U.S. Department of Transportation

Office of the Secretary of Transportation

Under Secretary of Transportation 1200 New Jersey Avenue SE
Washington, DC 20590

December 22, 2014

PROVISIONAL BOND ALLOCATION APPROVAL LETTER

Michael Reininger
President and Chief Development Officer
AAF Holdings LLC
2855 Le Jeune Road
4th Floor
Coral Gables, FL 33134

Dear Mr. Reininger:

Thank you for your August 15, 2014 application for an allocation of private activity bond (PAB) authority for the All Aboard Florida project (the "Project").

The U.S. Department of Transportation (USDOT) has reviewed the application submitted by AAF Holdings LLC ("AAF") and applicable statutory and regulatory requirements, and I am pleased to inform you that USDOT is provisionally allocating up to $1.75 billion of private activity bond authority to the Florida Development Finance Corporation, as requested in your application. The bonds are allocated for the Project described in the 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 July 1, 2015. If the bonds have not been issued by that date, this provisional allocation automatically expires and the $1.75 billion of PAB authority allocated for the Project 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, any amount of unused bond allocation following an initial bond issuance will automatically return to USDOT's remaining aggregate amount of private activity bonds, and thus be available for other eligible applicants.

Fourth, the Federal Railroad Administration (FRA) is undertaking an environmental review of the Project under the National Environmental Policy Act (NEPA), in connection with All Aboard Florida - Operations LLC's ("Operations"), AAF's subsidiary, pending application

for a loan under the Railroad Rehabilitation and Improvement Financing (RRIF) program. FRA and Operations have entered into a Memorandum of Understanding (MOU) through which Operations has agreed, among other things, to retain a contractor to assist FRA in conducting the environmental review, to provide required environmental and related analyses, and to cover the cost of the environmental review. Regardless of whether Operations pursues the RRIF application following the receipt of this conditional PAB allocation, AAF agrees to cause Operations to fulfill the obligations described in the MOU to facilitate FRA's completion of the environmental review process.

Fifth, AAF or its subsidiary shall not use the bond proceeds until 45 days following the issuance of the Final Environmental Impact Statement (the "EIS"). Further, AAF or its subsidiary shall not use the bond proceeds on construction of a portion of the Project unless AAF or its subsidiaries have obtained any Federal, State, or local permits required by applicable law (subject to any preemption or exemption rights) for the construction of that portion of the Project.

Sixth, AAF agrees that if the bonds are issued for the development and construction of the Project, AAF shall cause its subsidiaries to complete and implement the measures specifically set forth in the EIS and any supplemental EIS (such as one needed to address changes in the scope of the Project) to avoid, minimize, or mitigate any adverse effects of the Project on the environment. AAF further agrees that service will not commence on a portion of the Project (such as the portion of the Project from Miami to West Palm Beach) until AAF certifies the completion or ongoing implementation, as applicable, of the measures with respect to such portion of the Project to USDOT in writing. USDOT will accept the certification in writing within 45 days of receipt or request additional information verifying compliance within that same timeframe.

Seventh, regardless of whether Operations obtains a RRIF loan, AAF agrees, by its execution of this letter, that if the bonds are issued for the development and construction of the Project, AAF shall cause Operations to fulfill the obligations described in that certain Commuter Railroad Service Agreement between Operations and South Florida Regional Transportation Authority (SFRTA) dated April 25, 2014.

Eighth, the private activity bond 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 your private activity bond authority.

Lastly, 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 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 for this Project 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,

Peter M. Rogoff

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: _____
Michael Reininger
President and Chief Development Officer

12/22/14
Date