charges by government authorities. In addition, the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible or may be subject to the imposition of other monetary or fiscal controls and restrictions.

Emerging markets are still in relatively early stages of their development and accordingly may not be highly or efficiently regulated. Moreover, emerging markets tend to be shallower and less liquid than more established markets which may adversely affect our ability to realize profits from our assets in emerging markets when we desire to do so or receive what we perceive to be their fair value in the event of a realization. In some cases, a market for realizing profits from an investment may not exist locally. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in more developed countries, thereby potentially increasing the risk of fraud and other deceptive practices. Settlement of transactions may be subject to greater delay and administrative uncertainties than in developed markets and less complete and reliable financial and other information may be available to investors in emerging markets than in developed markets. In addition, economic instability in emerging markets could adversely affect the value of our assets subject to leases or charters in such countries, or the ability of our lessees or charters, which operate in these markets, to meet their contractual obligations. As a result, lessees or charterers that operate in emerging market countries may be more likely to default under their contractual obligations than those that operate in developed countries. Liquidity and volatility limitations in these markets may also adversely affect our ability to dispose of our assets at the best price available or in a timely manner.

As we have and may continue to acquire assets located in emerging markets throughout the world, we may be exposed to any one or a combination of these risks, which could adversely affect our operating results.

We are actively evaluating potential acquisitions of assets and operating companies in other transportation and infrastructure sectors which could result in additional risks and uncertainties for our business and unexpected regulatory compliance costs.

While our existing portfolio consists of assets in the aviation, energy, intermodal transport and port and rail sectors, we are actively evaluating potential acquisitions of assets and operating companies in other sectors of the transportation and transportation-related infrastructure and equipment markets and we plan to be flexible as other attractive opportunities arise over time. To the extent we make acquisitions in other sectors, we will face numerous risks and uncertainties, including risks associated with the required investment of capital and other resources and with combining or integrating operational and management systems and controls. Entry into certain lines of business may subject us to new laws and regulations and may lead to increased litigation and regulatory risk. Many types of transportation assets, including certain rail, airport and seaport assets, are subject to registration requirements by U.S. governmental agencies, as well as foreign governments if such assets are to be used outside of the United States. Failing to register the assets, or losing such registration, could result in substantial penalties, forced liquidation of the assets and/or the inability to operate and, if applicable, lease the assets. We may need to incur significant costs to comply with the laws and regulations applicable to any such new acquisition. The failure to comply with these laws and regulations could cause us to incur significant costs, fines or penalties or require the assets to be removed from service for a period of time resulting in reduced income from these assets. In addition, if our acquisitions in other sectors produce insufficient revenues, or produce investment losses, or if we are unable to efficiently manage our expanded operations, our results of operations will be adversely affected, and our reputation and business may be harmed.

The agreements governing our indebtedness place restrictions on us and our subsidiaries, reducing operational flexibility and creating default risks.

The agreements governing our indebtedness, including, but not limited to, the indenture governing our Senior Notes and the revolving credit facility entered into on June 16, 2017 (“Revolving Credit Facility”), contain covenants that place restrictions on us and our subsidiaries. The indentures governing our Senior Notes and the Revolving Credit Facility restrict among other things, our and certain of our subsidiaries’ ability to:

- merge, consolidate or transfer all, or substantially all, of our assets;
- incur additional debt or issue preferred shares;
- make certain investments or acquisitions;
- create liens on our or our subsidiaries’ assets;
- sell assets;
- make distributions on or repurchase our shares;
- enter into transactions with affiliates; and
- create dividend restrictions and other payment restrictions that affect our subsidiaries.

These covenants could impair our ability to grow our business, take advantage of attractive business opportunities or successfully compete. A breach of any of these covenants could result in an event of default. Cross-default provisions in our debt agreements could cause an event of default under one debt agreement to trigger an event of default under our other debt agreements. Upon the occurrence of an event of default under any of our debt agreements, the lenders or holders thereof could elect to declare all outstanding debt under such agreements to be immediately due and payable.

Terrorist attacks could negatively impact our operations and our profitability and may expose us to liability and reputational damage.

Terrorist attacks may negatively affect our operations. Such attacks have contributed to economic instability in the United States and elsewhere, and further acts of terrorism, violence or war could similarly affect world trade and the industries in which we and our customers operate. In addition, terrorist attacks or hostilities may directly impact airports or aircraft, ports where our containers and vessels travel, or our physical facilities or those of our customers. In addition, it is also possible that our assets could be involved in a terrorist attack. The consequences of any terrorist attacks or hostilities are unpredictable, and we may not be able to foresee events that could have a material adverse effect on our operations. Although our lease and charter agreements generally require the counterparties to indemnify us against all damages arising out of the use of our assets, and we carry insurance to potentially offset any costs in the event that our customer indemnifications prove to be insufficient, our insurance does not cover certain types of terrorist attacks, and we may not be fully protected from liability or the reputational damage that could arise from a terrorist attack which utilizes our assets.

Our leases and charters require payments in U.S. dollars, but many of our customers operate in other currencies; if foreign currencies devalue against the U.S. dollar, our lessees or charterers may be unable to meet their payment obligations to us in a timely manner.

Our current leases and charters require that payments be made in U.S. dollars. If the currency that our lessees or charterers typically use in operating their businesses devalues against the U.S. dollar, our lessees or charterers could encounter difficulties in making payments to us in U.S. dollars. Furthermore, many foreign countries have currency and exchange laws regulating international payments that may impede or prevent payments from being paid to us in U.S. dollars. Future leases or charters may provide for payments to be made in euros or other foreign currencies. Any change in the currency exchange rate that reduces the amount of U.S. dollars obtained by us upon conversion of future lease payments denominated in euros or other foreign currencies, may, if not appropriately hedged by us, have a material adverse effect on us and increase the volatility of our earnings.

Our inability to obtain sufficient capital would constrain our ability to grow our portfolio and to increase our revenues.

Our business is capital intensive, and we have used and may continue to employ leverage to finance our operations. Accordingly, our ability to successfully execute our business strategy and maintain our operations depends on the availability and cost of debt and equity capital. Additionally, our ability to borrow against our assets is dependent, in part, on the appraised value of such assets. If the appraised value of such assets declines, we may be required to reduce the principal outstanding under our debt facilities or otherwise be unable to incur new borrowings.

We can give no assurance that the capital we need will be available to us on favorable terms, or at all. Our inability to obtain sufficient capital, or to renew or expand our credit facilities, could result in increased funding costs and would limit our ability to:

- meet the terms and maturities of our existing and future debt facilities;
- purchase new assets or refinance existing assets;
- fund our working capital needs and maintain adequate liquidity; and
- finance other growth initiatives.

In addition, we conduct our operations so that neither we nor any of our subsidiaries are required to register as an investment company under the Investment Company Act of 1940 (the “Investment Company Act”). As such, certain forms of financing such as finance leases may not be available to us. Please see “-If we are deemed an investment company under the Investment Company Act, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.”

The effects of various environmental regulations may negatively affect the industries in which we operate which could have a material adverse effect on our financial condition, results of operations and cash flows.

We are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants to air and water, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites and noise and emission levels and greenhouse gas emissions. Under some environmental laws in the United States and certain other countries, strict liability may be imposed on the owners or operators of assets, which could render us liable for environmental and natural resource damages without regard to negligence or fault on our part. We could incur substantial costs, including cleanup costs, fines and third-party claims for property or natural resource damage and personal injury, as a result of violations of or liabilities under environmental laws and regulations in connection with our or our lessee’s or charterer’s current or historical operations, any of which could have a material adverse effect on our results of operations and financial condition. In addition, a variety of new legislation is being enacted, or considered for enactment, at the federal, state and local levels relating to greenhouse gas emissions and climate change. While there has historically been a lack of consistent climate change legislation, as climate change concerns continue to grow, further legislation and regulations are expected to continue in areas such as greenhouse gas emissions control, emission disclosure requirements and building codes or other infrastructure requirements that impose energy efficiency standards. Government mandates, standards or regulations intended to mitigate or reduce greenhouse gas emissions or projected climate change impacts could result in prohibitions or severe restrictions on infrastructure development in certain areas, increased energy and transportation costs, and increased compliance expenses and other financial obligations to meet permitting or development requirements that we may be unable to fully recover (due to market conditions or other factors), any of which could result in reduced profits and adversely affect our results of operations. While we typically maintain liability insurance coverage and typically require our lessees to provide us with indemnity against certain losses, the insurance coverage is subject to large deductibles, limits on maximum coverage and significant exclusions and may not be sufficient or available to protect against any or all liabilities and such indemnities may not cover or be sufficient to protect us against losses arising from environmental damage. In addition, changes to environmental standards or regulations in the industries in which we operate could limit the economic life of the assets we acquire or reduce their value, and also require us to make significant additional investments in order to maintain compliance, which would negatively impact our cash flows and results of operations.

Our Repauno site and Long Ridge property are subject to environmental laws and regulations that may expose us to significant costs and liabilities.

Our Repauno site is subject to ongoing environmental investigation and remediation by the former owner that sold Repauno to us (the “Repauno Seller”) related to historic industrial operations. The Repauno Seller is responsible for completion of this work, and we benefit from a related indemnity and insurance policy. If the Repauno Seller fails to fulfill its investigation and remediation, or indemnity obligations and the related insurance, which are subject to limits and conditions, fail to cover our costs, we could incur losses. Redevelopment of the property in those areas undergoing investigation and remediation must await state environmental agency confirmation that no further investigation or remediation is required before redevelopment activities can occur in such areas of the property. Therefore, any delay in the Repauno Seller’s completion of the environmental work or receipt of related approvals in an area of the property could delay our redevelopment activities. In addition, once received, permits and approvals may be subject to litigation, and projects may be delayed or approvals reversed or modified in litigation. If there is a delay in obtaining any required regulatory approval, it could delay projects and cause us to incur costs.

In connection with our acquisition of Long Ridge, the former owner that sold Long Ridge to us (the “Long Ridge Seller”) is obligated to perform certain post-closing demolition activities, remove specified containers, equipment and structures and conduct investigation, removal, cleanup and decontamination related thereto. The Long Ridge Seller is responsible for ongoing environmental remediation related to historic industrial operations on and off Long Ridge. In addition, Long Ridge is located adjacent to the former Ormet Corporation Superfund site (the “Ormet site”), which is owned and operated by the Long Ridge Seller. Pursuant to an order with the U.S. EPA, the Long Ridge Seller is obligated to pump groundwater that has been impacted by the adjacent Ormet site beneath our site and discharge it to the Ohio River and monitor the groundwater annually. Long Ridge is also subject to an environmental covenant related to the adjacent Ormet site that, inter alia, restricts the use of groundwater beneath our site and requires U.S. EPA consent for activities on Long Ridge that could disrupt the groundwater monitoring or pumping. The Long Ridge Seller is contractually obligated to complete its regulatory obligations on Long Ridge and we benefit from a related indemnity and insurance policy. If the Long Ridge Seller fails to fulfill its demolition, removal, investigation, remediation, monitoring, or indemnity obligations, and if the related insurance, which is subject to limits and conditions, fails to cover our costs, we could incur losses. Redevelopment of the property in those areas undergoing investigation and remediation pursuant to the Ohio EPA order must await state environmental agency confirmation that no further investigation or remediation is required before redevelopment activities can occur in such area of the property. Therefore, any delay in the Long Ridge Seller’s completion of the environmental work or receipt of related approvals or consents from Ohio EPA or U.S. EPA could delay our redevelopment activities.

In addition, a portion of Long Ridge was recently redeveloped as a combined cycle gas-fired electric generating facility, and other portions will likely be redeveloped in the future. Although we have not identified material impacts to soils or groundwater that reasonably would be expected to prevent or delay further redevelopment projects, impacted materials could be encountered that require special handling and/or result in delays to those projects. Any additional projects may require environmental permits and approvals from federal, state and local environmental agencies. Once received, permits and approvals may be subject to litigation, and projects may be delayed or approvals reversed or modified in litigation. If there is a delay in obtaining any required regulatory approval, it could delay projects and cause us to incur costs.

Moreover, new, stricter environmental laws, regulations or enforcement policies, including those imposed in response to climate change, could be implemented that significantly increase our compliance costs, or require us to adopt more costly methods of operation. If we are not able to transform Repauno or Long Ridge into hubs for industrial and energy development in a timely manner, their future prospects could be materially and adversely affected, which may have a material adverse effect on our business, operating results and financial condition.

The discontinuation of the LIBOR benchmark interest rate may have an impact on our business.

On July 27, 2017, the U.K. Financial Conduct Authority (the "FCA"), which regulates LIBOR, announced that it will no longer persuade or compel banks to submit rates for the calculation of LIBOR rates after 2021. On November 30, 2020, ICE Benchmark Administration, or the IBA, the administrator of LIBOR, with the support of the United States Federal Reserve and the FCA, announced plans to consult on ceasing publication of LIBOR on December 31, 2021, for only the one-week and two-month LIBOR tenors, and on June 30, 2023, for all other LIBOR tenors. The U.S. Federal Reserve concurrently issued a statement advising banks to stop new LIBOR issuances by the end of 2021. On March 5, 2021, the IBA Benchmark Administration confirmed its intention to cease publication of (i) one-week and two-month USD LIBOR settings after December 31, 2021 and (ii) the remaining USD LIBOR settings after June 30, 2023.

In the United States, the Alternative Reference Rate Committee ("ARRC"), a group of diverse private-market participants assembled by the Federal Reserve Board and the Federal Reserve Bank of New York, was tasked with identifying alternative reference rates to replace LIBOR. The Secured Overnight Finance Rate ("SOFR") has emerged as the ARRC's preferred alternative rate for LIBOR. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities in the repurchase agreement market. At this time, it is not possible to predict how markets will respond to SOFR or other alternative reference rates.

As of December 31, 2021, we had $315.0 million of total debt outstanding under facilities with interest rates based on floating-rate indices. As a result of LIBOR's phase out, our revolving credit facility was amended to incorporate SOFR as the successor rate to LIBOR, and our December 2021 bridge loan bears interest based on SOFR. There are significant differences between how LIBOR and SOFR are calculated, which could result in increased borrowing costs. We cannot predict to what extent the withdrawal and replacement of LIBOR will impact us. However, the implementation of alternative underlying floating-rate indices and reference rates may have an adverse impact on our business, results of operations or financial condition.

A cyberattack that bypasses our information technology ("IT"), security systems or the IT security systems of our third-party providers, causing an IT security breach, may lead to a disruption of our IT systems and the loss of business information which may hinder our ability to conduct our business effectively and may result in lost revenues and additional costs.

Parts of our business depend on the secure operation of our IT systems and the IT systems of our third-party providers to manage, process, store, and transmit information associated with aircraft leasing. We have, from time to time, experienced threats to our data and systems, including malware and computer virus attacks. A cyberattack that bypasses our IT security systems or the IT security systems of our third-party providers, causing an IT security breach, could adversely impact our daily operations and lead to the loss of sensitive information, including our own proprietary information and that of our customers, suppliers and employees. Such losses could harm our reputation and result in competitive disadvantages, litigation, regulatory enforcement actions, lost revenues, additional costs and liabilities. While we devote substantial resources to maintaining adequate levels of cyber-security, our resources and technical sophistication may not be adequate to prevent all types of cyberattacks.

If we are deemed an "investment company" under the Investment Company Act, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We conduct our operations so that neither we nor any of our subsidiaries are required to register as an investment company under the Investment Company Act. Section 3(a)(1)(A) of the Investment Company Act defines an investment company as any issuer that is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities. Section 3(a)(1)(C) of the Investment Company Act defines an investment company as any issuer that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire investment securities having a value exceeding 40% of the value of the issuer's total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. Excluded from the term "investment securities," among other things, are U.S. government securities and securities issued by majority-owned subsidiaries that are not themselves investment companies and are not relying on the exception from the definition of investment company for certain privately-offered investment vehicles set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

We are a holding company that is not an investment company because we are engaged in the business of holding securities of our wholly-owned and majority-owned subsidiaries, which are engaged in transportation and related businesses which lease assets pursuant to operating leases and finance leases. The Investment Company Act may limit our and our subsidiaries' ability to enter into financing leases and engage in other types of financial activity because less than 40% of the value of our and our subsidiaries' total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis can consist of "investment securities."

If we or any of our subsidiaries were required to register as an investment company under the Investment Company Act, the registered entity would become subject to substantial regulation that would significantly change our operations, and we would not be able to conduct our business as described in this report. We have not obtained a formal determination from the SEC as to our status under the Investment Company Act and, consequently, any violation of the Investment Company Act would subject us to material adverse consequences.

Risks Related to Our Acquisition of Transtar, LLC

Our acquisition of Transtar, LLC ("Transtar") may not achieve its intended results and we may be unable to successfully integrate the operations of Transtar.

On July 28, 2021, we completed our previously announced acquisition of 100% of the equity interests of Transtar (the "Transtar Acquisition"), a wholly-owned short-line railroad subsidiary of United States Steel Corporation (the "Seller"). Transtar is comprised of five short-line freight railroads and one switching company, including two that connect to Seller's largest production facilities in North America: the Gary Railway Company, Indiana; The Lake Terminal Railroad Company, Ohio; Union Railroad Company LLC, Pennsylvania; Fairfield Southern Company Inc., Alabama (switching company); Delray Connecting Railroad Company, Michigan; and the Texas & Northern Railroad Company, Texas. We are subject to certain risks relating to the Transtar

Acquisition, which could have a material adverse effect on our business, results of operations and financial condition. Such risks may include, but are not limited to:

- failure to successfully integrate Transtar in a manner that permits us to realize the anticipated benefits of the acquisition;
- difficulties and delays integrating Transtar's personnel, operations and systems and retaining key employees;
- higher than anticipated costs incurred in connection with the integration of the business and operations of Transtar;
- challenges in operating and managing rail lines across geographically disparate regions;
- disruptions to our ongoing business and diversions of our management's attention caused by transition or integration activities involving Transtar;
- challenges with implementing adequate and appropriate controls, procedures and policies in Transtar's business;
- Transtar's dependence on the Seller as its primary customer;
- difficulties expanding our customer base;
- difficulties arising from Transtar's dependence on the Seller to provide a variety of necessary transition services to Transtar and any failure by the Seller to adequately provide such services;
- assumption of pre-existing contractual relationships of Transtar that we may not have otherwise entered into, the termination or modification of which may be costly or disruptive to our business;
- incurring debt to finance the Transtar Acquisition, which increased our debt service requirements, expense and leverage;
- any potential litigation arising from the transaction; and
- other risks described in Item 1A, "Risk Factors" of this Annual Report on Form 10-K.

The successful integration of a new business also depends on our ability to manage the new business, realize forecasted synergies and full value from the combined business. Our business, results of operations, financial condition and cash flows could be materially adversely affected if we are unable to successfully integrate Transtar.

We have material customer concentration with respect to the Transtar business, with a limited number of customers accounting for a material portion of our revenues.

We earned approximately 12% of our revenue from one customer in the Transtar segment during the year ended December 31, 2021 (based on our period of ownership of Transtar).

There are inherent risks whenever a large percentage of total revenues are concentrated with a limited number of customers. It is not possible for us to predict the future level of demand for our services that will be generated by these customers or the future demand for the products and services of these customers in the end-user marketplace. In addition, revenues from these customers may fluctuate from time to time based on the commencement and completion of projects, the timing of which may be affected by market conditions or other factors, some of which may be outside of our control. If any of these customers experience declining or delayed sales due to market, economic or competitive conditions, we could be pressured to reduce the prices we charge for our services or we could lose a major customer. Any such development could have an adverse effect on our margins and financial position, and would negatively affect our revenues and results of operations and/or trading price of our shares.

Risks Related to Our Manager

We are dependent on our Manager and other key personnel at Fortress and may not find suitable replacements if our Manager terminates the Management Agreement or if other key personnel depart.

Our officers and other individuals who perform services for us (other than Aviation, Jefferson, Repauno, Long Ridge and Transtar employees) are employees of our Manager or other Fortress entities. We are completely reliant on our Manager, which has significant discretion as to the implementation of our operating policies and strategies, to conduct our business. We are subject to the risk that our Manager will terminate the Management Agreement and that we will not be able to find a suitable replacement for our Manager in a timely manner, at a reasonable cost, or at all. Furthermore, we are dependent on the services of certain key employees of our Manager and certain key employees of Fortress entities whose compensation is partially or entirely dependent upon the amount of management fees earned by our Manager or the incentive allocations distributed to the General Partner and whose continued service is not guaranteed, and the loss of such personnel or services could materially adversely affect our operations. We do not have key man insurance for any of the personnel of the Manager or other Fortress entities that are key to us. An inability to find a suitable replacement for any departing employee of our Manager or Fortress entities on a timely basis could materially adversely affect our ability to operate and grow our business.

In addition, our Manager may assign our Management Agreement to an entity whose business and operations are managed or supervised by Mr. Wesley R. Edens, who is a principal, Co-Chief Executive Officer and a member of the board of directors of Fortress, an affiliate of our Manager, and a member of the management committee of Fortress since co-founding Fortress in May 1998. In the event of any such assignment to a non-affiliate of Fortress, the functions currently performed by our Manager's current personnel may be performed by others. We can give you no assurance that such personnel would manage our operations in the same manner as our Manager currently does, and the failure by the personnel of any such entity to acquire assets generating attractive risk-adjusted returns could have a material adverse effect on our business, financial condition, results of operations and cash flows.

On December 27, 2017, SoftBank completed its acquisition of Fortress (the “SoftBank Merger”). In connection with the SoftBank Merger, Fortress operates within SoftBank as an independent business headquartered in New York.

There are conflicts of interest in our relationship with our Manager.

Our Management Agreement, the Partnership Agreement and our operating agreement were negotiated prior to our IPO and among affiliated parties, and their terms, including fees payable, may not be as favorable to us as if they had been negotiated after our IPO with an unaffiliated third-party.

There are conflicts of interest inherent in our relationship with our Manager insofar as our Manager and its affiliates — including investment funds, private investment funds, or businesses managed by our Manager, including Seacastle Inc., Florida East Coast Industries, LLC (“FECI”) and FYX Trust Holdco LLC (“FYX”) — invest in transportation and transportation-related infrastructure assets and whose investment objectives overlap with our asset acquisition objectives. Certain opportunities appropriate for us may also be appropriate for one or more of these other investment vehicles. Certain members of our board of directors and employees of our Manager who are our officers also serve as officers and/or directors of these other entities. For example, we have some of the same directors and officers as Seacastle Inc. and FYX. Although we have the same Manager, we may compete with entities affiliated with our Manager or Fortress, including Seacastle Inc., FECI and FYX, for certain target assets. From time to time, affiliates of Fortress focus on investments in assets with a similar profile as our target assets that we may seek to acquire. These affiliates may have meaningful purchasing capacity, which may change over time depending upon a variety of factors, including, but not limited to, available equity capital and debt financing, market conditions and cash on hand. Fortress has multiple existing and planned funds focused on investing in one or more of our target sectors, each with significant current or expected capital commitments. We have previously purchased and may in the future purchase assets from these funds, and have previously co-invested and may in the future co-invest with these funds in transportation and transportation-related infrastructure assets. Fortress funds generally have a fee structure similar to ours, but the fees actually paid will vary depending on the size, terms and performance of each fund.

Our Management Agreement generally does not limit or restrict our Manager or its affiliates from engaging in any business or managing other pooled investment vehicles that invest in assets that meet our asset acquisition objectives. Our Manager intends to engage in additional transportation and infrastructure related management and other investment opportunities in the future, including, but not limited to, a potential spin-off of our infrastructure business, which may compete with us for investments or result in a change in our current investment strategy. In addition, our operating agreement provides that if Fortress or an affiliate or any of their officers, directors or employees acquire knowledge of a potential transaction that could be a corporate opportunity, they have no duty, to the fullest extent permitted by law, to offer such corporate opportunity to us, our shareholders or our affiliates. In the event that any of our directors and officers who is also a director, officer or employee of Fortress or its affiliates acquires knowledge of a corporate opportunity or is offered a corporate opportunity, provided that this knowledge was not acquired solely in such person’s capacity as a director or officer of FTAI and such person acts in good faith, then to the fullest extent permitted by law such person is deemed to have fully satisfied such person’s fiduciary duties owed to us and is not liable to us if Fortress or its affiliates pursues or acquires the corporate opportunity or if such person did not present the corporate opportunity to us.

The ability of our Manager and its officers and employees to engage in other business activities, subject to the terms of our Management Agreement, may reduce the amount of time our Manager, its officers or other employees spend managing us. In addition, we may engage (subject to our strategy) in material transactions with our Manager or another entity managed by our Manager or one of its affiliates, including Seacastle Inc., FECI and FYX, which may include, but are not limited to, certain acquisitions, financing arrangements, purchases of debt, co-investments, consumer loans, servicing advances and other assets that present an actual, potential or perceived conflict of interest. Our board of directors adopted a policy regarding the approval of any “related person transactions” pursuant to which certain of the material transactions described above may require disclosure to, and approval by, the independent members of our board of directors. Actual, potential or perceived conflicts have given, and may in the future give, rise to investor dissatisfaction, litigation or regulatory inquiries or enforcement actions. Appropriately dealing with conflicts of interest is complex and difficult, and our reputation could be damaged if we fail, or appear to fail, to deal appropriately with one or more potential, actual or perceived conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on our reputation, which could materially adversely affect our business in a number of ways, including causing an inability to raise additional funds, a reluctance of counterparties to do business with us, a decrease in the prices of our equity securities and a resulting increased risk of litigation and regulatory enforcement actions.

The structure of our Manager’s and the General Partner’s compensation arrangements may have unintended consequences for us. We have agreed to pay our Manager a management fee and the General Partner is entitled to receive incentive allocations from Holdco that are each based on different measures of performance. Consequently, there may be conflicts in the incentives of our Manager to generate attractive risk-adjusted returns for us. In addition, because the General Partner and our Manager are both affiliates of Fortress, the Income Incentive Allocation paid to the General Partner may cause our Manager to place undue emphasis on the maximization of earnings, including through the use of leverage, at the expense of other objectives, such as preservation of capital, to achieve higher incentive allocations. Investments with higher yield potential are generally riskier or more speculative than investments with lower yield potential. This could result in increased risk to the value of our portfolio of assets and our common shares.

Our directors have approved a broad asset acquisition strategy for our Manager and will not approve each acquisition we make at the direction of our Manager. In addition, we may change our strategy without a shareholder vote, which may result in our acquiring assets that are different, riskier or less profitable than our current assets.

Our Manager is authorized to follow a broad asset acquisition strategy. We may pursue other types of acquisitions as market conditions evolve. Our Manager makes decisions about our investments in accordance with broad investment guidelines adopted by our board of directors. Accordingly, we may, without a shareholder vote, change our target sectors and acquire a variety of assets that differ from, and are possibly riskier than, our current asset portfolio. Consequently, our Manager has great latitude in determining the types and categories of assets it may decide are proper investments for us, including the latitude to invest in types and categories of assets that may differ from those in our existing portfolio. Our directors will periodically review our strategy and our portfolio of assets. However, our board will not review or pre-approve each proposed acquisition or our related financing arrangements. In addition, in conducting periodic reviews, the directors will rely primarily on information provided to them by our Manager. Furthermore, transactions entered into by our Manager may be difficult or impossible to reverse by the time they are reviewed by the directors even if the transactions contravene the terms of the Management Agreement. In addition, we may change our asset acquisition strategy, including our target asset classes, without a shareholder vote.

Our asset acquisition strategy may evolve in light of existing market conditions and investment opportunities, and this evolution may involve additional risks depending upon the nature of the assets we target and our ability to finance such assets on a short or long-term basis. As part of our continuing efforts to provide value to our shareholders, we are currently considering a spin-off of our infrastructure business from the remainder of our asset portfolio. Our board has not formally evaluated any such transaction, and there can be no assurance as to the timing, terms, structure or completion of any such transaction. Any such transaction would be subject to a number of risks and uncertainties, could have tax implications for the holders of our common shares, and could adversely affect the price of our common shares and our liquidity. Opportunities that present unattractive risk-return profiles relative to other available opportunities under particular market conditions may become relatively attractive under changed market conditions and changes in market conditions may therefore result in changes in the assets we target. Decisions to make acquisitions in new asset categories present risks that may be difficult for us to adequately assess and could therefore reduce or eliminate our ability to pay dividends on our common shares or have adverse effects on our liquidity or financial condition. A change in our asset acquisition strategy may also increase our exposure to interest rate, foreign currency or credit market fluctuations. In addition, a change in our asset acquisition strategy may increase our use of non-match-funded financing, increase the guarantee obligations we agree to incur or increase the number of transactions we enter into with affiliates. Our failure to accurately assess the risks inherent in new asset categories or the financing risks associated with such assets could adversely affect our results of operations and our financial condition.

Our Manager will not be liable to us for any acts or omissions performed in accordance with the Management Agreement, including with respect to the performance of our assets.

Pursuant to our Management Agreement, our Manager will not assume any responsibility other than to render the services called for thereunder in good faith and will not be responsible for any action of our board of directors in following or declining to follow its advice or recommendations. Our Manager, its members, managers, officers, employees, sub-advisers and any other person controlling or Manager, will not be liable to us or any of our subsidiaries, to our board of directors, or our or any subsidiary's shareholders or partners for any acts or omissions by our Manager, its members, managers, officers, employees, sub-advisers and any other person controlling or Manager, except liability to us, our shareholders, directors, officers and employees and persons controlling us, by reason of acts constituting bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement. We will, to the full extent lawful, reimburse, indemnify and hold our Manager, its members, managers, officers and employees, sub-advisers and each other person, if any, controlling our Manager harmless of and from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including attorneys' fees) in respect of or arising from any acts or omissions of an indemnified party made in good faith in the performance of our Manager's duties under our Management Agreement and not constituting such indemnified party's bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement.

Our Manager's due diligence of potential asset acquisitions or other transactions may not identify all pertinent risks, which could materially affect our business, financial condition, liquidity and results of operations.

Our Manager intends to conduct due diligence with respect to each asset acquisition opportunity or other transaction it pursues. It is possible, however, that our Manager's due diligence processes will not uncover all relevant facts, particularly with respect to any assets we acquire from third parties. In these cases, our Manager may be given limited access to information about the asset and will rely on information provided by the seller of the asset. In addition, if asset acquisition opportunities are scarce, the process for selecting bidders is competitive, or the timeframe in which we are required to complete diligence is short, our ability to conduct a due diligence investigation may be limited, and we would be required to make decisions based upon a less thorough diligence process than would otherwise be the case. Accordingly, transactions that initially appear to be viable may prove not to be over time, due to the limitations of the due diligence process or other factors.

Risks Related to Taxation

Shareholders may be subject to U.S. federal income tax on their share of our taxable income, regardless of whether they receive any cash distributions from us.

So long as we would not be required to register as an investment company under the Investment Company Act of 1940 if we were a U.S. Corporation and 90% of our gross income for each taxable year constitutes “qualifying income” within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”), on a continuing basis, FTAI will be treated, for U.S. federal income tax purposes, as a partnership and not as an association or publicly traded partnership taxable as a corporation. Holders of our common shares may be subject to U.S. federal, state, local and, in some cases, non-U.S. income taxation on their allocable share of our items of income, gain, loss, deduction and credit (including our allocable share of those items of Holdco or any other entity in which we invest that is treated as a partnership or is otherwise subject to tax on a flow through basis) for each of our taxable years ending with or within their taxable year, regardless of whether they receive cash distributions from us. Such shareholders may not receive cash distributions equal to their allocable share of our net taxable income or even the tax liability that results from that income.

We may hold or acquire certain investments through entities classified as CFCs or PFICs for U.S. federal income tax purposes.

Many of our investments are in non-U.S. corporations or are held through non-U.S. subsidiaries that are classified as corporations for U.S. federal income tax purposes. Some of these foreign entities may be classified as controlled foreign corporations (“CFCs”) or passive foreign investment companies (“PFICs”) (each as defined in the Code). Shareholders subject to U.S. federal income tax may experience adverse U.S. federal income tax consequences related to the indirect ownership of CFC or PFIC shares. For example, such shareholders may be required to take into account U.S. taxable income with respect to such CFCs or PFICs without a corresponding receipt of cash from us. In addition, under the CFC rules, certain capital gains are treated as ordinary dividend income and certain shareholders could be subject to income inclusions in respect of the “subpart F income” and "global intangible low-taxed income" (“GILTI”) of the CFC. Treasury regulations, which are already effective with respect to GILTI and that will generally be effective beginning in 2023 with respect to subpart F income, generally have the effect of limiting certain adverse consequences of the CFC rules to shareholders treated for U.S. federal income tax purposes as owning indirectly or constructively (including through other partnerships) stock possessing less than 10% of the voting power or value of such CFCs through their ownership in FTAI.

Under the PFIC rules, indirect ownership of PFIC shares by U.S. persons generally gives rise to materially adverse U.S. federal income tax consequences, which may be mitigated by electing to treat the PFIC as a qualified electing fund (“QEF”). We currently anticipate using commercially reasonable efforts to make such an election (a “QEF Election”) with respect to each PFIC in which we hold a material interest, directly or indirectly, in the first year during which we hold shares in such entity, provided such PFIC is not also a CFC. As a result, U.S. holders of our common shares will generally be subject to tax on a current basis on their respective shares of each such PFIC’s undistributed ordinary earnings and net capital gains for each year in which the entity is a PFIC, regardless of whether such holders receive a corresponding distribution of cash from us. In certain cases, however, we may be unable to make a QEF Election with respect to a PFIC because, for example, we are unable to obtain the necessary information. In such event, U.S. holders of our common shares will be subject to imputed interest charges and other disadvantageous tax treatment with respect to certain “excess distributions” from the PFIC and gain realized upon the direct or indirect sale of the PFIC (including through the sale our common shares). Treasury Regulations have been proposed that would require partners in a partnership – rather than the partnership itself – to make a QEF election with respect to stock of a PFIC held indirectly through a partnership, if a partner so chooses. A partner that makes such an election generally would be subject to tax on a current basis on its share of such PFIC’s undistributed ordinary earnings and net capital gains for each year in which the entity is a PFIC, regardless of whether such holders receive a corresponding distribution of cash from the PFIC or from us. In addition, under the proposed regulations, the PFIC rules would apply with respect to a partner’s indirect interest in a PFIC that is held through a partnership even if such entity is also a CFC with respect to the partnership. As a result, if finalized in substantially their current form, these regulations would generally result in the PFIC rules applying to FTAI investors with respect to foreign corporations that are majority-or wholly-owned by us.

Prospective investors should consult their tax advisors regarding the potential impact of the rules regarding CFCs and PFICs before investing in our shares.

Certain tax consequences of the ownership of our preferred shares, including treatment of distributions as guaranteed payments for the use of capital, are uncertain.

The tax treatment of distributions on our preferred shares is uncertain. We intend to treat the holders of our preferred shares as partners for tax purposes and we intend to treat distributions on the shares as guaranteed payments for the use of capital that will generally be taxable to the holders of our preferred shares as ordinary income. Although a holder of our preferred shares will recognize taxable income from the accrual of such a guaranteed payment (even in the absence of a contemporaneous cash distribution), we anticipate accruing and making the guaranteed payment distributions quarterly. Except in the case of any loss recognized in connection with our liquidation, we do not anticipate allocating any items of our income, gain, loss or deduction to holders of our preferred shares, nor do we anticipate allocating them any share of our nonrecourse liabilities. If our preferred shares were treated as indebtedness for tax purposes, rather than as guaranteed payments for the use of capital, distributions in respect of the preferred coupon likely would be treated as payments of interest by us to the holders of our preferred shares.

Finally, if holders of our preferred shares were entitled to an allocation of income from FTAI, the risk factors applicable to holders of common shares would generally apply.

Shareholders that are not U.S. persons could be subject to U.S. federal income tax, including a 10% withholding tax, on the disposition of our shares.

If the Internal Revenue Service (the "IRS") were to determine that we, Holdco, or any other entity in which we invest that is subject to tax on a flow-through basis, is engaged in a U.S. trade or business for U.S. federal income tax purposes, any gain recognized by a foreign transferor on the sale, exchange or other disposition of our shares would generally be treated as "effectively connected" with such trade or business to the extent it does not exceed the effectively connected gain that would be allocable to the transferor if we sold all of our assets at their fair market value as of the date of the transferor's disposition. Under current law, any such gain that is treated as effectively connected will generally be subject to U.S. federal income tax. In addition, after December 31, 2022, certain brokers effecting transfers of our shares are required to deduct and withhold a tax equal to 10% of the amount realized by the transferor on the disposition, which would include an allocable portion of our liabilities and would therefore generally exceed the amount of transferred cash received by transferor in the disposition, unless the transferor provides an IRS Form W-9 or an affidavit stating the transferor's taxpayer identification number and that the transferor is not a foreign person or certain exceptions apply. Additionally, we (or certain qualified intermediaries) may be required to deduct and withhold certain amounts with respect to distributions to the transferees of our shares. Although we do not believe that we are currently engaged in a U.S. trade or business (directly or indirectly through pass-through subsidiaries), we are not required to manage our operations in a manner that is intended to avoid the conduct of a U.S. trade or business.

Tax gain or loss on a sale or other disposition of our common shares could be more or less than expected.

If a sale of our common shares by a shareholder is taxable in the United States, the shareholder will generally recognize gain or loss equal to the difference between the amount realized by such shareholder in the sale and such shareholder's adjusted tax basis in those shares. A shareholder's adjusted tax basis in the shares at the time of sale will generally be lower than the shareholder's original tax basis in the shares to the extent that prior distributions to such shareholder exceed the total taxable income allocated to such shareholder or in certain other instances. A shareholder may therefore recognize a gain in a sale of our common shares even if the shares are sold at a price that is less than their original cost. A portion of the amount realized, whether or not representing gain, may be treated as ordinary income to such shareholder.

Our ability to make distributions depends on our receiving sufficient cash distributions from our subsidiaries, and we cannot assure our shareholders that we will be able to make cash distributions to them in amounts that are sufficient to fund their tax liabilities.

Our subsidiaries may be subject to local taxes in each of the relevant territories and jurisdictions in which they operate, including taxes on income, profits or gains and withholding taxes. As a result, our funds available for distribution are indirectly reduced by such taxes, and the post-tax return to our shareholders is similarly reduced by such taxes.

In general, a shareholder that is subject to U.S. federal income tax must include in income its allocable share of FTAI's items of income, gain, loss, deduction, and credit (including, so long as Holdco is treated as a partnership for U.S. federal income tax purposes, FTAI's allocable share of those items of Holdco and any pass-through subsidiaries of Holdco) for each of our taxable years ending with or within such shareholder's taxable year. However, the cash distributed by FTAI to a shareholder may not be sufficient to pay the full amount of such shareholder's tax liability in respect of its investment in us.

If we are treated as a corporation for U.S. federal income tax purposes, the value of the shares could be adversely affected.

We have not requested, and do not plan to request, a ruling from the IRS on our treatment as a partnership for U.S. federal income tax purposes, or on any other matter affecting us. As of the date of the consummation of our initial public offering, under then current law and assuming full compliance with the terms of our operating agreement (and other relevant documents) and based upon factual statements and representations made by us, our outside counsel opined that we will be treated as a partnership, and not as an association or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. However, opinions of counsel are not binding upon the IRS or any court, and the IRS may challenge this conclusion and a court may sustain such a challenge. The factual representations made by us upon which our outside counsel relied relate to our organization, operation, assets, activities, income, and present and future conduct of our operations. In general, if an entity that would otherwise be classified as a partnership for U.S. federal income tax purposes is a "publicly traded partnership" (as defined in the Code) it will be nonetheless treated as a corporation for U.S. federal income tax purposes, unless the exception described below, and upon which we intend to rely, applies. A publicly traded partnership will, however, be treated as a partnership, and not as a corporation for U.S. federal income tax purposes, so long as 90% or more of its gross income for each taxable year constitutes "qualifying income" within the meaning of the Code and it is not required to register as an investment company under the Investment Company Act of 1940. We refer to this exception as the "Qualifying Income Exception."

Qualifying income generally includes dividends, interest, capital gains from the sale or other disposition of stocks and securities and certain other forms of investment income. We believe that our return from investments will include interest, dividends, capital gains and other types of qualifying income, but no assurance can be given as to the types of income that will be earned in any given year.

If we fail to satisfy the Qualifying Income Exception, we would be required to pay U.S. federal income tax at regular corporate rates on our income, which could adversely affect our business, operating results and financial condition. In addition, we would likely be liable for state and local income and/or franchise taxes on our income. Finally, distributions of cash to shareholders would constitute qualified dividend income taxable to such shareholders to the extent of our earnings and profits and would not be deductible by us. Taxation of us as a publicly traded partnership taxable as a corporation could result in a material adverse effect on our cash flow and the after-tax returns for shareholders and thus could result in a substantial reduction in the value of our shares.

Shareholders that are not U.S. persons should also anticipate being required to file U.S. tax returns and may be required to pay U.S. tax solely on account of owning our shares.

We may be, or may become, engaged in a U.S. trade or business for U.S. federal income tax purposes (directly or indirectly through pass-through subsidiaries), in which case some portion of our income would be treated as effectively connected income with respect to non-U.S. persons. Moreover, we may, in the future, sell interests in U.S. real holding property corporations (each a "USRPHC") and therefore be deemed to be engaged in a U.S. trade or business at such time. If we were to realize gain from the sale or other disposition of a U.S. real property interest (including a USRPHC) or were otherwise engaged in a U.S. trade or business, non-U.S. persons holding our common shares generally would be required to file U.S. federal income tax returns and would be subject to U.S. federal withholding tax on their allocable share of the effectively connected income or gain at the regular U.S. federal income tax rates. Likewise, non-U.S. persons holding our preferred shares, by virtue of receiving guaranteed payments, may be required to file U.S. federal income tax returns and may be subject to U.S. federal withholding tax on their guaranteed payments, irrespective of our operations or investments. In both cases, non-U.S. persons that are corporations may also be subject to a branch profits tax on their allocable share of such income. Non-U.S. persons should anticipate being required to file U.S. tax returns and may be required to pay U.S. tax solely on account of owning our shares. Non-U.S. shareholders are urged to consult their tax advisors regarding the tax consequences of an investment in our shares.

Non-U.S. persons that hold (or are deemed to hold) more than 5% of any class of our shares (or held, or were deemed to hold, more than 5% of any class of our shares) may be subject to U.S. federal income tax upon the disposition of some or all their shares.

If a non-U.S. person held more than 5% of any class of our shares at any time during the 5-year period preceding such non-U.S. person's disposition of such shares, and we were considered a USRPHC (determined as if we were a U.S. corporation) at any time during such 5-year period because of our current or previous ownership of U.S. real property interests above a certain threshold, such non-U.S. person may be subject to U.S. tax on such disposition of such shares (and may have a U.S. tax return filing obligation).

Tax-exempt shareholders may face certain adverse U.S. tax consequences from owning our shares.

We are not required to manage our operations in a manner that would minimize the likelihood of generating income that would constitute "unrelated business taxable income" ("UBTI") to the extent allocated to a tax-exempt shareholder. Although we expect to invest through subsidiaries that are treated as corporations for U.S. federal income tax purposes and such corporate investments would generally not result in an allocation of UBTI to a shareholder on account of the activities of those subsidiaries, we may not invest through corporate subsidiaries in all cases. Moreover, UBTI also includes income attributable to debt-financed property and we are not prohibited from incurring debt to finance our investments, including investments in subsidiaries. Furthermore, we are not prohibited from being (or causing a subsidiary to be) a guarantor of loans made to a subsidiary. If we (or certain of our subsidiaries) were treated as the borrower for U.S. tax purposes on account of those guarantees, some or all of our investments could be considered debt-financed property. In addition, the treatment of guaranteed payments for the use of capital to tax-exempt investors is not certain, and so distributions on our preferred shares may be treated as UBTI for federal income tax purposes, irrespective of our operations or the structure of our investments. The potential for income to be characterized as UBTI could make our shares an unsuitable investment for a tax-exempt entity. Tax-exempt shareholders are urged to consult their tax advisors regarding the tax consequences of an investment in our shares.

If substantially all of the U.S. source rental income derived from aircraft or ships used to transport passengers or cargo in international traffic ("U.S. source international transport rental income") of any of our non-U.S. corporate subsidiaries is attributable to activities of personnel based in the United States, such subsidiary could be subject to U.S. federal income tax on a net income basis at regular tax rates, rather than at a rate of 4% on gross income, which would adversely affect our business and result in decreased funds available for distribution to our shareholders.

We believe that the U.S. source international transport rental income of our non-U.S. subsidiaries generally will be subject to U.S. federal income tax, on a gross-income basis at a rate not in excess of 4%. If any of our non-U.S. subsidiaries that is treated as a corporation for U.S. federal income tax purposes did not comply with certain administrative guidelines of the IRS, such that 90% or more of such subsidiary's U.S. source international transport rental income were attributable to the activities of personnel based in the United States (in the case of bareboat leases) or from "regularly scheduled transportation" as defined in such administrative guidelines (in the case of time-charter leases), such subsidiary's U.S. source rental income would be treated as income effectively connected with a trade or business in the United States. In such case, such subsidiary's U.S. source international transport rental income would be subject to U.S. federal income tax at a maximum corporate tax rate, currently 21%. In addition, such subsidiary would be subject to the U.S. federal branch profits tax on its effectively connected earnings and profits at a rate of 30%. The imposition of such taxes could adversely affect our business and result in decreased funds available for distribution to our shareholders.

The ability of our corporate subsidiaries to utilize net operating losses ("NOLs") to offset their future taxable income may become limited.

Certain of our corporate subsidiaries have significant NOLs, and any limitation on their use could materially affect our profitability. Such a limitation could occur if our corporate subsidiaries were to experience an “ownership change” as defined under Section 382 of the Code. The rules for determining ownership changes are complex, and changes in the ownership of our shares could cause an ownership change in one or more of our corporate subsidiaries. Sales of our shares by our shareholders, as well as future issuances of our shares, could contribute to a potential ownership change in our corporate subsidiaries.

Our subsidiaries may become subject to unanticipated tax liabilities that may have a material adverse effect on our results of operations.

Some of our subsidiaries are subject to income, withholding or other taxes in certain non-U.S. jurisdictions by reason of their jurisdiction of incorporation, activities and operations, where their assets are used or where the lessees of their assets (or others in possession of their assets) are located, and it is also possible that taxing authorities in any such jurisdictions could assert that our subsidiaries are subject to greater taxation than we currently anticipate. Further, the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (“BEPS”) recently entered into force among the jurisdictions that ratified it. The implementation of BEPS prevention measures could result in a higher effective tax rate on our worldwide earnings by, for example, reducing the tax deductions or otherwise increasing the taxable income of our subsidiaries. In addition, a portion of certain of our non-U.S. corporate subsidiaries’ income is treated as effectively connected with a U.S. trade or business and is accordingly subject to U.S. federal income tax. It is possible that the IRS could assert that a greater portion of any such non-U.S. subsidiaries’ income is effectively connected income that should be subject to U.S. federal income tax, which could adversely affect our business and result in decreased funds available for distribution to our shareholders.

Our structure involves complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. Our structure also is subject to potential legislative, judicial or administrative change and differing interpretations, possibly on a retroactive basis.

The U.S. federal income tax treatment of our shareholders depends in some instances on determinations of fact and interpretations of complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. The U.S. federal income tax treatment of our shareholders may also be modified by administrative, legislative or judicial interpretation at any time, possibly on a retroactive basis, and any such action may affect our investments and commitments that were previously made, and could adversely affect the value of our shares or cause us to change the way we conduct our business.

Our organizational documents and agreements permit the board of directors to modify our operating agreement from time to time, without the consent of shareholders, in order to address certain changes in Treasury regulations, legislation or interpretation. In some circumstances, such revisions could have a material adverse impact on some or all shareholders. Moreover, we will apply certain assumptions and conventions in an attempt to comply with applicable rules and to report income, gain, deduction, loss and credit to shareholders in a manner that reflects such shareholders’ beneficial ownership of partnership items, taking into account variation in ownership interests during each taxable year because of trading activity. However, these assumptions and conventions may not be in compliance with all aspects of applicable tax requirements. It is possible that the IRS will assert successfully that the conventions and assumptions used by us do not satisfy the technical requirements of the Code and/or Treasury regulations and could require that items of income, gain, deduction, loss or credit, including interest deductions, be adjusted, reallocated, or disallowed, in a manner that adversely affects shareholders.

We could incur a significant tax liability if the IRS successfully asserts that the “anti-stapling” rules apply to our investments in our non-U.S. and U.S. subsidiaries, which would adversely affect our business and result in decreased funds available for distribution to our shareholders.

If we were subject to the “anti-stapling” rules of Section 269B of the Code, we would incur a significant tax liability as a result of owning more than 50% of the value of both U.S. and non-U.S. corporate subsidiaries, whose equity interests constitute “stapled interests” that may only be transferred together. If the “anti-stapling” rules applied, our non-U.S. corporate subsidiaries that are treated as corporations for U.S. federal income tax purposes would be treated as U.S. corporations, which would cause those entities to be subject to U.S. federal corporate income tax on their worldwide income. Because we intend to separately manage and operate our non-U.S. and U.S. corporate subsidiaries and structure their business activities in a manner that would allow us to dispose of such subsidiaries separately, we do not expect that the “anti-stapling” rules will apply. However, there can be no assurance that the IRS would not successfully assert a contrary position, which would adversely affect our business and result in decreased funds available for distribution to our shareholders.

Because we cannot match transferors and transferees of our shares, we have therefore adopted certain income tax accounting positions that may not conform with all aspects of applicable tax requirements. The IRS may challenge this treatment, which could adversely affect the value of our shares.

Because we cannot match transferors and transferees of our shares, we have adopted depreciation, amortization and other tax accounting positions that may not conform with all aspects of existing Treasury regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to our shareholders. It also could affect the timing of these tax benefits or the amount of gain on the sale of our common shares and could have a negative impact on the value of our common shares or result in audits of and adjustments to our shareholders’ tax returns.

We generally allocate items of income, gain, loss and deduction using a monthly or other convention, whereby any such items we recognize in a given month are allocated to our shareholders as of a specified date of such month. As a result, if a shareholder transfers its common shares, it might be allocated income, gain, loss and deduction realized by us after the date of the transfer. Similarly, if a shareholder acquires additional common shares, it might be allocated income, gain, loss, and deduction realized by us prior to its ownership of such common shares. Consequently, our shareholders may recognize income in excess of cash distributions received from us, and any income so included by a shareholder would increase the basis such shareholder has in its common shares and would offset any gain (or increase the amount of loss) realized by such shareholder on a subsequent disposition of its common shares.

Rules regarding U.S. federal income tax liability arising from IRS audits could adversely affect our shareholders.

For taxable years beginning on or after January 1, 2018, we will be liable for U.S. federal income tax liability arising from an IRS audit, unless certain alternative methods are available and we elect to use them. It is possible that certain shareholders or we may be liable for taxes attributable to adjustments to our taxable income with respect to tax years that closed before such shareholders owned our shares. Accordingly, these rules may adversely affect certain shareholders in certain cases. The manner in which these rules apply is uncertain and in many respects depends on the promulgation of future regulations or other guidance by the U.S. Treasury Department or the IRS. Investors should consult their own tax advisors regarding the potential U.S. federal, state, foreign, local and any other tax considerations of the ownership and disposition of our shares.

Risks Related to Our Shares

The market price and trading volume of our common and preferred shares may be volatile, which could result in rapid and substantial losses for our shareholders.

The market price of our common and preferred shares may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our common and preferred shares may fluctuate and cause significant price variations to occur. If the market price of our common or preferred shares declines significantly, you may be unable to resell your shares at or above your purchase price, if at all. The market price of our common and preferred shares may fluctuate or decline significantly in the future. Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our shares include:

- a shift in our investor base;
- our quarterly or annual earnings, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions or dispositions;
- the failure of securities analysts to cover our common shares;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and share price performance of other comparable companies;
- prevailing interest rates or rates of return being paid by other comparable companies and the market for securities similar to our preferred shares;
- additional issuances of preferred shares;
- whether we declare distributions on our preferred shares;
- overall market fluctuations;
- general economic conditions; and
- developments in the markets and market sectors in which we participate.

Stock markets in the United States have experienced extreme price and volume fluctuations. Market fluctuations, as well as general political and economic conditions, such as acts of terrorism, prolonged economic uncertainty, a recession or interest rate or currency rate fluctuations, could adversely affect the market price of our common and preferred shares.

An increase in market interest rates may have an adverse effect on the market price of our shares.

One of the factors that investors may consider in deciding whether to buy or sell our shares is our distribution rate as a percentage of our share price relative to market interest rates. If the market price of our shares is based primarily on the earnings and return that we derive from our investments and income with respect to our investments and our related distributions to shareholders, and not from the market value of the investments themselves, then interest rate fluctuations and capital market conditions will likely affect the market price of our shares. For instance, if market interest rates rise without an increase in our distribution rate, the market price of our shares could decrease, as potential investors may require a higher distribution yield on our shares or seek other securities paying higher distributions or interest. In addition, rising interest rates would result in increased interest expense on our outstanding and future (variable and fixed) rate debt, thereby adversely affecting cash flows and our ability to service our indebtedness and pay distributions.

We are required by Section 404 of the Sarbanes-Oxley Act to evaluate the effectiveness of our internal controls, and the outcome of that effort may adversely affect our results of operations, financial condition and liquidity. Because we are no longer an emerging growth company, we are subject to heightened disclosure obligations, which may impact our share price.

As a public company, we are required to comply with Section 404 ("Section 404") of the Sarbanes-Oxley Act. Section 404 requires that we evaluate the effectiveness of our internal control over financial reporting at the end of each fiscal year and to include a management report assessing the effectiveness of our internal controls over financial reporting in our Annual Report on Form 10-K for that fiscal year. Section 404 also requires an independent registered public accounting firm to attest to, and report on, management's assessment of our internal controls over financial reporting. Because we ceased to be an emerging growth company at the end of 2017, we were required to have our independent registered public accounting firm attest to the effectiveness of our internal controls in our Annual Reports on Form 10-K starting with the fiscal year ended December 31, 2018, and will be required to do so going forward. The outcome of our review and the report of our independent registered public accounting firm may adversely affect our results of operations, financial condition and liquidity. During the course of our review, we may identify control deficiencies of varying degrees of severity, and we may incur significant costs to remediate those deficiencies or otherwise improve our internal controls. As a public company, we are required to report control deficiencies that constitute a "material weakness" in our internal control over financial reporting. If we discover a material weakness in our internal control over financial reporting, our share price could decline and our ability to raise capital could be impaired.

Your percentage ownership in us may be diluted in the future.

Your percentage ownership in FTAI may be diluted in the future because of equity awards granted and may be granted to our Manager pursuant to the Management Agreement and the Incentive Plan. Since 2015, we granted our Manager an option to acquire 3,903,010 common shares in connection with equity offerings. In the future, upon the successful completion of additional offerings of our common shares or other equity securities (including securities issued as consideration in an acquisition), we will grant to our Manager options to purchase common shares in an amount equal to 10% of the number of common shares being sold in such offerings (or if the issuance relates to equity securities other than our common shares, options to purchase a number of common shares equal to 10% of the gross capital raised in the equity issuance divided by the fair market value of a common share as of the date of the issuance), with an exercise price equal to the offering price per share paid by the public or other ultimate purchaser or attributed to such securities in connection with an acquisition (or the fair market value of a common share as of the date of the equity issuance if it relates to equity securities other than our common shares), and any such offering or the exercise of the option in connection with such offering would cause dilution.

Our board of directors has adopted the Incentive Plan, which provides for the grant of equity-based awards, including restricted shares, stock options, stock appreciation rights, performance awards, restricted share units, tandem awards and other equity-based and non-equity based awards, in each case to our Manager, to the directors, officers, employees, service providers, consultants and advisors of our Manager who perform services for us, and to our directors, officers, employees, service providers, consultants and advisors. We have initially reserved 30,000,000 common shares for issuance under the Incentive Plan. As of December 31, 2021, rights relating to 3,737,742 of our common shares were outstanding under the Incentive Plan. In the future on the date of any equity issuance by us during the ten-year term of the Incentive Plan (including in respect of securities issued as consideration in an acquisition), the maximum number of shares available for issuance under the Plan will be increased to include an additional number of common shares equal to ten percent (10%) of either (i) the total number of common shares newly issued by us in such equity issuance or (ii) if such equity issuance relates to equity securities other than our common shares, a number of our common shares equal to 10% of (A) the gross capital raised in an equity issuance of equity securities other than common shares during the ten-year term of the Incentive Plan, divided by (B) the fair market value of a common share as of the date of such equity issuance.

Sales or issuances of our common shares could adversely affect the market price of our common shares.

Sales of substantial amounts of our common shares in the public market, or the perception that such sales might occur, could adversely affect the market price of our common shares. The issuance of our common shares in connection with property, portfolio or business acquisitions or the exercise of outstanding options or otherwise could also have an adverse effect on the market price of our common shares.

The incurrence or issuance of debt, which ranks senior to our common shares upon our liquidation, and future issuances of equity or equity-related securities, which would dilute the holdings of our existing common shareholders and may be senior to our common shares for the purposes of making distributions, periodically or upon liquidation, may negatively affect the market price of our common shares.

We have incurred and may in the future incur or issue debt or issue equity or equity-related securities to finance our operations, acquisitions or investments. Upon our liquidation, lenders and holders of our debt and holders of our preferred shares (if any) would receive a distribution of our available assets before common shareholders. Any future incurrence or issuance of debt would increase our interest cost and could adversely affect our results of operations and cash flows. We are not required to offer any additional equity securities to existing common shareholders on a preemptive basis. Therefore, additional issuances of common shares, directly or through convertible or exchangeable securities (including limited partnership interests in our operating partnership), warrants or options, will dilute the holdings of our existing common shareholders and such issuances, or the perception of such issuances, may reduce the market price of our common shares. Any preferred shares issued by us would likely have a preference on distribution payments, periodically or upon liquidation, which could eliminate or otherwise limit our ability to make distributions to common shareholders. Because our decision to incur or issue debt or issue equity or equity-related securities in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. Thus, common shareholders bear the risk that our future incurrence or issuance of debt or issuance of equity or equity-related securities will adversely affect the market price of our common shares.

Our determination of how much leverage to use to finance our acquisitions may adversely affect our return on our assets and may reduce funds available for distribution.

We utilize leverage to finance many of our asset acquisitions, which entitles certain lenders to cash flows prior to retaining a return on our assets. While our Manager targets using only what we believe to be reasonable leverage, our strategy does not limit the amount of leverage we may incur with respect to any specific asset. The return we are able to earn on our assets and funds available for distribution to our shareholders may be significantly reduced due to changes in market conditions, which may cause the cost of our financing to increase relative to the income that can be derived from our assets.

While we currently intend to pay regular quarterly dividends to our shareholders, we may change our dividend policy at any time.

Although we currently intend to pay regular quarterly dividends to holders of our common shares, we may change our dividend policy at any time. Our net cash provided by operating activities has been less than the amount of distributions to our shareholders. The declaration and payment of dividends to holders of our common shares will be at the discretion of our board of directors in accordance with applicable law after taking into account various factors, including actual results of operations, liquidity and financial condition, net cash provided by operating activities, restrictions imposed by applicable law, our taxable income, our operating expenses and other factors our board of directors deem relevant. Our long term goal is to maintain a payout ratio of between 50-60% of funds available for distribution, with remaining amounts used primarily to fund our future acquisitions and opportunities. There can be no assurance that we will continue to pay dividends in amounts or on a basis consistent with prior distributions to our investors, if at all. Because we are a holding company and have no direct operations, we will only be able to pay dividends from our available cash on hand and any funds we receive from our subsidiaries and our ability to receive distributions from our subsidiaries may be limited by the financing agreements to which they are subject. In addition, pursuant to the Partnership Agreement, the General Partner will be entitled to receive incentive allocations before any amounts are distributed by us based both on our consolidated net income and capital gains income in each fiscal quarter and for each fiscal year, respectively. Furthermore, the terms of our Series A preferred shares generally prevent us from declaring or paying dividends on or repurchasing our common shares or other junior capital unless all accrued distributions on such preferred shares have been paid in full.

Anti-takeover provisions in our operating agreement and Delaware law could delay or prevent a change in control.

Provisions in our operating agreement may make it more difficult and expensive for a third party to acquire control of us even if a change of control would be beneficial to the interests of our shareholders. For example, our operating agreement provides for a staggered board, requires advance notice for proposals by shareholders and nominations, places limitations on convening shareholder meetings, and authorizes the issuance of preferred shares that could be issued by our board of directors to thwart a takeover attempt. In addition, certain provisions of Delaware law may delay or prevent a transaction that could cause a change in our control. The market price of our shares could be adversely affected to the extent that provisions of our operating agreement discourage potential takeover attempts that our shareholders may favor.

There are certain provisions in our operating agreement regarding exculpation and indemnification of our officers and directors that differ from the Delaware General Corporation Law (the "DGCL") in a manner that may be less protective of the interests of our shareholders.

Our operating agreement provides that to the fullest extent permitted by applicable law our directors or officers will not be liable to us. Under the DGCL, a director or officer would be liable to us for (i) breach of duty of loyalty to us or our shareholders, (ii) intentional misconduct or knowing violations of the law that are not done in good faith, (iii) improper redemption of shares or declaration of dividend, or (iv) a transaction from which the director derived an improper personal benefit. In addition, our operating agreement provides that we indemnify our directors and officers for acts or omissions to the fullest extent provided by law. Under the DGCL, a corporation can only indemnify directors and officers for acts or omissions if the director or officer acted in good faith, in a manner he reasonably believed to be in the best interests of the corporation, and, in criminal action, if the officer or director had no reasonable cause to believe his conduct was unlawful. Accordingly, our operating agreement may be less protective of the interests of our shareholders, when compared to the DGCL, insofar as it relates to the exculpation and indemnification of our officers and directors.

If securities or industry analysts do not publish research or reports about our business, or if they downgrade their recommendations regarding our common shares, our share price and trading volume could decline.

The trading market for our common shares are influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who cover us downgrades our common units or publishes inaccurate or unfavorable research about our business, our common share price may decline. If analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our common share price or trading volume to decline and our common shares to be less liquid.

Item 1B. Unresolved Staff Comments

We have no unresolved staff comments.

Item 2. Properties

An affiliate of our Manager leases principal executive offices at 1345 Avenue of the Americas, New York, NY 10105. We also lease office space from an affiliate of our Manager in Ireland and Dubai. Our Jefferson Terminal operating segment leases approximately 200 acres of property for its terminal facilities and leases approximately 12,300 square feet of office space in Texas and 300 square feet in Canada. We are redeveloping Repauno, located in New Jersey, which includes over 1,600 acres of land, riparian rights, rail tracks and a 186,000 barrel underground storage cavern, to be a multi-purpose, multi-modal deepwater port. Additionally, our aviation leasing business, Transtar, railcar cleaning business and offshore energy business lease office space in Florida, Pennsylvania, Maine, and Singapore, respectively. We believe that our office facilities and properties are suitable and adequate for our business as it is contemplated to be conducted.

Item 3. Legal Proceedings

We are and may become involved in legal proceedings, including but not limited to regulatory investigations and inquiries, in the ordinary course of our business. Although we are unable to predict with certainty the eventual outcome of any litigation, regulatory investigation or inquiry, in the opinion of management, we do not expect our current and any threatened legal proceedings to have a material adverse effect on our business, financial position or results of operations. Given the inherent unpredictability of these types of proceedings, however, it is possible that future adverse outcomes could have a material adverse effect on our financial results.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common shares began trading on the NYSE under the symbol “FTAI” on May 15, 2015, the date of the IPO. As of February 22, 2022, there were approximately 11 record holders of our common shares. This figure does not reflect the beneficial ownership of shares held in nominee name.

Although we currently intend to continue to pay regular quarterly dividends to holders of our common shares, we may change our dividend policy at any time and no assurances can be given that any future dividends will be paid or, if paid, as to the amounts or timing. The declaration and payment of dividends to holders of our common shares will be at the discretion of our board of directors in accordance with applicable law after taking into account various factors, including actual results of operations, liquidity and financial condition, net cash provided by operating activities, restrictions imposed by applicable law, our taxable income, our operating expenses and other factors our board of directors deem relevant.

On February 24, 2022, our Board of Directors declared a cash dividend on our common shares of $0.33 per share for the quarter ended December 31, 2021, payable on March 23, 2022 to the holders of record on March 11, 2022.

Nonqualified Stock Option and Incentive Award Plan

In 2015, in connection with the IPO, we established a Nonqualified Stock Option and Incentive Award Plan (“Incentive Plan”) which provides for the ability to award equity compensation awards in the form of stock options, stock appreciation rights, restricted stock, and performance awards to eligible employees, consultants, directors, and other individuals who provide services to us, each as determined by the Compensation Committee of the Board of Directors. As of December 31, 2021, the Incentive Plan provides for the issuance of up to 29.8 million shares.

The following table summarizes the total number of outstanding securities in the Incentive Plan and the number of securities remaining for future issuance, as well as the weighted average strike price of all outstanding securities as of December 31, 2021.

	Equity Compensation Plan Information		
Plan category	**Number of securities to be issued upon exercise of outstanding options, warrants, and rights**	**Weighted-average exercise price of outstanding options, warrants, and rights**	**Number of securities remaining available for future issuance under equity compensation plans [(1)]**
Equity compensation plans approved by security holders	3,762,742	$ 21.02	29,837,754
Equity compensation plans not approved by security holders	—	—	—
Total	**3,762,742**		**29,837,754**

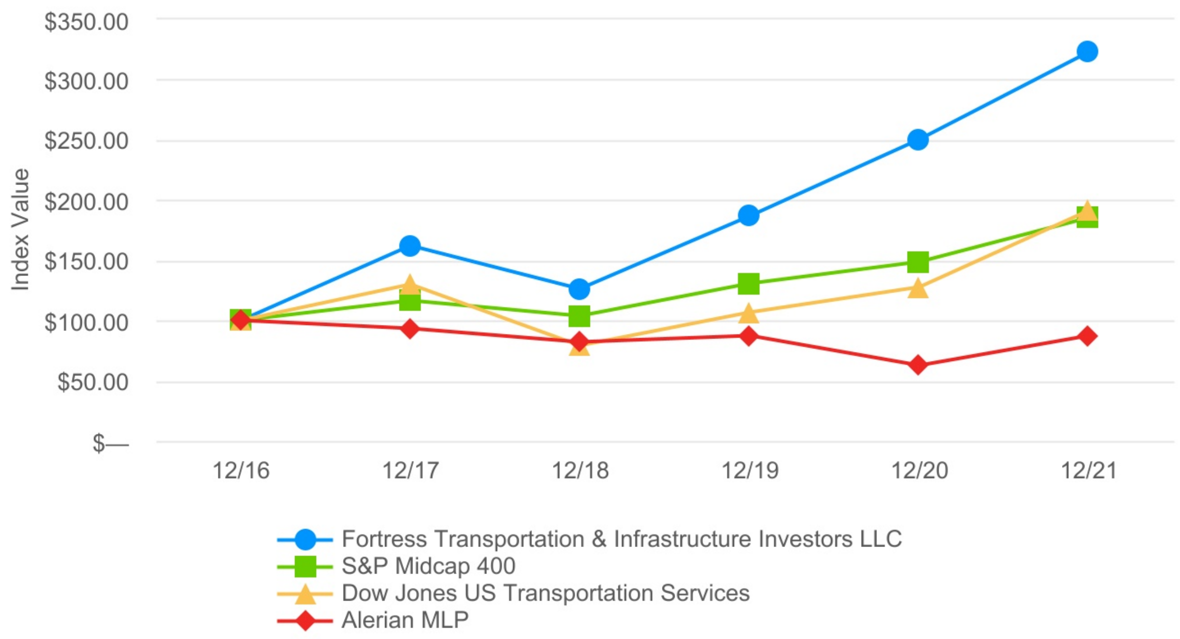
(1) Excludes 25,000 stock options and 137,246 common shares issued to directors as compensation.

Performance Graph

The following graph compares the cumulative total return for our common shares (stock price change plus reinvested dividends) with the comparable return of three indices: S&P Mid Cap 400, Dow Jones US Transportation Services, and Alerian MLP. The graph assumes an investment of $100 in our common shares and in each of the indices on December 31, 2016, and that all dividends were reinvested. The past performance of our shares is not an indication of future performance.

COMPARISON OF CUMULATIVE TOTAL RETURN*

Among Fortress Transportation & Infrastructure Investors LLC, the S&P Midcap 400 Index, the Dow Jones US Transportation Services Index and Alerian MLP



*$100 each invested on December 31, 2016 in stock and index, including reinvestment of dividends. Fiscal year ending December 31.

(in whole dollars)	December 31,					
Index	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Fortress Transportation & Infrastructure Investors LLC	$ 100.00	$ 162.23	$ 126.23	$ 186.65	$ 249.87	$ 322.98
S&P Midcap 400	100.00	116.24	103.36	130.44	148.26	184.96
Dow Jones US Transportation Services	100.00	129.85	78.55	106.52	127.62	191.06
Alerian MLP	100.00	93.48	81.87	87.24	62.21	87.20

Item 6. [Reserved]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is intended to help you understand Fortress Transportation and Infrastructure Investors LLC. Our MD&A should be read in conjunction with our consolidated financial statements and the accompanying notes, and with Part I, Item 1A, “Risk Factors” and “Forward-Looking Statements” included elsewhere in this Annual Report on Form 10-K.

A discussion of our results of operations and cash flows for 2020 compared to 2019 is included in our Annual Report on Form 10-K for the year ended December 31, 2020, under Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Overview

We own and acquire high quality infrastructure and related equipment that is essential for the transportation of goods and people globally. We target assets that, on a combined basis, generate strong cash flows with potential for earnings growth and asset appreciation. We believe that there is a large number of acquisition opportunities in our markets, and that our Manager’s expertise and business and financing relationships, together with our access to capital, will allow us to take advantage of these opportunities. We are externally managed by the Manager, an affiliate of Fortress, which has a dedicated team of experienced professionals focused on the acquisition of transportation and infrastructure assets since 2002. As of December 31, 2021, we had total consolidated assets of $4.9 billion and total equity of $1.1 billion.

While our strategy permits us to acquire a broad array of transportation-related assets, we are currently active in four sectors where we believe there are meaningful opportunities to deploy capital to achieve attractive risk adjusted returns: aviation, rail, energy and ports and terminals.

- Commercial air travel and air freight activity have historically been long-term growth sectors and are tied to the underlying demand for passenger and freight movement. We continue to see long-term demand for aviation related assets.
- The railroad market consists of short line and regional railroads in North America that provide services including haulage, switching and transportation services.
- Offshore energy service equipment refers to vessels supporting the extraction, processing and transportation of oil and natural gas from deposits located beneath the sea floor, as well as the ongoing inspection, repair, maintenance and ultimate abandonment of subsea wells and associated infrastructure.
- Land-based infrastructure refers to facilities that enable the storage, unloading, loading and movement of crude oil and refined products and LPG from producers to end users, such as refineries. Customers of land-based infrastructure typically purchase capacity on a take-or-pay basis, and the economics of these assets directly relate to the volume of throughput.

Impact of COVID-19

Due to the outbreak of COVID-19, we have taken measures to protect the health and safety of our employees, including having employees work remotely, where possible. Market conditions due to the COVID-19 pandemic resulted in asset impairment charges and a decline in our equipment leasing revenues during the year ended December 31, 2021. A number of our lessees continue to experience increased financial stress due to the significant decline in travel demand, particularly as various regions experience spikes in COVID-19 cases. A number of these lessees have been placed on non-accrual status as of December 31, 2021; however, we believe our overall portfolio exposure is limited by maintenance reserves and security deposits which are secured against lessee defaults. The value of these deposits was $145.5 million as of December 31, 2021. As COVID-19 continues to evolve, the extent to which COVID-19 impacts operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak, and the actions that may be required to try and contain COVID-19 or treat its impact. We continue to monitor the pandemic and, the extent to which the continued spread of the virus adversely affects our customer base and therefore revenue. As the COVID-19 pandemic is complex and rapidly evolving, our plans as described herein may change. At this point, we cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on our business, results of operations, financial position and cash flows. For additional detail, see Liquidity and Capital Resources and Item 1A. Risk Factors—"The COVID-19 pandemic has severely disrupted the global economy and may have, and the emergence of similar crises could have, material adverse effects on our business, results of operations or financial condition."

Operating Segments

Our operations consist of two primary strategic business units – Infrastructure and Equipment Leasing. Our Infrastructure Business acquires long-lived assets that provide mission-critical services or functions to transportation networks and typically have high barriers to entry. We target or develop operating businesses with strong margins, stable cash flows and upside from earnings growth and asset appreciation driven by increased use and inflation. Our Equipment Leasing Business acquires assets that are designed to carry cargo or people or provide functionality to transportation infrastructure. Transportation equipment assets are typically long-lived, moveable and leased by us on either operating leases or finance leases to companies that provide transportation services. Our leases generally provide for long-term contractual cash flow with high cash-on-cash yields and include structural protections to mitigate credit risk.

Our reportable segments are comprised of interests in different types of infrastructure and equipment leasing assets. We currently conduct our business through the following four reportable segments: (i) Aviation Leasing, which is within the Equipment Leasing Business, and (ii) Jefferson Terminal, (iii) Ports and Terminals and (iv) Transtar, which together comprise our Infrastructure Business. The Aviation Leasing segment consists of aircraft and aircraft engines held for lease and are typically held long-term. The Jefferson Terminal segment consists of a multi-modal crude and refined products terminal and other related assets. The Ports and Terminals segment consists of Repauno, which is a 1,630 acre deep-water port located along the Delaware River with an underground storage cavern, a new multipurpose dock, a rail-to-ship transloading system and multiple industrial development opportunities, and an equity method investment ("Long Ridge"), which is a 1,660 acre multi-modal port located along the Ohio River with rail, dock, and multiple industrial development opportunities, including a power plant in operation.

In July 2021, we acquired Transtar, and it operates as a separate reportable segment within our Infrastructure business. Transtar is comprised of five freight railroads and one switching company that provide rail service to certain manufacturing and production facilities. See Note 4 for additional information.

In December 2019, we completed the sale of Central Maine & Quebec Railway ("CMQR"), which was formerly reported as our Railroad segment. Under ASC 205-20, this disposition met the criteria to be reported as discontinued operations and the assets, liabilities and results of operations have been presented as discontinued operations for all periods presented. Additionally, in accordance with ASC 280, we assessed our reportable segments and determined that our retained investment of the railroad business no longer met the requirement as a reportable segment. Accordingly, we have presented this operating segment, along with Corporate results, within Corporate and Other effective in 2019.

Corporate and Other primarily consists of debt, unallocated corporate general and administrative expenses, and management fees. Additionally, Corporate and Other includes (i) offshore energy related assets which consist of vessels and equipment that support offshore oil and gas activities and are typically subject to operating leases, (ii) an investment in an unconsolidated entity engaged in the leasing of shipping containers, (iii) railroad assets which consist of equipment that support a railcar cleaning business and (iv) various clean technology and sustainability investments.

Our reportable segments are comprised of investments in different types of transportation infrastructure and equipment. Each segment requires different investment strategies. The accounting policies of the segments are the same as those described in Note 2 to the consolidated financial statements; however, financial information presented by segment includes the impact of intercompany eliminations.

In the fourth quarter of 2021, the Company announced that it intends to spin off its infrastructure business as a separate publicly traded entity. The infrastructure business is expected to be spun out in an entity taxed as a corporation for U.S. federal income tax purposes and will hold, among other things, the Jefferson, Repauno, Long Ridge and Transtar assets, and will retain all related project-level debt of those entities. The infrastructure entity intends to remit to FTAI approximately $800 million in cash as part of the separation. FTAI is expected to retain the aviation business and certain other assets and FTAI's outstanding corporate indebtedness, other than any indebtedness that may be paid off in connection with the transaction. The spin off transaction is expected to be completed during the second quarter of 2022. The spin off transaction remains subject to approval by FTAI's board of directors and may not be completed on the terms described above or at all.

Results of Operations

Adjusted EBITDA (non-GAAP)

The chief operating decision maker ("CODM") utilizes Adjusted EBITDA as the key performance measure. Adjusted EBITDA is not a financial measure in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). This performance measure provides the CODM with the information necessary to assess operational performance, as well as making resource and allocation decisions. We believe Adjusted EBITDA is a useful metric for investors and analysts for similar purposes of assessing our operational performance.

Adjusted EBITDA is defined as net income (loss) attributable to shareholders from continuing operations, adjusted (a) to exclude the impact of provision for (benefit from) income taxes, equity-based compensation expense, acquisition and transaction expenses, losses on the modification or extinguishment of debt and capital lease obligations, changes in fair value of non-hedge derivative instruments, asset impairment charges, incentive allocations, depreciation and amortization expense, and interest expense, (b) to include the impact of our pro-rata share of Adjusted EBITDA from unconsolidated entities and (c) to exclude the impact of equity in earnings (losses) of unconsolidated entities and the non-controlling share of Adjusted EBITDA.

The following table presents our consolidated results of operations:

	Year Ended December 31,			Change	
(in thousands)	2021	2020	2019	'21 vs '20	'20 vs '19
Revenues					
Equipment leasing revenues					
Lease income	**$ 172,116**	$ 177,476	$ 207,101	$ (5,360)	$ (29,625)
Maintenance revenue	**128,819**	101,462	134,914	27,357	(33,452)
Finance lease income	**1,747**	2,260	2,648	(513)	(388)
Other revenue	**32,901**	16,736	4,659	16,165	12,077
Total equipment leasing revenues	**335,583**	297,934	349,322	37,649	(51,388)
Infrastructure revenues					
Lease income	**2,424**	1,186	3,362	1,238	(2,176)
Rail revenues	**56,803**	—	—	56,803	—
Terminal services revenues	**45,038**	50,887	42,965	(5,849)	7,922
Crude marketing revenues	**—**	8,210	166,134	(8,210)	(157,924)
Other revenue	**15,954**	8,279	16,991	7,675	(8,712)
Total infrastructure revenues	**120,219**	68,562	229,452	51,657	(160,890)
Total revenues	**455,802**	366,496	578,774	89,306	(212,278)
Expenses					
Operating expenses	**172,464**	109,512	291,572	62,952	(182,060)
General and administrative	**17,409**	18,159	16,905	(750)	1,254
Acquisition and transaction expenses	**21,941**	9,868	17,623	12,073	(7,755)
Management fees and incentive allocation to affiliate	**16,322**	18,519	36,059	(2,197)	(17,540)
Depreciation and amortization	**201,756**	172,400	169,023	29,356	3,377
Asset impairment	**10,463**	33,978	4,726	(23,515)	29,252
Interest expense	**171,036**	98,206	95,585	72,830	2,621
Total expenses	**611,391**	460,642	631,493	150,749	(170,851)
Other income (expense)					
Equity in losses of unconsolidated entities	**(12,734)**	(5,039)	(2,375)	(7,695)	(2,664)
Gain (loss) on sale of assets, net	**49,031**	(308)	203,250	49,339	(203,558)
Loss on extinguishment of debt	**(3,254)**	(11,667)	—	8,413	(11,667)
Interest income	**1,711**	162	531	1,549	(369)
Other (expense) income	**(10,928)**	70	3,445	(10,998)	(3,375)
Total other income (expense)	**23,826**	(16,782)	204,851	40,608	(221,633)
(Loss) income from continuing operations before income taxes	**(131,763)**	(110,928)	152,132	(20,835)	(263,060)
(Benefit from) provision for income taxes	**(1,057)**	(5,905)	17,810	4,848	(23,715)
Net (loss) income from continuing operations	**(130,706)**	(105,023)	134,322	(25,683)	(239,345)
Net income from discontinued operations, net of income taxes	**—**	1,331	73,462	(1,331)	(72,131)
Net (loss) income	**(130,706)**	(103,692)	207,784	(27,014)	(311,476)
Less: Net (loss) income attributable to non-controlling interest in consolidated subsidiaries:					
Continuing operations	**(26,472)**	(16,522)	(17,571)	(9,950)	1,049
Discontinued operations	**—**	—	247	—	(247)
Less: Dividends on preferred shares	**24,758**	17,869	1,838	6,889	16,031
Net (loss) income attributable to shareholders	**$ (128,992)**	$ (105,039)	$ 223,270	$ (23,953)	$ (328,309)

The following table sets forth a reconciliation of net (loss) income attributable to shareholders from continuing operations to Adjusted EBITDA:

	Year Ended December 31,			Change	
(in thousands)	**2021**	**2020**	**2019**	**'21 vs '20**	**'20 vs '19**
Net (loss) income attributable to shareholders from continuing operations	**$ (128,992)**	$ (106,370)	$ 150,055	$ (22,622)	$ (256,425)
Add: (Benefit from) provision for income taxes	**(1,057)**	(5,905)	17,810	4,848	(23,715)
Add: Equity-based compensation expense	**4,038**	2,325	1,509	1,713	816
Add: Acquisition and transaction expenses	**21,941**	9,868	17,623	12,073	(7,755)
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**3,254**	11,667	—	(8,413)	11,667
Add: Changes in fair value of non-hedge derivative instruments	**(2,220)**	181	4,555	(2,401)	(4,374)
Add: Asset impairment charges	**10,463**	33,978	4,726	(23,515)	29,252
Add: Incentive allocations	**—**	—	21,231	—	(21,231)
Add: Depreciation & amortization expense [(1)]	**229,734**	202,746	199,185	26,988	3,561
Add: Interest expense	**171,036**	98,206	95,585	72,830	2,621
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities [(2)]	**27,892**	1,208	(1,387)	26,684	2,595
Less: Equity in losses of unconsolidated entities	**12,734**	5,039	2,375	7,695	2,664
Less: Non-controlling share of Adjusted EBITDA [(3)]	**(12,508)**	(9,637)	(9,859)	(2,871)	222
Adjusted EBITDA (non-GAAP)	**$ 336,315**	$ 243,306	$ 503,408	$ 93,009	$ (260,102)

[(1)] Includes the following items for the years ended December 31, 2021, 2020 and 2019: (i) depreciation and amortization expense of $201,756, $172,400 and $169,023, (ii) lease intangible amortization of $4,993, $3,747 and $7,181 and (iii) amortization for lease incentives of $22,985, $26,599 and $22,981, respectively.

[(2)] Includes the following items for the years ended December 31, 2021, 2020 and 2019: (i) net loss of $(13,242), $(5,435) and $(2,563), (ii) interest expense of $5,612, $1,138 and $131, (iii) depreciation and amortization expense of $12,643, $5,513 and $1,045, (iv) acquisition and transaction expense of $104, $581 and $0, (v) changes in fair value of non-hedge derivative instruments of $19,850, $(589) and $0, (vi) asset impairment of $2,146, $0 and $0 and (vii) equity-based compensation of $779, $0 and $0, respectively.

[(3)] Includes the following items for the years ended December 31, 2021, 2020 and 2019: (i) equity-based compensation of $751, $374 and $230, (ii) provision for income taxes of $52, $59 and $60, (iii) interest expense of $3,370, $2,025 and $3,400, (iv) depreciation and amortization expense of $8,411, $6,149 and $4,833, (v) changes in fair value of non-hedge derivative instruments of $(76), $38 and $1,336 and (vi) loss on extinguishment of debt of $0, $992 and $0, respectively.

Comparison of the years ended December 31, 2021 and 2020

Revenues

Total revenues increased $89.3 million, primarily due to the acquisition of Transtar and higher revenues in the Aviation Leasing and Ports and Terminals segments, partially offset by lower revenues in the Jefferson Terminal segment.

Equipment Leasing

- Maintenance revenue increased $27.4 million primarily due to an increase in aircraft and engine utilization and the recognition of maintenance deposits due to the redelivery of aircraft, partially offset by the increase in the number of aircraft and engines redelivered.
- Other revenue increased $16.2 million primarily due to the increase in engine parts sales, partially offset by lower end-of lease redelivery compensation and the settlement of an engine loss during 2020.
- Lease income decreased $5.4 million primarily due to an increase in the number of aircraft redelivered, partially offset by an increase in the number of aircraft and engines placed on lease towards the end of the year.

Infrastructure

- Rail revenues increased $56.8 million due to the acquisition of Transtar in July 2021.
- Other revenue increased $7.7 million which primarily reflects (i) higher butane sales at Repauno and (ii) a gain on butane forward purchase and sale contracts at Repauno.

- Crude marketing revenues decreased $8.2 million. In 2019, Jefferson directly sourced crude from producers in Canada, arranging logistics to its terminal and then marketing crude to third parties to take advantage of favorable spreads. The resulting crude sales and corresponding costs of sale, including logistical costs, are reflected in Crude marketing revenues and Operating expenses, respectively. Jefferson exited this crude marketing strategy in the fourth quarter of 2019 as a result of unfavorable oil spreads and as certain logistical commitments expired. Revenues in 2020 include contracts executed in 2019 but delivered in 2020.
- Terminal services revenue decreased $5.8 million which primarily reflects lower volumes in the first half of 2021 due to lower global oil demand related to COVID-19.

Expenses

Total expenses increased $150.7 million primarily due to increases in (i) interest expense, (ii) operating expenses, (iii) depreciation and amortization and (iv) acquisition and transaction expenses, partially offset by a decrease in (v) asset impairment.

Interest expense increased $72.8 million primarily due to:

- an increase of $67.6 million in Corporate and Other primarily which reflects an increase in the average outstanding debt of approximately $724.0 million primarily due to increases in (i) the Senior Notes due 2028 of $542.5 million, (ii) the Senior Notes due 2025 of $373.1 million, (iii) the Senior Notes due 2027 of $200.0 million, (iv) the Bridge Loans of $108.3 million and (v) the Revolving Credit Facility of $37.9 million, partially offset by a decrease in (vi) the Senior Notes due 2022 of $540.2 million, which was redeemed in full in May 2021; and
- an increase of $5.4 million at Jefferson Terminal due to the issuance of the Series 2021 Bonds for $425 million and the commencement of the EB-5 Loan Agreement. See Note 10 to the consolidated financial statements for additional information.

Operating expenses increased $63.0 million primarily due to:

- an increase of $29.0 million due to the acquisition of Transtar, which primarily consists of compensation and benefits and facility operating expense;
- an increase in bad debt expense of $9.4 million in the Aviation Leasing segment;
- an increase in cost of sales and other associated costs of $6.8 million, which primarily reflects (i) an increase of $17.2 million in the Aviation Leasing segment due to costs associated with the sale of engine parts, partially offset by (ii) a decrease of $8.2 million due to Jefferson Terminal exiting the crude marketing strategy in the fourth quarter of 2019 and (iii) a decrease of $2.3 million at Repauno; and
- an increase in shipping and storage expense of $4.6 million primarily in the Aviation Leasing segment.

Depreciation and amortization increased $29.4 million which primarily reflects (i) an increase of $14.5 million due to additional assets placed into service at Repauno and Jefferson Terminal and (ii) an increase of $8.3 million due to the acquisition of Transtar.

Acquisition and transaction expenses increased $12.1 million primarily due to an increase in professional fees related to the acquisition of Transtar and other strategic initiatives.

Asset impairment decreased $23.5 million due to lower asset impairment charges in 2021, primarily related to early lease terminations, in the Aviation Leasing segment.

Other income

Total other income increased $40.6 million which primarily reflects:

- an increase of $49.3 million in gains on sale of assets, net due to asset sales in the Aviation Leasing segment;
- a decrease in loss on extinguishment of debt of $8.4 million;
- an increase in other expense of $11.0 million primarily due to a write-off of an earn-out receivable at Long Ridge and losses related to crude oil forward transactions at Jefferson Terminal; and
- an increase of $7.7 million in equity in losses of unconsolidated entities primarily due to unrealized losses on power swaps at Long Ridge.

Provision for income taxes

The benefit from income taxes decreased $4.8 million primarily due to the acquisition of Transtar and a higher provision in the Aviation Leasing segment.

Net (loss) income from continuing operations

Net loss from continuing operations increased $25.7 million primarily due to the changes noted above.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA increased $93.0 million primarily due to the changes noted above.

Aviation Leasing

As of December 31, 2021, in our Aviation Leasing segment, we own and manage 315 aviation assets, consisting of 108 commercial aircraft and 207 engines.

As of December 31, 2021, 91 of our commercial aircraft and 140 of our engines were leased to operators or other third parties. Aviation assets currently off lease are either undergoing repair and/or maintenance, being prepared to go on lease or held in short term storage awaiting a future lease. Our aviation equipment was approximately 78% utilized during the three months ended December 31, 2021, based on the percent of days on-lease in the quarter weighted by the monthly average equity value of our aviation leasing equipment, excluding airframes. Our aircraft currently have a weighted average remaining lease term of 44 months, and our engines currently on-lease have an average remaining lease term of 18 months. The table below provides additional information on the assets in our Aviation Leasing segment:

Aviation Assets	Widebody	Narrowbody	Total
Aircraft			
Assets at January 1, 2021	**15**	**63**	**78**
Purchases	1	51	52
Sales	(4)	—	(4)
Transfers	1	(19)	(18)
Assets at December 31, 2021	**13**	**95**	**108**
Engines			
Assets at January 1, 2021	**88**	**98**	**186**
Purchases	11	49	60
Sales	(29)	(27)	(56)
Transfers	(2)	19	17
Assets at December 31, 2021	**68**	**139**	**207**

The following table presents our results of operations for our Aviation Leasing segment:

	Year Ended December 31,			Change	
(in thousands)	2021	2020	2019	'21 vs '20	'20 vs '19
Equipment leasing revenues					
Lease income	**$ 161,985**	$ 166,331	$ 197,305	$ (4,346)	$ (30,974)
Maintenance revenue	**128,819**	101,462	134,914	27,357	(33,452)
Finance lease income	**1,747**	2,260	2,648	(513)	(388)
Other revenue	**28,871**	11,158	1,808	17,713	9,350
Total revenues	**321,422**	281,211	336,675	40,211	(55,464)
Expenses					
Operating expenses	**56,072**	20,667	17,668	35,405	2,999
Acquisition and transaction expenses	**3,840**	6,687	8,641	(2,847)	(1,954)
Depreciation and amortization	**139,972**	133,904	128,990	6,068	4,914
Asset impairment	**10,463**	33,978	—	(23,515)	33,978
Total expenses	**210,347**	195,236	155,299	15,111	39,937
Other (expense) income					
Equity in losses of unconsolidated entities	**(1,403)**	(1,932)	(1,829)	529	(103)
Gain (loss) on sale of assets, net	**49,015**	(300)	81,954	49,315	(82,254)
Interest income	**1,153**	94	104	1,059	(10)
Other expense	**(1,680)**	—	—	(1,680)	—
Total other income (expense)	**47,085**	(2,138)	80,229	49,223	(82,367)
Income before income taxes	**158,160**	83,837	261,605	74,323	(177,768)
Provision for (benefit from) income taxes	**935**	(4,812)	2,826	5,747	(7,638)
Net income	**157,225**	88,649	258,779	68,576	(170,130)
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	**—**	—	—	—	—
Net income attributable to shareholders	**$ 157,225**	$ 88,649	$ 258,779	$ 68,576	$ (170,130)

The following table sets forth a reconciliation of net income attributable to shareholders to Adjusted EBITDA:

(in thousands)	Year Ended December 31, 2021	2020	2019	Change '21 vs '20	'20 vs '19
Net income attributable to shareholders	**$ 157,225**	$ 88,649	$ 258,779	$ 68,576	$ (170,130)
Add: Provision for (benefit from) income taxes	**935**	(4,812)	2,826	5,747	(7,638)
Add: Equity-based compensation expense	**—**	—	—	—	—
Add: Acquisition and transaction expenses	**3,840**	6,687	8,641	(2,847)	(1,954)
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**—**	—	—	—	—
Add: Changes in fair value of non-hedge derivative instruments	**—**	—	—	—	—
Add: Asset impairment charges	**10,463**	33,978	—	(23,515)	33,978
Add: Incentive allocations	**—**	—	—	—	—
Add: Depreciation and amortization expense [1]	**167,950**	164,250	159,152	3,700	5,098
Add: Interest expense	**—**	—	—	—	—
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities [2]	**(1,203)**	(1,932)	(1,829)	729	(103)
Less: Equity in losses of unconsolidated entities	**1,403**	1,932	1,829	(529)	103
Less: Non-controlling share of Adjusted EBITDA	**—**	—	—	—	—
Adjusted EBITDA (non-GAAP)	**$ 340,613**	$ 288,752	$ 429,398	$ 51,861	$ (140,646)

[1] Includes the following items for the years ended December 31, 2021, 2020 and 2019: (i) depreciation expense of $139,972, $133,904 and $128,990, (ii) lease intangible amortization of $4,993, $3,747 and $7,181 and (iii) amortization for lease incentives of $22,985, $26,599 and $22,981, respectively.

[2] Includes the following items for the years ended December 31, 2021, 2020 and 2019: (i) net loss of $(1,403), $(1,932) and $(1,829) and (ii) depreciation and amortization of $200, $0 and $0, respectively.

Comparison of the years ended December 31, 2021 and 2020

Revenues

Total revenues increased $40.2 million driven by higher maintenance revenue and other revenue partially offset by lower lease income.

- Maintenance revenue increased $27.4 million primarily due to an increase in aircraft and engine utilization and the recognition of maintenance deposits due to the redelivery of aircraft, partially offset by the increase in the number of aircraft and engines redelivered.
- Other revenue increased $17.7 million primarily due to the increase in engine parts sales, partially offset by lower end-of lease redelivery compensation and the settlement of an engine loss during 2020.
- Lease income decreased $4.3 million primarily due to an increase in the number of aircraft redelivered, partially offset by an increase in the number of aircraft and engines placed on lease towards the end of the year.

Expenses

Total expenses increased $15.1 million primarily due to an increase in operating expenses and depreciation and amortization expense, partially offset by a decrease in asset impairment and acquisition and transaction expense.

- Operating expenses increased $35.4 million primarily as a result of an increase in costs associated with the sale of engine parts, bad debt expense, shipping and storage fees and other operating expenses.
- Depreciation and amortization expense increased $6.1 million driven by an increase in the number of assets owned and on lease, partially offset by an increase in the number of aircraft redelivered and parted out into our engine leasing pool.
- Asset impairment decreased $23.5 million due to lower asset impairment charges in 2021 which are primarily related to early lease terminations. See Note 5 to the consolidated financial statements for additional information.
- Acquisition and transaction expense decreased $2.8 million driven by lower compensation and related costs associated with the acquisition of aviation leasing equipment.

Other income

Total other income increased $49.2 million primarily due to an increase of $49.3 million in gain on the sale of leasing equipment in 2021, an increase of $1.1 million in interest income and a decrease of $0.5 million in Aviation Leasing's proportionate share of the unconsolidated entities' net loss, partially offset by an increase of $1.7 million in other expenses.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA increased $51.9 million primarily due to the changes noted above.

Jefferson Terminal

The following table presents our results of operations for our Jefferson Terminal segment:

	Year Ended December 31,			Change	
(in thousands)	**2021**	**2020**	**2019**	**'21 vs '20**	**'20 vs '19**
Infrastructure revenues					
Lease income	**$ 1,688**	$ 1,186	$ 2,306	$ 502	$ (1,120)
Terminal services revenues	**44,664**	50,887	35,908	(6,223)	14,979
Crude marketing revenues	**—**	8,210	166,134	(8,210)	(157,924)
Total revenues	**46,352**	60,283	204,348	(13,931)	(144,065)
Expenses					
Operating expenses	**48,255**	53,072	231,506	(4,817)	(178,434)
Depreciation and amortization	**36,013**	29,034	22,873	6,979	6,161
Interest expense	**14,812**	9,426	16,189	5,386	(6,763)
Total expenses	**99,080**	91,532	270,568	7,548	(179,036)
Other (expense) income					
Equity in losses of unconsolidated entities	**—**	—	(292)	—	292
(Loss) gain on sale of assets, net	**—**	(8)	4,636	8	(4,644)
Loss on extinguishment of debt	**—**	(4,724)	—	4,724	(4,724)
Interest income	**—**	22	118	(22)	(96)
Other (expense) income	**(4,726)**	70	634	(4,796)	(564)
Total other (expense) income	**(4,726)**	(4,640)	5,096	(86)	(9,736)
Loss before income taxes	**(57,454)**	(35,889)	(61,124)	(21,565)	25,235
Provision for income taxes	**230**	278	284	(48)	(6)
Net loss	**(57,684)**	(36,167)	(61,408)	(21,517)	25,241
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	**(26,250)**	(16,483)	(17,356)	(9,767)	873
Net loss attributable to shareholders	**$ (31,434)**	$ (19,684)	$ (44,052)	$ (11,750)	$ 24,368

The following table sets forth a reconciliation of net loss attributable to shareholders to Adjusted EBITDA:

	Year Ended December 31,			Change	
(in thousands)	**2021**	**2020**	**2019**	**'21 vs '20**	**'20 vs '19**
Net loss attributable to shareholders	**$ (31,434)**	$ (19,684)	$ (44,052)	$ (11,750)	$ 24,368
Add: Provision for income taxes	**230**	278	284	(48)	(6)
Add: Equity-based compensation expense	**3,215**	1,676	1,054	1,539	622
Add: Acquisition and transaction expenses	**—**	—	—	—	—
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**—**	4,724	—	(4,724)	4,724
Add: Changes in fair value of non-hedge derivative instruments	**—**	181	6,364	(181)	(6,183)
Add: Asset impairment charges	**—**	—	—	—	—
Add: Incentive allocations	—	—	—	—	—
Add: Depreciation and amortization expense	**36,013**	29,034	22,873	6,979	6,161
Add: Interest expense	**14,812**	9,426	16,189	5,386	(6,763)
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities [1]	**—**	—	656	—	(656)
Less: Equity in losses of unconsolidated entities	**—**	—	292	—	(292)
Less: Non-controlling share of Adjusted EBITDA [2]	**(12,205)**	(9,517)	(9,820)	(2,688)	303
Adjusted EBITDA (non-GAAP)	**$ 10,631**	$ 16,118	$ (6,160)	$ (5,487)	$ 22,278

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[1] Includes the following items for the year ended December 31, 2019: (i) net loss of $(349) and (ii) depreciation and amortization expense of $1,005.

[2] Includes the following items for the years ended December 31, 2021, 2020 and 2019: (i) equity-based compensation of $723, $352 and $221, (ii) provision for income taxes of $52, $59 and $60, (iii) interest expense of $3,331, $1,979 and $3,400, (iv) changes in fair value of non-hedge derivative instruments of $0, $38 and $1,336, (v) depreciation and amortization expense of $8,099, $6,097 and $4,803 and (vi) loss on extinguishment of debt of $0, $992 and $0, respectively.

Comparison of the years ended December 31, 2021 and 2020

Revenues

Total revenues decreased $13.9 million which primarily reflects (i) a decrease in crude marketing revenue of $8.2 million due to Jefferson Terminal exiting the crude marketing strategy in the fourth quarter of 2019 and (ii) a decrease in terminal services revenues of $6.2 million which reflects lower volumes in the first half of 2021 due to lower global oil demand related to COVID-19.

Expenses

Total expenses increased $7.5 million which reflects:

- an increase in depreciation and amortization of $7.0 million due to additional assets placed into service;
- an increase in interest expense of $5.4 million due to the issuance of the Series 2021 Bonds for $425 million and the commencement of the EB-5 Loan Agreement; and
- a decrease in operating expenses of $4.8 million which primarily reflects (i) a decrease in cost of sales due to Jefferson Terminal exiting the crude marketing strategy in the fourth quarter of 2019, a portion of which was recognized in 2020, partially offset by (ii) higher insurance and other facility operating expenses.

Other (expense) income

Other expense increased $4.8 million due to losses related to crude oil forward transactions.

Loss on extinguishment of debt decreased $4.7 million due to a debt refinancing in 2020. See Note 10 to the consolidated financial statements for additional information.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA decreased $5.5 million primarily due to the changes noted above.

Ports and Terminals

The following table presents our results of operations for our Ports and Terminals segment:

	Year Ended December 31,			Change	
(in thousands)	**2021**	**2020**	**2019**	**'21 vs '20**	**'20 vs '19**
Infrastructure revenues					
Lease income	**$ —**	$ —	$ 1,056	$ —	$ (1,056)
Terminal services revenues	**374**	—	7,057	374	(7,057)
Other revenue	**11,243**	3,855	14,074	7,388	(10,219)
Total revenues	**11,617**	3,855	22,187	7,762	(18,332)
Expenses					
Operating expenses	**14,403**	10,327	24,854	4,076	(14,527)
Acquisition and transaction expenses	**—**	907	5,008	(907)	(4,101)
Depreciation and amortization	**9,052**	1,497	9,849	7,555	(8,352)
Asset impairment	**—**	—	4,726	—	(4,726)
Interest expense	**1,147**	1,335	1,712	(188)	(377)
Total expenses	**24,602**	14,066	46,149	10,536	(32,083)
Other (expense) income					
Equity in losses of unconsolidated entities	**(11,429)**	(3,222)	(192)	(8,207)	(3,030)
Gain on sale of assets, net	**16**	—	116,660	16	(116,660)
Interest income	**318**	—	289	318	(289)
Other (expense) income	**(4,100)**	—	1,809	(4,100)	(1,809)
Total other (expense) income	**(15,195)**	(3,222)	118,566	(11,973)	(121,788)
(Loss) income before income taxes	**(28,180)**	(13,433)	94,604	(14,747)	(108,037)
(Benefit from) provision for income taxes	**(3,749)**	(1,791)	14,700	(1,958)	(16,491)
Net (loss) income	**(24,431)**	(11,642)	79,904	(12,789)	(91,546)
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	**(222)**	(39)	(215)	(183)	176
Net (loss) income attributable to shareholders	**$ (24,209)**	$ (11,603)	$ 80,119	$ (12,606)	$ (91,722)

The following table sets forth a reconciliation of net (loss) income attributable to shareholders to Adjusted EBITDA:

	Year Ended December 31,			Change	
(in thousands)	2021	2020	2019	'21 vs '20	'20 vs '19
Net (loss) income attributable to shareholders	**$ (24,209)**	$ (11,603)	$ 80,119	$ (12,606)	$ (91,722)
Add: (Benefit from) provision for income taxes	**(3,749)**	(1,791)	14,700	(1,958)	(16,491)
Add: Equity-based compensation expense	**823**	649	455	174	194
Add: Acquisition and transaction expenses	**—**	907	5,008	(907)	(4,101)
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**—**	—	—	—	—
Add: Changes in fair value of non-hedge derivative instruments	**(2,220)**	—	(1,809)	(2,220)	1,809
Add: Asset impairment charges	**—**	—	4,726	—	(4,726)
Add: Incentive allocations	—	—	—	—	—
Add: Depreciation and amortization expense	**9,052**	1,497	9,849	7,555	(8,352)
Add: Interest expense	**1,147**	1,335	1,712	(188)	(377)
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities (1)	**29,405**	3,304	(153)	26,101	3,457
Less: Equity in losses of unconsolidated entities	**11,429**	3,222	192	8,207	3,030
Less: Non-controlling share of Adjusted EBITDA (2)	**(303)**	(120)	(39)	(183)	(81)
Adjusted EBITDA (non-GAAP)	**$ 21,375**	$ (2,600)	$ 114,760	$ 23,975	$ (117,360)

(1) Includes the following items for the years ended December 31, 2021, 2020 and 2019: (i) net loss of $(11,430), $(3,222) and $(193), (ii) depreciation expense of $12,443, $5,513 and $40, (iii) interest expense of $5,513, $1,021 and $0, (iv) acquisition and transaction expense of $104, $581 and $0, (v) changes in fair value of non-hedge derivative instruments of $19,850, $(589) and $0, (vi) asset impairment of $2,146, $0 and $0 and (vii) equity-based compensation of $779, $0 and $0, respectively.
(2) Includes the following items for the years ended December 31, 2021, 2020 and 2019: (i) equity-based compensation of $28, $22 and $9, (ii) interest expense of $39, $46 and $0, (iii) depreciation expense of $312, $52 and $30 and (iv) changes in fair value of non-hedge derivative instruments of $(76), $0 and $0, respectively.

Comparison of the years ended December 31, 2021 and 2020

Revenues

Total revenues increased $7.8 million, primarily due to (i) an increase in butane sales of $5.2 million at Repauno, (ii) a gain of $2.2 million on butane forward purchase contracts at Repauno and (iii) an increase of $0.4 million due to the commencement of transloading at Repauno.

Expenses

Total expenses increased $10.5 million primarily due to:

- an increase in operating expenses of $4.1 million which primarily reflects increases in (i) property taxes due to new assets at Repauno, (ii) facility operating expenses due to higher butane volumes, (iii) compensation and benefits due to additional headcount at Repauno and (iv) professional fees;
- an increase in depreciation expense of $7.6 million due to assets being placed into service at Repauno; and
- a decrease in acquisition and transaction expense of $0.9 million due to no acquisition transactions in 2021.

Other expense

Total other expense increased $12.0 million primarily due to increases in (i) other expense due to the write-off of an earn-out receivable of $4.1 million at Long Ridge and (ii) equity in losses in unconsolidated entities primarily due to unrealized losses on power swaps at Long Ridge.

Benefit from income taxes

The benefit from income taxes increased $2.0 million which primarily reflects a deferred tax benefit due to higher pre-tax losses in 2021.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA increased $24.0 million primarily due to (i) an increase in the Pro-rata share of Adjusted EBITDA from unconsolidated entities and (ii) the changes noted above.

Transtar

On July 28, 2021, we completed the acquisition for 100% of the equity interests of Transtar from U.S. Steel ("USS") for total cash consideration of $636.0 million. Transtar is comprised of five freight railroads and one switching company, of which two railroads are connected to USS's largest production facilities. See Note 4 to the consolidated financial statements for additional information.

The following table presents our results of operations for our Transtar segment:

	Year Ended December 31,			Change	
(in thousands)	**2021**	**2020**	**2019**	**'21 vs '20**	**'20 vs '19**
Infrastructure revenues					
Lease income	**$ 736**	$ —	$ —	$ 736	$ —
Rail revenues	**56,803**	—	—	56,803	—
Total revenues	**57,539**	—	—	57,539	—
Expenses					
Operating expenses	**28,987**	—	—	28,987	—
Acquisition and transaction expenses	**2,841**	—	—	2,841	—
Depreciation and amortization	**8,320**	—	—	8,320	—
Interest expense	**53**	—	—	53	—
Total expenses	**40,201**	—	—	40,201	—
Other expense					
Other expense	**(423)**	—	—	(423)	—
Total other expense	**(423)**	—	—	(423)	—
Income before income taxes	**16,915**	—	—	16,915	—
Provision for income taxes	**1,602**	—	—	1,602	—
Net income	**15,313**	—	—	15,313	—
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	**—**	—	—	—	—
Net income attributable to shareholders	**$ 15,313**	$ —	$ —	$ 15,313	$ —

The following table sets forth a reconciliation of net income attributable to shareholders to Adjusted EBITDA:

	Year Ended December 31,			Change	
(in thousands)	2021	2020	2019	'21 vs '20	'20 vs '19
Net income attributable to shareholders	**$ 15,313**	$ —	$ —	$ 15,313	$ —
Add: Provision for income taxes	**1,602**	—	—	1,602	—
Add: Equity-based compensation expense	**—**	—	—	—	—
Add: Acquisition and transaction expenses	**2,841**	—	—	2,841	—
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**—**	—	—	—	—
Add: Changes in fair value of non-hedge derivative instruments	**—**	—	—	—	—
Add: Asset impairment charges	**—**	—	—	—	—
Add: Incentive allocations	—	—	—	—	—
Add: Depreciation and amortization expense	**8,320**	—	—	8,320	—
Add: Interest expense	**53**	—	—	53	—
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities	**—**	—	—	—	—
Less: Equity in losses of unconsolidated entities	**—**	—	—	—	—
Less: Non-controlling share of Adjusted EBITDA	**—**	—	—	—	—
Adjusted EBITDA (non-GAAP)	**$ 28,129**	$ —	$ —	$ 28,129	$ —

Financial results for the year ended December 31, 2021

Revenues

Total revenues were $57.5 million, which primarily consists of switching, interline, and ancillary rail services.

Expenses

Total expenses were $40.2 million, which primarily consists of (i) operating expenses of $29.0 million which primarily includes compensation and benefits of $19.0 million and facility operating expense of $7.0 million and (ii) depreciation and amortization of $8.3 million.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA was $28.1 million primarily due to the activity noted above.

Corporate and Other

The following table presents our results of operations:

(in thousands)	Year Ended December 31, 2021	2020	2019	Change '21 vs '20	'20 vs '19
Revenues					
Equipment leasing revenues					
Lease income	**$ 10,131**	$ 11,145	$ 9,796	$ (1,014)	$ 1,349
Other revenue	**4,030**	5,578	2,851	(1,548)	2,727
Total equipment leasing revenues	**14,161**	16,723	12,647	(2,562)	4,076
Infrastructure revenues					
Other revenue	**4,711**	4,424	2,917	287	1,507
Total infrastructure revenues	**4,711**	4,424	2,917	287	1,507
Total revenues	**18,872**	21,147	15,564	(2,275)	5,583
Expenses					
Operating expenses	**24,747**	25,446	17,544	(699)	7,902
General and administrative	**17,409**	18,159	16,905	(750)	1,254
Acquisition and transaction expenses	**15,260**	2,274	3,974	12,986	(1,700)
Management fees and incentive allocation to affiliate	**16,322**	18,519	36,059	(2,197)	(17,540)
Depreciation and amortization	**8,399**	7,965	7,311	434	654
Interest expense	**155,024**	87,445	77,684	67,579	9,761
Total expenses	**237,161**	159,808	159,477	77,353	331
Other (expense) income					
Equity in earnings (losses) of unconsolidated entities	**98**	115	(62)	(17)	177
Loss on extinguishment of debt	**(3,254)**	(6,943)	—	3,689	(6,943)
Interest income	**240**	46	20	194	26
Other income	**1**	—	1,002	1	(1,002)
Total other (expense) income	**(2,915)**	(6,782)	960	3,867	(7,742)
Loss before income taxes	**(221,204)**	(145,443)	(142,953)	(75,761)	(2,490)
(Benefit from) provision for income taxes	**(75)**	420	—	(495)	420
Net loss	**(221,129)**	(145,863)	(142,953)	(75,266)	(2,910)
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	**—**	—	—	—	—
Less: Dividends on preferred shares	**24,758**	17,869	1,838	6,889	16,031
Net loss attributable to shareholders	**$ (245,887)**	$ (163,732)	$ (144,791)	$ (82,155)	$ (18,941)

The following table sets forth a reconciliation of net loss attributable to shareholders to Adjusted EBITDA:

	Year Ended December 31,			Change	
(in thousands)	**2021**	**2020**	**2019**	**'21 vs '20**	**'20 vs '19**
Net loss attributable to shareholders	**$ (245,887)**	$ (163,732)	$ (144,791)	$ (82,155)	$ (18,941)
Add: (Benefit from) provision for income taxes	**(75)**	420	—	(495)	420
Add: Equity-based compensation expense	**—**	—	—	—	—
Add: Acquisition and transaction expenses	**15,260**	2,274	3,974	12,986	(1,700)
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**3,254**	6,943	—	(3,689)	6,943
Add: Changes in fair value of non-hedge derivative instruments	**—**	—	—	—	—
Add: Asset impairment charges	**—**	—	—	—	—
Add: Incentive allocations	**—**	—	21,231	—	(21,231)
Add: Depreciation and amortization expense	**8,399**	7,965	7,311	434	654
Add: Interest expense	**155,024**	87,445	77,684	67,579	9,761
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities (1)	**(310)**	(164)	(61)	(146)	(103)
Less: Equity in (earnings) losses of unconsolidated entities	**(98)**	(115)	62	17	(177)
Less: Non-controlling share of Adjusted EBITDA	**—**	—	—	—	—
Adjusted EBITDA (non-GAAP)	**$ (64,433)**	$ (58,964)	$ (34,590)	$ (5,469)	$ (24,374)

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(1) Includes the following items for the years ended December 31, 2021, 2020 and 2019: (i) net loss of $(409), $(281) and $(192) and (ii) interest expense of $99, $117 and $131, respectively.

Comparison of the years ended December 31, 2021 and 2020

Revenues

Equipment leasing revenues decreased $2.6 million in our offshore business as one of our vessels was on hire longer in 2020 compared to 2021.

Expenses

Total expenses increased $77.4 million due to higher (i) interest expense and (ii) acquisition and transaction expenses, partially offset by lower (iii) management fees and incentive allocation to affiliate.

Interest expense increased $67.6 million which reflects an increase in the average outstanding debt of approximately $724.0 million primarily due to increases in (i) the Senior Notes due 2028 of $542.5 million, (ii) the Senior Notes due 2025 of $373.1 million, (iii) the Senior Notes due 2027 of $200.0 million, (iv) the Bridge Loans of $108.3 million and (v) the Revolving Credit Facility of $37.9 million, partially offset by a decrease in (vi) the Senior Notes due 2022 of $540.2 million, which was redeemed in full in May 2021.

Acquisition and transaction expenses increased $13.0 million primarily due to an increase in professional fees related to the acquisition of Transtar and other strategic initiatives.

Management fees and incentive allocation to affiliate decreased $2.2 million which reflects a decrease in the base management fee as our average total equity was lower in 2021 compared to 2020.

Other (expense) income

Other expense decreased $3.9 million primarily due to a lower loss on extinguishment of debt of $3.7 million.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA decreased $5.5 million primarily due to the changes noted above.

Transactions with Affiliates and Affiliated Entities

We are managed by the Manager, an affiliate of Fortress, pursuant to the Management Agreement which provides for us to bear obligations for management fees and expense reimbursements payable to the Manager. Our Management Agreement requires our Manager to manage our business affairs in conformity with a broad asset acquisition strategy adopted and monitored by our board of directors. From time to time, we may engage (subject to our strategy) in material transactions with our Manager or another entity managed by our Manager or one of its affiliates or other affiliates of Fortress, which may include, but are not limited to, certain financing arrangements, acquisition of assets, acquisition of debt obligations, debt, co-investments, and other assets that present an actual, potential or perceived conflict of interest. Please see Note 18 to our consolidated financial statements included elsewhere in this filing for more information.

Geographic Information

Please refer to Note 19 of our consolidated financial statements included in Item 8 in this Annual Report on Form 10-K for a report, by geographic area for each segment, of revenues from our external customers, for the years ended December 31, 2021, 2020 and 2019, as well as a report, by geographic area for each segment, of our total property, plant and equipment and equipment held for lease as of December 31, 2021 and 2020.

Liquidity and Capital Resources

In April 2021, we issued $500 million aggregate principal amount of senior unsecured notes due 2028 (see Note 10 to the consolidated financial statements). On May 7, 2021, we used a portion of the net proceeds to redeem in full the Senior Notes due 2022, which totaled $400 million aggregate principal plus accrued and unpaid interest.

In July 2021, we entered into a senior unsecured bridge term loan facility (the “Bridge Loans”) in an aggregate principal amount of $650 million in order to finance the acquisition of Transtar, which closed on July 28, 2021. We issued new equity and debt in September 2021, as described below, and repaid in full the Bridge Loans.

In August 2021, Jefferson issued $425 million aggregate principal amount of Series 2021 Bonds (see Note 10 to the consolidated financial statements). Jefferson used a portion of the net proceeds from the Series 2021 Bonds to repay certain indebtedness, and intends to use a portion of the net proceeds to pay for or reimburse the cost of development, construction and acquisition of certain facilities.

In September 2021, we issued 12,000,000 common shares and received net proceeds of approximately $291.7 million after deducting underwriting discounts and offering expenses (see Note 20 to the consolidated financial statements). The proceeds were used to repay a portion of the Bridge Loans. Additionally, in October 2021, the underwriters exercised an option to purchase an additional 1,283,863 common shares and we received net proceeds of approximately $31 million.

In September 2021, we issued an additional $500 million aggregate principal amount of the Senior Notes due 2028 (see Note 10 to the consolidated financial statements). We used a portion of the net proceeds to repay in full the Bridge Loans.

In December 2021, we entered into an agreement for senior secured bridge term loans (“2021 Bridge Loans”) in an aggregate principal amount of $350 million, which we used to finance or refinance certain assets.

We believe we have sufficient liquidity to satisfy our cash needs, however, we continue to evaluate and take action, as necessary, to preserve adequate liquidity and ensure that our business can continue to operate during these uncertain times. This includes limiting discretionary spending across the organization and re-prioritizing our capital projects amid the COVID-19 pandemic.

Our principal uses of liquidity have been and continue to be (i) acquisitions or expansion of transportation infrastructure and equipment, (ii) distributions to our shareholders, (iii) expenses associated with our operating activities and (iv) debt service obligations associated with our investments.

- Cash used for the purpose of making investments was $1.5 billion, $597.5 million and $942.5 million during the years ended December 31, 2021, 2020, and 2019, respectively.
- Distributions to shareholders, including cash dividends, were $142.8 million, $131.4 million and $115.4 million during the years ended December 31, 2021, 2020 and 2019, respectively.
- Uses of liquidity associated with our operating expenses are captured on a net basis in our cash flows from operating activities. Uses of liquidity associated with our debt obligations are captured in our cash flows from financing activities.

Our principal sources of liquidity to fund these uses have been and continue to be (i) revenues from our transportation infrastructure and equipment assets (including finance lease collections and maintenance reserve collections) net of operating expenses, (ii) proceeds from borrowings or the issuance of securities and (iii) proceeds from asset sales.

- Cash flows from operating activities, plus the principal collections on finance leases and maintenance reserve collections were $16.9 million, $110.3 million and $229.7 million during the years ended December 31, 2021, 2020, and 2019, respectively.
- During the year ended December 31, 2021, additional borrowings were obtained in connection with the (i) Senior Notes due 2028 of $1.0 billion, (ii) Revolving Credit Facility of $690.0 million, (iii) Bridge Loan Agreement of $650.0 million, (iv)

Series 2021 Bonds of $425.0 million, (v) 2021 Bridge Loans of $100.5 million and (vi) EB-5 Loan Agreement of $26.1 million. We made principal payments of $1.6 billion related to the Bridge Loan Agreement, Revolving Credit Facility and Senior Notes due 2022.

During the year ended December 31, 2020, additional borrowings were obtained in connection with the (i) Senior Notes due 2025 of $407.0 million, (ii) Senior Notes due 2027 of $400.0 million, (iii) Revolving Credit Facility of $270.0 million and (iv) Series 2020 Bonds of $264.0 million. We made principal payments of $852.2 million related to the Senior Notes due 2022, Revolving Credit Facility, Series 2016 Bonds, Jefferson Revolver, Series 2012 Bonds and FTAI Pride Credit Agreement.

During the year ended December 31, 2019, additional borrowings were obtained in connection with the (i) Revolving Credit Facility of $250.0 million, (ii) LREG Credit Agreement of $173.5 million, (iii) Senior Notes due 2025 of $148.7 million, (iv) Senior Notes due 2022 of $147.8 million, (v) DRP Revolver of $25.0 million, (vi) Jefferson Revolver of $23.2 million and (vii) CMQR Credit Agreement of $20.9 million. We made principal payments of $405.1 million primarily related to the Revolving Credit Facility, Jefferson Revolver and CMQR Credit Agreement.

- Proceeds from the sale of subsidiaries and assets were $163.4 million, $72.2 million and $432.3 million during the years ended December 31, 2021, 2020, and 2019, respectively.
- Proceeds from the issuance of common shares, net of issuance costs were $323.1 million during the year ended December 31, 2021. There were no issuances of common shares in 2020 or 2019.
- Proceeds from the issuance of preferred shares, net of underwriters discount and issuance costs, were $101.2 million, $19.7 million and $194.0 million during the years ended December 31, 2021, 2020 and 2019, respectively.

Our net cash provided by operating activities has been less than the amount of distributions to our shareholders. Our board of directors takes this and other factors into account as part of any decision to pay a dividend, and the timing and amount of any future dividend is subject to change at the discretion of our board of directors.

We are currently evaluating several potential Infrastructure and Equipment Leasing transactions, which could occur within the next 12 months. However, as of the date of this filing, none of these transactions or negotiations are definitive or included within our planned liquidity needs. We cannot assure if or when any such transaction will be consummated or the terms of any such transaction.

Historical Cash Flow

The following table presents our historical cash flow:

	Year Ended December 31,		
(in thousands)	**2021**	**2020**	**2019**
Cash flow data:			
Net cash (used in) provided by operating activities	**$ (22,044)**	$ 63,106	$ 151,043
Net cash used in investing activities	**(1,286,958)**	(509,123)	(495,236)
Net cash provided by financing activities	**1,587,645**	364,918	465,873

Comparison of the years ended December 31, 2021 and 2020

Net cash used in operating activities increased $85.2 million, which primarily reflects (i) an increase in net loss of $27.0 million, primarily due to higher interest expense and operating expenses, partially offset by higher revenue and (ii) certain adjustments to reconcile net loss to cash used in operating activities including, gain on sale of assets, net of $49.3 million, security deposits and maintenance claims included in earnings of $32.7 million, depreciation and amortization of $29.4 million and asset impairment of $23.5 million.

Net cash used in investing activities increased $777.8 million primarily due to (i) the acquisition of Transtar, net of cash acquired of $627.1 million, (ii) an increase in acquisitions of leasing equipment of $251.0 million and (iii) an increase in investment in unconsolidated entities of $50.0 million, partially offset by (iv) a decrease in acquisitions of property, plant and equipment of $107.5 million and (v) an increase in proceeds from the sale of leasing equipment of $86.8 million.

Net cash provided by financing activities increased $1.2 billion primarily due to (i) an increase in proceeds from debt of $1.6 billion, (ii) an increase in proceeds from the issuance of common shares, net of $323.1 million and (iii) an increase in proceeds from the issuance of preferred shares, net of $81.5 million, partially offset by (iv) an increase in repayments of debt of $701.0 million.

Funds Available for Distribution (non-GAAP)

We use Funds Available for Distribution (“FAD”) in evaluating our ability to meet our stated dividend policy. We believe FAD is a useful metric for investors and analysts for similar purposes. FAD is not a financial measure in accordance with U.S. GAAP. The U.S. GAAP measure most directly comparable to FAD is net cash provided by operating activities.

We define FAD as: net cash provided by operating activities plus principal collections on finance leases, proceeds from sale of assets, and return of capital distributions from unconsolidated entities, less required payments on debt obligations and capital distributions to non-controlling interest, and excluding changes in working capital. The following table sets forth a reconciliation of net cash provided by operating activities to FAD:

	Year Ended December 31,		
(in thousands)	**2021**	**2020**	**2019**
Net cash (used in) provided by operating activities	**$ (22,044)**	$ 63,106	$ 151,043
Add: Principal collections on finance leases	**7,387**	13,823	13,398
Add: Proceeds from sale of assets	**163,421**	72,175	432,273
Add: Return of capital distributions from unconsolidated entities	**—**	—	1,555
Less: Required payments on debt obligations [(1)]	**—**	—	(36,559)
Less: Capital distributions to non-controlling interest	**—**	—	—
Exclude: Changes in working capital	**93,422**	88,314	4,726
Funds Available for Distribution (FAD)	**$ 242,186**	$ 237,418	$ 566,436

[(1)] Required payments on debt obligations for the year ended December 31, 2021 exclude repayments of $650,000 for the Bridge Loan Agreement, $500,527 for the Revolving Credit Facility and $402,704 for the Senior Notes due 2022, and for the year ended December 31, 2020 exclude repayments of $306,206 for the Senior Notes due 2022, $270,000 for the Revolving Credit Facility, $144,200 for the Series 2016 Bonds, $50,262 for the Jefferson Revolver, $45,520 for the Series 2012 Bonds and $36,009 for the FTAI Pride Credit Agreement, and for the year ended December 31, 2019 exclude repayments of $350,000 for the Revolving Credit Facility and $18,572 for the CMQR Credit Agreement, all of which were voluntary refinancings as repayments of these amounts were not required at such time.

Limitations

FAD is subject to a number of limitations and assumptions and there can be no assurance that we will generate FAD sufficient to meet our intended dividends. FAD has material limitations as a liquidity measure because such measure excludes items that are required elements of our net cash provided by operating activities as described below. FAD should not be considered in isolation nor as a substitute for analysis of our results of operations under U.S. GAAP, and it is not the only metric that should be considered in evaluating our ability to meet our stated dividend policy. Specifically:

- FAD does not include equity capital called from our existing limited partners, proceeds from any debt issuance or future equity offering, historical cash and cash equivalents and expected investments in our operations.
- FAD does not give pro forma effect to prior acquisitions, certain of which cannot be quantified.
- While FAD reflects the cash inflows from sale of certain assets, FAD does not reflect the cash outflows to acquire assets as we rely on alternative sources of liquidity to fund such purchases.
- FAD does not reflect expenditures related to capital expenditures, acquisitions and other investments as we have multiple sources of liquidity and intend to fund these expenditures with future incurrences of indebtedness, additional capital contributions and/or future issuances of equity.
- FAD does not reflect any maintenance capital expenditures necessary to maintain the same level of cash generation from our capital investments.
- FAD does not reflect changes in working capital balances as management believes that changes in working capital are primarily driven by short term timing differences, which are not meaningful to our distribution decisions.
- Management has significant discretion to make distributions, and we are not bound by any contractual provision that requires us to use cash for distributions.

If such factors were included in FAD, there can be no assurance that the results would be consistent with our presentation of FAD.

Contractual Obligations and Cash Requirements

Our material cash requirements include the following contractual and other obligations:

Debt Obligations—As of December 31, 2021, we had outstanding principal and interest payment obligations of $3.3 billion and $1.2 billion, respectively, of which, $100.5 million and $185.4 million, respectively, are due in the next twelve months. See Note 10 to the consolidated financial statements for additional information about our debt obligations.

Lease Obligations—As of December 31, 2021, we had outstanding operating and finance lease obligations of $182.2 million, of which, $10.7 million is due in the next twelve months.

Other Obligations—As of December 31, 2021, in connection with a pipeline capacity agreement at Jefferson Terminal, we had an obligation to pay a minimum of $10.2 million in marketing fees in the next twelve months.

Other Cash Requirements—In addition to our contractual obligations, we pay quarterly cash dividends on our common shares and preferred shares, which are subject to change at the discretion of our Board of Directors. During 2021, we declared cash dividends of $118.0 million and $24.8 million on our common shares and preferred shares, respectively.

We expect to meet our future short-term liquidity requirements through cash on hand and net cash provided by our current operations. We expect that our operating subsidiaries will generate sufficient cash flow to cover operating expenses and the payment of principal and interest on our indebtedness as they become due. We may elect to meet certain long-term liquidity requirements or to continue to pursue strategic opportunities through utilizing cash on hand, cash generated from our current operations and the issuance of securities in the future. Management believes adequate capital and borrowings are available from various sources to fund our commitments to the extent required.

Critical Accounting Estimates and Policies

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Note 2 to the consolidated financial statements describes the significant accounting policies and methods used in the preparation of our consolidated financial statements.

Operating Leases—We lease equipment pursuant to net operating leases. Operating leases with fixed rentals and step rentals are recognized on a straight-line basis over the term of the lease, assuming no renewals. Revenue is not recognized when collection is not reasonably assured. When collectability is not reasonably assured, the customer is placed on non-accrual status and revenue is recognized when cash payments are received.

Generally, under our aircraft lease and engine agreements, the lessee is required to make periodic maintenance payments calculated based on the lessee's utilization of the leased asset or at the end of the lease. Typically, under our aircraft lease agreements, the lessee is responsible for maintenance, repairs and other operating expenses throughout the term of the lease. These periodic maintenance payments accumulate over the term of the lease to fund major maintenance events, and we are contractually obligated to return maintenance payments to the lessee up to the amount paid by the lessee. In the event the total cost of maintenance events over the term of a lease is less than the cumulative maintenance payments, we are not required to return any unused or excess maintenance payments to the lessee.

Maintenance payments received for which we expect to repay to the lessee are presented as Maintenance Deposits in our Consolidated Balance Sheets. All excess maintenance payments received that we do not expect to repay to the lessee are recorded as Maintenance revenues. Estimates in recognizing revenue include mean time between removal, projected costs for engine maintenance and forecasted utilization of aircraft which are affected by historical usage patterns and overall industry, market and economic conditions. Significant changes to these estimates could have a material effect on the amount of revenue recognized in the period.

For purchase and lease back transactions, we account for the transaction as a single arrangement. We allocate the consideration paid based on the fair value of the aircraft and lease. The fair value of the lease may include a lease premium or discount.

Finance Leases—From time to time we enter into finance lease arrangements that include a lessee obligation to purchase the leased equipment at the end of the lease term, a bargain purchase option, or provides for minimum lease payments with a present value that equals or exceeds substantially all of the fair value of the leased equipment at the date of lease inception. Net investment in finance lease represents the minimum lease payments due from lessee, net of unearned income. The lease payments are segregated into principal and interest components similar to a loan. Unearned income is recognized on an effective interest method over the lease term and is recorded as finance lease income. The principal component of the lease payment is reflected as a reduction to the net investment in finance leases. Revenue is not recognized when collection is not reasonably assured. When collectability is not reasonably assured, the customer is placed on non-accrual status and revenue is recognized when cash payments are received.

Variable Interest Entities—The assessment of whether an entity is a VIE and the determination of whether to consolidate a VIE requires judgment. VIEs are defined as entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. A VIE is required to be consolidated by its primary beneficiary, and only by its primary beneficiary, which is defined as the party who has the power to direct the activities of a VIE that most significantly impact its economic performance and who has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Maintenance Payments—Typically, under an operating lease of aircraft, the lessee is responsible for performing all maintenance and is generally required to make maintenance payments to us for heavy maintenance, overhaul or replacement of certain high-value components of the aircraft or engine. These maintenance payments are based on hours or cycles of utilization or on calendar time, depending on the component, and are generally required to be made monthly in arrears. If a lessee is making monthly maintenance payments, we would typically be obligated to reimburse the lessee for costs they incur for heavy maintenance, overhaul or replacement of certain high-value components to the extent of maintenance payments received in respect of the specific maintenance event, usually shortly following the completion of the relevant work.

We record the portion of maintenance payments paid by the lessee that are expected to be reimbursed as maintenance deposit liabilities in the Consolidated Balance Sheets. Reimbursements made to the lessee upon the receipt of evidence of qualifying maintenance work are recorded against the maintenance deposit liability.

In certain acquired leases, we or the lessee may be obligated to make a payment to the other party at lease termination based on redelivery conditions stipulated at the inception of the lease. When the lessee is required to return the aircraft in an improved maintenance condition, we record a maintenance right asset, as a component of other assets, for the estimated value of the end-of-life maintenance payment at acquisition. We recognize payments received as end-of-lease compensation adjustments, within lease revenue or as a reduction to the maintenance right asset, when payment is received or collectability is assured. In the event we are required to make payments at the end of the lease for redelivery conditions, amounts are accrued as additional maintenance liability and expensed when we are obligated and can reasonably estimate such payment.

Property, Plant and Equipment, Leasing Equipment and Depreciation—Property, plant and equipment and leasing equipment are stated at cost (inclusive of capitalized acquisition costs, where applicable) and depreciated using the straight-line method, over estimated useful lives, to estimated residual values which are summarized as follows:

Asset	Range of Estimated Useful Lives	Residual Value Estimates
Aircraft	25 years from date of manufacture	Generally not to exceed 15% of manufacturer’s list price when new
Aircraft engines	2 - 6 years, based on maintenance adjusted service life	Sum of engine core salvage value plus the estimated fair value of life limited parts
Offshore energy vessels	25 years from date of manufacture	10% of new build cost
Railcars and locomotives	1 - 50 years from date of manufacture	Scrap value at end of useful life
Track and track related assets	1 - 50 years from date of manufacture	Scrap value at end of useful life
Land, site improvements and rights	N/A	N/A
Bridges and tunnels	15 - 55 years	Scrap value at end of useful life
Buildings and site improvements	3 - 30 years	Scrap value at end of useful life
Railroad equipment	2 - 15 years from date of manufacture	Scrap value at end of useful life
Terminal machinery and equipment	15 - 25 years from date of manufacture	Scrap value at end of useful life
Vehicles	2 - 7 years from date of manufacture	Scrap value at end of useful life
Furniture and fixtures	3 - 6 years from date of purchase	None
Computer hardware and software	2 - 5 years from date of purchase	None
Construction in progress	N/A	N/A

Impairment of Long-Lived Assets—We perform a recoverability assessment of each of our long-lived assets whenever events or changes in circumstances, or indicators, indicate that the carrying amount or net book value of an asset may not be recoverable. Indicators may include, but are not limited to, a significant lease restructuring or early lease termination; significant traffic decline; or the introduction of newer technology aircraft, vessels, engines or railcars. When performing a recoverability assessment, we measure whether the estimated future undiscounted net cash flows expected to be generated by the asset exceeds its net book value. The undiscounted cash flows consist of cash flows from currently contracted leases and terminal services contracts, future projected leases, terminal service and freight rail rates, transition costs, estimated down time and estimated residual or scrap values. In the event that an asset does not meet the recoverability test, the carrying value of the asset will be adjusted to fair value resulting in an impairment charge.

Management develops the assumptions used in the recoverability analysis based on its knowledge of active contracts, current and future expectations of the global demand for a particular asset and historical experience in the leasing markets, as well as information received from third party industry sources. The factors considered in estimating the undiscounted cash flows are impacted by changes in future periods due to changes in contracted lease rates, terminal service, and freight rail rates, residual values, economic conditions, technology, demand for a particular asset type and other factors. With respect to our offshore energy business, although we expect current market conditions to improve, if such conditions persist for an extended period of time, this could result in the impairment of some of our offshore vessels.

Goodwill—Goodwill includes the excess of the purchase price over the fair value of the net tangible and intangible assets associated with the acquisition of Jefferson Terminal and Transtar. The carrying amount of goodwill was approximately $257.1 million and $122.7 million as of December 31, 2021 and 2020, respectively. The goodwill amounts as of December 31, 2020 related to the Jefferson reporting unit. The increase in 2021 reflects our acquisition of Transtar. See Note 4 to the consolidated financial statements for additional information.

We review the carrying values of goodwill at least annually to assess impairment since these assets are not amortized. An annual impairment review is conducted as of October 1st of each year. Additionally, we review the carrying value of goodwill whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The determination of fair value involves significant management judgment.

For an annual goodwill impairment assessment, an optional qualitative analysis may be performed. If the option is not elected or if it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then a goodwill impairment test is performed to identify potential goodwill impairment and measure an impairment loss. A qualitative analysis was not elected for the years ended December 31, 2021 or 2020.

Beginning in 2020, we adopted new guidance regarding the testing and recognition of a goodwill impairment, which prior to 2020 required two steps. A goodwill impairment assessment compares the fair value of the respective reporting unit with its carrying amount, including goodwill. The estimate of fair value of the respective reporting unit is based on the best information available as of the date of assessment, which primarily incorporates certain factors including our assumptions about operating results, business plans, income projections, anticipated future cash flows and market data. If the estimated fair value of the reporting unit is less than the carrying amount, a goodwill impairment is recorded to the extent that the carrying value of the reporting unit exceeds its fair value.

We estimate the fair value of the Jefferson and Transtar reporting units using an income approach, specifically a discounted cash flow analysis. This analysis requires us to make significant assumptions and estimates about the forecasted revenue growth rates, capital expenditures, the timing of future cash flows, and discount rates. The estimates and assumptions used consider historical performance if indicative of future performance and are consistent with the assumptions used in determining future profit plans for the reporting units.

In connection with our impairment analysis, although we believe the estimates of fair value are reasonable, the determination of certain valuation inputs is subject to management's judgment. Changes in these inputs, including as a result of events beyond our control, could materially affect the results of the impairment review. If the forecasted cash flows or other key inputs are negatively revised in the future, the estimated fair value of the reporting unit could be adversely impacted, potentially leading to an impairment in the future that could materially affect our operating results. Due to the acquisition of Transtar in the current year, the estimated fair value of that reporting unit approximates the book value. The Jefferson reporting unit had an estimated fair value that exceeded its carrying value by less than 20%. The Jefferson Terminal segment forecasted revenue is dependent on the ramp up of volumes under current and expected future contracts for storage and throughput of heavy and light crude and refined products and is subject to obtaining rail capacity for crude, expansion of refined product distribution to Mexico and movements in future oil spreads. At October 31, 2021, approximately 4.3 million barrels of storage was currently operational with 1.9 million barrels currently under construction for new contracts which will complete our storage development for our main terminal. Our discount rate for our 2021 goodwill impairment analysis was 9.0% and our assumed terminal growth rate was 2.0%. If our strategy changes from planned capacity downward due to an inability to source contracts or expand volumes, the fair value of the reporting unit would be negatively affected, which could lead to an impairment. The expansion of refineries in the Beaumont/Port Arthur area, as well as growing crude oil production in the U.S. and Canada, are expected to result in increased demand for storage on the U.S. Gulf Coast. Although we do not have significant direct exposure to volatility of crude oil prices, changes in crude oil pricing that affect long term refining planned output could impact Jefferson Terminal operations.

We expect the Jefferson Terminal segment to continue to generate positive Adjusted EBITDA in future years. Although certain of our anticipated contracts or expected volumes from existing contracts for Jefferson Terminal have been delayed, we continue to believe our projected revenues are achievable. Further delays in executing these contracts or achieving our projections could adversely affect the fair value of the reporting unit. The impact of the COVID-19 global pandemic during 2020 and 2021 negatively affected refining volumes and therefore Jefferson Terminal crude throughput but we have seen the activity starting to normalize and are expected to ramp back to normal during 2022. Furthermore, we anticipate strengthening macroeconomic demand for storage and the increasing spread between Western Canadian Crude and Western Texas Intermediate as Canadian crude pipeline apportionment increases. Also, as our pipeline connections became fully operational during 2021, we remain positive for the outlook of Jefferson Terminal's earnings potential.

There were no impairments of goodwill for the years ended December 31, 2021, 2020, and 2019.

Income Taxes—A portion of our income earned by our corporate subsidiaries is subject to U.S. federal and state income taxation, and is taxed at the currently enacted rates. The remainder of our income is allocated directly to our partners and is not subject to a corporate level of taxation. Certain subsidiaries of ours are subject to income tax in the foreign countries in which they conduct business.

We account for these taxes using the asset and liability method under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is established when management believes it is more likely than not that a deferred tax asset will not be realized.

Recent Accounting Pronouncements

Please see Note 2 to our consolidated financial statements included elsewhere in this filing for recent accounting pronouncements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of changes in value of a financial instrument, caused by fluctuations in interest rates and foreign exchange rates. Changes in these factors could cause fluctuations in our results of operations and cash flows. We are exposed to the market risks described below.

Interest Rate Risk

Interest rate risk is the exposure to loss resulting from changes in the level of interest rates and the spread between different interest rates. Interest rate risk is highly sensitive to many factors, including the U.S. government's monetary and tax policies, global economic factors and other factors beyond our control. We are exposed to changes in the level of interest rates and to changes in the relationship or spread between interest rates. Our primary interest rate exposure relates to our term loan arrangements.

LIBOR and other indices which are deemed "benchmarks" are the subject of recent national, international, and other regulatory guidance and proposals for reform. On March 5, 2021, the IBA Benchmark Administration confirmed its intention to cease publication of (i) one-week and two-month USD LIBOR settings after December 31, 2021 and (ii) the remaining USD LIBOR settings after June 30, 2023. We are monitoring related reform proposals and evaluating the related risks and, as a result of LIBOR's phase out, amended our revolving credit facility to incorporate SOFR as the successor rate to LIBOR; however, it is not possible to predict the effects of any of these developments, and any future initiatives to regulate, reform or change the manner of administration of LIBOR could result in adverse consequences to the rate of interest payable and receivable on, market value of and market liquidity for financial instruments tied to variable interest rate indices.

Our borrowing agreements generally require payments based on a variable interest rate index, such as SOFR. Therefore, to the extent our borrowing costs are not fixed, increases in interest rates may reduce our net income by increasing the cost of our debt without any corresponding increase in rents or cash flow from our leases. We may elect to manage our exposure to interest rate movements through the use of interest rate derivatives (interest rate swaps and caps).

The following discussion about the potential effects of changes in interest rates is based on a sensitivity analysis, which models the effects of hypothetical interest rate shifts on our financial condition and results of operations. Although we believe a sensitivity analysis provides the most meaningful analysis permitted by the rules and regulations of the SEC, it is constrained by several factors, including the necessity to conduct the analysis based on a single point in time and by the inability to include the extraordinarily complex market reactions that normally would arise from the market shifts modeled. Although the following results of a sensitivity analysis for changes in interest rates may have some limited use as a benchmark, they should not be viewed as a forecast. This forward-looking disclosure also is selective in nature and addresses only the potential interest expense impacts on our financial instruments and, in particular, does not address the mark-to-market impact on our interest rate derivatives, if any. It also does not include a variety of other potential factors that could affect our business as a result of changes in interest rates. In addition, the following discussion does not take into account our Series A and Series B preferred shares, on which distributions currently accrue interest at a fixed rate but will accrue interest at a floating rate based on a certain variable interest rate index plus a spread from and after September 15, 2024.

As of December 31, 2021, assuming we do not hedge our exposure to interest rate fluctuations related to our outstanding floating rate debt, a hypothetical 100-basis point increase/decrease in our variable interest rate on our borrowings would result in an increase of approximately $3.1 million or a decrease of approximately $0.6 million in interest expense over the next 12 months.

Item 8. Financial Statements and Supplementary Data

Index to Financial Statements:

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Fortress Transportation and Infrastructure Investors LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Fortress Transportation and Infrastructure Investors LLC (the "Company") as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive (loss) income, changes in equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 25, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of Goodwill-Jefferson Terminal Reporting Unit

Description of the Matter

At December 31, 2021, the Company’s goodwill was $122.7 million for the Jefferson Terminal reporting unit. As discussed in Note 2 of the consolidated financial statements, goodwill is tested for impairment at least annually at the reporting unit level.

Auditing the fair value of the Jefferson Terminal reporting unit used in the annual goodwill impairment test was complex and highly judgmental due to the significant estimation required in determining the fair value of the Jefferson Terminal reporting unit. In particular, the fair value estimate was sensitive to significant assumptions such as the forecasted revenue growth rates, EBITDA margins, capital expenditures, the timing of future cash flows and discount rate, which are affected by expectations about the Company’s ability to secure additional contracts and increase volumes from existing contracts as well as expectations about the overall industry, market and economic conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company’s goodwill impairment review process, including tests of controls over management’s review of valuation methodology and significant assumptions described above.

To test the estimated fair value of the Company’s Jefferson Terminal reporting unit for use in the goodwill impairment assessment, we performed audit procedures that included, among others, assessing the valuation methodology used and testing the significant assumptions described above and the completeness and accuracy of the underlying data used by the Company in its impairment test. For example, we compared the significant assumptions used by management to current industry, market and economic trends; to the historical results of the reporting unit and other guideline companies within the same industry; and evaluated whether changes to the Company’s business model, customer base or product mix and other relevant factors would affect the significant assumptions. We also assessed the historical accuracy of management’s estimates and performed sensitivity analyses over significant assumptions to evaluate the changes in the fair value of the Jefferson Terminal reporting unit that would result from changes in the significant assumptions. We also involved our valuation specialists to assist in our evaluation of the Company's valuation methodology and certain significant assumptions.

Recognition of Maintenance Revenue for Aircraft Leases

Description of the Matter

As described in Note 2 to the consolidated financial statements, the Company recognizes maintenance revenue for aircraft leases related to the portion of maintenance payments received from lessees that are not expected to be reimbursed for maintenance events. Revenue related to maintenance on leased aircraft is recorded as a component of maintenance revenue which totaled $128.8 million for the year ended December 31, 2021, as disclosed in Note 13.

Auditing maintenance revenue related to aircraft leases was complex and highly judgmental due to the significant estimation involved in projecting the timing of future major maintenance events. In particular, such estimates are sensitive to significant assumptions such as the mean time between removal (MTBR) and forecasted utilization of the aircraft which are affected by historical usage patterns and overall industry, market and economic conditions. Changes to these significant assumptions could have a material effect on the amount of maintenance revenue recognized in the period.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company’s maintenance revenue recognition process, including controls over management’s review of the significant assumptions used in determining the estimated timing of major maintenance events as described above.

To test maintenance revenue for aircraft leases, we performed audit procedures that included, among others, assessing the Company’s revenue recognition methodology and testing the significant assumptions described above and the completeness and accuracy of the underlying data used by the Company in its analyses. For example, we compared the significant assumptions used by management to the underlying customer lease agreements, historical utilization and third- party estimates for MTBR, when available. We tested management’s retrospective review of timing of estimated maintenance events to actual results to assess the historical accuracy of significant assumptions and contrary evidence, if any. We also performed a sensitivity analysis on utilization of the aircraft to evaluate the changes in the timing of the maintenance events from changes in utilization assumptions and the impact, if any, on maintenance revenue recognized in the period.

Accounting for the Acquisition of Transtar, LLC

Description of the Matter	On July 28, 2021, the Company completed its acquisition of Transtar, LLC for a total cash consideration of $636.0 million. As disclosed in Note 4 to the consolidated financial statements, the transaction was accounted for as a business combination, and as such, the purchase price was attributed to the assets acquired and liabilities assumed based on their fair values at the date of acquisition, including property, plant and equipment and customer relationship intangible assets. Auditing the Company's accounting for its acquisition of Transtar, LLC was significant to our audit due to the higher extent of audit effort, significant estimation and the judgmental nature of the inputs used to determine the fair value of property, plant and equipment and the customer relationship intangible assets, which are inherently uncertain and generally unobservable, requiring the involvement of valuation specialists. The significant assumptions used to estimate the fair value of the property, plant and equipment included replacement cost estimates, salvage values and market data for similar assets where available. The significant assumptions used to estimate the value of the customer relationship intangible assets included discount rate and future revenues and operating expenses. When estimating the significant assumptions to be used in the valuation of the property, plant and equipment and customer relationship intangible assets, the Company included consideration of current industry information, market and economic trends, and historical results of the acquired business. These significant assumptions are forward-looking and could be affected by future economic and market conditions.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's valuation of the property, plant and equipment and customer relationship intangible assets, including tests of controls over management's review of the valuation methodologies and the related assumptions described above. To test the estimated fair value of the property, plant, and equipment and customer relationship intangible assets, our audit procedures included, among others assessing the valuation methodologies, testing the models, evaluating significant assumptions used as described above, and testing the completeness and accuracy of the underlying data used by the Company. For example, we compared the significant assumptions used by management to the historical results of the acquired business as well as to current industry and economic trends. We performed sensitivity analyses of significant assumptions to evaluate the change in the fair values of the customer relationship intangible assets resulting from changes in the assumptions. In addition, we involved valuation specialists to assist in evaluating the methodologies used and the significant assumptions applied in developing the fair value estimates of property, plant and equipment and customer relationship intangible assets.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2016.

New York, New York

February 25, 2022

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share and per share data)

	Notes	December 31, 2021	December 31, 2020
Assets			
Cash and cash equivalents	2	**$ 188,078**	$ 121,703
Restricted cash	2	**251,983**	39,715
Accounts receivable, net		**175,225**	91,691
Leasing equipment, net	5	**1,891,649**	1,635,259
Operating lease right-of-use assets, net	14	**75,344**	62,355
Finance leases, net	6	**7,583**	6,927
Property, plant, and equipment, net	7	**1,555,857**	964,363
Investments	8	**77,325**	146,515
Intangible assets, net	9	**98,699**	18,786
Goodwill		**257,137**	122,735
Other assets	2	**284,974**	177,928
Total assets		**$ 4,863,854**	$ 3,387,977
Liabilities			
Accounts payable and accrued liabilities		**$ 202,669**	$ 113,185
Debt, net	10	**3,220,211**	1,904,762
Maintenance deposits	2	**106,836**	148,293
Security deposits	2	**40,149**	37,064
Operating lease liabilities	14	**73,594**	62,001
Other liabilities		**96,295**	23,351
Total liabilities		**$ 3,739,754**	$ 2,288,656
Commitments and contingencies	21		
Equity			
Common shares ($0.01 par value per share; 2,000,000,000 shares authorized; 99,180,385 and 85,617,146 shares issued and outstanding as of December 31, 2021 and 2020, respectively)		**$ 992**	$ 856
Preferred shares ($0.01 par value per share; 200,000,000 shares authorized; 13,320,000 and 9,120,000 shares issued and outstanding as of December 31, 2021 and 2020, respectively)		**133**	91
Additional paid in capital		**1,411,940**	1,130,106
Accumulated deficit		**(132,392)**	(28,158)
Accumulated other comprehensive loss		**(156,381)**	(26,237)
Shareholders' equity		**1,124,292**	1,076,658
Non-controlling interest in equity of consolidated subsidiaries		**(192)**	22,663
Total equity		**$ 1,124,100**	$ 1,099,321
Total liabilities and equity		**$ 4,863,854**	$ 3,387,977

See accompanying notes to consolidated financial statements.

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except share and per share data)

	Notes	Year Ended December 31, 2021	2020	2019
Revenues				
Equipment leasing revenues		$ 335,583	$ 297,934	$ 349,322
Infrastructure revenues		120,219	68,562	229,452
Total revenues	13	455,802	366,496	578,774
Expenses				
Operating expenses		172,464	109,512	291,572
General and administrative		17,409	18,159	16,905
Acquisition and transaction expenses		21,941	9,868	17,623
Management fees and incentive allocation to affiliate	18	16,322	18,519	36,059
Depreciation and amortization	5, 7, 9	201,756	172,400	169,023
Asset impairment		10,463	33,978	4,726
Interest expense		171,036	98,206	95,585
Total expenses		611,391	460,642	631,493
Other (expense) income				
Equity in losses of unconsolidated entities	8	(12,734)	(5,039)	(2,375)
Gain (loss) on sale of assets, net		49,031	(308)	203,250
Loss on extinguishment of debt		(3,254)	(11,667)	—
Interest income		1,711	162	531
Other (expense) income		(10,928)	70	3,445
Total other income (expense)		23,826	(16,782)	204,851
(Loss) income from continuing operations before income taxes		(131,763)	(110,928)	152,132
(Benefit from) provision for income taxes	17	(1,057)	(5,905)	17,810
Net (loss) income from continuing operations		(130,706)	(105,023)	134,322
Net income from discontinued operations, net of income taxes	3	—	1,331	73,462
Net (loss) income		(130,706)	(103,692)	207,784
Less: Net (loss) income attributable to non-controlling interests in consolidated subsidiaries:				
Continuing operations		(26,472)	(16,522)	(17,571)
Discontinued operations	3	—	—	247
Less: Dividends on preferred shares		24,758	17,869	1,838
Net (loss) income attributable to shareholders		$ (128,992)	$ (105,039)	$ 223,270
(Loss) earnings per share:				
Basic	20			
Continuing operations		$ (1.43)	$ (1.24)	$ 1.74
Discontinued operations		$ —	$ 0.02	$ 0.85
Diluted	20			
Continuing operations		$ (1.43)	$ (1.24)	$ 1.74
Discontinued operations		$ —	$ 0.02	$ 0.85
Weighted average shares outstanding:				
Basic		89,922,088	86,015,702	85,992,019
Diluted		89,922,088	86,015,702	86,029,363

See accompanying notes to consolidated financial statements.

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Dollars in thousands)

	Year Ended December 31,		
	2021	**2020**	**2019**
Net (loss) income	**$ (130,706)**	$ (103,692)	$ 207,784
Other comprehensive (loss) income:			
Other comprehensive (loss) income related to equity method investees, net [1]	**(129,820)**	(26,609)	372
Changes in pension and other employee benefit accounts	**(324)**	—	—
Comprehensive (loss) income	**(260,850)**	(130,301)	208,156
Comprehensive (loss) income attributable to non-controlling interest:			
Continuing operations	**(26,472)**	(16,522)	(17,571)
Discontinued operations	**—**	—	247
Comprehensive (loss) income attributable to shareholders	**$ (234,378)**	$ (113,779)	$ 225,480

[1] Net of deferred tax (benefit) expense of $(2,187), $(7,075) and $99 for the years ended December 31, 2021, 2020 and 2019, respectively.

See accompanying notes to consolidated financial statements.

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Dollars in thousands)

	Common Shares	Preferred Shares	Additional Paid In Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest in Equity of Consolidated Subsidiaries	Total Equity
Equity - December 31, 2018	**$ 840**	**$ —**	**$ 1,029,376**	**$ (32,817)**	**$ —**	**$ 56,383**	**$ 1,053,782**
Net income (loss)				225,108		(17,324)	207,784
Other comprehensive income				—	372	—	372
Total comprehensive income (loss)				225,108	372	(17,324)	208,156
Settlement of equity-based compensation						(10,483)	(10,483)
Issuance of common shares	9		384			—	393
Conversion of participating securities			(8)				(8)
Dividends declared - common shares			(113,541)			—	(113,541)
Issuance of preferred shares		81	193,911				193,992
Dividends declared - preferred shares				(1,838)			(1,838)
Equity-based compensation						8,404	8,404
Equity - December 31, 2019	**$ 849**	**$ 81**	**$ 1,110,122**	**$ 190,453**	**$ 372**	**$ 36,980**	**$ 1,338,857**
Net loss				(87,170)		(16,522)	(103,692)
Other comprehensive loss				—	(26,609)	—	(26,609)
Total comprehensive loss				(87,170)	(26,609)	(16,522)	(130,301)
Settlement of equity-based compensation						(120)	(120)
Issuance of common shares	7		304				311
Conversion of participating securities			(7)				(7)
Dividends declared - common shares				(113,572)			(113,572)
Issuance of preferred shares		10	19,687				19,697
Dividends declared - preferred shares				(17,869)			(17,869)
Equity-based compensation						2,325	2,325
Equity - December 31, 2020	**$ 856**	**$ 91**	**$ 1,130,106**	**$ (28,158)**	**$ (26,237)**	**$ 22,663**	**$ 1,099,321**
Net loss				**(104,234)**		**(26,472)**	**(130,706)**
Other comprehensive loss				**—**	**(130,144)**	**—**	**(130,144)**
Total comprehensive loss				**(104,234)**	**(130,144)**	**(26,472)**	**(260,850)**
Settlement of equity based compensation						**(421)**	**(421)**
Issuance of common shares	**136**		**323,443**				**323,579**
Dividends declared - common shares			**(118,009)**				**(118,009)**
Issuance of preferred shares		**42**	**101,158**				**101,200**
Dividends declared - preferred shares			**(24,758)**				**(24,758)**
Equity-based compensation						**4,038**	**4,038**
Equity - December 31, 2021	**$ 992**	**$ 133**	**$ 1,411,940**	**$ (132,392)**	**$ (156,381)**	**$ (192)**	**$ 1,124,100**

See accompanying notes to consolidated financial statements.

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	Year Ended December 31,		
	2021	**2020**	**2019**
Cash flows from operating activities:			
Net (loss) income	**$ (130,706)**	$ (103,692)	$ 207,784
Adjustments to reconcile net (loss) income to cash (used in) provided by operating activities:			
Equity in losses of unconsolidated entities	**12,734**	5,039	2,375
Gain on sale of subsidiaries	**—**	(1,331)	(198,764)
(Gain) loss on sale of assets, net	**(49,031)**	308	(81,954)
Security deposits and maintenance claims included in earnings	**(39,067)**	(6,362)	(20,385)
Loss on extinguishment of debt	**3,254**	11,667	—
Equity-based compensation	**4,038**	2,325	8,404
Depreciation and amortization	**201,756**	172,400	171,225
Asset impairment	**10,463**	33,978	4,726
Change in deferred income taxes	**(2,057)**	(5,851)	14,495
Change in fair value of non-hedge derivatives	**(2,220)**	181	4,555
Amortization of lease intangibles and incentives	**27,978**	30,346	30,162
Amortization of deferred financing costs	**21,723**	7,315	8,333
Bad debt expense	**12,953**	3,595	3,986
Other	**(440)**	1,502	827
Change in:			
Accounts receivable	**(88,872)**	(59,734)	(22,622)
Other assets	**(30,789)**	3,660	(17,890)
Accounts payable and accrued liabilities	**25,079**	(5,258)	31,543
Management fees payable to affiliate	**1,042**	(20,622)	19,080
Other liabilities	**118**	(6,360)	(14,837)
Net cash (used in) provided by operating activities	**(22,044)**	63,106	151,043
Cash flows from investing activities:			
Investment in unconsolidated entities	**(54,655)**	(4,690)	(13,500)
Principal collections on finance leases	**7,387**	13,823	13,398
Acquisition of business, net of cash acquired	**(627,090)**	—	—
Acquisition of leasing equipment	**(572,624)**	(321,606)	(568,569)
Acquisition of property, plant and equipment	**(157,332)**	(264,829)	(331,171)
Acquisition of lease intangibles	**(24,017)**	1,997	606
Investment in convertible promissory notes	**(10,000)**	—	—
Acquisition of remaining interest in JV investment	**—**	—	(28,828)
Purchase deposit for aircraft and aircraft engines	**(13,658)**	(8,343)	(1,000)
Proceeds from sale of subsidiaries	**—**	—	183,819
Proceeds from sale of leasing equipment	**158,927**	72,175	248,454
Proceeds from sale of property, plant and equipment	**4,494**	—	—
Receipt of deposits for sale of aircraft and engine	**600**	—	—
Return of purchase deposits	**1,010**	2,350	—
Return of capital distributions from unconsolidated entities	**—**	—	1,555
Net cash used in investing activities	**$ (1,286,958)**	$ (509,123)	$ (495,236)

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

	Year Ended December 31,		
	2021	2020	2019
Cash flows from financing activities:			
Proceeds from debt	$ 2,894,127	$ 1,340,981	$ 788,829
Repayment of debt	(1,553,231)	(852,197)	(405,131)
Payment of deferred financing costs	(52,739)	(28,243)	(34,218)
Receipt of security deposits	8,770	3,242	7,887
Return of security deposits	(1,201)	(4,655)	(368)
Receipt of maintenance deposits	31,507	33,369	65,279
Release of maintenance deposits	(20,724)	(15,712)	(26,940)
Proceeds from issuance of common shares, net of underwriter's discount	323,124	—	—
Proceeds from issuance of preferred shares, net of underwriter's discount and issuance costs	101,200	19,694	193,992
Settlement of equity-based compensation	(421)	(120)	(8,078)
Cash dividends - common shares	(118,009)	(113,572)	(113,541)
Cash dividends - preferred shares	(24,758)	(17,869)	(1,838)
Net cash provided by financing activities	1,587,645	364,918	465,873
Net increase (decrease) in cash and cash equivalents and restricted cash	278,643	(81,099)	121,680
Cash and cash equivalents and restricted cash, beginning of period	161,418	242,517	120,837
Cash and cash equivalents and restricted cash, end of period	$ 440,061	$ 161,418	$ 242,517
Supplemental disclosure of cash flow information:			
Cash paid for interest, net of capitalized interest	$ 142,200	$ 71,637	$ 83,164
Cash paid for taxes	402	—	1,072
Supplemental disclosure of non-cash investing and financing activities:			
Repayment and settlement of debt	$ —	$ —	$ (24,250)
Acquisition of leasing equipment	47,114	141,478	(24,530)
Acquisition of property, plant and equipment	(581)	(13,237)	(47,520)
Investment in Long Ridge JV	—	—	155,589
Settled and assumed security deposits	(4,041)	(5,825)	(239)
Settlement of equity based compensation	—	—	(2,405)
Billed, assumed and settled maintenance deposits	(21,710)	(58,906)	15,117
Deferred financing costs	—	—	(1,161)
Change in fair value of pension and other retirement benefit liabilities	(237)	—	—
Change in fair value of cash flow hedge	—	—	372
Non-cash change in equity method investment	(129,907)	(26,609)	—
Issuance of common shares	455	304	385

See accompanying notes to consolidated financial statements.

1. ORGANIZATION

Fortress Transportation and Infrastructure Investors LLC ("we", "us", "our" or the "Company") is a Delaware limited liability company which, through its subsidiary, Fortress Worldwide Transportation and Infrastructure General Partnership (the "Partnership"), owns and leases aviation equipment and also owns and operates (i) a multi-modal crude oil and refined products terminal in Beaumont, Texas ("Jefferson Terminal"), (ii) a deep-water port located along the Delaware River with an underground storage cavern, a new multipurpose dock, a rail-to-ship transloading system and multiple industrial development opportunities ("Repauno"), (iii) an equity method investment in a multi-modal terminal located along the Ohio River with multiple industrial development opportunities, including a power plant in operation ("Long Ridge") and (iv) five freight railroads and one switching company ("Transtar") that provide rail service to certain manufacturing and production facilities. Additionally, we own and lease offshore energy equipment and shipping containers. We have four reportable segments, (i) Aviation Leasing, (ii) Jefferson Terminal, (iii) Ports and Terminals and (iv) Transtar, which operate in two primary businesses, Equipment Leasing and Infrastructure (see Note 19).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and include both our accounts and those of our subsidiaries.

Principles of Consolidation—We consolidate all entities in which we have a controlling financial interest and control over significant operating decisions, as well as variable interest entities ("VIEs") in which we are the primary beneficiary. All intercompany transactions and balances have been eliminated. The ownership interest of other investors in consolidated subsidiaries is recorded as non-controlling interest.

We use the equity method of accounting for investments in entities in which we exercise significant influence, but which do not meet the requirements for consolidation. Under the equity method, we record our proportionate share of the underlying net income (loss) of these entities as well as the proportionate interest in adjustments to other comprehensive income (loss).

Use of Estimates—The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties—In the normal course of business, we encounter several significant types of economic risk including credit, market, and capital market risks. Credit risk is the risk of the inability or unwillingness of a lessee, customer, or derivative counterparty to make contractually required payments or to fulfill its other contractual obligations. Market risk reflects the risk of a downturn or volatility in the underlying industry segments in which we operate, which could adversely impact the pricing of the services offered by us or a lessee's or customer's ability to make payments, increase the risk of unscheduled lease terminations and depress lease rates and the value of our leasing equipment or operating assets. Capital market risk is the risk that we are unable to obtain capital at reasonable rates to fund the growth of our business or to refinance existing debt facilities. We, through our subsidiaries, also conduct operations outside of the United States; such international operations are subject to the same risks as those associated with our United States operations as well as additional risks, including unexpected changes in regulatory requirements, heightened risk of political and economic instability, potentially adverse tax consequences and the burden of complying with foreign laws. We do not have significant exposure to foreign currency risk as all of our leasing arrangements and the majority of terminal services revenue are denominated in U.S. dollars.

Variable Interest Entities—The assessment of whether an entity is a VIE and the determination of whether to consolidate a VIE requires judgment. VIEs are defined as entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. A VIE is required to be consolidated by its primary beneficiary, and only by its primary beneficiary, which is defined as the party who has the power to direct the activities of a VIE that most significantly impact its economic performance and who has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Delaware River Partners LLC

During 2016, through Delaware River Partners LLC ("DRP"), a consolidated subsidiary, we purchased the assets of Repauno, which consisted primarily of land, a storage cavern, and riparian rights for the acquired land, site improvements and rights. Upon acquisition there were no operational processes that could be applied to these assets that would result in outputs without significant green field development. We currently hold an approximately 98% economic interest, and a 100% voting interest in DRP. DRP is solely reliant on us to finance its activities and therefore is a VIE. We concluded that we are the primary beneficiary and, accordingly, DRP has been presented on a consolidated basis in the accompanying financial statements. Total VIE assets of DRP were $316.5 million and $273.6 million, and total VIE liabilities of DRP were $32.6 million and $32.2 million as of December 31, 2021 and 2020, respectively.

(Dollars in tables in thousands, unless otherwise noted)

Cash and Cash Equivalents—We consider all highly liquid short-term investments with a maturity of 90 days or less when purchased to be cash equivalents.

Restricted Cash—Restricted cash consists of prepaid interest and principal pursuant to the requirements of certain of our debt agreements (see Note 10) and other qualifying constructions projects at Jefferson Terminal.

Inventory—We hold aircraft engine modules, spare parts and used material inventory for trading and to support operations within our Aviation Leasing segment. Aviation inventory is carried at the lower of cost or net realizable value on our balance sheet. We had Aviation inventory of $100.3 million and $58.2 million as of December 31, 2021 and 2020, respectively, which is included in Other assets in the Consolidated Balance Sheets.

Commodities inventory is carried at the lower of cost or net realizable value on our balance sheet. Commodities are removed from inventory based on the average cost at the time of sale. We had commodities inventory of $6.8 million and $0.1 million as of December 31, 2021 and 2020, respectively, which is included in Other assets in the Consolidated Balance Sheets.

Property, Plant and Equipment, Leasing Equipment and Depreciation—Property, plant and equipment and leasing equipment are stated at cost (inclusive of capitalized acquisition costs, where applicable) and depreciated using the straight-line method, over estimated useful lives, to estimated residual values which are summarized as follows:

Asset	Range of Estimated Useful Lives	Residual Value Estimates
Aircraft	25 years from date of manufacture	Generally not to exceed 15% of manufacturer’s list price when new
Aircraft engines	2 - 6 years, based on maintenance adjusted service life	Sum of engine core salvage value plus the estimated fair value of life limited parts
Offshore energy vessels	25 years from date of manufacture	10% of new build cost
Railcars and locomotives	1 - 50 years from date of manufacture	Scrap value at end of useful life
Track and track related assets	1 - 50 years from date of manufacture	Scrap value at end of useful life
Land, site improvements and rights	N/A	N/A
Bridges and tunnels	15 - 55 years	Scrap value at end of useful life
Buildings and site improvements	3 - 30 years	Scrap value at end of useful life
Railroad equipment	2 - 15 years from date of manufacture	Scrap value at end of useful life
Terminal machinery and equipment	15 - 25 years from date of manufacture	Scrap value at end of useful life
Vehicles	2 - 7 years from date of manufacture	Scrap value at end of useful life
Furniture and fixtures	3 - 6 years from date of purchase	None
Computer hardware and software	2 - 5 years from date of purchase	None
Construction in progress	N/A	N/A

Major improvements and modifications incurred in connection with the acquisition of property, plant and equipment and leasing equipment that are required to get the asset ready for initial service are capitalized and depreciated over the remaining life of the asset. Project costs of major additions and betterments, including capitalizable engineering costs and other costs directly related to the development or construction of project, are capitalized and depreciation commences once it is placed into service. Interest costs directly related to and incurred during the construction period of property, plant and equipment are capitalized. Significant spare parts are depreciated in conjunction with the underlying property, plant and equipment asset when placed in service.

We review our depreciation policies on a regular basis to determine whether changes have taken place that would suggest that a change in our depreciation policies, useful lives of our equipment or the assigned residual values is warranted.

For planned major maintenance or component overhaul activities for aviation equipment off lease, the cost of such major maintenance or component overhaul event is capitalized and depreciated on a straight-line basis over the period until the next maintenance or component overhaul event is required.

Our offshore energy vessels are required to be drydocked periodically for recertifications or major repairs and maintenance that cannot be performed while the vessels are operating. Normal repairs and maintenance are expensed as incurred. We capitalize the costs associated with the drydockings and amortize them on a straight-line basis over the period between drydockings, usually between 30 and 60 months.

In accounting for leasing equipment, we make estimates about the expected useful lives, residual values and the fair value of acquired in-place leases and acquired maintenance liabilities (for aviation equipment). In making these estimates, we rely upon observable market data for the same or similar types of equipment and, in the case of aviation equipment, our own estimates with respect to a lessee’s anticipated utilization of the aircraft or engine. When we acquire leasing equipment subject to an in-place lease, determining the fair value of the in-place lease requires us to make assumptions regarding the current fair values of leases for identical or similar equipment, in order to determine if the in-place lease is within a fair value range of current lease rates. If a lease is below or above the range of current lease rates, the resulting lease discount or premium is recognized as a lease intangible and amortized into lease income over the remaining term of the lease.

We, through our equity method investment in Long Ridge, have a working interest in various natural gas reserves located in southeastern Ohio. Our interest in this natural gas joint venture is consolidated on a proportionate basis by Long Ridge in accordance with Accounting Standards Codification (“ASC”) Topic 932 *Extractive Activities – Oil and Gas*. We follow the successful efforts method of accounting for costs incurred in oil and gas producing activities. Capitalized costs are amortized using the unit-of-production method based on total proved reserves.

Capitalized Interest—The interest cost associated with major development, construction projects and tax exempt bonds is capitalized and included in the cost of the project. Interest capitalization ceases once a project is substantially complete or no longer undergoing construction activities to prepare it for its intended use. We capitalized interest of $10.1 million, $20.9 million and $11.9 million during the years ended December 31, 2021, 2020 and 2019, respectively.

Repairs and Maintenance—Repair and maintenance costs that do not extend the lives of the assets are expensed as incurred. Our repairs and maintenance expense was $9.0 million, $4.1 million and $5.0 million during the years ended December 31, 2021, 2020 and 2019, respectively, and are included in Operating expenses in the Consolidated Statements of Operations.

Impairment of Long-Lived Assets—We perform a recoverability assessment of each of our long-lived assets whenever events or changes in circumstances, or indicators, indicate that the carrying amount or net book value of an asset may not be recoverable. Indicators may include, but are not limited to, a significant lease restructuring or early lease termination; significant traffic decline; a significant change in market conditions; or the introduction of newer technology aircraft, vessels, engines or railcars. When performing a recoverability assessment, we measure whether the estimated future undiscounted net cash flows expected to be generated by the asset exceeds its net book value. The undiscounted cash flows consist of cash flows from currently contracted leases and terminal services contracts, future projected leases, terminal service and freight rail rates, transition costs, estimated down time and estimated residual or scrap values. In the event that an asset does not meet the recoverability test, the carrying value of the asset will be adjusted to fair value resulting in an impairment charge.

Management develops the assumptions used in the recoverability analysis based on its knowledge of active contracts, current and future expectations of the global demand for a particular asset and historical experience in the leasing markets, as well as information received from third party industry sources. The factors considered in estimating the undiscounted cash flows are impacted by changes in future periods due to changes in contracted lease rates, terminal service, and freight rail rates, residual values, economic conditions, technology, demand for a particular asset type and other factors.

Security Deposits—Our operating leases generally require the lessee to pay a security deposit or provide a letter of credit. Security deposits are held until specified return dates stipulated in the lease or lease expiration.

Maintenance Payments—Typically, under an operating lease of aircraft, the lessee is responsible for performing all maintenance and is generally required to make maintenance payments to us for heavy maintenance, overhaul or replacement of certain high-value components of the aircraft or engine. These maintenance payments are based on hours or cycles of utilization or on calendar time, depending on the component, and are generally required to be made monthly in arrears. If a lessee is making monthly maintenance payments, we would typically be obligated to reimburse the lessee for costs they incur for heavy maintenance, overhaul or replacement of certain high-value components to the extent of maintenance payments received in respect of the specific maintenance event, usually shortly following the completion of the relevant work.

We record the portion of maintenance payments paid by the lessee that are expected to be reimbursed as maintenance deposit liabilities in the Consolidated Balance Sheets. Reimbursements made to the lessee upon the receipt of evidence of qualifying maintenance work are recorded against the maintenance deposit liability.

In certain acquired leases, we or the lessee may be obligated to make a payment to the other party at lease termination based on redelivery conditions stipulated at the inception of the lease. When the lessee is required to return the aircraft in an improved maintenance condition, we record a maintenance right asset, as a component of other assets, for the estimated value of the end-of-life maintenance payment at acquisition. We recognize payments received as end-of-lease compensation adjustments, within lease revenue or as a reduction to the maintenance right asset, when payment is received or collectability is assured. In the event we are required to make payments at the end of the lease for redelivery conditions, amounts are accrued as additional maintenance liability and expensed when we are obligated and can reasonably estimate such payment.

Lease Incentives and Amortization—Lease incentives, which include lease acquisition costs related to reconfiguration of the aircraft cabin, other lessee specific modifications and other direct costs, are capitalized and amortized as a reduction of lease income over the primary term of the lease, assuming no lease renewals.

Goodwill—Goodwill includes the excess of the purchase price over the fair value of the net tangible and intangible assets associated with the acquisition of Jefferson Terminal and Transtar. The carrying amount of goodwill was approximately $257.1 million and $122.7 million as of December 31, 2021 and 2020, respectively. The goodwill amounts as of December 31, 2020 related to the Jefferson reporting unit. The increase in 2021 reflects our acquisition of Transtar. See Note 4 for additional information.

We review the carrying values of goodwill at least annually to assess impairment since these assets are not amortized. An annual impairment review is conducted as of October 1st of each year. Additionally, we review the carrying value of goodwill whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The determination of fair value involves significant management judgment.

For an annual goodwill impairment assessment, an optional qualitative analysis may be performed. If the option is not elected or if it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then a goodwill impairment test is performed to identify potential goodwill impairment and measure an impairment loss. A qualitative analysis was not elected for the years ended December 31, 2021 or 2020.

Beginning in 2020, we adopted new guidance regarding the testing and recognition of a goodwill impairment, which prior to 2020 required two steps. A goodwill impairment assessment compares the fair value of the respective reporting unit with its carrying amount, including goodwill. The estimate of fair value of the respective reporting unit is based on the best information available as of the date of assessment, which primarily incorporates certain factors including our assumptions about operating results, business plans, income projections, anticipated future cash flows and market data. If the estimated fair value of the reporting unit is less than the carrying amount, a goodwill impairment is recorded to the extent that the carrying value of the reporting unit exceeds its fair value.

We estimate the fair value of the Jefferson and Transtar reporting units using an income approach, specifically a discounted cash flow analysis. This analysis requires us to make significant assumptions and estimates about the forecasted revenue growth rates, capital expenditures, the timing of future cash flows, and discount rates. The estimates and assumptions used consider historical performance if indicative of future performance and are consistent with the assumptions used in determining future profit plans for the reporting units.

In connection with our impairment analysis, although we believe the estimates of fair value are reasonable, the determination of certain valuation inputs is subject to management's judgment. Changes in these inputs, including as a result of events beyond our control, could materially affect the results of the impairment review. If the forecasted cash flows or other key inputs are negatively revised in the future, the estimated fair value of the reporting unit could be adversely impacted, potentially leading to an impairment in the future that could materially affect our operating results. Due to the acquisition of Transtar in the current year, the estimated fair value of that reporting unit approximates the book value. The Jefferson reporting unit had an estimated fair value that exceeded its carrying value by less than 20%. The Jefferson Terminal segment forecasted revenue is dependent on the ramp up of volumes under current and expected future contracts for storage and throughput of heavy and light crude and refined products and is subject to obtaining rail capacity for crude, expansion of refined product distribution to Mexico and movements in future oil spreads. At October 31, 2021, approximately 4.3 million barrels of storage was currently operational with 1.9 million barrels currently under construction for new contracts which will complete our storage development for our main terminal. Our discount rate for our 2021 goodwill impairment analysis was 9.0% and our assumed terminal growth rate was 2.0%. If our strategy changes from planned capacity downward due to an inability to source contracts or expand volumes, the fair value of the reporting unit would be negatively affected, which could lead to an impairment. The expansion of refineries in the Beaumont/Port Arthur area, as well as growing crude oil production in the U.S. and Canada, are expected to result in increased demand for storage on the U.S. Gulf Coast. Although we do not have significant direct exposure to volatility of crude oil prices, changes in crude oil pricing that affect long term refining planned output could impact Jefferson Terminal operations.

We expect the Jefferson Terminal segment to continue to generate positive Adjusted EBITDA in future years. Although certain of our anticipated contracts or expected volumes from existing contracts for Jefferson Terminal have been delayed, we continue to believe our projected revenues are achievable. Further delays in executing these contracts or achieving our projections could adversely affect the fair value of the reporting unit. The impact of the COVID-19 global pandemic during 2020 and 2021 negatively affected refining volumes and therefore Jefferson Terminal crude throughput but we have seen the activity starting to normalize and are expected to ramp back to normal during 2022. Furthermore, we anticipate strengthening macroeconomic demand for storage and the increasing spread between Western Canadian Crude and Western Texas Intermediate as Canadian crude pipeline apportionment increases. Also, as our pipeline connections became fully operational during 2021, we remain positive for the outlook of Jefferson Terminal's earnings potential.

There were no impairments of goodwill for the years ended December 31, 2021, 2020, and 2019.

Intangibles and amortization—Intangibles include the value of acquired favorable and unfavorable leases and existing customer relationships acquired in connection with the acquisition of Jefferson Terminal and Transtar.

In accounting for acquired leasing equipment, we make estimates about the fair value of the acquired leases. In determining the fair value of these leases, we make assumptions regarding the current fair values of leases for identical or similar equipment in order to determine if the acquired lease is within a fair value range of current lease rates. If a lease is below or above the range of current lease rates, the resulting lease discount or premium is recognized as a lease intangible and amortized into lease income over the remaining term of the lease. Acquired lease intangibles are amortized on a straight-line basis over the remaining lease terms, which collectively had a weighted-average remaining amortization period of approximately 61 months as of December 31, 2021, and are recorded as a component of equipment leasing revenues in the accompanying Consolidated Statements of Operations.

Customer relationship intangible assets are amortized on a straight-line basis over their useful lives as the pattern in which the asset's economic benefits are consumed cannot reliably be determined. Customer relationship intangible assets have useful lives ranging from 5 to 15 years, no estimated residual value, and amortization is recorded as a component of Depreciation and amortization in the Consolidated Statements of Operations. The weighted-average remaining amortization period was approximately 154 months as of December 31, 2021.

Deferred Financing Costs—Costs incurred in connection with obtaining long term financing are capitalized and amortized to interest expense over the term of the underlying loans. Unamortized deferred financing costs of $64.5 million and $36.2 million as of December 31, 2021 and 2020, respectively, are included in Debt, net in the Consolidated Balance Sheets.

We also have unamortized deferred revolver fees related to our revolving debt of $2.9 million and $1.6 million as of December 31, 2021 and 2020, respectively, which are included in Other assets in the Consolidated Balance Sheets.

Amortization expense was $21.7 million, $7.3 million and $8.1 million for the years ended December 31, 2021, 2020 and 2019, respectively, and is included in Interest expense in the Consolidated Statements of Operations.

Discontinued Operations—A disposal of an entity or component of an entity is reported in discontinued operations if the disposal represents a strategic shift that has or will have a material impact on our operations and financial results. See Note 3 for additional information related to our discontinued operations.

Equipment Leasing Revenues

Operating Leases—We lease equipment pursuant to operating leases. Operating leases with fixed rentals and step rentals are recognized on a straight-line basis over the term of the lease, assuming no renewals. Revenue is not recognized when collection is not reasonably assured. When collectability is not reasonably assured, the customer is placed on non-accrual status and revenue is recognized when cash payments are received.

Generally, under our aircraft lease and engine agreements, the lessee is required to make periodic maintenance payments calculated based on the lessee's utilization of the leased asset or at the end of the lease. Typically, under our aircraft lease agreements, the lessee is responsible for maintenance, repairs and other operating expenses throughout the term of the lease. These periodic maintenance payments accumulate over the term of the lease to fund major maintenance events, and we are contractually obligated to return maintenance payments to the lessee up to the cost of maintenance events paid by the lessee. In the event the total cost of maintenance events over the term of a lease is less than the cumulative maintenance payments, we are not required to return any unused or excess maintenance payments to the lessee.

Maintenance payments received for which we expect to repay to the lessee are presented as Maintenance Deposits in our Consolidated Balance Sheets. All excess maintenance payments received that we do not expect to repay to the lessee are recorded as Maintenance revenues. Estimates in recognizing revenue include mean time between removal, projected costs for engine maintenance and forecasted utilization of aircraft which are affected by historical usage patterns and overall industry, market and economic conditions. Significant changes to these estimates could have a material effect on the amount of revenue recognized in the period.

For purchase and lease back transactions, we account for the transaction as a single arrangement. We allocate the consideration paid based on the relative fair value of the aircraft and lease. The fair value of the lease may include a lease premium or discount which is recorded as a favorable or unfavorable lease intangible.

In April 2020, the FASB Staff issued a question-and-answer document (the "Q&A") regarding accounting for lease concessions related to the effects of the COVID-19 pandemic. The Q&A permits an entity to elect to forgo the evaluation of the enforceable rights and obligations of a lease contract required under ASC 842, *Leases*, as long as the total rent payments after the lease concessions are substantially the same, or less than, the total rent payments in the existing lease. The impact of the COVID-19 related lease concessions granted above did not have a material impact on our results of operations during the year ended December 31, 2021.

Finance Leases—From time to time we enter into finance lease arrangements that include a lessee obligation to purchase the leased equipment at the end of the lease term, a bargain purchase option, or provides for minimum lease payments with a present value that equals or exceeds substantially all of the fair value of the leased equipment at the date of lease inception. Net investment in finance leases represents the minimum lease payments due from lessee, net of unearned income. The lease payments are segregated into principal and interest components similar to a loan. Unearned income is recognized on an effective interest method over the lease term and is recorded as finance lease income. The principal component of the lease payment is reflected as a reduction to the net investment in finance leases. Revenue is not recognized when collection is not reasonably assured. When collectability is not reasonably assured, the customer is placed on non-accrual status and revenue is recognized when cash payments are received.

Infrastructure Revenues

Terminal Services Revenues—Terminal services are provided to customers for the receipt and redelivery of various commodities. These revenues relate to performance obligations that are recognized over time using the right to invoice practical expedient, i.e., invoiced as the services are rendered and the customer simultaneously receives and consumes the benefit over the contract term. The Company's performance of service and right to invoice corresponds with the value delivered to our customers. Revenues are typically invoiced and paid on a monthly basis.

Rail Revenues—Rail revenues generally consist of the following performance obligations: industrial switching, interline services, demurrage and storage. Switching revenues are derived from the performance of switching services, which involve the movement of cars from one point to another within the limits of an individual plant, industrial area, or a rail yard. Switching revenues are recognized as the services are performed, and the services are generally completed on the same day they are initiated.

Interline revenues are derived from transportation services for railcars that originate or terminate at our railroads and involve one or more other carriers. For interline traffic, one railroad typically invoices a customer on behalf of all railroads participating in the route directed by the customer. The invoicing railroad then pays the other railroads its portion of the total amount invoiced on a monthly basis. We record revenue related to interline traffic for transportation service segments provided by carriers along railroads that are not owned or controlled by us on a net basis. Interline revenues are recognized as the transportation movements occur.

Our ancillary services revenue primarily relates to demurrage and storage services. Demurrage represents charges assessed by railroads for the detention of cars by shippers or receivers of freight beyond a specified free time and is recognized on a per day basis. Storage services revenue is earned for the provision of storage of shippers' railcars and is generally recognized on a per day, per car basis, as the storage services are provided.

Lease Income—Lease income consists of rental income from tenants for storage space. Lease income is recognized on a straight-line basis over the terms of the relevant lease agreement.

Crude Marketing Revenues—Crude marketing revenues consist of marketing revenue related to Canadian crude oil. Contracts to sell crude products to customers contain performance obligations to deliver the product over the term of the contract. The revenues are recognized when the control of the product is transferred to the customer, based on the volume delivered and the price within the contract. Revenues are typically invoiced and paid on a monthly basis.

Other Revenue—Other revenue primarily consists of revenue related to the handling, storage and sale of raw materials. Revenues for the handling and storage of raw materials relate to performance obligations that are recognized over time using the right to invoice practical expedient, i.e., invoiced as the services are rendered and the customer simultaneously receives and consumes the benefit over the contract term. Our performance of service and right to invoice corresponds with the value delivered to our customers. Revenues for the sale of raw materials relate to contracts that contain performance obligations to deliver the product over the term of the contract. The revenues are recognized when the control of the product is transferred to the customer, based on the volume delivered and the price within the contract. Other revenues are typically invoiced and paid on a monthly basis.

Additionally, other revenue consists of revenue related to derivative trading activities. See Commodity Derivatives below for additional information.

Payment terms for Infrastructure Revenues are generally short term in nature.

Leasing Arrangements—At contract inception, we evaluate whether an arrangement is or contains a lease for which we are the lessee (that is, arrangements which provide us with the right to control a physical asset for a period of time). Operating lease right-of-use ("ROU") assets and lease liabilities are recognized in Operating lease right-of-use assets, net and Operating lease liabilities in our Consolidated Balance Sheets, respectively. Finance lease ROU assets are recognized in Property, plant and equipment, net and lease liabilities are recognized in Other liabilities in our Consolidated Balance Sheets.

All lease liabilities are measured at the present value of the unpaid lease payments, discounted using our incremental borrowing rate based on the information available at commencement date of the lease. ROU assets, for both operating and finance leases, are initially measured based on the lease liability, adjusted for prepaid rent and lease incentives. Operating lease ROU assets are subsequently measured at the carrying amount of the lease liability adjusted for prepaid or accrued lease payments and lease incentives. The finance lease ROU assets are subsequently amortized using the straight-line method.

Operating lease expenses are recognized on a straight-line basis over the lease term. With respect to finance leases, amortization of the ROU asset is presented separately from interest expense related to the finance lease liability and is recorded in Operating expenses in the Consolidated Statements of Operations. Variable lease payments, which are primarily based on usage, are recognized when the associated activity occurs.

We have elected to combine lease and non-lease components for all lease contracts where we are the lessee. Additionally, for arrangements with lease terms of 12 months or less, we do not recognize ROU assets, and lease liabilities and lease payments are recognized on a straight-line basis over the lease term with variable lease payments recognized in the period in which the obligation is incurred.

Concentration of Credit Risk—We are subject to concentrations of credit risk with respect to amounts due from customers. We attempt to limit our credit risk by performing ongoing credit evaluations. We earned approximately 11% and 12% of our revenue from one customer in the Aviation segment and one customer in the Transtar segment during the year ended December 31, 2021. We earned 11% and 19% of our revenue from one customer in the Aviation Leasing segment and one customer in the Jefferson Terminal segment during the years ended December 31, 2020, and 2019, respectively.

As of December 31, 2021, there were two customers in the Aviation Leasing segment that represented 36% and 13% of total accounts receivable, net. As of December 31, 2020, there were two customers in the Aviation Leasing segment that represented 40% and 15% of total accounts receivable, net.

We maintain cash and restricted cash balances, which generally exceed federally insured limits, and subject us to credit risk, in high credit quality financial institutions. We monitor the financial condition of these institutions and have not experienced any losses associated with these accounts.

Allowance for Doubtful Accounts—We determine the allowance for doubtful accounts based on our assessment of the collectability of our receivables on a customer-by-customer basis. The allowance for doubtful accounts was $16.9 million and $4.6 million as of December 31, 2021 and 2020, respectively. Bad debt expense was $13.0 million, $3.6 million and $3.8 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Expense Recognition—Expenses are recognized on an accrual basis as incurred.

Acquisition and Transaction Expenses—Acquisition and transaction expense is comprised of costs related to business combinations, dispositions and terminated deal costs related to asset acquisitions, including advisory, legal, accounting, valuation and other professional or consulting fees.

Comprehensive Income (Loss)—Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances, excluding those resulting from investments by and distributions to owners. Our comprehensive income (loss) represents net income (loss), as presented in the Consolidated Statements of Operations, adjusted for fair value changes recorded in other comprehensive income related to cash flow hedges of our equity method investees and pension and other postretirement benefits.

Derivative Financial Instruments

Electricity Derivatives**—**Through our equity method investment in Long Ridge, we enter into derivative contracts as part of a risk management program to mitigate price risk associated with certain electricity price exposures. We primarily use swap derivative contracts, which are agreements to buy or sell a quantity of electricity at a predetermined future date and at a predetermined price.

Cash Flow Hedges

Certain of these derivative instruments are designated and qualify as cash flow hedges. Our share of the derivative's gain or loss is reported as Other comprehensive income (loss) related to equity method investees in our Consolidated Statements of Comprehensive (Loss) Income and recorded in Accumulated other comprehensive (loss) income in our Consolidated Balance Sheets. The change in our equity method investment balance related to derivative gains or losses on cash flow hedges is disclosed as a Non-cash change in equity method investment in our Consolidated Statements of Cash Flows.

Derivatives Not Designated as Hedging Instruments

Certain of these derivative instruments are not designated as hedging instruments for accounting purposes. Our share of change in fair value of these contracts is recognized in Equity in earnings (losses) in unconsolidated entities in the Consolidated Statements of Operations. The cash flow impact of derivative contracts that are not designated as hedging instruments is recognized in Equity in earnings (losses) in unconsolidated entities in our Consolidated Statements of Cash Flows.

Commodity Derivatives**—**We also enter into short-term and long-term crude forward contracts. Gains and losses related to our crude sales and purchase derivatives are recorded on a gross basis and are included in Crude marketing revenues and Operating expenses, respectively, in our Consolidated Statements of Operations. The cash flow impact of these derivatives is recognized in Change in fair value of non-hedge derivatives in our Consolidated Statements of Cash Flows.

Additionally, depending on market conditions, we enter into short-term forward purchase and sales contracts for butane. Gains and losses related to our butane derivatives are recorded on a net basis and are included in Other revenue in our Consolidated Statements of Operations, as these contracts are considered part of central operating activities. The cash flow impact of these derivatives is recognized in Change in fair value of non-hedge derivatives in our Consolidated Statements of Cash Flows.

See Note 12 for additional details related to our commodity derivatives.

Foreign Currency—Our functional and reporting currency is the U.S. dollar. Purchases and sales of assets and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. Net realized foreign currency gains or losses relating to the differences between these recorded amounts and the U.S. dollar equivalent actually received or paid are reported as a component of operating expenses within the Consolidated Statement of Operations.

Income Taxes—A portion of our income earned by our corporate subsidiaries is subject to U.S. federal and state income taxation and is taxed at currently enacted rates. The remainder of our income is allocated directly to our partners and is not subject to a corporate level of taxation. Certain subsidiaries of ours are subject to income tax in the foreign countries in which they conduct business.

We account for these taxes using the asset and liability method under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is established when management believes it is more likely than not that a deferred tax asset will not be realized.

We file income tax returns in the U.S. federal jurisdiction, various state jurisdictions and in certain foreign jurisdictions. The income tax returns filed by us and our subsidiaries are subject to examination by the U.S. federal, state and foreign tax authorities. We recognize tax benefits for uncertain tax positions only if it is more likely than not that the position is sustainable based on its technical merits. Interest and penalties on uncertain tax positions are included as a component of the provision for income taxes in the Consolidated Statements of Operations.

Other Assets**—**Other assets is primarily comprised of commodities inventory of $6.8 million and $0.1 million, purchase deposits for acquisitions of $13.7 million and $6.1 million, lease incentives of $46.9 million and $55.1 million, prepaid expenses of $21.4 million and $10.1 million, notes receivable of $40.4 million and $0.7 million, maintenance right assets of $5.1 million and $6.4 million and aircraft engine modules, spare parts and used material inventory of $100.3 million and $58.2 million as of December 31, 2021 and 2020, respectively.

Accounts Payable and Accrued Liabilities—Accounts payable and accrued liabilities primarily include payables relating to construction projects, interline payables to other railroads, aviation leasing equipment maintenance and aircraft engine modules, spare parts, used material inventory, accrued compensation and interest.

Pension and Other Postretirement Benefits**—**We have obligations for a pension and a postretirement benefit plan in connection with the acquisition of Transtar for certain eligible Transtar employees. The pension and other postretirement obligations and the related net periodic costs are based on, among other things, assumptions regarding the discount rate, salary increases, the projected mortality of participants and the current level and future escalation of health care costs. Actuarial gains and losses occur when actual experience differs from any of the many assumptions used to value the benefit plans, or when assumptions change. We will recognize into income on an annual basis a portion of unrecognized actuarial net gains or losses that exceed 10 percent of the projected benefit obligations (the corridor). These unrecognized amounts in excess of the corridor are amortized over the plan participants' average life expectancy or average future service, depending on the demographics of the plan. Refer to Note 16 for additional discussion on the pension and postretirement plans.

Dividends**—**Dividends are recorded if and when declared by the Board of Directors. The Board of Directors declared cash dividends of $1.32 per common share during each of the years ended December 31, 2021, 2020 and 2019.

Additionally, the Board of Directors declared cash dividends on the Series A Preferred Shares of $2.06, $2.06 and $0.53 per share for the years ended December 31, 2021, 2020 and 2019, respectively, the Series B Preferred Shares of $2.00 and $2.10 per share for the years ended December 31, 2021 and 2020, respectively, and the Series C Preferred Shares of $1.49 for the year ended December 31, 2021.

Recent Accounting Pronouncements—In March 2020 and January 2021, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* and ASU 2021-01, Reference Rate Reform: Scope, respectively. Together, the ASUs temporarily simplify the accounting for contract modifications, including hedging relationships, due to the transition from LIBOR and other interbank offered rates to alternative reference interest rates. For example, entities can elect not to remeasure the contracts at the modification date or reassess a previous accounting determination if certain conditions are met. Additionally, entities can elect to continue applying hedge accounting for hedging relationships affected by reference rate reform if certain conditions are met. The new standard was effective upon issuance and generally can be applied to applicable contract modifications through December 31, 2022. Adoption did not have a material impact on our consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740)*. This standard simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in ASC 740 related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The standard also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020 and early adoption is permitted. We adopted this guidance in the first quarter of 2021, which did not have a material impact on our consolidated financial statements.

(Dollars in tables in thousands, unless otherwise noted)

Unadopted Accounting Pronouncements—In July 2021, the FASB issued ASU 2021-05, *Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments*. This ASU requires lessors to classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if (i) the lease would have been classified as a sales-type lease or a direct financing lease under Topic 842 and (ii) the lessor would have otherwise recognized a day-one loss. This standard is effective for all reporting periods beginning after December 15, 2021. We are currently assessing the impact this guidance may have on our consolidated financial statements.

3. DISCONTINUED OPERATIONS

In December 2019, we completed the sale of Central Maine & Quebec Railway ("CMQR"), which was previously reported as our Railroad segment. Under ASC 205-20, this disposition met the criteria to be reported as discontinued operations. Accordingly, the assets, liabilities and results of operations of CMQR have been reported as discontinued operations for all periods presented.

The following table presents the significant components of net income from discontinued operations:

	Year Ended December 31,		
	2021	**2020**	**2019**
Revenues			
Total revenues	$ —	$ —	$ 39,071
Expenses			
Operating expense	—	—	32,815
Acquisition and transaction expenses	—	—	5,526
Depreciation and amortization	—	—	2,202
Interest expense	—	—	1,458
Total expenses	—	—	42,001
Gain on sale of assets, net	—	1,331	77,468
Other income	—	1,331	77,468
Income before income taxes	—	1,331	74,538
Provision for income taxes	—	—	1,076
Net income	—	1,331	73,462
Less: Net income attributable to non-controlling interests in consolidated subsidiaries	—	—	247
Net income attributable to shareholders	$ —	$ 1,331	$ 73,215

The following table presents the significant non-cash items and capital expenditures from discontinued operations:

	Year Ended December 31,		
	2021	**2020**	**2019**
Operating activities:			
Depreciation and amortization	$ —	$ —	$ 2,202
Amortization of deferred financing costs	—	—	256
Share-based compensation expense	—	—	3,114
Investing activities:			
Purchases of property, plant and equipment	$ —	$ —	$ (6,949)

4. ACQUISITION OF TRANSTAR LLC

On July 28, 2021, we completed the acquisition for 100% of the equity interests of Transtar, LLC ("Transtar") from United States Steel Corporation ("USS") for total cash consideration of $636 million. Transtar is comprised of five freight railroads and one switching company, of which two railroads are connected to USS's largest production facilities. We also entered into an exclusive rail partnership with USS, under which we will provide rail service to USS for an initial term of 15 years with minimum volume commitments for the first five years. Transtar operates as a separate reportable segment within our Infrastructure business. See Note 19 for additional information. The results of operations at Transtar have been included in the Consolidated Statements of Operations as of the effective date of the acquisition. In connection with the acquisition, we recorded $9.8 million of acquisition and transaction expense during the year ended December 31, 2021.

(Dollars in tables in thousands, unless otherwise noted)

We funded the transaction with bridge loans in an aggregate principal amount of $650 million. In September 2021, we issued new equity and debt and repaid in full the bridge loans. See Notes 10 and 20 for additional information.

In accordance with ASC 805, the following fair values were assigned to assets acquired and liabilities assumed based on management's estimates and assumptions and are preliminary. The significant assumptions used to estimate the fair value of the property, plant and equipment included replacement cost estimates, salvage values and market data for similar assets where available. The significant assumptions used to estimate the value of the customer relationship intangible assets included discount rate and future revenues and operating expenses. The final valuation and related allocation of the purchase price is subject to change as additional information is received and will be completed no later than 12 months after the closing date. The final acquisition accounting adjustments may be materially different and may include (i) changes in fair values of Property, plant and equipment and associated salvage values; (ii) changes in allocations to Intangible assets, as well as goodwill; and, (iii) other changes to assets and liabilities, such as working capital accounts and inventory.

The following table summarizes the preliminary allocation of the purchase price, as presented in our Consolidated Balance Sheets:

Fair value of assets acquired:		
Cash and cash equivalents	$	8,918
Accounts receivable		18,625
Operating lease right-of-use assets		12,231
Property, plant and equipment		490,561
Intangible assets		60,000
Other assets		15,008
Total assets		605,343
Fair value of liabilities assumed:		
Accounts payable and accrued liabilities		47,010
Operating lease liabilities		10,689
Pension and other postretirement benefits (1)		37,552
Other liabilities		8,487
Total liabilities		103,738
Goodwill (2)		134,402
Total purchase consideration	$	636,007

(1) Included in Other liabilities in the Consolidated Balance Sheets.

(2) Goodwill is primarily attributable to the assembled workforce of Transtar and the synergies expected to be achieved. This goodwill is assigned to the new Transtar segment and is deductible for income tax purposes.

The following table presents the identifiable intangible assets and their estimated useful lives:

	Estimated useful life in years		Fair value
Customer relationships	15	$	60,000

(Dollars in tables in thousands, unless otherwise noted)

The following table presents the property, plant and equipment and their estimated useful lives:

	Estimated useful life in years	Fair value
Railcars and locomotives	1 - 40	$ 112,981
Track and track related assets	1 - 40	90,904
Land, site improvements and rights	N/A	87,450
Bridges and tunnels	15 - 55	174,889
Buildings and improvements	3 - 25	12,448
Railroad equipment	2 - 15	2,725
Terminal machinery and equipment	2 - 15	3,325
Vehicles	2 - 5	3,740
Construction in progress	N/A	1,928
Computer hardware and software	2 - 5	171
Total		$ 490,561

The unaudited financial information in the table below summarizes the combined results of operations of FTAI and Transtar on a pro forma basis, as though the companies had been combined as of January 1, 2020. These pro forma results were based on estimates and assumptions which we believe are reasonable. The pro forma adjustments are primarily comprised of the following:

- The allocation of the purchase price and related adjustments, including adjustments to depreciation and amortization expense related to the fair value of property, plant and equipment and intangible assets acquired;
- Impacts of debt financing, including interest for debt issued and amortization of deferred financing costs;
- The exclusion of acquisition-related costs incurred during the year ended December 31, 2021 and allocation of substantially all acquisition-related costs to the year ended December 31, 2020; and
- Associated tax-related impacts of adjustments.

The following unaudited pro forma financial information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved if the acquisition had taken place as of January 1, 2020.

	Year Ended December 31,	
	2021	**2020**
Total revenue	**$ 536,805**	$ 481,678
Net loss attributable to shareholders	**(104,611)**	(125,989)

5. LEASING EQUIPMENT, NET

Leasing equipment, net is summarized as follows:

	December 31,	
	2021	**2020**
Leasing equipment	**$ 2,356,219**	$ 2,042,404
Less: Accumulated depreciation	**(464,570)**	(407,145)
Leasing equipment, net	**$ 1,891,649**	$ 1,635,259

(Dollars in tables in thousands, unless otherwise noted)

During the year ended December 31, 2021, we evaluated our leasing equipment portfolio and identified certain assets with indicators of impairment including, but not limited to, early lease terminations and a decline in market values due to the ongoing COVID-19 pandemic for leasing equipment. For these assets, we performed a recoverability assessment at the individual asset level and determined that the carrying amounts exceeded the estimated future undiscounted net cash flows and these assets were impaired. To determine fair value, we used both a market approach, using quoted market prices for the same or similar assets, and an income approach, using discounted cash flows and an estimated discount rate. As a result, we adjusted the carrying value of these assets to fair value and recognized transactional impairment charges of $10.5 million, net of redelivery compensation.

The following table presents information related to acquisitions and dispositions of aviation leasing equipment:

	Year Ended December 31,		
	2021	**2020**	**2019**
Acquisitions:			
Aircraft	52	20	31
Engines	60	37	31
Dispositions:			
Aircraft	4	—	5
Engines	56	25	58

Depreciation expense for leasing equipment is summarized as follows:

	Year Ended December 31,		
	2021	**2020**	**2019**
Depreciation expense for leasing equipment	**$ 148,549**	$ 142,266	$ 137,004

6. FINANCE LEASES, NET

Finance leases, net are summarized as follows:

	December 31,	
	2021	**2020**
Finance leases	**$ 8,358**	$ 9,389
Unearned revenue	**(775)**	(2,462)
Finance leases, net	**$ 7,583**	$ 6,927

During the year ended December 31, 2021, we entered into 52-month sales-type lease arrangements for five airframes. During the fourth quarter of 2021, one of our lessees exercised its option to purchase the aircraft for an amount equal to the remaining principal balance plus unpaid accrued interest per the terms of the agreement.

Additionally, during 2019, we received insurance proceeds for a vessel which was on nonaccrual status due to a casualty event. The insurance proceeds were in excess of the book value of the finance lease, which was written down to zero, and we recognized a gain of approximately $1.0 million which is included in Other income in the Consolidated Statements of Operations.

(Dollars in tables in thousands, unless otherwise noted)

7. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net is summarized as follows:

	December 31,	
	2021	**2020**
Land, site improvements and rights	**$ 149,914**	$ 52,047
Construction in progress	**154,859**	425,261
Bridges and Tunnels	**174,889**	—
Buildings and improvements	**19,164**	4,491
Terminal machinery and equipment	**962,552**	557,788
Track and track related assets	**100,014**	2,349
Railroad equipment	**8,331**	5,560
Railcars and locomotives	**111,574**	—
Computer hardware and software	**5,335**	5,101
Furniture and fixtures	**3,119**	2,449
Other	**10,548**	5,870
	1,700,299	1,060,916
Less: Accumulated depreciation	**(144,442)**	(96,553)
Property, plant and equipment, net	**$ 1,555,857**	$ 964,363

We added property, plant and equipment of $639.4 million and $258.9 million during the years ended December 31, 2021 and 2020, respectively, which primarily consist of assets acquired in our acquisition of Transtar and terminal machinery and equipment placed in service or under development at Jefferson Terminal and Repauno.

Depreciation expense for property, plant and equipment is summarized as follows:

	Year Ended December 31,		
	2021	**2020**	**2019**
Depreciation expense for property, plant and equipment:			
Continuing operations	**$ 47,915**	$ 26,581	$ 28,466
Discontinued operations	**—**	—	2,187
Total	**$ 47,915**	$ 26,581	$ 30,653

8. INVESTMENTS

The following table presents the ownership interests and carrying values of our investments:

			Carrying Value	
	Investment	**Ownership Percentage**	**December 31, 2021**	**December 31, 2020**
Advanced Engine Repair JV	Equity method	25%	**$ 21,317**	$ 22,721
Falcon MSN 177 LLC	Equity method	50%	**1,600**	—
Long Ridge Terminal LLC [(1)]	Equity method	50%	**—**	122,539
FYX Trust Holdco LLC	Equity	14%	**1,255**	1,255
GM-FTAI Holdco LLC	Equity method	See below	**52,295**	—
Clean Planet Energy USA LLC	Equity method	50%	**858**	—
			$ 77,325	$ 146,515

[(1)] The carrying value of $17.5 million as of December 31, 2021 is included in Other liabilities in the Consolidated Balance Sheets.

We did not recognize any other-than-temporary impairments for the year ended December 31, 2021.

(Dollars in tables in thousands, unless otherwise noted)

The following table presents our proportionate share of equity in (losses) earnings:

	Year Ended December 31,		
	2021	2020	2019
Advanced Engine Repair JV	$ (1,403)	$ (1,931)	$ (1,829)
JGP Energy Partners LLC	—	—	(292)
Intermodal Finance I, Ltd.	470	114	(62)
Long Ridge Terminal LLC	(11,429)	(3,222)	(192)
GM-FTAI Holdco LLC	(205)	—	—
Clean Planet Energy USA LLC	(167)	—	—
Total	$ (12,734)	$ (5,039)	$ (2,375)

Equity Method Investments

Clean Planet Energy USA LLC

In November 2021, we acquired 50% of the Class A shares of Clean Planet Energy USA LLC ("CPE") with an initial investment of $1.0 million. CPE intends on building waste plastic-to-fuel plants in the United States. The plants will convert various grades of non-recyclable waste plastic to renewable diesel in the form of jet fuel, diesel, naphtha, and low sulfur fuel oil. We account for our investment in CPE as an equity method investment as we have significant influence through our ownership of Class A shares.

Falcon MSN 177 LLC

In November 2021, we invested $1.6 million for a 50% interest in Falcon MSN 177 LLC, an entity that consists of one Dassault Falcon 2000 aircraft. Falcon MSN 177 LLC leases the aircraft to charter operators on aircraft, crew maintenance, and insurance contracts. We account for our investment in Falcon as an equity method investment as we have significant influence through our held interest.

GM-FTAI Holdco LLC

In September 2021, we acquired 1% of the Class A shares and 50% of the Class B shares of GM-FTAI Holdco LLC for $52.5 million. GM-FTAI Holdco LLC owns 100% interest in Gladieux Metals Recycling ("GMR") and Aleon Renewable Metals LLC ("Aleon"). GMR specializes in recycling spent catalyst produced in the petroleum refining industry.

Aleon plans to develop a lithium-ion battery recycling business across the United States. Each planned location will collect, discharge and disassemble lithium-ion batteries to extract various metals in high-purity form for resale into the lithium-ion battery production market. Aleon and GMR are governed by separate boards of directors. Our ownership of Class A and B shares in GM-FTAI Holdco LLC provides us with 1% and 50% economic interest in GMR and Aleon, respectively. We account for our investment in GM-FTAI Holdco LLC as an equity method investment as we have significant influence through our ownership of Class A and Class B shares of GM-FTAI Holdco LLC.

Long Ridge Terminal LLC

In December 2019, Ohio River Shareholder LLC ("ORP"), a wholly-owned subsidiary, contributed its equity interests in Long Ridge into Long Ridge Terminal LLC and sold a 49.9% interest (the "Long Ridge Transaction") for $150 million in cash, plus an earn out, which was written off during the year ended December 31, 2021. We recognized a gain of $116.7 million in relation to the Long Ridge Transaction. We no longer have a controlling interest in Long Ridge but still maintain significant influence through our retained interest and, therefore, now account for this investment in accordance with the equity method. Following the sale, we deconsolidated ORP, which held the assets of Long Ridge.

Advanced Engine Repair JV

In 2016, we invested $15 million for a 25% interest in an advanced engine repair joint venture. We focus on developing new costs savings programs for engine repairs. We exercise significant influence over this investment and account for this investment as an equity method investment.

In August 2019, we expanded the scope of our joint venture and invested an additional $13.5 million and maintained a 25% interest.

JGP Energy Partners LLC

In 2016, we initiated activities in a 50% non-controlling interest in JGP, a joint venture. JGP was governed by a designated operating committee selected by the members in proportion to their equity interests. JGP was solely reliant on its members to finance its activities and therefore was a VIE. Initially, we concluded that we were not the primary beneficiary of JGP as the members shared equally in the risks and rewards and decision making authority of the entity and, therefore, we did not consolidate JGP and instead accounted for this investment in accordance with the equity method.

In December 2019, we purchased the remaining 50% interest in JGP from the joint venture partner for a purchase price of approximately $30 million, consolidated JGP and no longer account for this as an equity method investment. As a result of this transaction, we recorded additional goodwill of $6.6 million and a gain of $4.6 million during the year ended December 31, 2019.

Intermodal Finance I, Ltd.

In 2012, we acquired a 51% non-controlling interest in Intermodal Finance I, Ltd. ("Intermodal"), a joint venture. Intermodal is governed by a board of directors, and its shareholders have voting rights through their equity interests. As such, Intermodal is not within the scope of ASC 810-20 and should be evaluated for consolidation under the voting interest model. Due to the existence of substantive participating rights of the 49% equity investor, including the joint approval of material operating and capital decisions, such as material contracts and capital expenditures consistent with ASC 810-10-25-11, we do not have unilateral rights over this investment and, therefore, we do not consolidate Intermodal but account for this investment in accordance with the equity method. We do not have a variable interest in this investment as none of the criteria of ASC 810-10-15-14 were met.

As of December 31, 2021, Intermodal owns a portfolio of approximately 500 shipping containers subject to multiple operating leases.

Equity Investments

FYX Trust Holdco LLC

In July 2020, we invested $1.3 million for a 14% interest in an operating company that provides roadside assistance services for the intermodal and over-the-road trucking industries. FYX has developed a mobile and web-based application that connects fleet managers, owner-operators, and drivers with repair vendors to efficiently and reliably quote, dispatch, monitor, and bill roadside repair services.

(Dollars in tables in thousands, unless otherwise noted)

The tables below present summarized financial information for Long Ridge Terminal LLC:

	December 31,	
Balance Sheet	**2021**	**2020**
Assets		
Cash and cash equivalents	**$ 2,932**	$ 3,057
Restricted cash	**32,469**	26,920
Accounts receivable, net	**17,896**	5,711
Property, plant, and equipment, net	**764,607**	612,234
Intangible assets, net	**4,940**	5,320
Goodwill	**89,390**	89,390
Other assets	**14,441**	9,384
Total assets	**$ 926,675**	$ 752,016
Liabilities		
Accounts payable and accrued liabilities	**$ 16,121**	$ 25,173
Debt, net	**604,261**	445,733
Other liabilities	**341,279**	36,515
Total liabilities	**961,661**	507,421
Equity		
Shareholders' equity	**(1,035)**	251,403
Accumulated deficit	**(33,951)**	(6,808)
Total equity	**(34,986)**	244,595
Total liabilities and equity	**$ 926,675**	$ 752,016

	Year Ended December 31,	
Income Statement	**2021**	**2020**
Total revenue	**85,638**	24,917
Expenses		
Operating expenses	**28,310**	16,339
Depreciation and amortization	**24,836**	11,004
Interest expense	**11,005**	2,037
Total expenses	**64,151**	29,380
Other expense	**(44,302)**	(1,967)
Net loss	**$ (22,815)**	$ (6,430)

(Dollars in tables in thousands, unless otherwise noted)

9. INTANGIBLE ASSETS AND LIABILITIES, NET

Our intangible assets and liabilities, net are summarized as follows:

	December 31, 2021			
	Aviation Leasing	Jefferson Terminal	Transstar	Total
Intangible assets				
Acquired favorable lease intangibles	$ 67,013	$ —	$ —	$ 67,013
Less: Accumulated amortization	(36,051)	—	—	(36,051)
Acquired favorable lease intangibles, net	30,962	—	—	30,962
Customer relationships	—	35,513	60,000	95,513
Less: Accumulated amortization	—	(26,038)	(1,738)	(27,776)
Acquired customer relationships, net	—	9,475	58,262	67,737
Total intangible assets, net	$ 30,962	$ 9,475	$ 58,262	$ 98,699
Intangible liabilities				
Acquired unfavorable lease intangibles	$ 14,795	$ —	$ —	$ 14,795
Less: Accumulated amortization	(6,068)	—	—	(6,068)
Acquired unfavorable lease intangibles, net	$ 8,727	$ —	$ —	$ 8,727

	December 31, 2020			
	Aviation Leasing	Jefferson Terminal	Transstar	Total
Intangible assets				
Acquired favorable lease intangibles	$ 35,349	$ —	$ —	$ 35,349
Less: Accumulated amortization	(29,591)	—	—	(29,591)
Acquired favorable lease intangibles, net	5,758	—	—	5,758
Customer relationships	—	35,513	—	35,513
Less: Accumulated amortization	—	(22,485)	—	(22,485)
Acquired customer relationships, net	—	13,028	—	13,028
Total intangible assets, net	$ 5,758	$ 13,028	$ —	$ 18,786
Intangible liabilities				
Acquired unfavorable lease intangibles	$ 7,151	$ —	$ —	$ 7,151
Less: Accumulated amortization	(4,604)	—	—	(4,604)
Acquired unfavorable lease intangibles, net	$ 2,547	$ —	$ —	$ 2,547

(Dollars in tables in thousands, unless otherwise noted)

Intangible liabilities relate to unfavorable lease intangibles and are included as a component of Other liabilities in the accompanying Consolidated Balance Sheets.

Amortization of intangible assets and liabilities is recorded as follows:

	Classification in Consolidated Statements of Operations	Year Ended December 31, 2021	2020	2019
Lease intangibles	Equipment leasing revenues	**$ 4,993**	$ 3,747	$ 7,181
Customer relationships:	Depreciation and amortization			
Continuing operations		**5,292**	3,553	3,553
Discontinued operations		**—**	—	15
Total		**$ 10,285**	$ 7,300	$ 10,749

As of December 31, 2021, estimated net annual amortization of intangibles is as follows:

2022	$ 17,242
2023	14,585
2024	10,490
2025	5,782
2026	4,389
Thereafter	37,484
Total	**$ 89,972**

(Dollars in tables in thousands, unless otherwise noted)

10. DEBT, NET

Our debt, net is summarized as follows:

	December 31, 2021			December 31, 2020
	Outstanding Borrowings	Stated Interest Rate	Maturity Date	Outstanding Borrowings
Loans payable				
DRP Revolver [1]	**$ 25,000**	(i) Base Rate + 2.75%; or (ii) Base Rate + 3.75% (Eurodollar)	11/5/24	$ 25,000
Revolving Credit Facility [2]	**189,473**	(i) Base Rate + 2.00%; or (ii) Adjusted Term SOFR Rate + 3.00%	12/2/24	—
EB-5 Loan Agreement	**26,100**	5.75%	1/25/26	—
2021 Bridge Loans	**100,527**	(i) Base Rate + 1.75%; or (ii) Adjusted Term SOFR Rate + 2.75%	12/15/22	—
Total loans payable	**341,100**			25,000
Bonds payable				
Series 2020 Bonds	**263,980**	(i) Tax Exempt Series 2020A Bonds: 3.625% (ii) Tax Exempt Series 2020A Bonds: 4.00% (iii) Taxable Series 2020B Bonds: 6.00%	(i) 1/1/35 (ii) 1/1/50 (iii) 1/1/25	263,980
Series 2021 Bonds	**425,000**	(i) Series 2021A Bonds: 1.875% to 3.000% (ii) Series 2021B Bonds: 4.100%	(i) 1/1/26 to 1/1/50 (ii) 1/1/28	—
Senior Notes due 2022 [3]	**—**	N/A	N/A	399,331
Senior Notes due 2025 [4]	**852,198**	6.50%	10/1/25	852,673
Senior Notes due 2027	**400,000**	9.75%	8/1/27	400,000
Senior Notes due 2028 [5]	**1,002,416**	5.50%	5/1/28	—
Total bonds payable	**2,943,594**			1,915,984
Debt	**3,284,694**			1,940,984
Less: Debt issuance costs	**(64,483)**			(36,222)
Total debt, net	**$ 3,220,211**			$ 1,904,762
Total debt due within one year	**$ 100,527**			$ 25,000

[1] Requires a quarterly commitment fee at a rate of 0.875% on the average daily unused portion, as well as customary letter of credit fees and agency fees.
[2] Requires a quarterly commitment fee at a rate of 0.50% on the average daily unused portion, as well as customary letter of credit fees and agency fees.
[3] Includes unamortized discount of $2,230 and an unamortized premium of $1,561 at December 31, 2020 .
[4] Includes unamortized discount of $3,509 and $4,303 at December 31, 2021 and 2020, respectively, and an unamortized premium of $5,707 and $6,976 at December 31, 2021 and 2020, respectively.
[5] Includes an unamortized premium of $2,416 at December 31, 2021.

2021 Activity

EB-5 Loan Agreement—On January 25, 2021, Jefferson entered into a non-recourse loan agreement under the U.S. Citizenship and Immigration Services EB-5 Program ("EB-5 Loan Agreement") to pay for the development, construction and acquisition of certain facilities at Jefferson Terminal. The maximum aggregate principal amount available under the EB-5 Loan Agreement is $61.2 million, of which $26.1 million is available under the first tranche and $35.1 million is available under the second tranche. The loans mature in 5 years from the funding of each individual tranche with an option to extend the maturity for both tranches by two one-year periods. If the option to extend the maturity is exercised, the interest rate will increase to 6.25% from 5.75% for the extension period.

Senior Notes due 2028—On April 12, 2021, we issued $500 million aggregate principal amount of senior unsecured notes due 2028 (the "Senior Notes due 2028"). The Senior Notes due 2028 bear interest at a rate of 5.50% per annum, payable semi-annually in arrears on May 1 and November 1 of each year, commencing on November 1, 2021. We used a portion of the proceeds to redeem in full the Senior Notes due 2022 (see below), and used the remaining net proceeds for general corporate purposes, including the funding of acquisitions and investments, including aviation investments.

On September 24, 2021, we issued an additional $500 million aggregate principal amount of the Senior Notes due 2028 at an offering price of 100.50%, plus accrued interest from and including April 12, 2021. We used a portion of the net proceeds in the amount of $358.3 million to repay in full the Bridge Loans (as defined below).

Senior Notes due 2022—On May 7, 2021, we redeemed in full the Senior Notes due 2022, which totaled $400 million aggregate principal plus accrued and unpaid interest, and recognized a loss on extinguishment of debt of $3.3 million.

Bridge Loan Agreement—On July 28, 2021, in connection with our acquisition of Transtar, we entered into an agreement for senior unsecured bridge term loans ("Bridge Loans") in an aggregate principal amount of $650 million, which we used to finance the acquisition and other certain fees associated with the transaction.

On September 14, 2021, we used net proceeds in the amount of $291.7 million from an equity offering (see Note 20) to repay a portion of the Bridge Loans. On September 24, 2021, we used a portion of the net proceeds in the amount of $358.3 million from our issuance of the Senior Notes due 2028 to repay in full the Bridge Loans. We recorded fees of approximately $12.2 million which are included in Interest expense in the Consolidated Statements of Operations.

Series 2021 Bonds—On August 18, 2021, Jefferson issued $425 million aggregate principal amount of Series 2021 Bonds, which are designated as $225 million of Series 2021A Dock and Wharf Facility Revenue Bonds (the "Series 2021A Bonds") and $200 million of Series 2021B Taxable Facility Revenue Bonds (the "Taxable Series 2021B Bonds").

The Series 2021A Bonds consist of:

i) $39.1 million aggregate principal amount of Serial Bonds maturing between January 1, 2026 and January 1, 2031, and bearing interest at specified fixed rates ranging from 1.875% to 2.625% per annum,

ii) $38.2 million aggregate principal amount of Term Bonds maturing January 1, 2036, and bearing interest at a fixed rate of 2.750% per annum,

iii) $44.9 million aggregate principal amount of Term Bonds maturing January 1, 2041, and bearing interest at a fixed rate of 2.875% per annum, and

iv) $102.8 million aggregate principal amount of Term Bonds maturing January 1, 2050, and bearing interest at a fixed rate of 3.00% per annum.

The Taxable Series 2021B Bonds will mature on January 1, 2028, and bear interest at a fixed rate of 4.100% per annum.

Jefferson used a portion of the net proceeds from the Series 2021 Bonds to repay certain indebtedness, and intend to use a portion of the net proceeds to pay for or reimburse the cost of development, construction and acquisition of certain facilities.

DRP Revolver—On November 5, 2021, we entered into an amendment to the DRP Revolver, which extends the maturity date under the DRP Revolver to November 5, 2024. In connection with this extension, the obligations of FTAI to contribute capital in the event of an event of default under the DRP Revolver were terminated.

Revolving Credit Facility—On December 2, 2021, we entered into an amendment to the Revolving Credit Facility, which extends the maturity date under the Revolving Credit Facility to December 2, 2024.

2021 Bridge Loans—On December 2, 2021, we entered into an agreement for senior secured bridge term loans ("2021 Bridge Loans") in an aggregate principal amount of $350.0 million, which we used to finance or refinance certain assets. The 2021 Bridge Loans mature on December 15, 2022.

2020 Activity

Series 2020 Bonds—On February 11, 2020, our subsidiary ("Jefferson") issued Series 2020 Bonds in an aggregate principal amount of $264.0 million ("Jefferson Refinancing"). The Series 2020 Bonds are designated as $184.9 million of Series 2020A Dock and Wharf Facility Revenue Bonds (the "Tax Exempt Series 2020A Bonds"), and $79.1 million of Series 2020B Taxable Facility Revenue Bonds (the "Taxable Series 2020B Bonds").

The Tax Exempt Series 2020A Bonds maturing on January 1, 2035 ($53.5 million aggregate principal amount) bear interest at a fixed rate of 3.625%.

The Tax Exempt Series 2020A Bonds maturing on January 1, 2050 ($131.4 million aggregate principal amount) bear interest at a fixed rate of 4.00%.

The Taxable Series 2020B Bonds will mature on January 1, 2025 and bear interest at a fixed rate of 6.00%.

Jefferson used a portion of the net proceeds from this offering to refund, redeem and defease the Series 2012 Bonds, Series 2016 Bonds and Jefferson Revolver, and intends to use a portion of the net proceeds to pay for or reimburse the cost of development, construction and acquisition of certain facilities, to fund certain reserve and funded interest accounts related to the Series 2020 Bonds, and to pay for or reimburse certain costs of issuance of the Series 2020 Bonds.

Jefferson recognized a loss on extinguishment of debt of $4.7 million as a result of this transaction.

(Dollars in tables in thousands, unless otherwise noted)

Revolving Credit Facility—On May 11, 2020, we entered into an amendment to the Revolving Credit Facility which, among other things, (i) permits the incurrence of additional secured indebtedness to finance the potential acquisition of certain aviation assets, subject to certain limitations, (ii) provides that, to the extent borrowings under the existing agreement exceed $150 million, we will pledge certain aviation assets as additional collateral and (iii) incorporates certain other updates, including procedures by which the parties will select a benchmark interest rate.

Senior Notes due 2027—On July 28, 2020, we issued $400 million aggregate principal amount of senior unsecured notes due 2027 (the "2027 Notes"). The 2027 Notes bear interest at a rate of 9.75% per annum, payable semi-annually in arrears on February 1 and August 1 of each year, commencing on February 1, 2021.

We used a portion of the proceeds to repay $220 million of outstanding borrowings under the Revolving Credit Facility, and intend to use the remaining proceeds for general corporate purposes, and the funding of future acquisitions and investments, including aviation investments.

Senior Notes due 2025—On December 23, 2020, we issued an additional $400 million of 2025 Notes at an offering price of 101.75% of the principal amount plus accrued interest from and including October 1, 2020.

We used a portion of the proceeds to repay $300 million of outstanding 2022 Notes through the Tender Offer (as defined below), and to repay $50 million of borrowings under the Revolving Credit Facility.

Tender Offer for Senior Notes due 2022—On December 9, 2020, we commenced a cash tender offer (the "Tender Offer") for up to $300 million aggregate principal amount of the 2022 Notes.

On December 23, 2020, we completed the Tender Offer for the entire $300 million aggregate principal amount of 2022 Notes validly tendered in connection with the Tender Offer. Holders whose notes were accepted for purchase received total consideration of $1,016.00 per $1,000 principal amount of 2022 Notes, including an early tender premium equal to $30.00 per $1,000 principal amount of 2022 Notes, plus accrued and unpaid interest on the 2022 Notes from September 15, 2020 (the most recent payment of semi-annual interest) to, but not including, December 23, 2020, subject to the terms and conditions of the Tender Offer. We recognized a loss on extinguishment of debt of $6.9 million in connection with this transaction.

We were in compliance with all debt covenants as of December 31, 2021.

As of December 31, 2021, scheduled principal repayments under our debt agreements for the next five years and thereafter are summarized as follows:

	2022	2023	2024	2025	2026	Thereafter	Total
DRP Revolver	$ —	$ —	$ 25,000	$ —	$ —	$ —	$ 25,000
Revolving Credit Facility	—	—	189,473	—	—	—	189,473
EB-5 Loan Agreement	—	—	—	—	26,100	—	26,100
2021 Bridge Loans	100,527	—	—	—	—	—	100,527
Series 2020 Bonds	—	—	—	79,060	—	184,920	263,980
Series 2021 Bonds	—	—	—	—	9,025	415,975	425,000
Senior Notes due 2025	—	—	—	850,000	—	—	850,000
Senior Notes due 2027	—	—	—	—	—	400,000	400,000
Senior Notes due 2028	—	—	—	—	—	1,000,000	1,000,000
Total principal payments on loans and bonds payable	**$ 100,527**	**$ —**	**$ 214,473**	**$ 929,060**	**$ 35,125**	**$ 2,000,895**	**$ 3,280,080**

11. FAIR VALUE MEASUREMENTS

Fair value measurements and disclosures require the use of valuation techniques to measure fair value that maximize the use of observable inputs and minimize use of unobservable inputs. These inputs are prioritized as follows:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities or market corroborated inputs.
- Level 3: Unobservable inputs for which there is little or no market data and which require us to develop our own assumptions about how market participants price the asset or liability.

The valuation techniques that may be used to measure fair value are as follows:

- Market approach—Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Income approach—Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about those future amounts.

(Dollars in tables in thousands, unless otherwise noted)

- Cost approach—Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

The following tables set forth our financial assets measured at fair value on a recurring basis by level within the fair value hierarchy. Assets measured at fair value are classified in their entirety based on the lowest level of input that is significant to their fair value measurement.

	Fair Value as of December 31, 2021	Fair Value Measurements Using Fair Value Hierarchy as of December 31, 2021			
	Total	Level 1	Level 2	Level 3	Valuation Technique
Assets					
Cash and cash equivalents	**$ 188,078**	**$ 188,078**	**$ —**	**$ —**	**Market**
Restricted cash	**251,983**	**251,983**	**—**	**—**	**Market**
Derivative assets	**2,220**	**—**	**2,220**	**—**	**Income**
Total assets	**$ 442,281**	**$ 440,061**	**$ 2,220**	**$ —**	

	Fair Value as of December 31, 2020	Fair Value Measurements Using Fair Value Hierarchy as of December 31, 2020			
	Total	Level 1	Level 2	Level 3	Valuation Technique
Assets					
Cash and cash equivalents	$ 121,703	$ 121,703	$ —	$ —	Market
Restricted cash	39,715	39,715	—	—	Market
Total assets	$ 161,418	$ 161,418	$ —	$ —	

Our cash and cash equivalents and restricted cash consist largely of demand deposit accounts with maturities of 90 days or less when purchased that are considered to be highly liquid. These instruments are valued using inputs observable in active markets for identical instruments and are therefore classified as Level 1 within the fair value hierarchy.

The fair value as of December 31, 2021 of our commodity derivative assets classified as Level 2 measurements are estimated by applying the income and market approaches, based on quotes of observable market transactions, and adjusted for estimated differential factors based on quality and delivery locations.

Except as discussed below, our financial instruments other than cash, cash equivalents and restricted cash consist principally of accounts receivable, accounts payable and accrued liabilities, loans payable, bonds payable, security deposits, maintenance deposits and management fees payable, whose fair value approximates their carrying value based on an evaluation of pricing data, vendor quotes, and historical trading activity or due to their short maturity profiles.

The fair value of our bonds and notes payable reported as debt, net in the Consolidated Balance Sheets are presented in the table below:

	December 31,	
	2021	2020
Series 2020 A Bonds [(1)]	**$ 189,773**	$ 186,306
Series 2020 B Bonds [(1)]	**81,637**	79,723
Series 2021 A Bonds [(1)]	**222,023**	—
Series 2021 B Bonds [(1)]	**194,278**	—
Senior Notes due 2022	**—**	403,536
Senior Notes due 2025	**881,408**	888,701
Senior Notes due 2027	**448,848**	460,340
Senior Notes due 2028	**1,019,470**	—

[(1)] Fair value is based upon market prices for similar municipal securities.

The fair value of all other items reported as debt, net in the Consolidated Balance Sheet approximate their carrying values due to their bearing market rates of interest and are classified as Level 2 within the fair value hierarchy.

We measure the fair value of certain assets and liabilities on a non-recurring basis when U.S. GAAP requires the application of fair value, including events or changes in circumstances that indicate that the carrying amounts of assets may not be recoverable. Assets subject to these measurements include goodwill, intangible assets, property, plant and equipment and leasing equipment. We record such assets at fair value when it is determined the carrying value may not be recoverable. Fair value measurements for assets subject to impairment tests are based on an income approach which uses Level 3 inputs, which include our assumptions as to future cash flows from operation of the underlying businesses and the leasing and eventual sale of assets.

12. DERIVATIVE FINANCIAL INSTRUMENTS

Commodity Derivatives

Crude Oil

Depending on market conditions, we sourced crude oil from producers in Canada, arranging logistics to Jefferson Terminal and marketing crude oil to third parties. We exited this strategy in the fourth quarter of 2019. These crude oil forward purchase and sales contracts are not designated in hedging relationships.

Butane

Depending on market conditions, Repauno enters into forward purchase and sales contracts for butane. These derivatives are short-term in nature, are used for trading purposes and classified as Level 2 derivatives.

The following table presents information related to our butane derivative contracts:

	December 31,	
	2021	**2020**
Notional Amount *(BBL in thousands)*	**244**	N/A
Fair Value of Assets [1]	**$ 2,220**	$ —
Term	**1 to 3 months**	N/A

[1] Included in Other assets in the Consolidated Balance Sheets.

The following table presents a summary of the changes in fair value for all Level 3 crude oil derivatives:

	Year Ended December 31,		
	2021	**2020**	**2019**
Beginning Balance	$ —	$ 181	$ 6,545
Net losses recognized in earnings	—	(181)	(6,364)
Purchases	—	—	314
Sales	—	—	(674)
Settlements	—	—	360
Ending Balance	$ —	$ —	$ 181

There were no transfers into or out of Level 3 during the periods presented.

13. REVENUES

We disaggregate our revenue from contracts with customers by products and services provided for each of our segments, as we believe it best depicts the nature, amount, timing and uncertainty of our revenue. Revenues attributed to our Equipment Leasing business unit are within the scope of ASC 842, while revenues attributed to our Infrastructure business unit are within the scope of ASC 606, unless otherwise noted. We have elected to exclude sales and other similar taxes from revenues.

(Dollars in tables in thousands, unless otherwise noted)

	Year Ended December 31, 2021					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Equipment leasing revenues						
Lease income	**$ 161,985**	**$ —**	**$ —**	**$ —**	**$ 10,131**	**$ 172,116**
Maintenance revenue	**128,819**	**—**	**—**	**—**	**—**	**128,819**
Finance lease income	**1,747**	**—**	**—**	**—**	**—**	**1,747**
Other revenue	**28,871**	**—**	**—**	**—**	**4,030**	**32,901**
Total equipment leasing revenues	**$ 321,422**	**$ —**	**$ —**	**$ —**	**$ 14,161**	**$ 335,583**
Infrastructure revenues						
Lease income	**—**	**1,688**	**—**	**736**	**—**	**2,424**
Rail revenues	**—**	**—**	**—**	**56,803**	**—**	**56,803**
Terminal services revenues	**—**	**44,664**	**374**	**—**	**—**	**45,038**
Other revenue	**—**	**—**	**11,243**	**—**	**4,711**	**15,954**
Total infrastructure revenues	**—**	**46,352**	**11,617**	**57,539**	**4,711**	**120,219**
Total revenues	**$ 321,422**	**$ 46,352**	**$ 11,617**	**$ 57,539**	**$ 18,872**	**$ 455,802**

	Year Ended December 31, 2020					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Equipment leasing revenues						
Lease income	$ 166,331	$ —	$ —	$ —	$ 11,145	$ 177,476
Maintenance revenue	101,462	—	—	—	—	101,462
Finance lease income	2,260	—	—	—	—	2,260
Other revenue	11,158	—	—	—	5,578	16,736
Total equipment leasing revenues	$ 281,211	$ —	$ —	$ —	$ 16,723	$ 297,934
Infrastructure revenues						
Lease income	—	1,186	—	—	—	1,186
Terminal services revenues	—	50,887	—	—	—	50,887
Crude marketing revenues	—	8,210	—	—	—	8,210
Other revenue	—	—	3,855	—	4,424	8,279
Total infrastructure revenues	—	60,283	3,855	—	4,424	68,562
Total revenues	$ 281,211	$ 60,283	$ 3,855	$ —	$ 21,147	$ 366,496

(Dollars in tables in thousands, unless otherwise noted)

	Year Ended December 31, 2019					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Equipment leasing revenues						
Lease income	$ 197,305	$ —	$ —	$ —	$ 9,796	$ 207,101
Maintenance revenue	134,914	—	—	—	—	134,914
Finance lease income	2,648	—	—	—	—	2,648
Other revenue	1,808	—	—	—	2,851	4,659
Total equipment leasing revenues	$ 336,675	$ —	$ —	$ —	$ 12,647	$ 349,322
Infrastructure revenues						
Lease income	—	2,306	1,056	—	—	3,362
Terminal services revenues	—	35,908	7,057	—	—	42,965
Crude marketing revenues	—	166,134	—	—	—	166,134
Other revenue	—	—	14,074	—	2,917	16,991
Total infrastructure revenues	—	204,348	22,187	—	2,917	229,452
Total revenues	$ 336,675	$ 204,348	$ 22,187	$ —	$ 15,564	$ 578,774

Presented below are the contracted minimum future annual revenues to be received under existing operating and finance leases across several market sectors as of December 31, 2021:

	Operating leases	Finance leases
2022	$ 180,243	$ 394
2023	131,397	258
2024	93,421	113
2025	65,849	10
2026	38,426	—
Thereafter	43,355	—
Total	**$ 552,691**	**$ 775**

14. LEASES

We have commitments as lessees under lease agreements primarily for real estate, equipment and vehicles. Our leases have remaining lease terms ranging from approximately two months to 41 years.

(Dollars in tables in thousands, unless otherwise noted)

The following table presents lease related costs:

	Year Ended December 31,		
	2021	**2020**	**2019**
Finance leases			
Amortization of right-of-use assets	**$ 380**	$ —	$ —
Interest on lease liabilities	**27**	—	—
Finance lease expense	**407**	—	—
Operating lease expense	**6,564**	4,719	5,857
Short-term lease expense	**995**	778	3,605
Variable lease expense	**1,590**	1,379	3,263
Sublease income	**—**	—	(1,032)
Lease expense from continuing operations	**9,556**	6,876	11,693
Finance lease expense	**—**	—	304
Operating lease expense	**—**	—	3,705
Lease expense from discontinued operations	**—**	—	4,009
Total lease expense	**$ 9,556**	$ 6,876	$ 15,702

The following table presents information related to our operating leases as of and for the year ended December 31, 2021:

Right-of-use assets, net	$ 75,344
Lease liabilities	$ 73,594
Weighted average remaining lease term	33.5 years
Weighted average incremental borrowing rate	5.6 %
Cash paid for amounts included in the measurement of operating lease liabilities	
Continuing operations	$ 6,114

The following table presents future minimum lease payments under non-cancellable operating leases as of December 31, 2021:

2022	$ 9,723
2023	8,009
2024	7,035
2025	6,719
2026	5,583
Thereafter	142,878
Total undiscounted lease payments	179,947
Less: Imputed interest	106,353
Total lease liabilities	$ 73,594

In July 2021, in connection with our acquisition of Transtar, we assumed ROU assets of approximately $12.2 million with a weighted average remaining term of 5.5 years.

Additionally, during the year ended December 31, 2021, we entered into a new lease for real estate, which had a ROU asset value of $2.7 million and a lease term of approximately five years at commencement.

15. EQUITY-BASED COMPENSATION

In 2015, we established a Nonqualified Stock Option and Incentive Award Plan ("Incentive Plan") which provides for the ability to award equity compensation awards in the form of stock options, stock appreciation rights, restricted stock, and performance awards to eligible employees, consultants, directors, and other individuals who provide services to us, each as determined by the Compensation Committee of the Board of Directors.

As of December 31, 2021, the Incentive Plan provides for the issuance of up to 29.8 million shares. We account for equity-based compensation expense in accordance with ASC 718 *Compensation-Stock Compensation* and is reported within operating expenses and general and administrative in the Consolidated Statements of Operations.

The following table presents our stock-based compensation expense:

	Year Ended December 31,			Remaining Expense To Be Recognized, If All Vesting Conditions Are Met as of December 31, 2021
	2021	**2020**	**2019**	
Restricted shares	**$ 3,215**	$ 1,676	$ 1,054	$ 3,731
Common units	**823**	649	455	1,048
Total - continuing operations	**$ 4,038**	$ 2,325	$ 1,509	$ 4,779
Common units - discontinued operations	**$ —**	$ —	$ 3,114	

The following tables present information for our stock options, restricted shares of our subsidiary and common units of our subsidiary:

	Stock Options		Restricted Shares		Common Units	
	Options	**Weighted Average Exercise Price**	**Shares**	**Weighted Average Issuance Price**	**Units**	**Weighted Average Issuance Price**
Outstanding as of December 31, 2020	2,243,692	$ 16.81	578,802	$ 7.64	1,394,475	$ 1.14
Granted	1,684,318	26.35	662,423	8.48	1,052,632	1.14
Less: exercised / vested	165,268	18.22	367,804	8.90	1,223,265	1.13
Less: forfeited and canceled	—	—	254,180	8.08	263,013	1.14
Outstanding as of December 31, 2021	**3,762,742**		**619,241**		**960,829**	

	Stock Options	**Restricted Shares**	**Common Units**
As of December 31, 2021:			
Weighted average exercise / issuance price (per share)	**$ 21.02**	**$ 8.02**	**$ 1.14**
Aggregate intrinsic value (in thousands)	**$ 29,951**	**$ 5,569**	**$ 1,326**
Weighted average remaining contractual term (in years)	**8.3**	**1.0**	**1.1**

During the year ended December 31, 2021, the Manager transferred 25,998 of its options to certain of the Manager's employees.

Stock Options

In connection with our equity offerings (see Note 20 for details), we granted options to the Manager related to common shares. The fair value of these options was recorded as an increase in equity with an offsetting reduction of capital proceeds received.

(Dollars in tables in thousands, unless otherwise noted)

The following table presents information related to the options related to our shares:

		Year Ended December 31,								
		2021			2020			2019		
Number of options		**1,684,318**			129,988			1,262,362		
Fair value ($ millions)		**$13.8**			$0.7			$1.8		
Ranges										
Expected volatility	The expected stock volatility is based on an assessment of the volatility of our publicly traded common shares	**44.78%**	**-**	**45.60%**	61.27%	-	62.12%	21.45%	-	21.89%
Risk free interest rate	The risk-free rate is determined using the implied yield currently available on U.S. government bonds with a term consistent with the expected term on the date of grant.	**1.34%**	**-**	**1.70%**	0.51%	-	0.76%	1.45%	-	1.67%
Expected dividend yield	The expected dividend yield is based on management's current expected dividend rate.	**3.16%**	**-**	**3.64%**	6.23%	-	11.79%	6.58%	-	8.02%
Expected term	Expected term used represents the period of time the options granted are expected to be outstanding.	**10 years**			10 years			10 years		

Restricted Shares

We issued 662,423, 545,806 and 113,121 restricted shares of our subsidiary during the years ended December 31, 2021, 2020 and 2019, respectively, that had grant date fair values of $5.6 million, $4.0 million and $1.5 million, respectively, and generally vest over three years. These awards are subject to continued employment, and the compensation expense is recognized ratably over the vesting periods. The fair value of these awards was based on the fair value of the operating subsidiary on each grant date, which was estimated using a discounted cash flow analysis that requires the application of discount factors and terminal multiples to projected cash flows. Discount factors and terminal multiples were based on market-based inputs and transactions, as available at the measurement date.

Common Units

We issued 1,052,632, 831,140 and 1,110,000 common units of our subsidiary during the years ended December 31, 2021, 2020 and 2019, respectively, that had grant date fair values of $1.2 million, $0.9 million and $3.4 million, respectively, and vest over three years. These awards are subject to continued employment and compensation expense is recognized ratably over the vesting periods. The fair value was based on the fair value of the operating subsidiary on the grant date, which is estimated using a discounted cash flow analysis that requires the application of discount factors and terminal multiples to projected cash flows. Discount factors and terminal multiples were based on market-based inputs and transactions, as available at the measurement date.

16. RETIREMENT BENEFIT PLANS

In connection with the acquisition of Transtar (see Note 4), we established a defined benefit pension plan as well as a postretirement benefit plan to assume certain retirement benefit obligations related to eligible Transtar employees.

Defined Benefit Pensions

Our pension plan covers certain eligible Transtar employees. These plans are noncontributory. Pension benefits earned are generally based on years of service and compensation during active employment.

Postretirement Benefits

Our unfunded postretirement plan provides healthcare and life insurance benefits for eligible retirees and dependents of Transtar. Depending on retirement date and employee classification, certain healthcare plans contain contribution and cost-sharing features such as deductibles and co-insurance. The remaining healthcare and life insurance plans are non-contributory.

The following table summarizes our retirement plan costs for the year ended December 31, 2021 and estimated benefit obligation as of December 31, 2021. Service costs and interest costs are recorded in Operating expenses and Other (expense) income, respectively, in the Consolidated Statements of Operations.

(Dollars in tables in thousands, unless otherwise noted)

	Pension Benefits	Postretirement Benefits
Benefit obligation as of January 1, 2021	$ —	$ —
Transtar acquisition	9,055	28,488
Service costs	712	864
Interest costs	108	337
Actuarial losses (gains)	(20)	344
Benefits paid	(50)	—
Benefit obligation as of December 31, 2021	**$ 9,805**	**$ 30,033**

The pension and postretirement benefits are unfunded and recorded in Other liabilities on the Consolidated Balance Sheets.

Weighted-average assumptions used to determine the estimated benefit obligation and period costs as of and for the year ended December 31, 2021 are as follows:

	Pension Benefits	Postretirement Benefits
Weighted-average assumptions used to determine pension and postretirement benefit obligations:		
Discount rate	3.02 %	3.00 %
Rate of compensation increase	3.50 %	N/A
Average future working lifetime (years)	N/A	11.34
Initial healthcare cost trend rate - Pre-Medicare	N/A	10.00 %
Initial healthcare cost trend rate - Medicare eligible	N/A	3.00 %
Ultimate healthcare cost trend rate	N/A	3.94 %
Year ultimate healthcare cost trend rate is reached	N/A	2075
Weighted-average assumptions used to determine net periodic pension and postretirement costs:		
Discount rate	2.88 %	2.86 %
Rate of compensation increases	3.50 %	N/A
Average future working lifetime (years)	10.93	11.34
Initial healthcare cost trend rate	N/A	6.00 %
Ultimate healthcare cost trend rate	N/A	3.80 %
Year ultimate healthcare cost trend rate is reached	N/A	2075

The following benefit payments, which reflect expected future service and compensation increases, as appropriate, are expected to be made from the Transtar defined benefit plans:

	Pension Benefits	Postretirement Benefits
2022	$ 51	$ 102
2023	143	173
2024	261	251
2025	390	354
2026	496	451
Years 2027-2031	4,501	3,252

(Dollars in tables in thousands, unless otherwise noted)

17. INCOME TAXES

The current and deferred components of the income tax (benefit) provision included in the Consolidated Statements of Operations are as follows:

	Year Ended December 31,		
	2021	2020	2019
Current:			
Federal	$ 602	$ (110)	$ 55
State and local	625	328	423
Foreign	(11)	496	188
Total current provision	1,216	714	666
Deferred:			
Federal	(2,831)	(1,750)	12,937
State and local	260	13	(638)
Foreign	298	(4,882)	4,845
Total deferred (benefit) provision	(2,273)	(6,619)	17,144
(Benefit from) provision for income taxes:			
Continuing operations	(1,057)	(5,905)	17,810
Discontinued operations	—	—	1,076
Total	$ (1,057)	$ (5,905)	$ 18,886

We are taxed as a flow-through entity for U.S. income tax purposes and our taxable income or loss generated is the responsibility of our owners, except as related to certain wholly owned corporate subsidiaries for which only distributions therefrom flow through to our shareholders. Taxable income or loss generated by our corporate subsidiaries is subject to U.S. federal, state and foreign corporate income tax in locations where they conduct business.

(Dollars in tables in thousands, unless otherwise noted)

The difference between our reported total provision for income taxes and the U.S. federal statutory rate of 21% is as follows:

	Year Ended December 31,		
	2021	**2020**	**2019**
U.S. federal tax at statutory rate	**21.0 %**	21.0 %	21.0 %
Income not subject to tax at statutory rate	**(4.8)%**	(7.9)%	(21.7)%
State and local taxes	**(0.6)%**	(0.3)%	(0.1)%
Foreign taxes	**(0.2)%**	4.0 %	2.7 %
Branch profit tax	**(0.1)%**	— %	— %
Other	**(3.7)%**	0.1 %	(0.6)%
Change in valuation allowance	**(10.8)%**	(11.5)%	7.0 %
Provision for income taxes	**0.8 %**	5.4 %	8.3 %

Significant components of our deferred tax assets and liabilities are as follows:

	December 31,	
	2021	**2020**
Deferred tax assets:		
Net operating loss carryforwards	**$ 132,836**	$ 105,184
Accrued expenses	**2,274**	468
Interest expense	**25,013**	26,531
Operating lease liabilities	**23,504**	10,119
Investment in Partnerships	**17,043**	—
Other	**1,124**	2,895
Total deferred tax assets	**201,794**	145,197
Less valuation allowance	**(142,541)**	(98,091)
Net deferred tax assets	**59,253**	47,106
Deferred tax liabilities:		
Investment in partnerships	**—**	(13,759)
Fixed assets and goodwill	**(36,972)**	(29,448)
Operating lease right-of-use assets	**(23,772)**	(10,062)
Net deferred tax liabilities	**$ (1,491)**	$ (6,163)

Deferred tax assets and liabilities are reported net in Other assets or Other liabilities in the Consolidated Balance Sheets. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences become deductible. We have analyzed our deferred tax assets and have determined, based on the weight of available evidence, that it is more likely than not that a significant portion will not be realized. Accordingly, valuation allowances have been recognized as of December 31, 2021 and 2020 of $142.5 million and $98.1 million, respectively, related to certain deductible temporary differences and net operating loss carryforwards.

A summary of the changes in the valuation allowance is as follows:

	December 31,	
	2021	**2020**
Valuation allowance at beginning of period	**$ 98,091**	$ 79,176
Change due to current year losses	**44,458**	18,915
Change due to current year releases	**(8)**	—
Valuation allowance at end of period	**$ 142,541**	$ 98,091

(Dollars in tables in thousands, unless otherwise noted)

As of December 31, 2021, certain of our corporate subsidiaries had U.S. federal net operating loss carryforwards of approximately $459.3 million that are available to offset future taxable income. If not utilized, $169.0 million of these carryforwards will begin to expire in the year 2034, with $290.3 million of these carryforwards having no expiration date. As of December 31, 2021, we also had net operating loss carryforwards for Irish income tax purposes of $246.9 million, which can be carried forward indefinitely against future business income, and $1.9 million of net operating loss carryforwards for Malaysian income tax purposes, which will begin to expire in the year 2025. The utilization of the net operating loss carryforwards to reduce future income taxes will depend on the relevant corporate subsidiary's ability to generate sufficient taxable income prior to the expiration of the carryforward period, if any. In addition, the maximum annual use of net operating loss carryforwards may be limited after certain changes in stock ownership.

As of and for the period ended December 31, 2021, we had not established a liability for uncertain tax positions as no such positions existed. In general, our tax returns and the tax returns of our corporate subsidiaries are subject to U.S. federal, state, local and foreign income tax examinations by tax authorities. Generally, we are not subject to examination by taxing authorities for tax years prior to 2018. We do not believe that it is reasonably possible that the total amount of unrecognized tax benefits will significantly change within 12 months of the reporting date.

18. MANAGEMENT AGREEMENT AND AFFILIATE TRANSACTIONS

The Manager is paid annual fees in exchange for advising us on various aspects of our business, formulating our investment strategies, arranging for the acquisition and disposition of assets, arranging for financing, monitoring performance, and managing our day-to-day operations, inclusive of all costs incidental thereto. In addition, the Manager may be reimbursed for various expenses incurred by the Manager on our behalf, including the costs of legal, accounting and other administrative activities. In May 2015, in connection with our IPO, we entered into the Management Agreement. Additionally, we have entered into certain incentive allocation arrangements with Master GP, which owns approximately 0.05% of the Partnership and is the general partner of the Partnership.

The Manager is entitled to a management fee, incentive allocations (comprised of income incentive allocation and capital gains incentive allocation, defined below) and reimbursement of certain expenses. The management fee is determined by taking the average value of total equity (excluding non-controlling interests) determined on a consolidated basis in accordance with U.S. GAAP at the end of the two most recently completed months multiplied by an annual rate of 1.50%, and is payable monthly in arrears in cash.

The income incentive allocation is calculated and distributable quarterly in arrears based on the pre-incentive allocation net income for the immediately preceding calendar quarter (the “Income Incentive Allocation”). For this purpose, pre-incentive allocation net income means, with respect to a calendar quarter, net income attributable to shareholders during such quarter calculated in accordance with U.S. GAAP excluding our pro rata share of (1) realized or unrealized gains and losses, and (2) certain non-cash or one-time items, and (3) any other adjustments as may be approved by our independent directors. Pre-incentive allocation net income does not include any Income Incentive Allocation or Capital Gains Incentive Allocation (described below) paid to the Master GP during the relevant quarter.

One of our subsidiaries allocates and distributes to the Master GP an Income Incentive Allocation with respect to its pre-incentive allocation net income in each calendar quarter as follows: (1) no Income Incentive Allocation in any calendar quarter in which pre-incentive allocation net income, expressed as a rate of return on the average value of our net equity capital (excluding non-controlling interests) at the end of the two most recently completed calendar quarters, does not exceed 2% for such quarter (8% annualized); (2) 100% of pre-incentive allocation net income with respect to that portion of such pre-incentive allocation net income, if any, that is equal to or exceeds 2% but does not exceed 2.2223% for such quarter; and (3) 10% of the amount of pre-incentive allocation net income, if any, that exceeds 2.2223% for such quarter. These calculations will be prorated for any period of less than three months.

Capital Gains Incentive Allocation is calculated and distributable in arrears as of the end of each calendar year and is equal to 10% of our pro rata share of cumulative realized gains from the date of the IPO through the end of the applicable calendar year, net of our pro rata share of cumulative realized or unrealized losses, the cumulative non-cash portion of equity-based compensation expenses and all realized gains upon which prior performance-based Capital Gains Incentive Allocation payments were made to the Master GP.

The following table summarizes the management fees, income incentive allocation and capital gains incentive allocation:

	Year Ended December 31,		
	2021	**2020**	**2019**
Management fees	**$ 16,322**	$ 18,519	$ 14,828
Income incentive allocation	**—**	—	—
Capital gains incentive allocation	**—**	—	21,231
Total	**$ 16,322**	$ 18,519	$ 36,059

(Dollars in tables in thousands, unless otherwise noted)

We pay all of our operating expenses, except those specifically required to be borne by the Manager under the Management Agreement. The expenses required to be paid by us include, but are not limited to, issuance and transaction costs incident to the acquisition, disposition and financing of our assets, legal and auditing fees and expenses, the compensation and expenses of our independent directors, the costs associated with the establishment and maintenance of any credit facilities and other indebtedness of ours (including commitment fees, legal fees, closing costs, etc.), expenses associated with other securities offerings of ours, costs and expenses incurred in contracting with third parties (including affiliates of the Manager), the costs of printing and mailing proxies and reports to our shareholders, costs incurred by the Manager or its affiliates for travel on our behalf, costs associated with any computer software or hardware that is used by us, costs to obtain liability insurance to indemnify our directors and officers and the compensation and expenses of our transfer agent.

We will pay or reimburse the Manager and its affiliates for performing certain legal, accounting, due diligence tasks and other services that outside professionals or outside consultants otherwise would perform, provided that such costs and reimbursements are no greater than those which would be paid to outside professionals or consultants. The Manager is responsible for all of its other costs incident to the performance of its duties under the Management Agreement, including compensation of the Manager’s employees, rent for facilities and other “overhead” expenses; we will not reimburse the Manager for these expenses.

The following table summarizes our reimbursements to the Manager:

	Year Ended December 31,		
	2021	**2020**	**2019**
Classification in the Consolidated Statements of Operations:			
General and administrative expenses	**$ 8,761**	$ 9,552	$ 11,017
Acquisition and transaction expenses	**2,153**	2,081	3,399
Total	**$ 10,914**	$ 11,633	$ 14,416

If we terminate the Management Agreement, we will generally be required to pay the Manager a termination fee. The termination fee is equal to the amount of the management fee during the 12 months immediately preceding the date of the termination. In addition, an Incentive Allocation Fair Value Amount will be distributable to the Master GP if the Master GP is removed due to the termination of the Management Agreement in certain specified circumstances. The Incentive Allocation Fair Value Amount is an amount equal to the Income Incentive Allocation and the Capital Gains Incentive Allocation that would be paid to the Master GP if our assets were sold for cash at their then current fair market value (as determined by an appraisal, taking into account, among other things, the expected future value of the underlying investments).

Upon the successful completion of an offering of our common shares or other equity securities (including securities issued as consideration in an acquisition), we grant the Manager options to purchase common shares in an amount equal to 10% of the number of common shares being sold in the offering (or if the issuance relates to equity securities other than our common shares, options to purchase a number of common shares equal to 10% of the gross capital raised in the equity issuance divided by the fair market value of a common share as of the date of issuance), with an exercise price equal to the offering price per share paid by the public or other ultimate purchaser or attributed to such securities in connection with an acquisition (or the fair market value of a common share as of the date of the equity issuance if it relates to equity securities other than our common shares). Any ultimate purchaser of common shares for which such options are granted may be an affiliate the Manager.

The following table summarizes amounts due to the Manager, which are included within accounts payable and accrued liabilities in the Consolidated Balance Sheets:

	December 31,	
	2021	**2020**
Accrued management fees	**$ 1,495**	$ 1,461
Other payables	**2,326**	1,317

As of December 31, 2021 and 2020, no amounts were recorded as a receivable from the Manager.

Other Affiliate Transactions

As of December 31, 2021 and 2020, an affiliate of our Manager owns an approximately 20% interest in Jefferson Terminal which has been accounted for as a component of non-controlling interest in consolidated subsidiaries in the accompanying consolidated financial statements. The carrying amount of this non-controlling interest at December 31, 2021 and 2020 was $9.1 million and $17.2 million, respectively.

(Dollars in tables in thousands, unless otherwise noted)

The following table presents the amount of this non-controlling interest share of net loss:

	Year Ended December 31,		
	2021	2020	2019
Non-controlling interest share of net loss	$ (26,250)	$ (16,483)	$ (17,357)

On June 21, 2018, we, through a wholly owned subsidiary, completed a private offering with several third parties (the “Holders”) to tender their approximately 20% stake in Jefferson Terminal. We increased our majority interest in Jefferson Terminal in exchange for Class B Units of another wholly owned subsidiary, which provide the right to convert such Class B Units to a fixed amount of our shares, equivalent to approximately 1.9 million shares, at a Holder’s request. We have the option to satisfy any exchange request by delivering either common shares or cash. The Holders are entitled to receive distributions equivalent to the distributions paid to our shareholders. This transaction resulted in a purchase of non-controlling interest shares. See Note 20 for details related to conversions during the period.

In July 2020, we purchased a 14% interest in FYX from an affiliate of our Manager, which retained a non-controlling interest in FYX subsequent to the transaction. Additionally, other investors in FYX are also affiliates of our Manager. See Note 8 for additional information related to FYX.

During the year ended December 31, 2020, we granted options to the Manager in connection with preferred shares sold under the ATM Program (as defined in Note 20). See Note 20 for additional information.

In connection with the Capital Call Agreement related to the Series 2016 Bonds, we entered into a Fee and Support Agreement with an affiliate of our Manager. The Fee and Support Agreement provides that the affiliate of the Manager is compensated for its guarantee of a portion of the obligations under the Standby Bond Purchase Agreement. This affiliate of the Manager received fees of $1.7 million, which was amortized as interest expense to the earlier of the redemption date or February 13, 2020.

In connection with the amendment to the Jefferson Revolver, on December 20, 2018, our subsidiary and an affiliate of our Manager entered into an amended and restated Fee and Support Agreement, and our subsidiary issued a $0.3 million promissory note to the affiliate of our Manager, as consideration for the fee payable pursuant to the amended and restated Fee and Support Agreement.

In February 2020, the Fee and Support Agreement was terminated in connection with the Jefferson Refinancing.

19. SEGMENT INFORMATION

Our reportable segments represent strategic business units comprised of investments in different types of transportation and infrastructure assets. We have four reportable segments which operate in the Equipment Leasing and Infrastructure businesses across several market sectors. Our reportable segments are (i) Aviation Leasing, (ii) Jefferson Terminal, (iii) Ports and Terminals and (iv) Transtar. The Aviation Leasing segment consists of aircraft and aircraft engines held for lease and are typically held long-term. The Jefferson Terminal segment consists of a multi-modal crude oil and refined products terminal and other related assets. The Ports and Terminals segment consists of Repauno, which is a 1,630 acre deep-water port located along the Delaware River with an underground storage cavern, a new multipurpose dock, a rail-to-ship transloading system and multiple industrial development opportunities, and an equity method investment in Long Ridge, which is a 1,660 acre multi-modal port located along the Ohio River with rail, dock, and multiple industrial development opportunities, including a power plant in operation.

In July 2021, we acquired Transtar and it operates as a separate reportable segment within our Infrastructure business. Transtar is comprised of five freight railroads and one switching company that provide rail service to certain manufacturing and production facilities. See Note 4 for additional information.

In December 2019, we completed the sale of CMQR, which was formerly reported as our Railroad segment. Under ASC 205-20, this disposition met the criteria to be reported as discontinued operations and the assets, liabilities and results of operations have been presented as discontinued operations for all periods presented. Additionally, in accordance with ASC 280, we assessed our reportable segments. We determined that our retained investment of the railroad business no longer met the requirement as a reportable segment. Accordingly, we have presented this operating segment, along with Corporate results, within Corporate and Other effective in 2019.

Corporate and Other primarily consists of debt, unallocated corporate general and administrative expenses, and management fees. Additionally, Corporate and Other includes (i) offshore energy related assets which consist of vessels and equipment that support offshore oil and gas activities and are typically subject to operating leases, (ii) an investment in an unconsolidated entity engaged in the leasing of shipping containers, (iii) railroad assets which consist of equipment that support a railcar cleaning business and (iv) various clean technology and sustainability investments (see Note 8 for additional information).

The accounting policies of the segments are the same as those described in the summary of significant accounting policies; however, financial information presented by segment includes the impact of intercompany eliminations. The chief operating decision maker evaluates investment performance for each reportable segment primarily based on Adjusted EBITDA.

(Dollars in tables in thousands, unless otherwise noted)

Adjusted EBITDA is defined as net income (loss) attributable to shareholders from continuing operations, adjusted (a) to exclude the impact of provision for (benefit from) income taxes, equity-based compensation expense, acquisition and transaction expenses, losses on the modification or extinguishment of debt and capital lease obligations, changes in fair value of non-hedge derivative instruments, asset impairment charges, incentive allocations, depreciation and amortization expense, and interest expense, (b) to include the impact of our pro-rata share of Adjusted EBITDA from unconsolidated entities, and (c) to exclude the impact of equity in earnings (losses) of unconsolidated entities and the non-controlling share of Adjusted EBITDA.

We believe that net income (loss) attributable to shareholders, as defined by U.S. GAAP, is the most appropriate earnings measurement with which to reconcile Adjusted EBITDA. Adjusted EBITDA should not be considered as an alternative to net income (loss) attributable to shareholders as determined in accordance with U.S. GAAP.

The following tables set forth certain information for each reportable segment:

I. For the Year Ended December 31, 2021

	Year Ended December 31, 2021					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Revenues						
Equipment leasing revenues	$ 321,422	$ —	$ —	$ —	$ 14,161	$ 335,583
Infrastructure revenues	—	46,352	11,617	57,539	4,711	120,219
Total revenues	321,422	46,352	11,617	57,539	18,872	455,802
Expenses						
Operating expenses	56,072	48,255	14,403	28,987	24,747	172,464
General and administrative	—	—	—	—	17,409	17,409
Acquisition and transaction expenses	3,840	—	—	2,841	15,260	21,941
Management fees and incentive allocation to affiliate	—	—	—	—	16,322	16,322
Depreciation and amortization	139,972	36,013	9,052	8,320	8,399	201,756
Asset impairment	10,463	—	—	—	—	10,463
Interest expense	—	14,812	1,147	53	155,024	171,036
Total expenses	210,347	99,080	24,602	40,201	237,161	611,391
Other income (expense)						
Equity in (losses) earnings of unconsolidated entities	(1,403)	—	(11,429)	—	98	(12,734)
Gain on sale of assets, net	49,015	—	16	—	—	49,031
Loss on extinguishment of debt	—	—	—	—	(3,254)	(3,254)
Interest income	1,153	—	318	—	240	1,711
Other (expense) income	(1,680)	(4,726)	(4,100)	(423)	1	(10,928)
Total other income (expense)	47,085	(4,726)	(15,195)	(423)	(2,915)	23,826
Income (loss) from continuing operations before income taxes	158,160	(57,454)	(28,180)	16,915	(221,204)	(131,763)
Provision for (benefit from) income taxes	935	230	(3,749)	1,602	(75)	(1,057)
Net income (loss) from continuing operations	157,225	(57,684)	(24,431)	15,313	(221,129)	(130,706)
Less: Net loss from continuing operations attributable to non-controlling interests in consolidated subsidiaries	—	(26,250)	(222)	—	—	(26,472)
Less: Dividends on preferred shares	—	—	—	—	24,758	24,758
Net income (loss) attributable to shareholders from continuing operations	$ 157,225	$ (31,434)	$ (24,209)	$ 15,313	$ (245,887)	$ (128,992)

(Dollars in tables in thousands, unless otherwise noted)

The following table sets forth a reconciliation of Adjusted EBITDA to net loss attributable to shareholders from continuing operations:

	Year Ended December 31, 2021					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Adjusted EBITDA	$ 340,613	$ 10,631	$ 21,375	$ 28,129	$ (64,433)	$ 336,315
Add: Non-controlling share of Adjusted EBITDA						12,508
Add: Equity in losses of unconsolidated entities						(12,734)
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities						(27,892)
Less: Interest expense						(171,036)
Less: Depreciation and amortization expense						(229,734)
Less: Incentive allocations						—
Less: Asset impairment charges						(10,463)
Less: Changes in fair value of non-hedge derivative instruments						2,220
Less: Losses on the modification or extinguishment of debt and capital lease obligations						(3,254)
Less: Acquisition and transaction expenses						(21,941)
Less: Equity-based compensation expense						(4,038)
Less: Benefit from income taxes						1,057
Net loss attributable to shareholders from continuing operations						$ (128,992)

Summary information with respect to our geographic sources of revenue, based on location of customer, is as follows:

	Year Ended December 31, 2021					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Revenues						
Africa	$ 235	$ —	$ —	$ —	$ —	$ 235
Asia	114,389	—	—	—	14,161	128,550
Europe	133,537	—	—	—	—	133,537
North America	62,121	46,352	11,617	57,539	4,711	182,340
South America	11,140	—	—	—	—	11,140
Total revenues	$ 321,422	$ 46,352	$ 11,617	$ 57,539	$ 18,872	$ 455,802

(Dollars in tables in thousands, unless otherwise noted)

II. For the Year Ended December 31, 2020

	Year Ended December 31, 2020					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Revenues						
Equipment leasing revenues	$ 281,211	$ —	$ —	$ —	$ 16,723	$ 297,934
Infrastructure revenues	—	60,283	3,855	—	4,424	68,562
Total revenues	281,211	60,283	3,855	—	21,147	366,496
Expenses						
Operating expenses	20,667	53,072	10,327	—	25,446	109,512
General and administrative	—	—	—	—	18,159	18,159
Acquisition and transaction expenses	6,687	—	907	—	2,274	9,868
Management fees and incentive allocation to affiliate	—	—	—	—	18,519	18,519
Depreciation and amortization	133,904	29,034	1,497	—	7,965	172,400
Asset impairment	33,978	—	—	—	—	33,978
Interest expense	—	9,426	1,335	—	87,445	98,206
Total expenses	195,236	91,532	14,066	—	159,808	460,642
Other (expense) income						
Equity in (losses) earnings of unconsolidated entities	(1,932)	—	(3,222)	—	115	(5,039)
Loss on sale of assets, net	(300)	(8)	—	—	—	(308)
Loss on extinguishment of debt	—	(4,724)	—	—	(6,943)	(11,667)
Interest income	94	22	—	—	46	162
Other income	—	70	—	—	—	70
Total other expense	(2,138)	(4,640)	(3,222)	—	(6,782)	(16,782)
Income (loss) from continuing operations before income taxes	83,837	(35,889)	(13,433)	—	(145,443)	(110,928)
(Benefit from) provision for income taxes	(4,812)	278	(1,791)	—	420	(5,905)
Net income (loss) from continuing operations	88,649	(36,167)	(11,642)	—	(145,863)	(105,023)
Less: Net loss from continuing operations attributable to non-controlling interests in consolidated subsidiaries	—	(16,483)	(39)	—	—	(16,522)
Less: Dividends on preferred shares	—	—	—	—	17,869	17,869
Net income (loss) attributable to shareholders from continuing operations	$ 88,649	$ (19,684)	$ (11,603)	$ —	$ (163,732)	$ (106,370)

(Dollars in tables in thousands, unless otherwise noted)

The following table sets forth a reconciliation of Adjusted EBITDA to net loss attributable to shareholders from continuing operations:

	Year Ended December 31, 2020					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Adjusted EBITDA	$ 288,752	$ 16,118	$ (2,600)	$ —	$ (58,964)	$ 243,306
Add: Non-controlling share of Adjusted EBITDA						9,637
Add: Equity in losses of unconsolidated entities						(5,039)
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities						(1,208)
Less: Interest expense						(98,206)
Less: Depreciation and amortization expense						(202,746)
Less: Incentive allocations						—
Less: Asset impairment charges						(33,978)
Less: Changes in fair value of non-hedge derivative instruments						(181)
Less: Losses on the modification or extinguishment of debt and capital lease obligations						(11,667)
Less: Acquisition and transaction expenses						(9,868)
Less: Equity-based compensation expense						(2,325)
Less: Benefit from income taxes						5,905
Net loss attributable to shareholders from continuing operations						$ (106,370)

Summary information with respect to our geographic sources of revenue, based on location of customer, is as follows:

	Year Ended December 31, 2020					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Revenues						
Africa	$ 10,259	$ —	$ —	$ —	$ —	$ 10,259
Asia	110,057	—	—	—	16,637	126,694
Europe	124,670	—	—	—	—	124,670
North America	32,961	60,283	3,855	—	4,510	101,609
South America	3,264	—	—	—	—	3,264
Total revenues	$ 281,211	$ 60,283	$ 3,855	$ —	$ 21,147	$ 366,496

(Dollars in tables in thousands, unless otherwise noted)

III. For the Year Ended December 31, 2019

	Year Ended December 31, 2019					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Revenues						
Equipment leasing revenues	$ 336,675	$ —	$ —	$ —	$ 12,647	$ 349,322
Infrastructure revenues	—	204,348	22,187	—	2,917	229,452
Total revenues	336,675	204,348	22,187	—	15,564	578,774
Expenses						
Operating expenses	17,668	231,506	24,854	—	17,544	291,572
General and administrative	—	—	—	—	16,905	16,905
Acquisition and transaction expenses	8,641	—	5,008	—	3,974	17,623
Management fees and incentive allocation to affiliate	—	—	—	—	36,059	36,059
Depreciation and amortization	128,990	22,873	9,849	—	7,311	169,023
Asset impairment	—	—	4,726	—	—	4,726
Interest expense	—	16,189	1,712	—	77,684	95,585
Total expenses	155,299	270,568	46,149	—	159,477	631,493
Other income (expense)						
Equity in losses of unconsolidated entities	(1,829)	(292)	(192)	—	(62)	(2,375)
Gain on sale of assets, net	81,954	4,636	116,660	—	—	203,250
Loss on extinguishment of debt	—	—	—	—	—	—
Interest income	104	118	289	—	20	531
Other income	—	634	1,809	—	1,002	3,445
Total other income	80,229	5,096	118,566	—	960	204,851
Income (loss) from continuing operations before income taxes	261,605	(61,124)	94,604	—	(142,953)	152,132
Provision for income taxes	2,826	284	14,700	—	—	17,810
Net income (loss) from continuing operations	258,779	(61,408)	79,904	—	(142,953)	134,322
Less: Net loss from continuing operations attributable to non-controlling interests in consolidated subsidiaries	—	(17,356)	(215)	—	—	(17,571)
Less: Dividends on preferred shares	—	—	—	—	1,838	1,838
Net income (loss) attributable to shareholders from continuing operations	$ 258,779	$ (44,052)	$ 80,119	$ —	$ (144,791)	$ 150,055

(Dollars in tables in thousands, unless otherwise noted)

The following table sets forth a reconciliation of Adjusted EBITDA to net income attributable to shareholders from continuing operations:

	Year Ended December 31, 2019					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Adjusted EBITDA	$ 429,398	$ (6,160)	$ 114,760	$ —	$ (34,590)	$ 503,408
Add: Non-controlling share of Adjusted EBITDA						9,859
Add: Equity in losses of unconsolidated entities						(2,375)
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities						1,387
Less: Interest expense						(95,585)
Less: Depreciation and amortization expense						(199,185)
Less: Incentive allocations						(21,231)
Less: Asset impairment charges						(4,726)
Less: Changes in fair value of non-hedge derivative instruments						(4,555)
Less: Losses on the modification or extinguishment of debt and capital lease obligations						—
Less: Acquisition and transaction expenses						(17,623)
Less: Equity-based compensation expense						(1,509)
Less: Provision for income taxes						(17,810)
Net income attributable to shareholders from continuing operations						$ 150,055

Summary information with respect to our geographic sources of revenue, based on location of customer, is as follows:

	Year Ended December 31, 2019					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Revenues						
Africa	$ 14,542	$ —	$ —	$ —	$ —	$ 14,542
Asia	119,289	—	—	—	12,647	131,936
Europe	157,942	—	—	—	—	157,942
North America	36,391	204,348	22,187	—	2,917	265,843
South America	8,511	—	—	—	—	8,511
Total revenues	$ 336,675	$ 204,348	$ 22,187	$ —	$ 15,564	$ 578,774

(Dollars in tables in thousands, unless otherwise noted)

IV. Balance Sheet and location of long-lived assets

The following tables sets forth summarized balance sheet information and the geographic location of property, plant and equipment and leasing equipment, net:

	December 31, 2021					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Total assets	**$ 2,098,979**	**$ 1,284,432**	**$ 316,899**	**$ 762,294**	**$ 401,250**	**$ 4,863,854**
Debt, net	**—**	**693,624**	**25,000**	**—**	**2,501,587**	**3,220,211**
Total liabilities	**214,564**	**820,725**	**50,651**	**109,325**	**2,544,489**	**3,739,754**
Non-controlling interests in equity of consolidated subsidiaries	**—**	**(2,604)**	**1,888**	**—**	**524**	**(192)**
Total equity	**1,884,415**	**463,707**	**266,248**	**652,969**	**(2,143,239)**	**1,124,100**
Total liabilities and equity	**$ 2,098,979**	**$ 1,284,432**	**$ 316,899**	**$ 762,294**	**$ 401,250**	**$ 4,863,854**

	December 31, 2021					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Property, plant and equipment and leasing equipment, net						
Asia	**$ 368,298**	**$ —**	**$ —**	**$ —**	**$ 175,313**	**$ 543,611**
Europe	**839,555**	**—**	**—**	**—**	**—**	**839,555**
North America	**265,203**	**786,566**	**280,210**	**481,826**	**5,003**	**1,818,808**
South America	**245,532**	**—**	**—**	**—**	**—**	**245,532**
Total property, plant and equipment and leasing equipment, net	**$ 1,718,588**	**$ 786,566**	**$ 280,210**	**$ 481,826**	**$ 180,316**	**$ 3,447,506**

	December 31, 2020					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Total assets	$ 1,704,205	$ 989,928	$ 400,217	$ —	$ 293,627	$ 3,387,977
Debt, net	—	253,473	25,000	—	1,626,289	1,904,762
Total liabilities	219,692	365,629	38,242	—	1,665,093	2,288,656
Non-controlling interests in equity of consolidated subsidiaries	—	20,785	1,354	—	524	22,663
Total equity	1,484,513	624,299	361,975	—	(1,371,466)	1,099,321
Total liabilities and equity	$ 1,704,205	$ 989,928	$ 400,217	$ —	$ 293,627	$ 3,387,977

	December 31, 2020					
	Equipment Leasing	Infrastructure				
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Transtar	Corporate and Other	Total
Property, plant and equipment and leasing equipment, net						
Asia	$ 445,566	$ —	$ —	$ —	$ 56,702	$ 502,268
Europe	774,300	—	—	—	—	774,300
North America	208,190	702,393	269,680	—	117,782	1,298,045
South America	25,009	—	—	—	—	25,009
Total property, plant and equipment and leasing equipment, net	$ 1,453,065	$ 702,393	$ 269,680	$ —	$ 174,484	$ 2,599,622

20. EARNINGS PER SHARE AND EQUITY

Basic earnings per common share ("EPS") is calculated by dividing net income attributable to shareholders by the weighted average number of common shares outstanding, plus any participating securities. Diluted EPS is calculated by dividing net income attributable to shareholders by the weighted average number of common shares outstanding, plus any participating securities and potentially dilutive securities. Potentially dilutive securities are calculated using the treasury stock method.

The calculation of basic and diluted EPS is presented below.

	Year Ended December 31,		
(in thousands, except share and per share data)	**2021**	**2020**	**2019**
Net (loss) income from continuing operations	**$ (130,706)**	$ (105,023)	$ 134,322
Net income from discontinued operations, net of income taxes	**—**	1,331	73,462
Net (loss) income	**(130,706)**	(103,692)	207,784
Less: Net (loss) income attributable to non-controlling interests in consolidated subsidiaries:			
Continuing operations	**(26,472)**	(16,522)	(17,571)
Discontinued operations	**—**	—	247
Less: Dividends on preferred shares	**24,758**	17,869	1,838
Net (loss) income attributable to shareholders	**$ (128,992)**	$ (105,039)	$ 223,270
Weighted average shares outstanding:			
Basic	**89,922,088**	86,015,702	85,992,019
Diluted	**89,922,088**	86,015,702	86,029,363
Basic EPS:			
Continuing operations	**$ (1.43)**	$ (1.24)	$ 1.74
Discontinued operations	**$ —**	$ 0.02	$ 0.85
Diluted EPS:			
Continuing operations	**$ (1.43)**	$ (1.24)	$ 1.74
Discontinued operations	**$ —**	$ 0.02	$ 0.85

The calculation of Diluted EPS excludes 898,299, 24,652 and 150,981 shares for the years ended December 31, 2021, 2020 and 2019, respectively, because the impact would be anti-dilutive.

Certain holders of Class B Units (see Note 18) converted 279,678, 911,448 and 1,134,806 Class B Units, respectively, in exchange for 207,129, 675,015 and 840,434 common shares, respectively, during the years ended December 31, 2021, 2020 and 2019.

We issued 17,155 common shares to certain directors as compensation during the year ended December 31, 2021.

Common Shares

In September 2021, we issued 12,000,000 common shares, par value $0.01 per share, at a price of $25.50 per share. We received net proceeds of $291.7 million after deducting underwriting discounts and offering expenses. The proceeds were used to repay a portion of the Bridge Loans (see Note 10).

In October 2021, the underwriters exercised an option to purchase an additional 1,283,863 common shares, par value $0.01 per share, at a price of $25.50 per share.

See Note 15 for information related to options issued to the Manager in connection with such offering.

Preferred Shares

In March 2021, in a public offering, we issued 4,200,000 shares of 8.25% Fixed-Rate Reset Series C Cumulative Perpetual Redeemable Preferred Shares ("Series C Preferred Shares"), par value $0.01 per share, with a liquidation preference of $25.00 per share for net proceeds of approximately $101.2 million.

On June 30, 2020, we entered into an At Market Issuance Sales Agreement with a third party to sell shares of our Fixed-to-Floating Rate Series A Cumulative Perpetual Redeemable Preferred Shares ("Series A Preferred Shares") and Fixed-to-Floating Rate Series B Cumulative Perpetual Redeemable Preferred Shares ("Series B Preferred Shares", collectively, the "ATM Shares"), having an aggregate offering price of up to $100 million, from time to time, through an "at-the market" equity offering program (the "ATM Program"). We sold 1,070,000 ATM Shares at a weighted average price of $19.54 per share for net proceeds of $20.6 million during the year ended December 31, 2020. In connection with the shares sold under the ATM Program, we granted options to the Manager relating to 129,988 common shares, which had a grant date fair value of $0.7 million.

In September 2019, in a public offering, we issued 3,450,000 shares of 8.25% Series A Preferred Shares, par value $0.01 per share, with a liquidation preference of $25.00 per share for net proceeds of approximately $82.9 million.

In November 2019, in a public offering, we issued 4,600,000 shares of 8.00% Series B Preferred Shares, par value $0.01 per share, with a liquidation preference of $25.00 per share for net proceeds of approximately $111.1 million.

See Note 15 for information related to options issued to the Manager in connection with these offerings.

21. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company and its subsidiaries may be involved in various claims, legal proceedings, or may enter into contracts that contain a variety of representations and warranties and which provide general indemnifications. Within our offshore energy business, a lessee did not fulfill their obligation under their charter arrangement, therefore we are pursuing rights afforded to us under the charter and the range of potential losses against the obligation is $0.0 million to $3.3 million. Our maximum exposure under other arrangements is unknown as no additional claims have been made. We believe the risk of loss in connection with such arrangements is remote.

We have also entered into an arrangement with our non-controlling interest holder of Repauno, whereby the non-controlling interest holder may receive additional payments contingent upon the achievement of certain service conditions, not to exceed $15.0 million. We will account for such amounts when and if such conditions are achieved. The contingency related to $5.0 million of the total $15.0 million was resolved during the year ended December 31, 2021. The $5.0 million payment was included in the cost of the asset acquisition.

Jefferson entered into a two-year pipeline capacity agreement for a recently completed pipeline. Under the agreement, which took effect in the second quarter of 2021, Jefferson is obligated to pay fixed marketing fees over the two-year agreement, which totals a minimum of $10.2 million per year.

22. SUBSEQUENT EVENTS

In January 2022, we issued 8,311 common shares to certain directors as compensation.

Dividends

On February 24, 2022, our Board of Directors declared a cash dividend on our common shares and eligible participating securities of $0.33 per share for the quarter ended December 31, 2021, payable on March 23, 2022 to the holders of record on March 11, 2022.

Additionally, on February 24, 2022, our Board of Directors declared cash dividends on the Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares of $0.52, $0.50 and $0.52 per share, respectively, for the quarter ended December 31, 2021, payable on March 15, 2022 to the holders of record on March 7, 2022.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

As of the end of the period covered by this report, an evaluation was carried out under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures were effective as of and for the period covered by this report.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that: pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and our dispositions of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition and use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

On July 28, 2021, we completed the acquisition of Transtar. Our management is in the process of reviewing the operations of Transtar and integrating its controls into our internal control structure. In accordance with SEC guidance permitting a company to exclude an acquired business from management's assessment of the effectiveness of internal control over financial reporting for the year in which the acquisition is completed, we have excluded Transtar from our assessment of the effectiveness of internal control over financial reporting as of December 31, 2021. Transtar represented approximately 16% of our total assets and 13% of our total revenues as of and for the year ended December 31, 2021. See Note 4 to the consolidated financial statements for additional information about the acquisition of Transtar.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2021. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - Integrated Framework (2013). Based on management's assessment using this framework, management concluded that, as of December 31, 2021, our internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2021 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report included herein.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during its most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Fortress Transportation and Infrastructure Investors LLC

Opinion on Internal Control Over Financial Reporting

We have audited Fortress Transportation and Infrastructure Investors LLC's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Fortress Transportation and Infrastructure Investors LLC (the "Company") maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

As indicated in the accompanying Management's Annual Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Transtar, LLC, which is included in the 2021 consolidated financial statements of the Company and constituted 16% of total assets as of December 31, 2021 and 13% of revenues for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Transtar, LLC.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive (loss) income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and our report dated February 25, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
New York, New York
February 25, 2022

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III—OTHER INFORMATION

Item 10. Directors, Executive Officers and Corporate Governance

Any information required by this Item 10 is incorporated by reference to our definitive proxy statement for the 2022 annual meeting of shareholders to be filed with the SEC pursuant to Regulation 14A within 120 days after the fiscal year ended December 31, 2021 (our "Definitive Proxy Statement") under the headings "Proposal No. 1 Election of Directors" and "Executive Officers."

Item 11. Executive Compensation

The information required by this Item 11 is incorporated by reference to our Definitive Proxy Statement under the headings "Executive and Manager Compensation" and "Compensation Committee Report."

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item 12 is incorporated by reference to our Definitive Proxy Statement under the heading "Security Ownership of Management and Certain Beneficial Owners." See also "Nonqualified Stock Option and Incentive Award Plan" in Part II, Item 5, "Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities" which is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item 13 is incorporated by reference to our Definitive Proxy Statement under the headings "Proposal No. 1 Election of Directors—Determination of Director Independence" and "Certain Relationships and Related Transactions."

Item 14. Principal Accountant Fees and Services

The information required by this Item 14 is incorporated by reference to our Definitive Proxy Statement under the heading "Proposal No. 2 Approval of Appointment of Ernst & Young LLP as Independent Registered Public Accounting Firm—Principal Accountant Fees and Services."

PART IV

Item 15. Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of November 19, 2019, by and among Soo Line Corporation, Black Bear Acquisition LLC, Railroad Acquisition Holdings LLC and Fortress Worldwide Transportation and Infrastructure General Partnership (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K, filed January 6, 2020).
3.1	Certificate of Formation (incorporated by reference to Exhibit 3.1 of Amendment No. 4 to the Company's Registration Statement on Form S-1, filed on April 30, 2015).
3.2	Fourth Amended and Restated Limited Liability Company Agreement of Fortress Transportation and Infrastructure Investors LLC, dated as of March 25, 2021 (incorporated by reference to Exhibit 3.2 to Fortress Transportation and Infrastructure Investors LLC's Form 8-A, filed March 25, 2021).
3.3	Share Designation with respect to the 8.25% Fixed-to-Floating Series A Cumulative Perpetual Redeemable Preferred Shares, dated as of September 12, 2019 (included as part of Exhibit 3.2).
3.4	Share Designation with respect to the 8.00% Fixed-to-Floating Series B Cumulative Perpetual Redeemable Preferred Shares, dated as of November 27, 2019 (included as part of Exhibit 3.2).
3.5	Share Designation with respect to the 8.25% Fixed-Rate Reset Series C Cumulative Perpetual Redeemable Preferred Shares, dated as of March 25, 2021 (included as part of Exhibit 3.2).
4.1	Indenture, dated March 15, 2017, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.75% senior unsecured notes due 2022 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on March 15, 2017).
4.2	Form of global note representing the Company's 6.75% senior unsecured notes due 2022 (included in Exhibit 4.1).
4.3	First Supplemental Indenture, dated June 8, 2017, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.75% senior unsecured notes due 2022 (incorporated by reference to Exhibit 4.3 of the Company's Annual Report on Form 10-K, filed on March 1, 2018).
4.4	Second Supplemental Indenture, dated August 23, 2017, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.75% senior unsecured notes due 2022 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on August 23, 2017).
4.5	Third Supplemental Indenture, dated December 20, 2017, between Fortress Transportation and Infrastructure LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.75% senior unsecured notes due 2022 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed on December 20, 2017).
4.6	Fourth Supplemental Indenture, dated May 31, 2018, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.75% senior unsecured notes due 2022 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed May 31, 2018).
4.7	Fifth Supplemental Indenture, dated February 8, 2019, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.75% senior unsecured notes due 2022 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed February 8, 2019).
4.8	Indenture, dated September 18, 2018, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.50% senior unsecured notes due 2025 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on September 18, 2018).
4.9	Form of global note representing the Company's 6.50% senior unsecured notes due 2025 (included in Exhibit 4.8).
4.10	First Supplemental Indenture, dated May 21, 2019, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.50% senior unsecured notes due 2025 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on May 21, 2019).
4.11	Second Supplemental Indenture, dated December 23, 2020, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.50% senior unsecured notes due 2025 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on December 23, 2020).
4.12	Indenture, dated April 12, 2021, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Fortress Transportation and Infrastructure Investors LLC's Form 8-K, filed April 12, 2021).
4.13	Form of global note representing the Company's 5.50% senior unsecured notes due 2028 (included in Exhibit 4.12).
4.14	First Supplemental Indenture, dated as of September 24, 2021, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 5.50% senior unsecured notes due 2028 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on September 24, 2021).
4.15	Form of certificate representing the 8.25% Fixed-to-Floating Rate Series A Cumulative Perpetual Redeemable Preferred Shares of Fortress Transportation and Infrastructure Investors LLC (incorporated by reference to Exhibit 4.1 of the Company's Form 8-A, filed September 12, 2019).
4.16	Form of certificate representing the 8.00% Fixed-to-Floating Rate Series B Cumulative Perpetual Redeemable Preferred Shares of Fortress Transportation and Infrastructure Investors LLC (incorporated by reference to Exhibit 4.1 to the Company's Form 8-A, filed November 27, 2019).
4.17	Form of certificate representing the 8.25% Fixed-Rate Reset Series C Cumulative Perpetual Redeemable Preferred Shares of Fortress Transportation and Infrastructure Investors LLC (incorporated by reference to Exhibit 4.1 to Fortress Transportation and Infrastructure Investors LLC's Form 8-A, filed March 25, 2021).
4.18	Description of Securities Registered under Section 12 of the Exchange Act.
10.1	Fourth Amended and Restated Partnership Agreement of Fortress Worldwide Transportation and Infrastructure General Partnership (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on May 21, 2015).

	Exhibit No.	Description
†	10.2	Management and Advisory Agreement, dated as of May 20, 2015, between Fortress Transportation and Infrastructure Investors LLC and FIG LLC (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed on May 21, 2015).
†	10.3	Registration Rights Agreement, dated as of May 20, 2015, among Fortress Transportation and Infrastructure Investors LLC, FIG LLC and Fortress Transportation and Infrastructure Master GP LLC (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, filed on May 21, 2015).
†	10.4	Fortress Transportation and Infrastructure Investors LLC Nonqualified Stock Option and Incentive Award Plan (incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K, filed on May 21, 2015).
	10.5	Form of director and officer indemnification agreement of Fortress Transportation and Infrastructure Investors LLC (incorporated by reference to Exhibit 10.5 of Amendment No. 4 to the Company's Registration Statement on Form S-1, filed April 30, 2015).
*	10.6	Engineering, Procuring and Construction Agreement dated as of February 15, 2019, between Long Ridge Energy Generation LLC and Kiewit Power Constructors Co. (incorporated by reference to Exhibit 10.17 of the Company's Quarterly Report on Form 10-Q, filed on May 3, 2019).
*	10.7	Purchase and Sale of Power Generation Equipment and Related Services Agreement dated as of February 15, 2019, between Long Ridge Energy Generation LLC and General Electric Company (incorporated by reference to Exhibit 10.18 of the Company's Quarterly Report on Form 10-Q, filed on May 3, 2019).
	10.8	First Lien Credit Agreement dated as of February 15, 2019, among Ohio River PP Holdco LLC, Ohio Gasco LLC, Long Ridge Energy Generation LLC, the lenders and issuing banks from time to time party thereto, and Cortland Capital Market Services LLC, as administrative agent (incorporated by reference to Exhibit 10.19 of the Company's Quarterly Report on Form 10-Q, filed on May 3, 2019).
	10.9	Second Lien Credit Agreement dated as of February 15, 2019, among Ohio River PP Holdco LLC, Ohio Gasco LLC, Long Ridge Energy Generation LLC, the lenders from time to time party thereto, and Cortland Capital Market Services LLC, as administrative agent (incorporated by reference to Exhibit 10.20 of the Company's Quarterly Report on Form 10-Q, filed on May 3, 2019).
†	10.10	Form of Award Agreement under the Fortress Transportation and Infrastructure Investors Nonqualified Stock Option and Incentive Award Plan (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on January 17, 2018).
	10.11	Credit Agreement, dated as of February 11, 2020, among Jefferson 2020 Bond Borrower LLC, as the borrower and Fortress Transportation and Infrastructure Investors LLC, acting through one or more affiliates, as the lender (incorporated by reference to Exhibit 10.15 of the Company's Quarterly Report on Form 10-Q, filed on May 1, 2020).
	10.12	Senior Loan Agreement, dated as of February 1, 2020, between Port of Beaumont Navigation District of Jefferson County, Texas, as issuer and Jefferson 2020 Bond Borrower LLC, as borrower (incorporated by reference to Exhibit 10.16 of the Company's Quarterly Report on Form 10-Q, filed on May 1, 2020).
	10.13	Deed of Trust, Security Agreement, Financing Statement and Fixture Filing, dated February 1, 2020, from Jefferson 2020 Bond Borrower LLC, as grantor, and Jefferson 2020 Bond Lessee LLC, as grantor, to Ken N. Whitlow, as Deed of Trust Trustee for the benefit of Deutsche Bank National Trust Company, as beneficiary (incorporated by reference to Exhibit 10.17 of the Company's Quarterly Report on Form 10-Q, filed on May 1, 2020).
	10.14	Amended and Restated Lease and Development Agreement, effective as of January 1, 2020, by and between Port of Beaumont Navigation District of Jefferson County, Texas, as lessor, and Jefferson 2020 Bond Lessee LLC, as lessee (incorporated by reference to Exhibit 10.18 of the Company's Quarterly Report on Form 10-Q, filed on May 1, 2020).
	10.15	Membership Interest Purchase Agreement, dated June 7, 2021, by and between United States Steel Corporation and Percy Acquisition LLC (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on June 8, 2021).
	10.16	Credit Agreement, dated July 28, 2021, among Fortress Transportation and Infrastructure Investors LLC, the guarantors from time to time party thereto, the lenders from time to time party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated by reference to Exhibit 10.21 of the Company's Quarterly Report on Form 10-Q, filed on July 29, 2021).
	10.17	Railway Services Agreement, dated July 28, 2021, by and among United States Steel Corporation, Transtar, LLC, Delray Connecting Railroad Company, Fairfield Southern Company, Inc., Gary Railway Company, Lake Terminal Railroad Company, Texas & Northern Railroad Company and Union Railroad Company, LLC (incorporated by reference to Exhibit 10.22 of the Company's Quarterly Report on Form 10-Q, filed on July 29, 2021).
	10.18	Amended and Restated Credit Agreement, dated as of December 2, 2021, between Fortress Transportation and Infrastructure Investors LLC, the lenders and issuing banks from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed December 8, 2021).
	10.19	Credit Agreement, dated as of December 2, 2021, between Fortress Transportation and Infrastructure Investors LLC, the guarantors from time to time party thereto, the lenders from time to time party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed December 8, 2021).
	21.1	Subsidiaries of Fortress Transportation and Infrastructure Investors LLC.
	23.1	Consent of Independent Registered Public Accounting Firm.
	31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
	31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
	32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit No.	Description
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from the Company's Annual Report on Form 10-K for the year ended December 31, 2021, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Operations; (iii) Consolidated Statements of Comprehensive (Loss) Income; (iv) Consolidated Statements of Changes in Equity; (v) Consolidated Statements of Cash Flows; and (vi) Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† *Management contracts and compensatory plans or arrangements.*

* *Portions of this exhibit have been omitted.*

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized:

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC

By:	/s/ Joseph P. Adams, Jr. Joseph P. Adams, Jr. Chairman and Chief Executive Officer	Date:	February 25, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By:	/s/ Joseph P. Adams, Jr. Joseph P. Adams, Jr. Chairman and Chief Executive Officer	Date:	February 25, 2022
By:	/s/ Scott Christopher Scott Christopher Chief Financial Officer	Date:	February 25, 2022
By:	/s/ Eun Nam Eun Nam Chief Accounting Officer	Date:	February 25, 2022
By:	/s/ Paul R. Goodwin Paul R. Goodwin Director	Date:	February 25, 2022
By:	/s/ Judith A. Hannaway Judith A. Hannaway Director	Date:	February 25, 2022
By:	/s/ A. Andrew Levison A. Andrew Levison Director	Date:	February 25, 2022
By:	/s/ Kenneth J. Nicholson Kenneth J. Nicholson Director	Date:	February 25, 2022
By:	/s/ Ray M. Robinson Ray M. Robinson Director	Date:	February 25, 2022
By:	/s/ Martin Tuchman Martin Tuchman Director	Date:	February 25, 2022

DESCRIPTION OF SECURITIES REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT

The following description of our common shares, our 8.25% Fixed-to-Floating Rate Series A Cumulative Perpetual Redeemable Preferred Shares (the "Series A Preferred Shares"), our 8.00% Fixed-to-Floating Rate Series B Cumulative Perpetual Redeemable Preferred Shares (the "Series B Preferred Shares"), our 8.25% Fixed Rate Reset Series C Cumulative Perpetual Redeemable Preferred Shares (the "Series C Preferred Shares") and certain provisions of Delaware law and our amended and restated limited liability company agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Operating Agreement") does not purport to be complete and is in all respects subject to, and qualified in its entirety by reference to, all of the provisions of our Operating Agreement and Delaware law.

For purposes of this summary, (i) the term "Company" refers only to Fortress Transportation and Infrastructure Investors LLC, a Delaware limited liability company, and not to any of its subsidiaries and (ii) the terms "our", "us", and "we" refer to the Company and its consolidated subsidiaries, unless the context requires otherwise.

Authorized Shares

Our authorized shares consist of:

• 2,000,000,000 common shares, par value $0.01 per share ("common shares"); and

• 200,000,000 preferred shares, par value $0.01 per share ("preferred shares"), 3,450,000 of which are designated as Series A Preferred Shares, 4,600,000 of which are designated as Series B Preferred Shares and 4,200,000 of which are designated as Series C Preferred Shares.

All the outstanding shares of our common shares and our Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares are fully paid and non-assessable.

Common Shares

No holder of common shares is entitled to preemptive, preferential or similar rights or redemption or conversion rights. Holders of common shares are entitled to one vote per share on all matters submitted to a vote of holders of common shares. Unless a different majority is required by law or by our Operating Agreement, resolutions to be approved by holders of common shares require approval by a simple majority of votes cast at a meeting at which a quorum is present.

Each holder of common shares is entitled to one vote for each common share held on all matters submitted to a vote of shareholders. Except as provided with respect to any other class or series of shares, the holders of our common shares will possess the exclusive right to vote for the election of directors and for all other purposes. Our Operating Agreement does not provide for cumulative voting in the election of directors, which means that the holders of a majority of the outstanding common shares can elect all of the directors standing for election, and the holders of the remaining shares are not able to elect any directors.

Although we currently intend to pay regular quarterly dividends to holders of our common shares, we may change our dividend policy at any time. Our net cash provided by operating activities has been less than the amount of distributions to our shareholders. The declaration and payment of dividends to holders of our common shares will be at the discretion of our board of directors in accordance with applicable law after taking into account various factors, including actual results of operations, liquidity and financial condition, net cash provided by operating activities, restrictions imposed by applicable law, our taxable income, our operating expenses and other factors our board of directors deem relevant. In addition, while any Series A Preferred Shares or Series B Preferred Shares remain outstanding, unless the full cumulative distributions on past distribution periods for such shares have been or contemporaneously are declared and paid in full or declared and a sum sufficient for the payment of those distributions set aside, we are generally prohibited from declaring and paying or setting aside any dividends on our common shares. See "Series A Preferred Shares-Priority Regarding Distributions," "Series B Preferred Shares-Priority Regarding Distributions" and "Series C Preferred Shares-Priority Regarding Distributions." Any rights of holders of our common shares to receive dividends, if any, declared from time to time by our board of directors out of legally available funds will also be subject to any preferred rights of holders of any additional preferred shares that we may issue in the future.

Our long term goal is to maintain a payout ratio of between 50-60% of funds available for distribution, with remaining amounts used primarily to fund our future acquisitions and opportunities. There can be no assurance that we will continue to pay dividends in amounts or on a basis consistent with prior distributions to our investors, if at all. Because we are a holding company and have no direct operations, we will only be able to pay dividends from our available cash on hand and any funds we receive from our subsidiaries and our ability to receive distributions from our subsidiaries may be limited by the financing agreements to which they are subject. In addition, pursuant to the amended and restated partnership agreement of Fortress Worldwide Transportation and Infrastructure General Partnership, the General Partner will be entitled to receive incentive allocations before any amounts are distributed by the Company based both on our consolidated net income and capital gains income in each fiscal quarter and for each fiscal year, respectively.

Each holder of our common shares is admitted as a member of our limited liability company and deemed to have agreed to be bound by the terms of the Operating Agreement. Pursuant to the Operation Agreement, each holder of our common shares grants to certain of our officers (and, if appointed, a liquidator) a power of attorney to, among other things, execute and file documents required for our qualification, continuance or dissolution. The power of attorney also grants certain of our officers the authority to make certain amendments to, and to make consents and waivers under and in accordance with, the Operating Agreement.

In the event of our liquidation, dissolution or winding up, the holders of our common shares are entitled to share ratably in all assets remaining after the payment of liabilities, subject to any rights of holders of our preferred shares prior to distribution.

Our common shares trade on the New York Stock Exchange ("NYSE") under the symbol "FTAI".

Series A Preferred Shares

General

The Operating Agreement authorizes the Company to issue up to 200,000,000 preferred shares in one or more series, and the Company's board of directors is authorized to fix the number of shares of each series and determine the rights, designations, preferences, powers and duties of any such series. The "8.25% Fixed-to-Floating Rate Series A Cumulative Perpetual Redeemable Preferred Shares" are designated as one series of our authorized preferred shares, consisting of 3,450,000 Series A Preferred Shares.

The Series A Preferred Shares represent perpetual equity interests in us and, unlike our indebtedness, do not give rise to a claim for payment of a principal amount at a particular date. As such, the Series A Preferred Shares rank junior to all of our current and future indebtedness and other liabilities with respect to assets available to satisfy claims against us. The Series A Preferred Shares have a fixed liquidation preference of $25.00 per Series A Preferred Share, plus an amount equal to accumulated and unpaid distributions thereon, if any, to, but excluding, the date of payment, whether or not declared; *provided* that the rights of the holders of Series A Preferred Shares to receive the liquidation preference will be subject to the proportional rights of holders of Parity Securities (as defined below) and to the other matters described under "-Liquidation Rights".

All of the Series A Preferred Shares are represented by a single certificate issued to The Depository Trust Company (and its successors or assigns or any other securities depositary selected by us) (the "Securities Depositary") and registered in the name of its nominee. So long as a Securities Depositary has been appointed and is serving, no person acquiring Series A Preferred Shares will be entitled to receive a certificate representing such Series A Preferred Shares unless applicable law otherwise requires or the Securities Depositary resigns or is no longer eligible to act as such and a successor is not appointed. See "-Book-Entry System".

Each holder of Series A Preferred Shares is admitted as a member of our limited liability company and deemed to have agreed to be bound by the terms of the Operating Agreement. Pursuant to the Operating Agreement, each holder of Series A Preferred Shares grants to certain of our officers (and, if appointed, a liquidator) a power of attorney to, among other things, execute and file documents required for our qualification, continuance or dissolution. The power of attorney also grants certain of our officers the authority to make certain amendments to, and to make consents and waivers under and in accordance with, the Operating Agreement.

Our Series A Preferred Shares trade on the NYSE under the symbol "FTAI PR A".

Ranking

With respect to the payment of distributions and rights (including redemption rights) upon our liquidation, dissolution or winding up, the Series A Preferred Shares rank (i) senior and prior to our common shares and any class or series of preferred shares that by its terms is designated as ranking junior to the Series A Preferred Shares, (ii) *pari passu* with any class or series of preferred shares that by its terms is designated as ranking equal to the Series A Preferred Shares or does not state it is junior or senior to the Series A Preferred Shares (including our Series B Preferred Shares and Series C Preferred Shares), (iii) junior to any class or series of preferred shares that is expressly designated as ranking senior to the Series A Preferred Shares (subject to receipt of any requisite consents prior to issuance) and (iv) effectively junior to all of our existing and future indebtedness (including indebtedness convertible into our common shares or preferred shares) and other liabilities and to all liabilities and any preferred equity of our existing subsidiaries and any future subsidiaries.

The Series A Preferred Shares are not convertible into, or exchangeable for, shares of any other class or series of our Capital Stock (as defined herein) or other securities and will not be subject to any sinking fund or other obligation to redeem or repurchase the Series A Preferred Shares. The Series A Preferred Shares are not secured, are not guaranteed by us or any of our affiliates and are not subject to any other arrangement that legally or economically enhances the ranking of the Series A Preferred Shares.

Distributions

Holders of the Series A Preferred Shares are entitled to receive, only when, as, and if declared by our board of directors, out of funds legally available for such purpose, cumulative cash distributions based on the stated liquidation preference of $25.00 per Series A Preferred Share at a rate equal to (i) from, and including, the original issue date of the Series A Preferred Shares to, but excluding, September 15, 2024 (the “Series A Fixed Rate Period”), 8.25% per annum, and (ii) beginning September 15, 2024 (the “Series A Floating Rate Period”), Three-Month LIBOR (as defined below) plus a spread of 688.6 basis points per annum and that sum will be the distribution rate for the applicable Distribution Period. A “Distribution Period” means the period from, and including, each Distribution Payment Date (as defined below) to, but excluding, the next succeeding Distribution Payment Date, except for the initial Distribution Period, which is the period from, and including, the original issue date of the Series A Preferred Shares to, but excluding, the next succeeding Distribution Payment Date.

When, as, and if declared by our board of directors, we pay cash distributions on the Series A Preferred Shares quarterly, in arrears, on March 15, June 15, September 15 and December 15 of each year (each such date, a “Distribution Payment Date”), which payments began on December 15, 2019. We pay cash distributions to the holders of record of Series A Preferred Shares as they appear on our share register on the applicable record date, which for any Distribution Payment Date shall be the 1st calendar day of the month of such Distribution Payment Date or such other record date fixed by our board of directors as the record date for such Distribution Payment Date that is not more than 60 nor less than 10 days prior to such Distribution Payment Date.

So long as the Series A Preferred Shares are held of record by the nominee of the Securities Depositary, declared distributions will be paid to the Securities Depositary in same-day funds on each Distribution Payment Date. The Securities Depositary will credit accounts of its participants in accordance with the Securities Depositary’s normal procedures. The participants will be responsible for holding or disbursing such payments to beneficial owners of the Series A Preferred Shares in accordance with the instructions of such beneficial owners.

If any Distribution Payment Date on or prior to September 15, 2024 is a day that is not a business day (as defined below), then declared distributions with respect to that Distribution Payment Date will instead be paid on the immediately succeeding business day, without interest or other payment in respect of such delayed payment. If any Distribution Payment Date after September 15, 2024 is a day that is not a business day, then the Distribution Payment Date will be the immediately succeeding business day, and distributions will accrue to the Distribution Payment Date. A “business day” for the Series A Fixed Rate Period means any weekday in New York, New York that is not a day on which banking institutions in that city are authorized or required by law, regulation, or executive order to be closed. A “business day” for the Series A Floating Rate Period means any weekday in New York, New York that is not a day on which banking institutions in that city are authorized or required by law, regulation, or executive order to be closed, and additionally, is a London banking day (as defined below).

We calculate distributions on the Series A Preferred Shares for the Series A Fixed Rate Period on the basis of a 360-day year consisting of twelve 30-day months. We calculate distributions on the Series A Preferred Shares for the Series A Floating Rate Period on the basis of the actual number of days in a Distribution Period and a 360-day year. Dollar amounts resulting from that calculation are rounded to the nearest cent, with one-half cent being rounded upward. Distributions on the Series A Preferred Shares will cease to accrue after the redemption date, as described below under “-Redemption”, unless we default in the payment of the redemption price of the Series A Preferred Shares called for redemption.

Distributions on the Series A Preferred Shares are not mandatory. However, distributions on the Series A Preferred Shares accrue from the original issue date, or the most recent Distribution Payment Date on which all accrued distributions have been paid, as applicable, whether or not we have earnings, whether or not there are funds legally available for the payment of those distributions and whether or not those distributions are declared. No interest, or sum in lieu of interest, is payable in respect of any distribution payment or payments on the Series A Preferred Shares which may be in arrears, and holders of the Series A Preferred Shares are not entitled to any distribution, whether payable in cash, property, or shares, in excess of full cumulative distributions described above.

If in the future we issue additional shares of the Series A Preferred Shares, distributions on those additional shares will accrue from the most recent Distribution Payment Date at the then-applicable distribution rate.

The distribution rate for each Distribution Period in the Series A Floating Rate Period will be determined by the calculation agent using Three-Month LIBOR as in effect on the second London banking day prior to the beginning of the Distribution Period, which date is referred to as the “distribution determination date” for the relevant Distribution Period. The calculation agent then will add Three-Month LIBOR as determined on the distribution determination date and the spread of 688.6 basis points per annum. Once the distribution rate for the Series A Preferred Shares is determined, the calculation agent will deliver that information to us and the transfer agent for the Series A Preferred Shares. Absent manifest error, the calculation agent’s determination of the distribution rate for a Distribution Period for the Series A Preferred Shares will be final. A “London banking day” is any day on which commercial banks are open for dealings in deposits in U.S. dollars in the London interbank market.

As used in this description of Series A Preferred Shares, the term “Three-Month LIBOR” means the London interbank offered rate for deposits in U.S. dollars for a three month period (the “three-month LIBOR rate”), as that rate is displayed on Bloomberg on page BBAM1 (or any successor or replacement page) at approximately 11:00 a.m., London time, on the relevant distribution determination date, *provided* that:

(i) If no offered rate is displayed on Bloomberg on page BBAM1 (or any successor or replacement page) on the relevant distribution determination date at approximately 11:00 a.m., London time, then the calculation agent, in consultation with us, will select four major banks in the London interbank market and will request each of their principal London offices to provide a quotation of the rate at which three-month deposits in U.S. dollars in amounts of at least $1,000,000 are offered by it to prime banks in the London interbank market, on that date and at that time. If at least two quotations are provided, Three-Month LIBOR will be the arithmetic average (rounded upward if necessary to the nearest 0.00001 of 1%) of the quotations provided.

(ii) Otherwise, the calculation agent in consultation with us will select three major banks in New York City and will request each of them to provide a quotation of the rate offered by it at approximately 11:00 a.m., New York City time, on the distribution determination date for loans in U.S. dollars to leading European banks for a three month period for the applicable Distribution Period in an amount of at least $1,000,000. If three quotations are provided, Three-Month LIBOR will be the arithmetic average (rounded upward if necessary to the nearest 0.00001 of 1%) of the quotations provided.

(iii) Otherwise, Three-Month LIBOR for the next Distribution Period will be equal to Three-Month LIBOR in effect for the then-current Distribution Period or, in the case of the first Distribution Period in the Series A Floating Rate Period, the most recent three-month LIBOR rate on which Three-Month LIBOR could have been determined in accordance with the first sentence of this paragraph had the distribution rate been a floating rate during the Series A Fixed Rate Period.

In the event that Three-Month LIBOR is less than zero, Three-Month LIBOR shall be deemed to be zero.

Notwithstanding the foregoing clauses (i), (ii) and (iii):

(a) If the calculation agent determines on the relevant distribution determination date that LIBOR has been discontinued or is no longer viewed as an acceptable benchmark for securities like the Series A Preferred Shares (a “Series A LIBOR Event”), then the calculation agent will use a substitute or successor base rate that it has determined, in consultation with us, is the most comparable to LIBOR; *provided* that if the calculation agent determines there is an industry-accepted substitute or successor base rate, then the calculation agent shall use such substitute or successor base rate.

(b) If the calculation agent has determined a substitute or successor base rate in accordance with the foregoing, the calculation agent, in consultation with us, may determine what business day convention to use, the definition of business day, the distribution determination date to be used and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to LIBOR, or any adjustment to the applicable spread thereon, in a manner that is consistent with industry-accepted practices for such substitute or successor base rate.

Notwithstanding the foregoing, if the calculation agent determines in its sole discretion that there is no alternative rate that is a substitute or successor base rate for LIBOR, the calculation agent may, in its sole discretion, or if the calculation agent fails to do so, the Company may, appoint an independent financial advisor (“IFA”) to determine an appropriate alternative rate and any adjustments, and the decision of the IFA will be binding on the Company, the calculation agent and the holders of Series A Preferred Shares. If a Series A LIBOR Event has occurred, but for any reason an alternative rate has not been determined, an IFA has not determined an appropriate alternative rate and adjustments or an IFA has not been appointed, Three-Month LIBOR for the next Distribution Period to which the determination date relates shall be Three-Month LIBOR as in effect for the then-current Distribution Period; provided, that if this sentence is applicable with respect to the first Distribution Period in the Series A Floating Rate Period, the interest rate, business day convention and manner of calculating interest applicable during the Series A Fixed Rate Period will remain in effect during the Series A Floating Rate Period.

Priority Regarding Distributions

While any Series A Preferred Shares remain outstanding, unless the full cumulative distributions for all past Distribution Periods on all outstanding Series A Preferred Shares have been or contemporaneously are declared and paid in full or declared and a sum sufficient for the payment of those distributions has been set aside:

(1) no distribution will be declared and paid or set aside for payment on any Junior Securities (as defined below) (other than a distribution payable solely in shares of Junior Securities);

(2) no shares of Junior Securities will be repurchased, redeemed, or otherwise acquired for consideration by the Company or any of its subsidiaries, directly or indirectly (other than as a result of a reclassification of Junior Securities for or into other Junior Securities, or the exchange for or conversion into Junior Securities, through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Securities or pursuant to a

contractually binding requirement to buy Junior Securities pursuant to a binding agreement existing prior to the original issue date of the Series A Preferred Shares), nor will any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Company or any of its subsidiaries; and

(3) no shares of Parity Securities will be repurchased, redeemed or otherwise acquired for consideration by the Company or any of its subsidiaries (other than pursuant to pro rata offers to purchase or exchange all, or a pro rata portion of Series A Preferred Shares and such Parity Securities or as a result of a reclassification of Parity Securities for or into other Parity Securities, or by conversion into or exchange for other Parity Securities or Junior Securities).

The foregoing limitations do not apply to (i) purchases or acquisitions of, or cash settlement in respect of, Junior Securities pursuant to any employee or director incentive or benefit plan or arrangement (including any of our employment, severance, or consulting agreements) of ours or of any of our subsidiaries and (ii) any distribution in connection with the implementation of a shareholder rights plan or the redemption or repurchase of any rights under such a plan, including with respect to any successor shareholder rights plan.

Accumulated distributions in arrears for any past Distribution Period may be declared by the board of directors and paid on any date fixed by the board of directors, whether or not a Distribution Payment Date, to holders of the Series A Preferred Shares on the record date for such payment, which may not be less than 10 days before such distribution. To the extent a distribution period applicable to a class of Junior Securities or Parity Securities is shorter than the Distribution Period applicable to the Series A Preferred Shares (e.g., monthly rather than quarterly), the board of directors may declare and pay regular distributions with respect to such Junior Securities or Parity Securities so long as, at the time of declaration of such distribution, the board of directors expects to have sufficient funds to pay the full cumulative distributions in respect of the Series A Preferred Shares on the next Distribution Payment Date.

Subject to the next succeeding sentence, if all accumulated distributions in arrears on all outstanding Series A Preferred Shares and any Parity Securities have not been declared and paid, or sufficient funds for the payment thereof have not been set apart, payment of accumulated distributions in arrears will be made in order of their respective distribution payment dates, commencing with the earliest distribution payment date. If less than all distributions payable with respect to all Series A Preferred Shares and any Parity Securities are paid, any partial payment will be made pro rata with respect to the Series A Preferred Shares and any Parity Securities entitled to a distribution payment at such time in proportion to the aggregate amounts remaining due in respect of such Series A Preferred Shares and Parity Securities at such time.

As used in this description of Series A Preferred Shares, (i) “Junior Securities” means our common shares and any other class or series of our Capital Stock (as defined below) over which the Series A Preferred Shares has preference or priority in the payment of distributions or in the distribution of assets on our liquidation, dissolution or winding up, (ii) “Parity Securities” means any other class or series of our Capital Stock that ranks equally with the Series A Preferred Shares in the payment of distributions and in the distribution of assets on our liquidation, dissolution or winding up (including our Series B Preferred Shares and Series C Preferred Shares) and (iii) “Senior Securities” means any other class or series of our Capital Stock that has preference or priority over the Series A Preferred Shares in the payment of distributions or in the distribution of assets on our liquidation, dissolution or winding up.

Subject to the conditions described above, and not otherwise, distributions (payable in cash, shares, or otherwise), as may be determined by our board of directors, may be declared and paid on our common shares and any Junior Securities from time to time out of any funds legally available for such payment, and the holders of the Series A Preferred Shares will not be entitled to participate in those distributions.

Liquidation Rights

Upon our voluntary or involuntary liquidation, dissolution or winding up (“Liquidation”), the holders of the outstanding Series A Preferred Shares are entitled to be paid out of our assets legally available for distribution to our shareholders, before any distribution of assets is made to holders of common shares or any other Junior Securities, a liquidating distribution in the amount of a liquidation preference of $25.00 per share, plus an amount equal to accumulated and unpaid distributions thereon, if any, to, but excluding, the date of such liquidation distribution, whether or not declared, plus the sum of any declared and unpaid distributions for Distribution Periods prior to the Distribution Period in which the liquidation distribution is made and any declared and unpaid distributions for the then current Distribution Period in which the liquidation distribution is made to the date of such liquidation distribution. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series A Preferred Shares will have no right or claim to any of our remaining assets.

Distributions will be made only to the extent that our assets are available after satisfaction of all liabilities to creditors and subject to the rights of holders of any securities ranking senior to the Series A Preferred Shares. If, in the event of a Liquidation, we are unable to pay full liquidating distributions to the holders of all outstanding Series A Preferred Shares in accordance with the foregoing and to all Parity Securities in accordance with the terms thereof, then we will distribute our assets to those holders ratably in proportion to the liquidating distributions to which they would otherwise have received.

Our merger or consolidation with or into any other entity or by another entity with or into us or the sale, lease, exchange or other transfer of all or substantially all of our assets (for cash, securities or other consideration) will not be deemed to be a liquidation, dissolution or winding up. If we enter into any merger or consolidation transaction with or into any other entity and we are not the surviving entity in such transaction, the Series A Preferred Shares may be converted into shares of the surviving or successor entity or the direct or indirect parent of the surviving or successor entity having terms identical to the terms of the Series A Preferred Shares set forth in this description.

Because we are a holding company, our rights and the rights of our creditors and our shareholders, including the holders of the Series A Preferred Shares, to participate in the distribution of assets of any of our subsidiaries upon that subsidiary's voluntary or involuntary liquidation, dissolution or winding up will be subject to the prior claims of that subsidiary's creditors, except to the extent that we are a creditor with recognized claims against that subsidiary.

Conversion; Exchange and Preemptive Rights

The Series A Preferred Shares are not entitled to any preemptive rights or other rights to purchase or subscribe for our common shares or any other security, and are not convertible into or exchangeable for our common shares or any other security or property at the option of the holder.

Redemption

The Series A Preferred Shares are not subject to any mandatory redemption, sinking fund or other similar provisions.

Holders of Series A Preferred Shares do not have the right to require the redemption or repurchase of the Series A Preferred Shares.

Optional Redemption on or after September 15, 2024

We may redeem the Series A Preferred Shares, in whole or in part, at our option, at any time or from time to time on or after September 15, 2024 ("Series A Optional Redemption"), at the redemption price equal to $25.00 per Series A Preferred Share, plus an amount equal to all accumulated and unpaid distributions thereon, if any, to, but excluding, the date of redemption, whether or not declared. We may undertake multiple Series A Optional Redemptions. Any such redemption would be effected only out of funds legally available for such purpose and would be subject to compliance with the provisions of the instruments governing our outstanding indebtedness.

Optional Redemption upon a Rating Event

At any time within 120 days after the conclusion of any review or appeal process instituted by us following the occurrence of a Series A Rating Event (as defined below), we may, at our option, redeem the Series A Preferred Shares in whole, but not in part, prior to September 15, 2024, at a redemption price per Series A Preferred Share equal to $25.50 (102% of the liquidation preference of $25.00), plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption, whether or not declared. Any such redemption would be effected only out of funds legally available for such purpose and would be subject to compliance with the provisions of the instruments governing our outstanding indebtedness.

"Series A Rating Event" means a change by any rating agency to the criteria employed by such rating agency as of the date of original issuance of the Series A Preferred Shares for purposes of assigning ratings to securities with features similar to the Series A Preferred Shares, which change results in (i) any shortening of the length of time for which the current criteria are scheduled to be in effect with respect to the Series A Preferred Shares, or (ii) a lower equity credit being given to the Series A Preferred Shares than the equity credit that would have been assigned to the Series A Preferred Shares by such rating agency pursuant to the current criteria.

Optional Redemption upon a Change of Control

If a Change of Control (as defined below) occurs, we may, at our option, redeem the Series A Preferred Shares, in whole but not in part, prior to September 15, 2024 and within 60 days after the occurrence of such Change of Control, at a price of $25.25 per Series A Preferred Share, plus an amount equal to all accumulated and unpaid distributions thereon, if any, to, but excluding, the date of redemption, whether or not declared. Any such redemption would be effected only out of funds legally available for such purpose and would be subject to compliance with the provisions of the instruments governing our outstanding indebtedness.

If (i) a Change of Control occurs (whether before, on or after September 15, 2024) and (ii) we do not give notice prior to the 31st day following the Change of Control to redeem all the outstanding Series A Preferred Shares, the distribution rate per annum on the Series A Preferred Shares will increase by 5.00%, beginning on the 31st day following such Change of Control.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"Capital Stock" means (1) in the case of a corporation, corporate stock; (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock; (3) in the case of a partnership, limited liability company or business trust, partnership, membership or beneficial interests (whether general or limited) or shares in the capital of a company; and (4) any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing person (but excluding from the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock).

"Change of Control" means the occurrence of the following:

(1) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders (as defined below), is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of shares representing more than 50.0% of the voting power of the Company's Voting Stock (as defined below); or

(2) (a) all or substantially all the assets of the Company and the Restricted Subsidiaries, taken as a whole, are sold or otherwise transferred to any person other than a Wholly-Owned Restricted Subsidiary (as defined below) or one or more Permitted Holders or (b) the Company consolidates, amalgamates or merges with or into another person or any person consolidates, amalgamates or merges with or into the Company, in either case under this clause (2), in one transaction or a series of related transactions in which immediately after the consummation thereof persons beneficially owning (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) Voting Stock representing in the aggregate a majority of the total voting power of the Voting Stock of the Company immediately prior to such consummation do not beneficially own (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) Voting Stock representing a majority of the total voting power of the Voting Stock of the Company, or the applicable surviving or transferee person; *provided* that this clause shall not apply (i) in the case where immediately after the consummation of the transactions Permitted Holders, directly or indirectly, beneficially own Voting Stock representing in the aggregate a majority of the total voting power of the Company, or the applicable surviving or transferee person, or (ii) to any consolidation, amalgamation or merger of the Company with or into (x) a corporation, limited liability company or partnership or (y) a wholly-owned subsidiary of a corporation, limited liability company or partnership that, in either case, immediately following the transaction or series of transactions, has no person or group (other than Permitted Holders), which beneficially owns Voting Stock representing 50.0% or more of the voting power of the total outstanding Voting Stock of such entity.

For purposes of this definition, any direct or indirect holding company of the Company shall not itself be considered a "person" or "group" for purposes of clause (1) above; provided that no "person" or "group" (other than the Permitted Holders) beneficially owns, directly or indirectly, more than 50.0% of the total voting power of the Voting Stock of such holding company.

"Control Investment Affiliate" means, as to any person, any other person that (a) directly or indirectly, is in control of, is controlled by, or is under common control with, such person and (b) exists primarily for the purpose of making equity or debt investments in one or more companies. For purposes of this definition, "control" of a person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such person, whether by contract or otherwise.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Fortress" means Fortress Investment Group LLC.

"Management Group" means at any time, the Chairman of our board of directors, any President, any Executive Vice President, any Managing Director, any Treasurer and any Secretary or other executive officer of the Company or any of our subsidiaries at such time.

"Permitted Holders" means, collectively, Fortress, its Affiliates and the Management Group; *provided* that the definition of "Permitted Holders" shall not include any Control Investment Affiliate whose primary purpose is the operation of an ongoing business (excluding any business whose primary purpose is the investment of capital or assets).

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

“Restricted Subsidiary” means any “Restricted Subsidiary” under the Company’s senior unsecured notes.

“Voting Stock” of any person as of any date means the Capital Stock of such person that is at the time entitled to vote in the election of the board of directors of such person.

“Wholly-Owned Restricted Subsidiary” means any wholly-owned subsidiary that is a Restricted Subsidiary.

The Change of Control redemption feature of the Series A Preferred Shares may, in certain circumstances, make more difficult or discourage a sale or takeover of our limited liability company or a member of the Company and, thus, the removal of incumbent management. We have no present intention to engage in a transaction involving a Change of Control, although it is possible that we could decide to do so in the future.

Optional Redemption upon a Tax Redemption Event

If a Series A Tax Redemption Event (as defined below) occurs, we may, at our option, redeem the Series A Preferred Shares, in whole but not in part, prior to September 15, 2024 and within 60 days after the occurrence of such Series A Tax Redemption Event, at a price of $25.25 per Series A Preferred Share, plus an amount equal to all accumulated and unpaid distributions thereon, if any, to, but excluding, the date of redemption, whether or not declared. Any such redemption would be effected only out of funds legally available for such purpose and would be subject to compliance with the provisions of the instruments governing our outstanding indebtedness.

“Series A Tax Redemption Event” means, after the date the Series A Preferred Shares are first issued, due to (a) an amendment to, or a change in official interpretation of, the U.S. Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations promulgated thereunder, or administrative guidance or (b) an administrative or judicial determination, (i) we are advised by nationally recognized counsel or a “Big Four” accounting firm that we will be treated as an association taxable as a corporation for U.S. Federal income tax purposes or otherwise subject to U.S. Federal income tax (other than any tax imposed pursuant to Section 6225 of the Code, as amended by the Bipartisan Budget Act of 2015), or (ii) we file an IRS Form 8832 (or successor form) electing that we be treated as an association taxable as a corporation for U.S. Federal income tax purposes.

Redemption Procedures

If we elect to redeem any Series A Preferred Shares, we will provide notice to the holders of record of the Series A Preferred Shares to be redeemed, not less than 30 days and not more than 60 days before the date fixed for redemption thereof (*provided*, *however*, that if the Series A Preferred Shares are held in book-entry form through a Securities Depositary, we may give this notice in any manner permitted by such Securities Depositary). Any notice given as provided in this paragraph will be conclusively presumed to have been duly given, whether or not the holder receives such notice, and any defect in such notice or in the provision of such notice to any holder of Series A Preferred Shares designated for redemption will not affect the redemption of any other Series A Preferred Shares. Each notice of redemption shall state:

- the redemption date;
- the redemption price;
- if fewer than all Series A Preferred Shares are to be redeemed, the number of Series A Preferred Shares to be redeemed; and
- the manner in which holders of Series A Preferred Shares called for redemption may obtain payment of the redemption price in respect of those shares.

If notice of redemption of any Series A Preferred Shares has been given and if the funds necessary for such redemption have been deposited by us in trust with a bank or a Securities Depositary for the benefit of the holders of any Series A Preferred Shares so called for redemption, then from and after the redemption date such Series A Preferred Shares will no longer be deemed outstanding for any purpose, all distributions with respect to such Series A Preferred Shares shall cease to accrue after the redemption date and all rights of the holders of such shares will terminate, except the right to receive the redemption price, without interest.

In the case of any redemption of only part of the Series A Preferred Shares at the time outstanding, the Series A Preferred Shares to be redeemed will be selected either pro rata or by lot. Subject to the provisions set forth in this description, the board of directors will have the full power and authority to prescribe the terms and conditions upon which Series A Preferred Shares may be redeemed from time to time.

Voting Rights

Owners of Series A Preferred Shares do not have any voting rights, except as set forth below or as otherwise required by applicable law. To the extent that owners of Series A Preferred Shares are entitled to vote, each holder of Series A Preferred Shares will have one vote per share, except that when shares of any class or series of Parity Securities have the right to vote with the Series A Preferred Shares as a single class on any matter, the Series A Preferred Shares and the shares of each such Parity Securities will have one vote for each $25.00 of liquidation preference (for the avoidance of doubt, excluding accumulated distributions).

Whenever dividends on any shares of the Series A Preferred Shares are in arrears for six or more quarterly Distribution Periods, whether or not consecutive, the number of directors then constituting our board of directors will be automatically increased by two (if not already increased by two by reason of the election of directors by the holders of any Other Voting Preferred Shares (as defined below)). The holders of the Series A Preferred Shares, voting together as a single class with the holders of any series of Parity Securities then outstanding upon which like voting rights have been conferred and are exercisable (any such series, the "Other Voting Preferred Shares"), will be entitled to vote, by the affirmative vote of a majority of the votes entitled to be cast, for the election of those two additional directors at a special meeting of the holders of the Series A Preferred Shares and such Other Voting Preferred Shares and at each subsequent annual meeting of the holders of our common shares at which such directors are up for reelection; *provided* that when all distributions accumulated on the Series A Preferred Shares for all past Distribution Periods and the then current Distribution Period shall have been fully paid, the right of holders of the Series A Preferred Shares to elect any directors will cease and, unless there are any Other Voting Preferred Shares entitled to vote for the election of directors, the term of office of those two directors will forthwith terminate, any directors elected by holders of the Series A Preferred Shares shall immediately resign and the number of directors constituting the board of directors shall be reduced accordingly. However, the right of the holders of the Series A Preferred Shares and any Other Voting Preferred Shares to elect two additional directors will again vest if and whenever six additional quarterly distributions have not been declared and paid, as described above. In no event shall the holders of the Series A Preferred Shares be entitled pursuant to these voting rights to elect a director that would cause us to fail to satisfy a requirement relating to director independence of any national securities exchange or quotation system on which any class or series of our Capital Stock is listed or quoted. For the avoidance of doubt, in no event shall the total number of directors elected by holders of the Series A Preferred Shares and any Other Voting Preferred Shares exceed two.

If, at any time when the voting rights conferred upon the Series A Preferred Shares (as described above) are exercisable, any vacancy in the office of a director elected pursuant to the procedures described above shall occur, then such vacancy may be filled only by the remaining director or by the affirmative vote of a majority of the votes entitled to be cast by the holders of record of the outstanding Series A Preferred Shares and all Other Voting Preferred Shares, acting as a single class at a special meeting of such holders. Any director elected or appointed pursuant to the procedures described above may be removed at any time, with or without cause, only by the affirmative vote of holders of the outstanding Series A Preferred Shares and all Other Voting Preferred Shares, acting as a single class at a meeting of shareholders, such removal to be effected by the affirmative vote of a majority of the votes entitled to be cast by the holders of the outstanding Series A Preferred Shares and Other Voting Preferred Shares, and may not be removed by the holders of our common shares.

While any Series A Preferred Shares remain outstanding, we will not, without the affirmative vote or consent of holders of at least 66 2/3% in voting power of the Series A Preferred Shares and all Other Voting Preferred Shares, acting as a single class, (i) authorize, create or issue any Senior Securities or reclassify any authorized Capital Stock into any Senior Securities or issue any obligation or security convertible into or evidencing the right to purchase any Senior Securities or (ii) amend, alter or repeal any provision of the Operating Agreement, including by merger, consolidation or otherwise, so as to adversely affect the powers, preferences or special rights of the Series A Preferred Shares; *provided* that in the case of clause (ii) above, if such amendment affects materially and adversely the rights, designations, preferences, powers and duties of one or more but not all of the classes or series of the Other Voting Preferred Shares (including the Series A Preferred Shares for this purpose), only the consent of the holders of at least 66 2/3% in voting power of the outstanding shares of the classes or series so affected, voting as a class, is required in lieu of (or, if such consent is required by law, in addition to) the consent of the holders of 66 2/3% of the Other Voting Preferred Shares (including the Series A Preferred Shares for this purpose) as a class. However, we may create additional series or classes of Parity Securities and Junior Securities and issue additional classes or series of Parity Securities and Junior Securities without notice to or the consent of any holder of the Series A Preferred Shares; *provided*, *however*, that, in the case of Parity Securities, the full cumulative distributions for all past Distribution Periods on all outstanding Series A Preferred Shares shall have been or contemporaneously are declared and paid in full or declared and a sum sufficient for the payment of those distributions has been set aside.

Notwithstanding the foregoing, none of the following will be deemed to affect the powers, preferences or special rights of the Series A Preferred Shares:

- any increase in the amount of authorized common shares or authorized preferred shares, or any increase or decrease in the number of shares of any series of preferred stock, or the authorization, creation and issuance of other classes or series of Capital Stock, in each case ranking on parity with or junior to the Series A Preferred Shares as to distributions or distribution of assets upon our liquidation, dissolution or winding up;

- a merger or consolidation of us with or into another entity in which the Series A Preferred Shares remain outstanding with identical terms as existing immediately prior to such merger or consolidation; and

- a merger or consolidation of us with or into another entity in which the Series A Preferred Shares are converted into or exchanged for preference securities of the surviving entity or any entity, directly or indirectly, controlling such surviving entity and such new preference securities have terms identical (other than the identity of the issuer) to the terms of the Series A Preferred Shares.

The foregoing voting rights of the holders of Series A Preferred Shares shall not apply if, at or prior to the time when the act with respect to which the vote would otherwise be required shall be effected, all outstanding Series A Preferred Shares shall have been redeemed or called for redemption upon proper notice and we shall have set aside sufficient funds for the benefit of holders of Series A Preferred Shares to effect the redemption.

Forum Selection

Each person that holds or has held a Series A Preferred Share and each person that holds or has held any beneficial interest in a Series A Preferred Share (whether through a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing or otherwise), to the fullest extent permitted by law, (i) irrevocably agrees that any claims, suits, actions or proceedings against us, or any director, officer, employee, control person, underwriter or agent of the Company or its affiliates, asserted under United States federal securities laws, otherwise arising under such laws, or that could have been asserted as a claim arising under such laws, shall be exclusively brought in the federal district courts of the United States of America (except, and only to the extent, that any such claims, actions or proceedings are of a type for which a member may not waive its right to maintain a legal action or proceeding in the courts of the State of Delaware with respect to matters relating to the organization or internal affairs of the Company as set forth under Section 18-109(d) of the Delaware Limited Liability Company Act); (ii) irrevocably submits to the exclusive jurisdiction of such courts in connection with any such claim, suit, action or proceeding; and (iii) irrevocably agrees not to, and waives any right to, assert in any such claim, suit, action or proceeding that (A) it is not personally subject to the jurisdiction of such courts or any other court to which proceedings in such courts may be appealed, (B) such claim, suit, action or proceeding is brought in an inconvenient forum or (C) the venue of such claim, suit, action or proceeding is improper.

Book-Entry System

All Series A Preferred Shares are represented by a single certificate issued to the Securities Depositary, and registered in the name of the Securities Depositary or its nominee, and no holder of the Series A Preferred Shares is entitled to receive a certificate evidencing Series A Preferred Shares unless otherwise required by law or the Securities Depositary gives notice of its intention to resign or is no longer eligible to act as such and we have not selected a substitute Securities Depositary within 60 calendar days thereafter. Payments and communications made by us to holders of the Series A Preferred Shares will be duly made by making payments to, and communicating with, the Securities Depositary. Accordingly, unless certificates are available to holders of the Series A Preferred Shares, each holder of Series A Preferred Shares must rely on (i) the procedures of the Securities Depositary and its participants to receive distributions, any redemption price, liquidation preference and notices, and to direct the exercise of any voting or nominating rights, with respect to such Series A Preferred Shares and (ii) the records of the Securities Depositary and its participants to evidence its ownership of such Series A Preferred Shares.

So long as the Securities Depositary (or its nominee) is the sole holder of the Series A Preferred Shares, no beneficial holder of the Series A Preferred Shares will be deemed to be a holder of Series A Preferred Shares. The Depository Trust Company, the initial Securities Depositary, is a New York-chartered limited purpose trust company that performs services for its participants, some of whom (and/or their representatives) own The Depository Trust Company. The Securities Depositary maintains lists of its participants and will maintain the positions (i.e., ownership interests) held by its participants in the Series A Preferred Shares, whether as a holder of the Series A Preferred Shares for its own account or as a nominee for another holder of the Series A Preferred Shares.

<u>Series B Preferred Shares</u>

General

The Operating Agreement authorizes the Company to issue up to 200,000,000 preferred shares in one or more series, and the Company's board of directors is authorized to fix the number of shares of each series and determine the rights, designations, preferences, powers and duties of any such series. The "8.00% Fixed-to-Floating Rate Series B Cumulative Perpetual Redeemable Preferred Shares" are designated as one series of our authorized preferred shares, consisting of 4,600,000 Series B Preferred Shares.

The Series B Preferred Shares represent perpetual equity interests in us and, unlike our indebtedness, do not give rise to a claim for payment of a principal amount at a particular date. As such, the Series B Preferred Shares rank junior to all of our current and future indebtedness and other liabilities with respect to assets available to satisfy claims against us. The Series B Preferred Shares have a fixed liquidation preference of $25.00 per Series B Preferred Share, plus an amount equal to accumulated and unpaid distributions thereon, if any, to, but excluding, the date of payment, whether or not declared; *provided* that the rights of the holders of Series B Preferred Shares to receive the liquidation preference will be subject to the proportional rights of holders of Parity Securities (as defined below) and to the other matters described under "-Liquidation Rights".

All of the Series B Preferred Shares are represented by a single certificate issued to the Securities Depositary and registered in the name of its nominee. So long as a Securities Depositary has been appointed and is serving, no person acquiring Series B Preferred Shares will be entitled to receive a certificate representing such Series B

Preferred Shares unless applicable law otherwise requires or the Securities Depositary resigns or is no longer eligible to act as such and a successor is not appointed. See "-Book-Entry System".

Each holder of Series B Preferred Shares is admitted as a member of our limited liability company and deemed to have agreed to be bound by the terms of the Operating Agreement. Pursuant to the Operating Agreement, each holder of Series B Preferred Shares grants to certain of our officers (and, if appointed, a liquidator) a power of attorney to, among other things, execute and file documents required for our qualification, continuance or dissolution. The power of attorney also grants certain of our officers the authority to make certain amendments to, and to make consents and waivers under and in accordance with, the Operating Agreement.

Our Series B Preferred Shares trade on the NYSE under the symbol "FTAI PR B".

Ranking

With respect to the payment of distributions and rights (including redemption rights) upon our liquidation, dissolution or winding up, the Series B Preferred Shares rank (i) senior and prior to our common shares and any class or series of preferred shares that by its terms is designated as ranking junior to the Series B Preferred Shares, (ii) *pari passu* with any class or series of preferred shares that by its terms is designated as ranking equal to the Series B Preferred Shares or does not state it is junior or senior to the Series B Preferred Shares (including our Series A Preferred Shares and Series C Preferred Shares), (iii) junior to any class or series of preferred shares that is expressly designated as ranking senior to the Series B Preferred Shares (subject to receipt of any requisite consents prior to issuance) and (iv) effectively junior to all of our existing and future indebtedness (including indebtedness convertible into our common shares or preferred shares) and other liabilities and to all liabilities and any preferred equity of our existing subsidiaries and any future subsidiaries.

The Series B Preferred Shares are not convertible into, or exchangeable for, shares of any other class or series of our Capital Stock or other securities and will not be subject to any sinking fund or other obligation to redeem or repurchase the Series B Preferred Shares. The Series B Preferred Shares are not secured, are not guaranteed by us or any of our affiliates and are not subject to any other arrangement that legally or economically enhances the ranking of the Series B Preferred Shares.

Distributions

Holders of the Series B Preferred Shares are entitled to receive, only when, as, and if declared by our board of directors, out of funds legally available for such purpose, cumulative cash distributions based on the stated liquidation preference of $25.00 per Series B Preferred Share at a rate equal to (i) from, and including, the original issue date of the Series B Preferred Shares to, but excluding, December 15, 2024 (the "Series B Fixed Rate Period"), 8.00% per annum, and (ii) beginning December 15, 2024 (the "Series B Floating Rate Period"), Three-Month LIBOR (as defined below) plus a spread of 644.7 basis points per annum. A "Distribution Period" means the period from, and including, each Distribution Payment Date to, but excluding, the next succeeding Distribution Payment Date, except for the initial Distribution Period, which is the period from, and including, the original issue date of the Series B Preferred Shares to, but excluding, the next succeeding Distribution Payment Date.

When, as, and if declared by our board of directors, we pay cash distributions on the Series B Preferred Shares quarterly, in arrears, on each Distribution Payment Date, beginning on March 15, 2020. We pay cash distributions to the holders of record of Series B Preferred Shares as they appear on our share register on the applicable record date, which for any Distribution Payment Date shall be the 1st calendar day of the month of such Distribution Payment Date or such other record date fixed by our board of directors as the record date for such Distribution Payment Date that is not more than 60 nor less than 10 days prior to such Distribution Payment Date.

So long as the Series B Preferred Shares are held of record by the nominee of the Securities Depositary, declared distributions will be paid to the Securities Depositary in same-day funds on each Distribution Payment Date. The Securities Depositary will credit accounts of its participants in accordance with the Securities Depositary's normal procedures. The participants will be responsible for holding or disbursing such payments to beneficial owners of the Series B Preferred Shares in accordance with the instructions of such beneficial owners.

If any Distribution Payment Date on or prior to December 15, 2024 is a day that is not a business day (as defined below), then declared distributions with respect to that Distribution Payment Date will instead be paid on the immediately succeeding business day, without interest or other payment in respect of such delayed payment. If any Distribution Payment Date after December 15, 2024 is a day that is not a business day, then the Distribution Payment Date will be the immediately succeeding business day, and distributions will accrue to the Distribution Payment Date. A "business day" for the Series B Fixed Rate Period means any weekday in New York, New York that is not a day on which banking institutions in that city are authorized or required by law, regulation, or executive order to be closed. A "business day" for the Series B Floating Rate Period means any weekday in New York, New York that is not a day on which banking institutions in that city are authorized or required by law, regulation, or executive order to be closed, and additionally, is a London banking day (as defined below).

We calculate distributions on the Series B Preferred Shares for the Series B Fixed Rate Period on the basis of a 360-day year consisting of twelve 30-day months. We calculate distributions on the Series B Preferred Shares for the

Series B Floating Rate Period on the basis of the actual number of days in a Distribution Period and a 360-day year. Dollar amounts resulting from that calculation are rounded to the nearest cent, with one-half cent being rounded upward. Distributions on the Series B Preferred Shares will cease to accrue after the redemption date, as described below under "-Redemption", unless we default in the payment of the redemption price of the Series B Preferred Shares called for redemption.

Distributions on the Series B Preferred Shares are not mandatory. However, distributions on the Series B Preferred Shares accrue from the original issue date, or the most recent Distribution Payment Date on which all accrued distributions have been paid, as applicable, whether or not we have earnings, whether or not there are funds legally available for the payment of those distributions and whether or not those distributions are declared. No interest, or sum in lieu of interest, is payable in respect of any distribution payment or payments on the Series B Preferred Shares which may be in arrears, and holders of the Series B Preferred Shares are not entitled to any distribution, whether payable in cash, property, or shares, in excess of full cumulative distributions described above.

If in the future we issue additional shares of the Series B Preferred Shares, distributions on those additional shares will accrue from the most recent Distribution Payment Date at the then-applicable distribution rate.

The distribution rate for each Distribution Period in the Series B Floating Rate Period will be determined by the calculation agent using Three-Month LIBOR as in effect on the second London banking day prior to the beginning of the Distribution Period, which date is referred to as the "distribution determination date" for the relevant Distribution Period. The calculation agent then will add Three-Month LIBOR as determined on the distribution determination date and the spread of 644.7 basis points per annum, and that sum will be the distribution rate for the applicable Distribution Period. Once the distribution rate for the Series B Preferred Shares is determined, the calculation agent will deliver that information to us and the transfer agent for the Series B Preferred Shares. Absent manifest error, the calculation agent's determination of the distribution rate for a Distribution Period for the Series B Preferred Shares will be final. A "London banking day" is any day on which commercial banks are open for dealings in deposits in U.S. dollars in the London interbank market.

As used in this description of Series B Preferred Shares, the term "Three-Month LIBOR" means the London interbank offered rate for deposits in U.S. dollars for a three month period (the "three-month LIBOR rate"), as that rate is displayed on Bloomberg on page BBAM1 (or any successor or replacement page) at approximately 11:00 a.m., London time, on the relevant distribution determination date, *provided* that:

(i) If no offered rate is displayed on Bloomberg on page BBAM1 (or any successor or replacement page) on the relevant distribution determination date at approximately 11:00 a.m., London time, then the calculation agent, in consultation with us, will select four major banks in the London interbank market and will request each of their principal London offices to provide a quotation of the rate at which three-month deposits in U.S. dollars in amounts of at least $1,000,000 are offered by it to prime banks in the London interbank market, on that date and at that time. If at least two quotations are provided, Three-Month LIBOR will be the arithmetic average (rounded upward if necessary to the nearest 0.00001 of 1%) of the quotations provided.

(ii) Otherwise, the calculation agent in consultation with us will select three major banks in New York City and will request each of them to provide a quotation of the rate offered by it at approximately 11:00 a.m., New York City time, on the distribution determination date for loans in U.S. dollars to leading European banks for a three month period for the applicable Distribution Period in an amount of at least $1,000,000. If three quotations are provided, Three-Month LIBOR will be the arithmetic average (rounded upward if necessary to the nearest 0.00001 of 1%) of the quotations provided.

(iii) Otherwise, Three-Month LIBOR for the next Distribution Period will be equal to Three-Month LIBOR in effect for the then-current Distribution Period or, in the case of the first Distribution Period in the Series B Floating Rate Period, the most recent three-month LIBOR rate on which Three-Month LIBOR could have been determined in accordance with the first sentence of this paragraph had the distribution rate been a floating rate during the Series B Fixed Rate Period.

In the event that Three-Month LIBOR is less than zero, Three-Month LIBOR shall be deemed to be zero.

Notwithstanding the foregoing clauses (i), (ii) and (iii):

(a) If the calculation agent determines on the relevant distribution determination date that LIBOR has been discontinued or is no longer viewed as an acceptable benchmark for securities like the Series B Preferred Shares (a "Series B LIBOR Event"), then the calculation agent will use a substitute or successor base rate that it has determined, in consultation with us, is the most comparable to LIBOR; *provided* that if the calculation agent determines there is an industry-accepted substitute or successor base rate, then the calculation agent shall use such substitute or successor base rate.

(b) If the calculation agent has determined a substitute or successor base rate in accordance with the foregoing, the calculation agent, in consultation with us, may determine what business day convention to use, the definition of business day, the distribution determination date to be used and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to LIBOR, or any adjustment to the applicable spread thereon, in a manner that is consistent with industry-accepted practices for such substitute or successor base rate.

Notwithstanding the foregoing, if the calculation agent determines in its sole discretion that there is no alternative rate that is a substitute or successor base rate for LIBOR, the calculation agent may, in its sole discretion, or if the calculation agent fails to do so, the Company may, appoint an IFA to determine an appropriate alternative rate and any adjustments, and the decision of the IFA will be binding on the Company, the calculation agent and the holders of Series B Preferred Shares. If a Series B LIBOR Event has occurred, but for any reason an alternative rate has not been determined, an IFA has not determined an appropriate alternative rate and adjustments or an IFA has not been appointed, Three-Month LIBOR for the next Distribution Period to which the determination date relates shall be Three-Month LIBOR as in effect for the then-current Distribution Period; provided, that if this sentence is applicable with respect to the first Distribution Period in the Series B Floating Rate Period, the interest rate, business day convention and manner of calculating interest applicable during the Series B Fixed Rate Period will remain in effect during the Series B Floating Rate Period.

Priority Regarding Distributions

While any Series B Preferred Shares remain outstanding, unless the full cumulative distributions for all past Distribution Periods on all outstanding Series B Preferred Shares have been or contemporaneously are declared and paid in full or declared and a sum sufficient for the payment of those distributions has been set aside:

(1) no distribution will be declared and paid or set aside for payment on any Junior Securities (as defined below) (other than a distribution payable solely in shares of Junior Securities);

(2) no shares of Junior Securities will be repurchased, redeemed, or otherwise acquired for consideration by the Company or any of its subsidiaries, directly or indirectly (other than as a result of a reclassification of Junior Securities for or into other Junior Securities, or the exchange for or conversion into Junior Securities, through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Securities or pursuant to a contractually binding requirement to buy Junior Securities pursuant to a binding agreement existing prior to the original issue date of the Series B Preferred Shares), nor will any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Company or any of its subsidiaries; and

(3) no shares of Parity Securities will be repurchased, redeemed or otherwise acquired for consideration by the Company or any of its subsidiaries (other than pursuant to pro rata offers to purchase or exchange all, or a pro rata portion of Series B Preferred Shares and such Parity Securities or as a result of a reclassification of Parity Securities for or into other Parity Securities, or by conversion into or exchange for other Parity Securities or Junior Securities).

The foregoing limitations do not apply to (i) purchases or acquisitions of, or cash settlement in respect of, Junior Securities pursuant to any employee or director incentive or benefit plan or arrangement (including any of our employment, severance, or consulting agreements) of ours or of any of our subsidiaries and (ii) any distribution in connection with the implementation of a shareholder rights plan or the redemption or repurchase of any rights under such a plan, including with respect to any successor shareholder rights plan.

Accumulated distributions in arrears for any past Distribution Period may be declared by the board of directors and paid on any date fixed by the board of directors, whether or not a Distribution Payment Date, to holders of the Series B Preferred Shares on the record date for such payment, which may not be less than 10 days before such distribution. To the extent a distribution period applicable to a class of Junior Securities or Parity Securities is shorter than the Distribution Period applicable to the Series B Preferred Shares (e.g., monthly rather than quarterly), the board of directors may declare and pay regular distributions with respect to such Junior Securities or Parity Securities so long as, at the time of declaration of such distribution, the board of directors expects to have sufficient funds to pay the full cumulative distributions in respect of the Series B Preferred Shares on the next Distribution Payment Date.

Subject to the next succeeding sentence, if all accumulated distributions in arrears on all outstanding Series B Preferred Shares and any Parity Securities have not been declared and paid, or sufficient funds for the payment thereof have not been set apart, payment of accumulated distributions in arrears will be made in order of their respective distribution payment dates, commencing with the earliest distribution payment date. If less than all distributions payable with respect to all Series B Preferred Shares and any Parity Securities are paid, any partial payment will be made pro rata with respect to the Series B Preferred Shares and any Parity Securities entitled to a distribution payment at such time in proportion to the aggregate amounts remaining due in respect of such Series B Preferred Shares and Parity Securities at such time.

As used in this description of Series B Preferred Shares, (i) "Junior Securities" means our common shares and any other class or series of our Capital Stock over which the Series B Preferred Shares has preference or priority in the payment of distributions or in the distribution of assets on our liquidation, dissolution or winding up, (ii) "Parity Securities" means any other class or series of our Capital Stock that ranks equally with the Series B Preferred Shares in the payment of distributions and in the distribution of assets on our liquidation, dissolution or winding up (including our Series A Preferred Shares and Series C Preferred Shares) and (iii) "Senior Securities" means any other class or series of our Capital Stock that has preference or priority over the Series B Preferred Shares in the payment of distributions or in the distribution of assets on our liquidation, dissolution or winding up.

Subject to the conditions described above, and not otherwise, distributions (payable in cash, shares, or otherwise), as may be determined by our board of directors, may be declared and paid on our common shares and any Junior Securities from time to time out of any funds legally available for such payment, and the holders of the Series B Preferred Shares will not be entitled to participate in those distributions.

Liquidation Rights

Upon our voluntary or involuntary Liquidation, the holders of the outstanding Series B Preferred Shares are entitled to be paid out of our assets legally available for distribution to our shareholders, before any distribution of assets is made to holders of common shares or any other Junior Securities, a liquidating distribution in the amount of a liquidation preference of $25.00 per share, plus an amount equal to accumulated and unpaid distributions thereon, if any, to, but excluding, the date of such liquidation distribution, whether or not declared, plus the sum of any declared and unpaid distributions for Distribution Periods prior to the Distribution Period in which the liquidation distribution is made and any declared and unpaid distributions for the then current Distribution Period in which the liquidation distribution is made to the date of such liquidation distribution. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series B Preferred Shares will have no right or claim to any of our remaining assets.

Distributions will be made only to the extent that our assets are available after satisfaction of all liabilities to creditors and subject to the rights of holders of any securities ranking senior to the Series B Preferred Shares. If, in the event of a Liquidation, we are unable to pay full liquidating distributions to the holders of all outstanding Series B Preferred Shares in accordance with the foregoing and to all Parity Securities in accordance with the terms thereof, then we will distribute our assets to those holders ratably in proportion to the liquidating distributions to which they would otherwise have received.

Our merger or consolidation with or into any other entity or by another entity with or into us or the sale, lease, exchange or other transfer of all or substantially all of our assets (for cash, securities or other consideration) will not be deemed to be a liquidation, dissolution or winding up. If we enter into any merger or consolidation transaction with or into any other entity and we are not the surviving entity in such transaction, the Series B Preferred Shares may be converted into shares of the surviving or successor entity or the direct or indirect parent of the surviving or successor entity having terms identical to the terms of the Series B Preferred Shares set forth in this description.

Because we are a holding company, our rights and the rights of our creditors and our shareholders, including the holders of the Series B Preferred Shares, to participate in the distribution of assets of any of our subsidiaries upon that subsidiary's voluntary or involuntary liquidation, dissolution or winding up will be subject to the prior claims of that subsidiary's creditors, except to the extent that we are a creditor with recognized claims against that subsidiary.

Conversion; Exchange and Preemptive Rights

The Series B Preferred Shares are not entitled to any preemptive rights or other rights to purchase or subscribe for our common shares or any other security, and are not convertible into or exchangeable for our common shares or any other security or property at the option of the holder.

Redemption

The Series B Preferred Shares are not subject to any mandatory redemption, sinking fund or other similar provisions.

Holders of Series B Preferred Shares do not have the right to require the redemption or repurchase of the Series B Preferred Shares.

Optional Redemption on or after December 15, 2024

We may redeem the Series B Preferred Shares, in whole or in part, at our option, at any time or from time to time on or after December 15, 2024 ("Series B Optional Redemption"), at the redemption price equal to $25.00 per Series B Preferred Share, plus an amount equal to all accumulated and unpaid distributions thereon, if any, to, but excluding, the date of redemption, whether or not declared. We may undertake multiple Series B Optional Redemptions. Any such redemption would be effected only out of funds legally available for such purpose and would be subject to compliance with the provisions of the instruments governing our outstanding indebtedness.

Optional Redemption upon a Rating Event

At any time within 120 days after the conclusion of any review or appeal process instituted by us following the occurrence of a Series B Rating Event (as defined below), we may, at our option, redeem the Series B Preferred Shares in whole, but not in part, prior to December 15, 2024, at a redemption price per Series B Preferred Share equal to $25.50 (102% of the liquidation preference of $25.00), plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption, whether or not declared. Any such redemption would be effected only out of funds legally available for such purpose and would be subject to compliance with the provisions of the instruments governing our outstanding indebtedness.

"Series B Rating Event" means a change by any rating agency to the criteria employed by such rating agency as of the date of original issuance of the Series B Preferred Shares for purposes of assigning ratings to securities with features similar to the Series B Preferred Shares, which change results in (i) any shortening of the length of time for which the current criteria are scheduled to be in effect with respect to the Series B Preferred Shares, or (ii) a lower equity credit being given to the Series B Preferred Shares than the equity credit that would have been assigned to the Series B Preferred Shares by such rating agency pursuant to the current criteria.

Optional Redemption upon a Change of Control

If a Change of Control occurs, we may, at our option, redeem the Series B Preferred Shares, in whole but not in part, prior to December 15, 2024 and within 60 days after the occurrence of such Change of Control, at a price of $25.25 per Series B Preferred Share, plus an amount equal to all accumulated and unpaid distributions thereon, if any, to, but excluding, the date of redemption, whether or not declared. Any such redemption would be effected only out of funds legally available for such purpose and would be subject to compliance with the provisions of the instruments governing our outstanding indebtedness.

If (i) a Change of Control occurs (whether before, on or after December 15, 2024) and (ii) we do not give notice prior to the 31st day following the Change of Control to redeem all the outstanding Series B Preferred Shares, the distribution rate per annum on the Series B Preferred Shares will increase by 5.00%, beginning on the 31st day following such Change of Control.

The Change of Control redemption feature of the Series B Preferred Shares may, in certain circumstances, make more difficult or discourage a sale or takeover of our limited liability company or a member of the Company and, thus, the removal of incumbent management. We have no present intention to engage in a transaction involving a Change of Control, although it is possible that we could decide to do so in the future.

Optional Redemption upon a Tax Redemption Event

If a Series B Tax Redemption Event (as defined below) occurs, we may, at our option, redeem the Series B Preferred Shares, in whole but not in part, prior to December 15, 2024, and within 60 days after the occurrence of such Series B Tax Redemption Event, at a price of $25.25 per Series B Preferred Share, plus an amount equal to all accumulated and unpaid distributions thereon, if any, to, but excluding, the date of redemption, whether or not declared. Any such redemption would be effected only out of funds legally available for such purpose and would be subject to compliance with the provisions of the instruments governing our outstanding indebtedness.

"Series B Tax Redemption Event" means, after the date the Series B Preferred Shares are first issued, due to (a) an amendment to, or a change in official interpretation of the Code, Treasury Regulations promulgated thereunder, or administrative guidance or (b) an administrative or judicial determination, (i) we are advised by nationally recognized counsel or a "Big Four" accounting firm that we will be treated as an association taxable as a corporation for U.S. Federal income tax purposes or otherwise subject to U.S. Federal income tax (other than any tax imposed pursuant to Section 6225 of the Code, as amended by the Bipartisan Budget Act of 2015), or (ii) we file an IRS Form 8832 (or successor form) electing that we be treated as an association taxable as a corporation for U.S. Federal income tax purposes.

Redemption Procedures

If we elect to redeem any Series B Preferred Shares, we will provide notice to the holders of record of the Series B Preferred Shares to be redeemed, not less than 30 days and not more than 60 days before the date fixed for redemption thereof (*provided*, *however*, that if the Series B Preferred Shares are held in book-entry form through a Securities Depositary, we may give this notice in any manner permitted by such Securities Depositary). Any notice given as provided in this paragraph will be conclusively presumed to have been duly given, whether or not the holder receives such notice, and any defect in such notice or in the provision of such notice to any holder of Series B Preferred Shares designated for redemption will not affect the redemption of any other Series B Preferred Shares. Each notice of redemption shall state:

- the redemption date;
- the redemption price;
- if fewer than all Series B Preferred Shares are to be redeemed, the number of Series B Preferred Shares to be redeemed; and
- the manner in which holders of Series B Preferred Shares called for redemption may obtain payment of the redemption price in respect of those shares.

If notice of redemption of any Series B Preferred Shares has been given and if the funds necessary for such redemption have been deposited by us in trust with a bank or a Securities Depositary for the benefit of the holders of any Series B Preferred Shares so called for redemption, then from and after the redemption date such Series B Preferred Shares will no longer be deemed outstanding for any purpose, all distributions with respect to such Series B Preferred Shares shall cease to accrue after the redemption date and all rights of the holders of such shares will terminate, except the right to receive the redemption price, without interest.

In the case of any redemption of only part of the Series B Preferred Shares at the time outstanding, the Series B Preferred Shares to be redeemed will be selected either pro rata or by lot. Subject to the provisions set forth in this description, the board of directors will have the full power and authority to prescribe the terms and conditions upon which Series B Preferred Shares may be redeemed from time to time.

Voting Rights

Owners of Series B Preferred Shares do not have any voting rights, except as set forth below or as otherwise required by applicable law. To the extent that owners of Series B Preferred Shares are entitled to vote, each holder of Series B Preferred Shares will have one vote per share, except that when shares of any class or series of Parity Securities have the right to vote with the Series B Preferred Shares as a single class on any matter, the Series B Preferred Shares and the shares of each such Parity Securities will have one vote for each $25.00 of liquidation preference (for the avoidance of doubt, excluding accumulated distributions).

Whenever dividends on any shares of the Series B Preferred Shares are in arrears for six or more quarterly Distribution Periods, whether or not consecutive, the number of directors then constituting our board of directors will be automatically increased by two (if not already increased by two by reason of the election of directors by the holders of any Other Voting Preferred Shares). The holders of Other Voting Preferred Shares and the holders of the Series B Preferred Shares will be entitled to vote, by the affirmative vote of a majority of the votes entitled to be cast, for the election of those two additional directors at a special meeting of the holders of the Series B Preferred Shares and such Other Voting Preferred Shares and at each subsequent annual meeting of the holders of our common shares at which such directors are up for reelection; *provided* that when all distributions accumulated on the Series B Preferred Shares for all past Distribution Periods and the then current Distribution Period shall have been fully paid, the right of holders of the Series B Preferred Shares to elect any directors will cease and, unless there are any Other Voting Preferred Shares entitled to vote for the election of directors, the term of office of those two directors will forthwith terminate, any directors elected by holders of the Series B Preferred Shares shall immediately resign and the number of directors constituting the board of directors shall be reduced accordingly. However, the right of the holders of the Series B Preferred Shares and any Other Voting Preferred Shares to elect two additional directors will again vest if and whenever six additional quarterly distributions have not been declared and paid, as described above. In no event shall the holders of the Series B Preferred Shares be entitled pursuant to these voting rights to elect a director that would cause us to fail to satisfy a requirement relating to director independence of any national securities exchange or quotation system on which any class or series of our Capital Stock is listed or quoted. For the avoidance of doubt, in no event shall the total number of directors elected by holders of the Series B Preferred Shares and any Other Voting Preferred Shares exceed two.

If, at any time when the voting rights conferred upon the Series B Preferred Shares (as described above) are exercisable, any vacancy in the office of a director elected pursuant to the procedures described above shall occur, then such vacancy may be filled only by the remaining director or by the affirmative vote of a majority of the votes entitled to be cast by the holders of record of the outstanding Series B Preferred Shares and all Other Voting Preferred Shares, acting as a single class at a special meeting of such holders. Any director elected or appointed pursuant to the procedures described above may be removed at any time, with or without cause, only by the affirmative vote of holders of the outstanding Series B Preferred Shares and all Other Voting Preferred Shares, acting as a single class at a meeting of shareholders, such removal to be effected by the affirmative vote of a majority of the votes entitled to be cast by the holders of the outstanding Series B Preferred Shares and Other Voting Preferred Shares, and may not be removed by the holders of our common shares.

While any Series B Preferred Shares remain outstanding, we will not, without the affirmative vote or consent of holders of at least 66 2/3% in voting power of the Series B Preferred Shares and all Other Voting Preferred Shares, acting as a single class, (i) authorize, create or issue any Senior Securities or reclassify any authorized Capital Stock into any Senior Securities or issue any obligation or security convertible into or evidencing the right to purchase any Senior Securities or (ii) amend, alter or repeal any provision of the Operating Agreement, including by merger, consolidation or otherwise, so as to adversely affect the powers, preferences or special rights of the Series B Preferred Shares; *provided* that in the case of clause (ii) above, if such amendment affects materially and adversely the rights, designations, preferences, powers and duties of one or more but not all of the classes or series of the Other Voting Preferred Shares (including the Series B Preferred Shares for this purpose), only the consent of the holders of at least 66 2/3% in voting power of the outstanding shares of the classes or series so affected, voting as a class, is required in lieu of (or, if such consent is required by law, in addition to) the consent of the holders of 66 2/3% of the Other Voting Preferred Shares (including the Series B Preferred Shares for this purpose) as a class. However, we may create additional series or classes of Parity Securities and Junior Securities and issue additional classes or series of Parity Securities and Junior Securities without notice to or the consent of any holder of the Series B Preferred

Shares; *provided*, *however*, that, in the case of Parity Securities, the full cumulative distributions for all past Distribution Periods on all outstanding Series B Preferred Shares shall have been or contemporaneously are declared and paid in full or declared and a sum sufficient for the payment of those distributions has been set aside.

Notwithstanding the foregoing, none of the following will be deemed to affect the powers, preferences or special rights of the Series B Preferred Shares:

- any increase in the amount of authorized common shares or authorized preferred shares, or any increase or decrease in the number of shares of any series of preferred stock, or the authorization, creation and issuance of other classes or series of Capital Stock, in each case ranking on parity with or junior to the Series B Preferred Shares as to distributions or distribution of assets upon our liquidation, dissolution or winding up;

- a merger or consolidation of us with or into another entity in which the Series B Preferred Shares remain outstanding with identical terms as existing immediately prior to such merger or consolidation; and

- a merger or consolidation of us with or into another entity in which the Series B Preferred Shares are converted into or exchanged for preference securities of the surviving entity or any entity, directly or indirectly, controlling such surviving entity and such new preference securities have terms identical (other than the identity of the issuer) to the terms of the Series B Preferred Shares.

The foregoing voting rights of the holders of Series B Preferred Shares shall not apply if, at or prior to the time when the act with respect to which the vote would otherwise be required shall be effected, all outstanding Series B Preferred Shares shall have been redeemed or called for redemption upon proper notice and we shall have set aside sufficient funds for the benefit of holders of Series B Preferred Shares to effect the redemption.

Forum Selection

Each person that holds or has held a Series B Preferred Share and each person that holds or has held any beneficial interest in a Series B Preferred Share (whether through a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing or otherwise), to the fullest extent permitted by law, (i) irrevocably agrees that any claims, suits, actions or proceedings against us, or any director, officer, employee, control person, underwriter or agent of the Company or its affiliates, asserted under United States federal securities laws, otherwise arising under such laws, or that could have been asserted as a claim arising under such laws, shall be exclusively brought in the federal district courts of the United States of America (except, and only to the extent, that any such claims, actions or proceedings are of a type for which a member may not waive its right to maintain a legal action or proceeding in the courts of the State of Delaware with respect to matters relating to the organization or internal affairs of the Company as set forth under Section 18-109(d) of the Delaware Limited Liability Company Act); (ii) irrevocably submits to the exclusive jurisdiction of such courts in connection with any such claim, suit, action or proceeding; and (iii) irrevocably agrees not to, and waives any right to, assert in any such claim, suit, action or proceeding that (A) it is not personally subject to the jurisdiction of such courts or any other court to which proceedings in such courts may be appealed, (B) such claim, suit, action or proceeding is brought in an inconvenient forum or (C) the venue of such claim, suit, action or proceeding is improper.

Book-Entry System

All Series B Preferred Shares are represented by a single certificate issued to the Securities Depositary, and registered in the name of the Securities Depositary or its nominee, and no holder of the Series B Preferred Shares is entitled to receive a certificate evidencing Series B Preferred Shares unless otherwise required by law or the Securities Depositary gives notice of its intention to resign or is no longer eligible to act as such and we have not selected a substitute Securities Depositary within 60 calendar days thereafter. Payments and communications made by us to holders of the Series B Preferred Shares will be duly made by making payments to, and communicating with, the Securities Depositary. Accordingly, unless certificates are available to holders of the Series B Preferred Shares, each holder of Series B Preferred Shares must rely on (i) the procedures of the Securities Depositary and its participants to receive distributions, any redemption price, liquidation preference and notices, and to direct the exercise of any voting or nominating rights, with respect to such Series B Preferred Shares and (ii) the records of the Securities Depositary and its participants to evidence its ownership of such Series B Preferred Shares.

So long as the Securities Depositary (or its nominee) is the sole holder of the Series B Preferred Shares, no beneficial holder of the Series B Preferred Shares will be deemed to be a holder of Series B Preferred Shares. The Depository Trust Company, the initial Securities Depositary, is a New York-chartered limited purpose trust company that performs services for its participants, some of whom (and/or their representatives) own The Depository Trust Company. The Securities Depositary maintains lists of its participants and will maintain the positions (i.e., ownership interests) held by its participants in the Series B Preferred Shares, whether as a holder of the Series B Preferred Shares for its own account or as a nominee for another holder of the Series B Preferred Shares.

Series C Preferred Shares

General

The Operating Agreement authorizes the Company to issue up to 200,000,000 preferred shares in one or more series, and the Company's board of directors is authorized to fix the number of shares of each series and determine the rights, designations, preferences, powers and duties of any such series. The "8.25% Fixed-Rate Reset Series C Cumulative Perpetual Redeemable Preferred Shares" are designated as one series of our authorized preferred shares, consisting of 4,200,000 Series C Preferred Shares.

The Series C Preferred Shares represent perpetual equity interests in us and, unlike our indebtedness, do not give rise to a claim for payment of a principal amount at a particular date. As such, the Series C Preferred Shares rank junior to all of our current and future indebtedness and other liabilities with respect to assets available to satisfy claims against us. The Series C Preferred Shares have a fixed liquidation preference of $25.00 per Series C Preferred Share, plus an amount equal to accumulated and unpaid distributions thereon, if any, to, but excluding, the date of payment, whether or not declared; *provided* that the rights of the holders of Series C Preferred Shares to receive the liquidation preference will be subject to the proportional rights of holders of Parity Securities (as defined below) and to the other matters described under "-Liquidation Rights".

All of the Series C Preferred Shares are represented by a single certificate issued to the Securities Depositary and registered in the name of its nominee. So long as a Securities Depositary has been appointed and is serving, no person acquiring Series C Preferred Shares will be entitled to receive a certificate representing such Series C Preferred Shares unless applicable law otherwise requires or the Securities Depositary resigns or is no longer eligible to act as such and a successor is not appointed. See "-Book-Entry System".

Each holder of Series C Preferred Shares is admitted as a member of our limited liability company and deemed to have agreed to be bound by the terms of the Operating Agreement. Pursuant to the Operating Agreement, each holder of Series C Preferred Shares grants to certain of our officers (and, if appointed, a liquidator) a power of attorney to, among other things, execute and file documents required for our qualification, continuance or dissolution. The power of attorney also grants certain of our officers the authority to make certain amendments to, and to make consents and waivers under and in accordance with, the Operating Agreement.

Our Series C Preferred Shares trade on the NYSE under the symbol "FTAI PR C".

Ranking

With respect to the payment of distributions and rights (including redemption rights) upon our liquidation, dissolution or winding up, the Series C Preferred Shares rank (i) senior and prior to our common shares and any class or series of preferred shares that by its terms is designated as ranking junior to the Series C Preferred Shares, (ii) *pari passu* with any class or series of preferred shares that by its terms is designated as ranking equal to the Series C Preferred Shares or does not state it is junior or senior to the Series C Preferred Shares (including our Series A Preferred Shares and Series B Preferred Shares), (iii) junior to any class or series of preferred shares that is expressly designated as ranking senior to the Series C Preferred Shares (subject to receipt of any requisite consents prior to issuance) and (iv) effectively junior to all of our existing and future indebtedness (including indebtedness convertible into our common shares or preferred shares) and other liabilities and to all liabilities and any preferred equity of our existing subsidiaries and any future subsidiaries.

The Series C Preferred Shares are not convertible into, or exchangeable for, shares of any other class or series of our Capital Stock or other securities and will not be subject to any sinking fund or other obligation to redeem or repurchase the Series C Preferred Shares. The Series C Preferred Shares are not secured, are not guaranteed by us or any of our affiliates and are not subject to any other arrangement that legally or economically enhances the ranking of the Series C Preferred Shares.

Distributions

Holders of the Series C Preferred Shares are entitled to receive, only when, as, and if declared by our board of directors, out of funds legally available for such purpose, cumulative cash distributions based on the stated liquidation preference of $25.00 per Series C Preferred Share at a rate equal to (i) from, and including, the original issue date of the Series C Preferred Shares to, but excluding, June 15, 2026 (the "Series C Reset Rate Period"), 8.25% per annum, and (ii) beginning June 15, 2026 (the "Series C Fixed Rate Period"), the Five-Year Treasury Rate (as defined below) plus a spread of 737.8 basis points per annum; provided that if the Five-Year Treasury Rate for any Distribution Period (as defined below) described in this clause (ii) cannot be determined pursuant to the definition of "Five-Year Treasury Rate," the distribution rate for such Distribution Period will be the same as the distribution rate determined for the immediately preceding Distribution Period. A "Distribution Period" means the period from, and including, each Distribution Payment Date to, but excluding, the next succeeding Distribution Payment Date, except for the initial Distribution Period, which is the period from, and including, the original issue date of the Series C Preferred Shares to, but excluding, the next succeeding Distribution Payment Date.

For purposes of calculating the distribution rate for a given Series C Fixed Rate Period, the calculation agent shall determine the "Five-Year Treasury Rate" (for any Reset Period (as defined below) commencing on or after the First Reset Date), based on the rate on the Reset Distribution Determination Date (as defined below) and equal to:

(i) The average of the yields to maturity on actively traded U.S. treasury securities adjusted to constant maturity, for five-year maturities, for the five Business Days appearing under the caption ‘‘Treasury Constant Maturities’’ in the most recently published statistical release designated H.15 Daily Update or any successor publication which is published by the Federal Reserve Board, as determined by the calculation agent in its sole discretion; or

(ii) If no calculation is provided as described in clause (i), then the calculation agent, after consulting such sources as it deems comparable to any of the foregoing calculations, or any such source as it deems reasonable from which to estimate the Five-Year Treasury Rate, shall determine the Five-Year Treasury Rate in its sole discretion, provided that if the calculation agent determines there is an industry-accepted successor Five-Year Treasury Rate, then the Calculation Agent shall use such successor rate. If the calculation agent has determined a substitute or successor rate in accordance with the foregoing, the calculation agent, in its sole discretion, may determine the "business day" convention, the definition of "business day" and the Reset Distribution Determination Date to be used and any other relevant methodology for calculating such substitute or successor rate, including any adjustment factor needed to make such substitute or successor rate comparable to the rate described in clause (i), in a manner that is consistent with industry-accepted practices for such substitute or successor rate.

As used herein, "Reset Period" means the period from, and including, June 15, 2026 to, but excluding, the fifth-year anniversary of said date, and thereafter from, and including, the fifth-year anniversary of June 15, 2026 but excluding the following fifth-year anniversary of said date (each five-year period, commencing with June 15, 2026, a "Reset Period").

As used herein, "Reset Distribution Determination Date" means, in respect of any Reset Period, the day falling three business days prior to the beginning of such Reset Period.

When, as, and if declared by our board of directors, we pay cash distributions on the Series C Preferred Shares quarterly, in arrears, on each Distribution Payment Date, beginning on June 15, 2021. We pay cash distributions to the holders of record of Series C Preferred Shares as they appear on our share register on the applicable record date, which for any Distribution Payment Date shall be the 1st calendar day of the month of such Distribution Payment Date or such other record date fixed by our board of directors as the record date for such Distribution Payment Date that is not more than 60 nor less than 10 days prior to such Distribution Payment Date.

So long as the Series C Preferred Shares are held of record by the nominee of the Securities Depositary, declared distributions will be paid to the Securities Depositary in same-day funds on each Distribution Payment Date. The Securities Depositary will credit accounts of its participants in accordance with the Securities Depositary's normal procedures. The participants will be responsible for holding or disbursing such payments to beneficial owners of the Series C Preferred Shares in accordance with the instructions of such beneficial owners.

We calculate distributions on the Series C Preferred Shares on the basis of a 360-day year consisting of twelve 30-day months. Dollar amounts resulting from that calculation are rounded to the nearest cent, with one-half cent being rounded upward. Distributions on the Series C Preferred Shares will cease to accrue on the redemption date, as described below under "-Redemption", unless we default in the payment of the redemption price of the Series C Preferred Shares called for redemption.

Distributions on the Series C Preferred Shares are not mandatory. However, distributions on the Series C Preferred Shares accrue from the original issue date, or the most recent Distribution Payment Date on which all accrued distributions have been paid, as applicable, whether or not we have earnings, whether or not there are funds legally available for the payment of those distributions and whether or not those distributions are declared. No interest, or sum in lieu of interest, is payable in respect of any distribution payment or payments on the Series C Preferred Shares which may be in arrears, and holders of the Series C Preferred Shares are not entitled to any distribution, whether payable in cash, property, or shares, in excess of full cumulative distributions described above.

If in the future we issue additional shares of the Series C Preferred Shares, distributions on those additional shares will accrue from the most recent Distribution Payment Date at the then-applicable distribution rate.

Priority Regarding Distributions

While any Series C Preferred Shares remain outstanding, unless the full cumulative distributions for all past Distribution Periods on all outstanding Series C Preferred Shares have been or contemporaneously are declared and paid in full or declared and a sum sufficient for the payment of those distributions has been set aside:

(1) no distribution will be declared and paid or set aside for payment on any Junior Securities (as defined below) (other than a distribution payable solely in shares of Junior Securities);

(2) no shares of Junior Securities will be repurchased, redeemed, or otherwise acquired for consideration by the Company or any of its subsidiaries, directly or indirectly (other than as a result of a reclassification of Junior Securities for or into other Junior Securities, or the exchange for or conversion into Junior Securities, through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Securities or pursuant to a contractually binding requirement to buy Junior Securities pursuant to a binding agreement existing prior to the

original issue date of the Series C Preferred Shares), nor will any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Company or any of its subsidiaries; and

(3) no shares of Parity Securities will be repurchased, redeemed or otherwise acquired for consideration by the Company or any of its subsidiaries (other than pursuant to pro rata offers to purchase or exchange all, or a pro rata portion of Series C Preferred Shares and such Parity Securities or as a result of a reclassification of Parity Securities for or into other Parity Securities, or by conversion into or exchange for other Parity Securities or Junior Securities).

The foregoing limitations do not apply to (i) purchases or acquisitions of, or cash settlement in respect of, Junior Securities pursuant to any employee or director incentive or benefit plan or arrangement (including any of our employment, severance, or consulting agreements) of ours or of any of our subsidiaries and (ii) any distribution in connection with the implementation of a shareholder rights plan or the redemption or repurchase of any rights under such a plan, including with respect to any successor shareholder rights plan.

Accumulated distributions in arrears for any past Distribution Period may be declared by the board of directors and paid on any date fixed by the board of directors, whether or not a Distribution Payment Date, to holders of the Series C Preferred Shares on the record date for such payment, which may not be less than 10 days before such distribution. To the extent a distribution period applicable to a class of Junior Securities or Parity Securities is shorter than the Distribution Period applicable to the Series C Preferred Shares (e.g., monthly rather than quarterly), the board of directors may declare and pay regular distributions with respect to such Junior Securities or Parity Securities so long as, at the time of declaration of such distribution, the board of directors expects to have sufficient funds to pay the full cumulative distributions in respect of the Series C Preferred Shares on the next Distribution Payment Date.

Subject to the next succeeding sentence, if all accumulated distributions in arrears on all outstanding Series C Preferred Shares and any Parity Securities have not been declared and paid, or sufficient funds for the payment thereof have not been set apart, payment of accumulated distributions in arrears will be made in order of their respective distribution payment dates, commencing with the earliest distribution payment date. If less than all distributions payable with respect to all Series C Preferred Shares and any Parity Securities are paid, any partial payment will be made pro rata with respect to the Series C Preferred Shares and any Parity Securities entitled to a distribution payment at such time in proportion to the aggregate amounts remaining due in respect of such Series C Preferred Shares and Parity Securities at such time.

As used in this description of Series C Preferred Shares, (i) “Junior Securities” means our common shares and any other class or series of our Capital Stock over which the Series C Preferred Shares has preference or priority in the payment of distributions or in the distribution of assets on our liquidation, dissolution or winding up, (ii) “Parity Securities” means any other class or series of our Capital Stock that ranks equally with the Series C Preferred Shares in the payment of distributions and in the distribution of assets on our liquidation, dissolution or winding up (including our Series A Preferred Shares and Series B Preferred Shares) and (iii) “Senior Securities” means any other class or series of our Capital Stock that has preference or priority over the Series C Preferred Shares in the payment of distributions or in the distribution of assets on our liquidation, dissolution or winding up.

Subject to the conditions described above, and not otherwise, distributions (payable in cash, shares, or otherwise), as may be determined by our board of directors, may be declared and paid on our common shares and any Junior Securities from time to time out of any funds legally available for such payment, and the holders of the Series C Preferred Shares will not be entitled to participate in those distributions.

Liquidation Rights

Upon our voluntary or involuntary Liquidation, the holders of the outstanding Series C Preferred Shares are entitled to be paid out of our assets legally available for distribution to our shareholders, before any distribution of assets is made to holders of common shares or any other Junior Securities, a liquidating distribution in the amount of a liquidation preference of $25.00 per share, plus an amount equal to accumulated and unpaid distributions thereon, if any, to, but excluding, the date of such liquidating distribution, whether or not declared, plus the sum of any declared and unpaid distributions for Distribution Periods prior to the Distribution Period in which the liquidating distribution is made and any declared and unpaid distributions for the then current Distribution Period in which the liquidating distribution is made to the date of such liquidating distribution. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series C Preferred Shares will have no right or claim to any of our remaining assets.

Distributions will be made only to the extent that our assets are available after satisfaction of all liabilities to creditors and subject to the rights of holders of any securities ranking senior to the Series C Preferred Shares. If, in the event of a Liquidation, we are unable to pay full liquidating distributions to the holders of all outstanding Series C Preferred Shares in accordance with the foregoing and to all Parity Securities in accordance with the terms thereof, then we will distribute our assets to those holders ratably in proportion to the liquidating distributions to which they would otherwise have received.

Our merger or consolidation with or into any other entity or by another entity with or into us or the sale, lease, exchange or other transfer of all or substantially all of our assets (for cash, securities or other consideration) will not be deemed to be a liquidation, dissolution or winding up. If we enter into any merger or consolidation transaction with or into any other entity and we are not the surviving entity in such transaction, the Series C Preferred Shares may be converted into shares of the surviving or successor entity or the direct or indirect parent of the surviving or successor entity having terms identical to the terms of the Series C Preferred Shares set forth in this description.

Because we are a holding company, our rights and the rights of our creditors and our shareholders, including the holders of the Series C Preferred Shares, to participate in the distribution of assets of any of our subsidiaries upon that subsidiary's voluntary or involuntary liquidation, dissolution or winding up will be subject to the prior claims of that subsidiary's creditors, except to the extent that we are a creditor with recognized claims against that subsidiary.

Conversion; Exchange and Preemptive Rights

The Series C Preferred Shares are not entitled to any preemptive rights or other rights to purchase or subscribe for our common shares or any other security, and are not convertible into or exchangeable for our common shares or any other security or property at the option of the holder.

Redemption

The Series C Preferred Shares are not subject to any mandatory redemption, sinking fund or other similar provisions.

Holders of Series C Preferred Shares do not have the right to require the redemption or repurchase of the Series C Preferred Shares.

Optional Redemption on or after June 15, 2026

We may redeem the Series C Preferred Shares, in whole or in part, at our option, at any time or from time to time on or after June 15, 2026 ("Series C Optional Redemption"), at the redemption price equal to $25.00 per Series C Preferred Share, plus an amount equal to all accumulated and unpaid distributions thereon, if any, to, but excluding, the date of redemption, whether or not declared. We may undertake multiple Series C Optional Redemptions. Any such redemption would be effected only out of funds legally available for such purpose and would be subject to compliance with the provisions of the instruments governing our outstanding indebtedness.

Optional Redemption upon a Rating Event

At any time within 120 days after the conclusion of any review or appeal process instituted by us following the occurrence of a Series C Rating Event (as defined below), we may, at our option, redeem the Series C Preferred Shares in whole, but not in part, prior to June 15, 2026, at a redemption price per Series C Preferred Share equal to $25.50 (102% of the liquidation preference of $25.00), plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption, whether or not declared. Any such redemption would be effected only out of funds legally available for such purpose and would be subject to compliance with the provisions of the instruments governing our outstanding indebtedness.

"Series C Rating Event" means a change by any rating agency to the criteria employed by such rating agency as of the date of original issuance of the Series C Preferred Shares for purposes of assigning ratings to securities with features similar to the Series C Preferred Shares, which change results in (i) any shortening of the length of time for which the current criteria are scheduled to be in effect with respect to the Series C Preferred Shares, or (ii) a lower equity credit being given to the Series C Preferred Shares than the equity credit that would have been assigned to the Series C Preferred Shares by such rating agency pursuant to the current criteria.

Optional Redemption upon a Change of Control

If a Change of Control occurs, we may, at our option, redeem the Series C Preferred Shares, in whole but not in part, prior to June 15, 2026 and within 60 days after the occurrence of such Change of Control, at a price of $25.25 per Series C Preferred Share, plus an amount equal to all accumulated and unpaid distributions thereon, if any, to, but excluding, the date of redemption, whether or not declared. Any such redemption would be effected only out of funds legally available for such purpose and would be subject to compliance with the provisions of the instruments governing our outstanding indebtedness.

If (i) a Change of Control occurs (whether before, on or after June 15, 2026) and (ii) we do not give notice prior to the 31st day following the Change of Control to redeem all the outstanding Series C Preferred Shares, the distribution rate per annum on the Series C Preferred Shares will increase by 500 basis points, beginning on the 31st day following such Change of Control.

The Change of Control redemption feature of the Series C Preferred Shares may, in certain circumstances, make more difficult or discourage a sale or takeover of our limited liability company or a member of the Company and, thus, the removal of incumbent management. We have no present intention to engage in a transaction involving a Change of Control, although it is possible that we could decide to do so in the future.

Optional Redemption upon a Tax Redemption Event

If a Series C Tax Redemption Event (as defined below) occurs, we may, at our option, redeem the Series C Preferred Shares, in whole but not in part, prior to June 15, 2026, and within 60 days after the occurrence of such Series C Tax Redemption Event, at a price of $25.25 per Series C Preferred Share, plus an amount equal to all accumulated and unpaid distributions thereon, if any, to, but excluding, the date of redemption, whether or not declared. Any such redemption would be effected only out of funds legally available for such purpose and would be subject to compliance with the provisions of the instruments governing our outstanding indebtedness.

"Series C Tax Redemption Event" means, after the date the Series C Preferred Shares are first issued, due to (a) an amendment to, or a change in official interpretation of the Code, Treasury Regulations promulgated thereunder, or administrative guidance or (b) an administrative or judicial determination, (i) we are advised by nationally recognized counsel or a "Big Four" accounting firm that we will be treated as an association taxable as a corporation for U.S. Federal income tax purposes or otherwise subject to U.S. Federal income tax (other than any tax imposed pursuant to Section 6225 of the Code, as amended by the Bipartisan Budget Act of 2015), or (ii) we file an IRS Form 8832 (or successor form) electing that we be treated as an association taxable as a corporation for U.S. Federal income tax purposes.

Redemption Procedures

If we elect to redeem any Series C Preferred Shares, we will provide notice to the holders of record of the Series C Preferred Shares to be redeemed, not less than 30 days and not more than 60 days before the date fixed for redemption thereof (*provided*, *however*, that if the Series C Preferred Shares are held in book-entry form through a Securities Depositary, we may give this notice in any manner permitted by such Securities Depositary). Any notice given as provided in this paragraph will be conclusively presumed to have been duly given, whether or not the holder receives such notice, and any defect in such notice or in the provision of such notice to any holder of Series C Preferred Shares designated for redemption will not affect the redemption of any other Series C Preferred Shares. Each notice of redemption shall state:

- the redemption date;
- the redemption price;
- if fewer than all Series C Preferred Shares are to be redeemed, the number of Series C Preferred Shares to be redeemed; and
- the manner in which holders of Series C Preferred Shares called for redemption may obtain payment of the redemption price in respect of those shares.

If notice of redemption of any Series C Preferred Shares has been given and if the funds necessary for such redemption have been deposited by us in trust with a bank or a Securities Depositary for the benefit of the holders of any Series C Preferred Shares so called for redemption, then from and after the redemption date such Series C Preferred Shares will no longer be deemed outstanding for any purpose, all distributions with respect to such Series C Preferred Shares shall cease to accrue on the redemption date and all rights of the holders of such shares will terminate, except the right to receive the redemption price, without interest.

In the case of any redemption of only part of the Series C Preferred Shares at the time outstanding, the Series C Preferred Shares to be redeemed will be selected either pro rata or by lot. Subject to the provisions set forth in this description, the board of directors will have the full power and authority to prescribe the terms and conditions upon which Series C Preferred Shares may be redeemed from time to time.

Voting Rights

Owners of Series C Preferred Shares do not have any voting rights, except as set forth below or as otherwise required by applicable law. To the extent that owners of Series C Preferred Shares are entitled to vote, each holder of Series C Preferred Shares will have one vote per share, except that when shares of any class or series of Parity Securities have the right to vote with the Series C Preferred Shares as a single class on any matter, the Series C Preferred Shares and the shares of each such Parity Securities will have one vote for each $25.00 of liquidation preference (for the avoidance of doubt, excluding accumulated distributions).

Whenever dividends on any shares of the Series C Preferred Shares are in arrears for six or more quarterly Distribution Periods, whether or not consecutive, the number of directors then constituting our board of directors will be automatically increased by two (if not already increased by two by reason of the election of directors by the holders of any Other Voting Preferred Shares). The holders of Other Voting Preferred Shares and the holders of the Series C Preferred Shares will be entitled to vote, by the affirmative vote of a majority of the votes entitled to be cast, for the election of those two additional directors at a special meeting of the holders of the Series C Preferred Shares and such Other Voting Preferred Shares and at each subsequent annual meeting of the holders of our common shares at which such directors are up for reelection; *provided* that when all distributions accumulated on the Series C Preferred Shares for all past Distribution Periods and the then current Distribution Period shall have been fully paid, the right of holders of the Series C Preferred Shares to elect any directors will cease and, unless there are any Other Voting Preferred Shares entitled to vote for the election of directors, the term of office of those two directors will forthwith terminate, any directors elected by holders of the Series C Preferred Shares shall immediately resign and the number of directors constituting the board of directors shall be reduced accordingly. However, the right of the holders of the Series C Preferred Shares and any Other Voting Preferred Shares to elect two additional directors will again vest if and whenever six additional quarterly distributions have not been declared and paid, as described above. In no event shall the holders of the Series C Preferred Shares be entitled pursuant to these voting rights to elect a director that would cause us to fail to satisfy a requirement relating to director independence of any national securities exchange or quotation system on which any class or series of our Capital Stock is listed or quoted. For the avoidance of doubt, in no event shall the total number of directors elected by holders of the Series C Preferred Shares and any Other Voting Preferred Shares exceed two.

If, at any time when the voting rights conferred upon the Series C Preferred Shares (as described above) are exercisable, any vacancy in the office of a director elected pursuant to the procedures described above shall occur, then such vacancy may be filled only by the remaining director or by the affirmative vote of a majority of the votes entitled to be cast by the holders of record of the outstanding Series C Preferred Shares and all Other Voting Preferred Shares, acting as a single class at a special meeting of such holders. Any director elected or appointed pursuant to the procedures described above may be removed at any time, with or without cause, only by the affirmative vote of holders of the outstanding Series C Preferred Shares and all Other Voting Preferred Shares, acting as a single class at a meeting of shareholders, such removal to be effected by the affirmative vote of a majority of the votes entitled to be cast by the holders of the outstanding Series C Preferred Shares and Other Voting Preferred Shares, and may not be removed by the holders of our common shares.

While any Series C Preferred Shares remain outstanding, we will not, without the affirmative vote or consent of holders of at least 66$2/3$% in voting power of the Series C Preferred Shares and all Other Voting Preferred Shares, acting as a single class, (i) authorize, create or issue any Senior Securities or reclassify any authorized Capital Stock into any Senior Securities or issue any obligation or security convertible into or evidencing the right to purchase any Senior Securities or (ii) amend, alter or repeal any provision of the Operating Agreement, including by merger, consolidation or otherwise, so as to adversely affect the powers, preferences or special rights of the Series C Preferred Shares; *provided* that in the case of clause (ii) above, if such amendment affects materially and adversely the rights, designations, preferences, powers and duties of one or more but not all of the classes or series of the Other Voting Preferred Shares (including the Series C Preferred Shares for this purpose), only the consent of the holders of at least 66$2/3$% in voting power of the outstanding shares of the classes or series so affected, voting as a class, is required in lieu of (or, if such consent is required by law, in addition to) the consent of the holders of 66$2/3$% of the Other Voting Preferred Shares (including the Series C Preferred Shares for this purpose) as a class. However, we may create additional series or classes of Parity Securities and Junior Securities and issue additional classes or series of Parity Securities and Junior Securities without notice to or the consent of any holder of the Series C Preferred Shares; *provided*, *however*, that, in the case of Parity Securities, the full cumulative distributions for all past Distribution Periods on all outstanding Series C Preferred Shares shall have been or contemporaneously are declared and paid in full or declared and a sum sufficient for the payment of those distributions has been set aside.

Notwithstanding the foregoing, none of the following will be deemed to affect the powers, preferences or special rights of the Series C Preferred Shares:

- any increase in the amount of authorized common shares or authorized preferred shares, or any increase or decrease in the number of shares of any series of preferred stock, or the authorization, creation and issuance of other classes or series of Capital Stock, in each case ranking on parity with or junior to the Series C Preferred Shares as to distributions or distribution of assets upon our liquidation, dissolution or winding up;

- a merger or consolidation of us with or into another entity in which the Series C Preferred Shares remain outstanding with identical terms as existing immediately prior to such merger or consolidation; and

- a merger or consolidation of us with or into another entity in which the Series C Preferred Shares are converted into or exchanged for preference securities of the surviving entity or any entity, directly or indirectly, controlling such surviving entity and such new preference securities have terms identical (other than the identity of the issuer) to the terms of the Series C Preferred Shares.

The foregoing voting rights of the holders of Series C Preferred Shares shall not apply if, at or prior to the time when the act with respect to which the vote would otherwise be required shall be effected, all outstanding Series C Preferred Shares shall have been redeemed or called for redemption upon proper notice and we shall have set aside sufficient funds for the benefit of holders of Series C Preferred Shares to effect the redemption.

Forum Selection

Each person that holds or has held a Series C Preferred Share and each person that holds or has held any beneficial interest in a Series C Preferred Share (whether through a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing or otherwise), to the fullest extent permitted by law, (i) irrevocably agrees that any claims, suits, actions or proceedings against us, or any director, officer, employee, control person, underwriter or agent of the Company or its affiliates, asserted under United States federal securities laws, otherwise arising under such laws, or that could have been asserted as a claim arising under such laws, shall be exclusively brought in the federal district courts of the United States of America (except, and only to the extent, that any such claims, actions or proceedings are of a type for which a member may not waive its right to maintain a legal action or proceeding in the courts of the State of Delaware with respect to matters relating to the organization or internal affairs of the Company as set forth under Section 18-109(d) of the Delaware Limited Liability Company Act); (ii) irrevocably submits to the exclusive jurisdiction of such courts in connection with any such claim, suit, action or proceeding; and (iii) irrevocably agrees not to, and waives any right to, assert in any such claim, suit, action or proceeding that (A) it is not personally subject to the jurisdiction of such courts or any other court to which proceedings in such courts may be appealed, (B) such claim, suit, action or proceeding is brought in an inconvenient forum or (C) the venue of such claim, suit, action or proceeding is improper.

Book-Entry System

All Series C Preferred Shares are represented by a single certificate issued to the Securities Depositary, and registered in the name of the Securities Depositary or its nominee, and no holder of the Series C Preferred Shares is entitled to receive a certificate evidencing Series C Preferred Shares unless otherwise required by law or the Securities Depositary gives notice of its intention to resign or is no longer eligible to act as such and we have not selected a substitute Securities Depositary within 60 calendar days thereafter. Payments and communications made by us to holders of the Series C Preferred Shares will be duly made by making payments to, and communicating with, the Securities Depositary. Accordingly, unless certificates are available to holders of the Series C Preferred Shares, each holder of Series C Preferred Shares must rely on (i) the procedures of the Securities Depositary and its participants to receive distributions, any redemption price, liquidation preference and notices, and to direct the exercise of any voting or nominating rights, with respect to such Series C Preferred Shares and (ii) the records of the Securities Depositary and its participants to evidence its ownership of such Series C Preferred Shares.

So long as the Securities Depositary (or its nominee) is the sole holder of the Series C Preferred Shares, no beneficial holder of the Series C Preferred Shares will be deemed to be a holder of Series C Preferred Shares. The Depository Trust Company, the initial Securities Depositary, is a New York-chartered limited purpose trust company that performs services for its participants, some of whom (and/or their representatives) own The Depository Trust Company. The Securities Depositary maintains lists of its participants and will maintain the positions (i.e., ownership interests) held by its participants in the Series C Preferred Shares, whether as a holder of the Series C Preferred Shares for its own account or as a nominee for another holder of the Series C Preferred Shares.

Certain Provisions of Delaware Law and Our Operating Agreement

Our Operating Agreement

Limited Liability

The Delaware LLC Act provides that a member who receives a distribution from a Delaware limited liability company and knew at the time of the distribution that the distribution was in violation of the Delaware LLC Act shall be liable to the company for the amount of the distribution for three years. Under the Delaware LLC Act, a limited liability company may not make a distribution to a member if, after the distribution, all liabilities of the company, other than liabilities to members on account of their shares and liabilities for which the recourse of creditors is limited to specific property of the company, would exceed the fair value of the assets of the company. For the purpose of determining the fair value of the assets of a company, the Delaware LLC Act provides that the fair value of property subject to liability for which recourse of creditors is limited shall be included in the assets of the company only to the extent that the fair value of that property exceeds the nonrecourse liability. Under the Delaware LLC Act, an assignee who becomes a substituted member of a company is liable for the obligations of his assignor to make contributions to the company, except the assignee is not obligated for liabilities unknown to him at the time the assignee became a member and that could not be ascertained from the Operating Agreement.

Amendment of Our Operating Agreement

Amendments to our Operating Agreement may be proposed only by or with the consent of our board of directors. To adopt a proposed amendment, our board of directors is required to seek written approval of the holders of the number of shares required to approve the amendment or call a meeting of our shareholders to consider and vote upon the proposed amendment. Except as set forth below, an amendment must be approved by holders of a majority of the total outstanding shares.

Prohibited Amendments. No amendment may be made that would:

- enlarge the obligations of any shareholder without such shareholder's consent, unless approved by at least a majority of the type or class of shares so affected;

- provide that we are not dissolved upon an election to dissolve our limited liability company by our board of directors that is approved by holders of a majority of the outstanding shares;
- change the term of existence of our company; or
- give any person the right to dissolve our limited liability company other than our board of directors' right to dissolve our limited liability company with the approval of holders of a majority of the total combined voting power of our outstanding shares.

The provision of our Operating Agreement preventing the amendments having the effects described in any of the clauses above can be amended upon the approval of holders of at least two-thirds of the outstanding shares.

No Shareholder Approval.

Our board of directors may generally make amendments to our Operating Agreement without the approval of any shareholder or assignee to reflect:

- a change in our name, the location of our principal place of our business, our registered agent or our registered office;
- the admission, substitution, withdrawal or removal of shareholders in accordance with our Operating Agreement;
- the merger of our company or any of its subsidiaries into, or the conveyance of all of our assets to, a newly-formed entity if the sole purpose of that merger or conveyance is to effect a mere change in our legal form into another limited liability entity;
- a change that our board of directors determines to be necessary or appropriate for us to qualify or continue our qualification as a company in which our members have limited liability under the laws of any state or to ensure that we will not be treated as an association taxable as a corporation or otherwise taxed as an entity for U.S. federal income tax purposes other than as we specifically so designate;
- an amendment that our board of directors determines, based upon the advice of counsel, to be necessary or appropriate to prevent us, members of our board, or our officers, agents or trustees from in any manner being subjected to the provisions of the Investment Company Act of 1940, the Investment Advisers Act of 1940, or “plan asset” regulations adopted under the Employee Retirement Income Security Act of 1974, or ERISA, whether or not substantially similar to plan asset regulations currently applied or proposed;
- an amendment or issuance that our board of directors determines to be necessary or appropriate for the authorization of additional securities;
- any amendment expressly permitted in our Operating Agreement to be made by our board of directors acting alone;
- an amendment effected, necessitated or contemplated by a merger agreement that has been approved under the terms of our Operating Agreement;
- any amendment that our board of directors determines to be necessary or appropriate for the formation by us of, or our investment in, any corporation, partnership or other entity, as otherwise permitted by our Operating Agreement;
- a change in our fiscal year or taxable year and related changes; and
- any other amendments substantially similar to any of the matters described in the clauses above.

In addition, our board of directors may make amendments to our Operating Agreement without the approval of any shareholder or assignee if our board of directors determines that those amendments:

- do not adversely affect the shareholders in any material respect;
- are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute;
- are necessary or appropriate to facilitate the trading of shares or to comply with any rule, regulation, guideline or requirement of any securities exchange on which the shares are or will be listed for trading, compliance with any of which our board of directors deems to be in the best interests of us and our shareholders;
- are necessary or appropriate for any action taken by our board of directors relating to splits or combinations of shares under the provisions of our Operating Agreement; or
- are required to effect the intent expressed in this description or the intent of the provisions of our Operating Agreement or are otherwise contemplated by our Operating Agreement.

Anti-Takeover Effects of Delaware Law and Our Operating Agreement

The following is a summary of certain provisions of our Operating Agreement that may be deemed to have an anti-takeover effect and may delay, deter or prevent a tender offer or takeover attempt that a shareholder might consider to be in its best interest, including those attempts that might result in a premium over the market price for the shares held by shareholders.

Authorized but Unissued Shares

Our authorized but unissued common shares and preferred shares will be available for future issuance without obtaining shareholder approval. These additional shares may be utilized for a variety of corporate purposes, including future offerings to raise additional capital and corporate acquisitions. The existence of authorized but unissued common shares and preferred shares could render more difficult or discourage an attempt to obtain control over us by means of a proxy contest, tender offer, merger or otherwise.

Delaware Business Combination Statute-Section 203

We are a limited liability company organized under Delaware law. Some provisions of Delaware law may delay or prevent a transaction that would cause a change in our control.

Section 203 of the DGCL, which restricts certain business combinations with interested shareholders in certain situations, does not apply to limited liability companies unless they elect to utilize it. Our Operating Agreement does not currently elect to have Section 203 of the DGCL apply to us. In general, this statute prohibits a publicly held Delaware corporation from engaging in a business combination with an interested shareholder for a period of three years after the date of the transaction by which that person became an interested shareholder, unless the business combination is approved in a prescribed manner. For purposes of Section 203, a business combination includes a merger, asset sale or other transaction resulting in a financial benefit to the interested shareholder, and an interested shareholder is a person who, together with affiliates and associates, owns, or within three years prior, did own, 15% or more of voting shares.

Other Provisions of Our Operating Agreement

Our Operating Agreement provides that our board shall consist of not fewer than three and not more than nine directors as the board of directors may from time to time determine. Our board of directors consists of five directors and is divided into three classes that are, as nearly as possible, of equal size. Each class of directors is elected for a three-year term of office, but the terms are staggered so that the term of only one class of directors expires at each annual general meeting. We believe that classification of our board of directors helps to assure the continuity and stability of our business strategies and policies as determined by our board of directors. Additionally, there is no cumulative voting in the election of directors. This classified board provision could have the effect of making the replacement of incumbent directors more time consuming and difficult. At least two annual meetings of shareholders, instead of one, are generally required to effect a change in a majority of our board of directors.

The classified board provision could increase the likelihood that incumbent directors will retain their positions. The staggered terms of directors may delay, defer or prevent a tender offer or an attempt to change control of us, even though a tender offer or change in control might be believed by our shareholders to be in their best interest.

In addition, our Operating Agreement provides that a director may be removed, only for cause, and only by the affirmative vote of at least 80% of the then issued and outstanding common shares entitled to vote in the election of directors.

In addition, our board of directors has the power to appoint a person as a director to fill a vacancy on our board occurring as a result of the death, disability, disqualification removal or resignation of a director, or as a result of an increase in the size of our board of directors.

Pursuant to our Operating Agreement, preferred shares may be issued from time to time, and the board of directors is authorized to determine and alter all designations, preferences, rights, powers and duties without limitation. Our Operating Agreement does not provide our shareholders with the ability to call a special meeting of the shareholders.

See also, “Series A Preferred Shares-Optional Redemption upon a Change of Control,” “Series B Preferred Shares-Optional Redemption upon a Change of Control” and “Series C Preferred Shares-Optional Redemption upon a Change of Control.”

Ability of Our Shareholders to Act

Our Operating Agreement does not permit our shareholders to call special shareholders meetings. Special meetings of shareholders may be called by a majority of the Board of Directors or a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers include the authority to call such meetings. Written notice of any special meeting so called shall be given to each shareholder of record entitled to vote at such meeting not less than 10 or more than 60 days before the date of such meeting, unless otherwise required by law.

Our Operating Agreement also prohibits our shareholders from consenting in writing to take any action in lieu of taking such action at a duly called annual or special meeting of our shareholders.

Our Operating Agreement provides that nominations of persons for election to our board of directors may be made at any annual meeting of our shareholders, or at any special meeting of our shareholders called for the purpose of electing directors, (a) by or at the direction of our board of directors or (b) by certain shareholders. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a shareholder, such shareholder must have given timely notice thereof in proper written form to our Secretary. To be timely, a shareholder's notice must be delivered to or mailed and received at our principal executive offices (i) in the case of an annual meeting, not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within 25 days before or after such anniversary date, notice by a shareholder in order to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs and (ii) in the case of a special meeting, not later than the tenth day following the day on which such notice of the date of the special meeting was mailed or such public disclosure of the date of the special meeting was made, whichever first occurs.

Limitations on Liability and Indemnification of Directors and Officers

Our Operating Agreement provides that our directors will not be personally liable to us or our shareholders for monetary damages for breach of a fiduciary duty as a director, except to the extent such exemption is not permitted under the Delaware Limited Liability Company Act.

Our Operating Agreement provides that we must indemnify our directors and officers to the fullest extent permitted by law. We are also expressly authorized to advance certain expenses (including attorneys' fees and disbursements and court costs) to our directors and officers and carry directors' and officers' insurance providing indemnification for our directors and officers for some liabilities. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and officers.

We have entered into separate indemnification agreements with each of our directors and executive officers. Each indemnification agreement provides, among other things, for indemnification to the fullest extent permitted by law and our Operating Agreement against (i) any and all expenses and liabilities, including judgments, fines, penalties and amounts paid in settlement of any claim with our approval and counsel fees and disbursements, (ii) any liability pursuant to a loan guarantee, or otherwise, for any of our indebtedness, and (iii) any liabilities incurred as a result of acting on our behalf (as a fiduciary or otherwise) in connection with an employee benefit plan. The indemnification agreements provide for the advancement or payment of all expenses to the indemnitee and for reimbursement to us if it is found that such indemnitee is not entitled to such indemnification under applicable law and our Operating Agreement.

Corporate Opportunity

Under our Operating Agreement, to the extent permitted by law:

- Fortress and its respective affiliates, including the Manager and General Partner, have the right to, and have no duty to abstain from, exercising such right to, engage or invest in the same or similar business as us, do business with any of our clients, customers or vendors or employ or otherwise engage any of our officers, directors or employees;
- if Fortress and its respective affiliates, including the Manager and General Partner, or any of their officers, directors or employees acquire knowledge of a potential transaction that could be a corporate opportunity, it has no duty to offer such corporate opportunity to us, our shareholders or affiliates;
- we have renounced any interest or expectancy in, or in being offered an opportunity to participate in, such corporate opportunities; and
- in the event that any of our directors and officers who is also a director, officer or employee of Fortress and their respective affiliates, including the Manager and General Partner, acquire knowledge of a corporate opportunity or is offered a corporate opportunity, provided that this knowledge was not acquired solely in such person's capacity as our director or officer and such person acted in good faith, then such person is deemed to have fully satisfied such person's fiduciary duty and is not liable to us if Fortress and their respective affiliates, including the Manager and General Partner, pursues or acquires the corporate opportunity or if such person did not present the corporate opportunity to us.

Exhibit 21.1

Entity Name	State of Incorporation/Formation
AirOpCo 1ASL Bermuda Ltd.	Bermuda
AirOpCo 1ET Bermuda Ltd.	Bermuda
AirOpCo 1JT Bermuda Ltd.	Bermuda
AirOpCo 2 UZ Ireland DAC	Ireland
AirOpCo I SD Ireland DAC	Ireland
AirOpCo II KO Ireland DAC	Ireland
AirOpCo II ME Ireland DAC	Ireland
ARM Investment LLC	Delaware
Birmingham Southern Railroad Company	Alabama
CFC Investment LLC	Delaware
CL Lender LLC	Delaware
Clean Planet Energy USA LLC	Delaware
CPE Investor LLC	Delaware
CPE Repauno LLC (50% ownership by CPE Investor LLC via Clean Planet Energy USA LLC)	Delaware
Delaware River Partners Holdco LLC	Delaware
Delaware River Partners LLC	Delaware
Delray Connecting Railroad Company	Michigan
DRP Trading LLC	Delaware
DRP Urban Renewal 1, LLC	New Jersey
DRP Urban Renewal 2, LLC	New Jersey
DRP Urban Renewal 3, LLC	New Jersey
Fairfield Southern Company Inc.	Alabama
Falcon MSN 177 LLC (50% ownership)	Delaware
Fortress Worldwide Transportation and Infrastructure General Partnership	Delaware
FTAI AirOpCo UK Ltd.	England and Wales
FTAI Aviation Canada LLC	Delaware
FTAI Aviation Canada ULC	Canada
FTAI Aviation LLC	Delaware
FTAI Avion DAC	Ireland
FTAI CHR JV Holdings LLC	Delaware
FTAI Energy Co 1 Ltd. (process of dissolution – postponed by KK)	Bermuda
FTAI Energy Co1 LLC	Delaware
FTAI Energy Development Holdings LLC	Delaware
FTAI Energy Downstream Holdings LLC	Delaware
FTAI Energy Holdings LLC	Delaware
FTAI Energy Marketing LLC	Delaware
FTAI Energy Midstream Holdings LLC	Delaware
FTAI Energy Partners LLC	Delaware
FTAI Finance Holdco Ltd.	Cayman Islands
FTAI Finance JV LLC	Delaware
FTAI IES Pioneer Ltd.	Malaysia
FTAI Infrastructure LLC	Delaware
FTAI Italia DAC	Ireland
FTAI Midstream GP Holdings LLC	Delaware
FTAI Midstream GP LLC	Delaware
FTAI Midstream Holdings LLC	Delaware
FTAI Ocean LLC	Marshall Islands

Entity Name	State of Incorporation/Formation
FTAI Ocean Pty Ltd.	Australia
FTAI Offshore Holdco LLC	Delaware
FTAI Offshore Holdings L.P.	Cayman Islands
FTAI Offshore Pte Ltd.	Singapore
FTAI Partners Holdings LLC	Delaware
FTAI Pioneer Malaysia Shareholder LLC	Delaware
FTAI Pioneer Marshall LLC	Marshall Islands
FTAI Pioneer MI LLC	Marshall Islands
FTAI Pioneer SDN Bhd	Malaysia
FTAI Pioneer Singapore Pte Ltd.	Singapore
FTAI Pride Chartering LLC	Marshall Islands
FTAI Pride Labuan Ltd.	Malaysia
FTAI Pride LLC	Marshall Islands
FTAI Pride Malaysia SDN BHD	Malaysia
FTAI Railcar Holdings LLC	Delaware
FTAI Subsea 88 Ltd.	Bermuda
Gary Railway Company	Delaware
GM-FTAI Holdco LLC (50% owned by ARM Investment LLC)	Delaware
High Turbine Technologies LLC	Delaware
Intermodal Finance 1 Ltd.	Cayman Islands
JCCOM Holdco LLC	Delaware
Jefferson 2010 Bond Holdings LLC	Delaware
Jefferson 2012 Bond Holdings LLC	Delaware
Jefferson 2020 Bond Borrower LLC	Delaware
Jefferson 2020 Bond Lessee LLC	Delaware
Jefferson Canadian Crude Oil Marketing ULC	Canada
Jefferson Cross Channel Pipeline LLC	Delaware
Jefferson Docks I LLC	Delaware
Jefferson DRE Liabilities LLC	Delaware
Jefferson Energy Canco LLC	Delaware
Jefferson Energy Marketing LLC	Delaware
Jefferson Ethanol Holdings LLC	Delaware
Jefferson Gas Processing LLC	Delaware
Jefferson Gulf Coast Connector LLC	Delaware
Jefferson Gulf Coast Energy Holdings LLC	Delaware
Jefferson Gulf Coast Energy Partners LLC	Delaware
Jefferson Gulf Coast Management LLC	Delaware
Jefferson Gulf Coast Real Estate LLC	Delaware
Jefferson Investment Holdings LLC	Delaware
Jefferson LNG Holdings LLC	Delaware
Jefferson Pipeline I LLC	Delaware
Jefferson Railport Terminal I (Texas) LLC	Texas
Jefferson Railport Terminal I LLC	Delaware
Jefferson Railport Terminal II Holdings LLC	Delaware
Jefferson Railport Terminal II LLC	Delaware
Jefferson Southern Star Pipeline LLC	Delaware
Jefferson Storage I LLC	Delaware
Jefferson Terminal Logistics LLC	Delaware

Entity Name	State of Incorporation/Formation
Jefferson Truck Terminal I LLC	Delaware
JGC Investment Holdings LLC	Delaware
JGC Management Holdings Inc.	Delaware
JGP Energy Partners LLC (f/k/a Jefferson Ethanol Partners LLC)	Delaware
KAT Holdco LLC	Delaware
Katahdin Railcar Services LLC	Delaware
La Victoire Holdings Sarl	France
Long Ridge Energy Generation LLC f/k/a Ohio Powerco LLC	Delaware
Long Ridge Retail Electric Supplier LLC	Delaware
Long Ridge Terminal LLC	Delaware
Loraine Northern Company	Delaware
Ohio Gasco LLC	Delaware
Ohio River Partners Finance LLC	Delaware
Ohio River Partners Holdco LLC	Delaware
Ohio River Partners Shareholder LLC	Delaware
Ohio River PP Holdco LLC	Delaware
Percy Acquisition LLC	Delaware
Texas & Northern Railway Company	Texas
The Lake Terminal Railroad Company	Delaware
Tracks Traffic and Management Services Inc.	Delaware
Transtar LLC	Delaware
Union Railroad Company LLC	Delaware
WWTAI AirOpCo 1 USA Sub LLC	Delaware
WWTAI AirOpCo 1Bermuda Ltd.	Bermuda
WWTAI AirOpCo 2 Bermuda Ltd.	Bermuda
WWTAI AirOpCo 2 USA LLC	Delaware
WWTAI AirOpCo 3 Bermuda Ltd.	Bermuda
WWTAI AirOpCo BPA Ireland Limited	Ireland
WWTAI AirOpCo I USA LLC	Delaware
WWTAI AirOpco II DAC	Ireland
WWTAI AirOpCo Malta Limited	Malta
WWTAI Container 1 Ltd.	Bermuda
WWTAI Container Holdco Ltd. (f/k/a WWTAI Container GP 1 Ltd.)	Bermuda
WWTAI Finance Ltd.	Bermuda
WWTAI IES MT6015 Ltd.	Malaysia
WWTAI Offshore Co 1 Ltd.	Bermuda

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-236770) of Fortress Transportation and Infrastructure Investors LLC and in the related Prospectus of our reports dated February 25, 2022, with respect to the consolidated financial statements of Fortress Transportation and Infrastructure Investors LLC and the effectiveness of internal control over financial reporting of Fortress Transportation and Infrastructure Investors LLC, included in this Annual Report (Form 10-K) for the year ended December 31, 2021.

/s/ Ernst & Young LLP

New York, New York
February 25, 2022

EXHIBIT 31.1

SECTION 302 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Joseph P. Adams. Jr., certify that:

1. I have reviewed this annual report on Form 10-K of Fortress Transportation and Infrastructure Investors LLC (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

February 25, 2022	/s/ Joseph P. Adams, Jr.
(Date)	Joseph P. Adams, Jr.
	Chief Executive Officer

EXHIBIT 31.2

SECTION 302 CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Scott Christopher, certify that:

1. I have reviewed this annual report on Form 10-K of Fortress Transportation and Infrastructure Investors LLC (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

February 25, 2022	/s/ Scott Christopher
(Date)	Scott Christopher
	Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Fortress Transportation and Infrastructure Investors LLC (the “Company”) for the annual period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Joseph P. Adams, Jr., as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph P. Adams, Jr.

Joseph P. Adams, Jr.
Chief Executive Officer
February 25, 2022

EXHIBIT 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Fortress Transportation and Infrastructure Investors LLC (the “Company”) for the annual period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Scott Christopher, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Scott Christopher

Scott Christopher
Chief Financial Officer
February 25, 2022