



**U.S. Department
of Transportation**

**Office of the Secretary
of Transportation**

Under Secretary for Policy

1200 New Jersey Avenue, SE
Washington, DC 20590

December 20, 2017

PROVISIONAL BOND ALLOCATION APPROVAL LETTER

Mr. Bruce Snyder
Vice President
AAF Holdings LLC
2855 Le Jeune Road, 4th Floor
Coral Gables, FL 33134

Dear Mr. Snyder:

On December 5, 2017, All Aboard Florida Holdings LLC (“AAF”) submitted an application for an allocation of private activity bond (“PAB”) authority for Phase II of the All Aboard Florida/Brightline project (“Project”).

The U.S. Department of Transportation (“USDOT”) has reviewed AAF’s application and applicable statutory and regulatory requirements, and I am pleased to inform you that USDOT is provisionally allocating up to \$1,150,000,000 of PAB authority to the Florida Development Finance Corporation, as requested in AAF’s application. USDOT is allocating this authority for the Project described in this application with the conditions listed below.

First, a final bond counsel tax and validity opinion must be issued at the time of the closing of the bond issue in substantially the form provided with the application.

Second, the bonds must be issued by May 31, 2018. While the bonds may be issued in tranches, this provisional allocation will automatically expire on May 31, 2018, and any portion of the PAB authority allocated for the Project that has been not been used for the issuance of bonds by that date will automatically return to USDOT’s remaining aggregate amount of PAB authority, and will be available for reallocation to other eligible applicants. If this provisional allocation expires, you may resubmit an application, and it will be reviewed without preference or priority being given as a result of its prior submission.

Third, AAF agrees that all construction, development, and operations of Phase II of the Project will be conducted in accordance with:

(1) the Final Environmental Impact Statement and Section 4(f) Determination, issued by USDOT's FRA on August 24, 2015; and

(2) the Record of Decision issued by USDOT's FRA on December 15, 2017,

(collectively the "Phase 2 Environmental Documents"), including all mitigation commitments reflected therein. AAF further agrees that AAF and its subsidiaries will utilize the proceeds of PABs issued under this allocation specifically for the scope of the Project described in the Phase II Environmental Documents.

Fourth, AAF agrees that if PABs are issued for the development and construction of the Project, it and its subsidiaries will complete, implement, and comply with the mitigation commitments set forth in the Phase II Environmental Documents. AAF further agrees that service will not commence on a portion of the Project until AAF certifies the completion or ongoing implementation, as applicable, of the mitigation commitments with respect to such portion of the Project to USDOT in writing, with appropriate supporting documentation. USDOT will accept the certification in writing within 45 days of receipt or request additional information verifying compliance within that same timeframe.

Fifth, the PAB authority allocation granted to AAF is subject to the terms and conditions of this letter and applicable provisions of Federal law. In the event AAF fails to comply with these terms and conditions or applicable Federal law, USDOT reserves the right to pursue all available remedies, including the withdrawal of AAF's PAB authority.

This provisional allocation of PAB authority for the Project will have no impact on any future USDOT decision on an application for any USDOT credit assistance for this Project or related projects under USDOT credit programs, including any determination regarding project eligibility or project cost size and funding sources for any USDOT credit program. Any application for USDOT credit assistance will be evaluated under the governing statutes and regulations of that specific USDOT credit program.

The USDOT appreciates your interest in the private activity bond program and we look forward to the successful financing and delivery of your project. For additional information or questions, please contact Paul Baumer in the Office of Infrastructure Finance and Innovation at (202) 366-1092.

Sincerely yours,

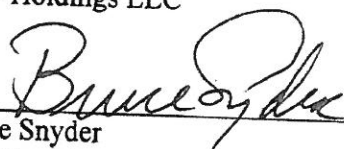


Derek Kan
Under Secretary of Transportation for Policy

cc: Assistant Secretary for Budget & Programs, Office of the Secretary
General Counsel, Office of the Secretary
Administrator, Federal Highway Administration
Administrator, Federal Railroad Administration
Administrator, Federal Transit Administration

Accepted and Agreed to:

AAF Holdings LLC

By: 
Bruce Snyder
Vice President

DECEMBER 20, 2017
Date