



FLORIDA DEVELOPMENT FINANCE
CORPORATION

**BOARD OF DIRECTORS MEETING
WEDNESDAY, MARCH 6, 2019
2:30PM – 4:30PM EST**

PHYSICAL MEETING LOCATION

**HYATT REGENCY ORLANDO INTERNATIONAL AIRPORT
COMBINED ROOMS: SHANNON/KAITAK/MIRABEL
9300 JEFF FUQUA BOULEVARD
ORLANDO, FLORIDA 32827**

**FLORIDA DEVELOPMENT FINANCE CORPORATION
BOARD OF DIRECTORS MEETING
WEDNESDAY, MARCH 6, 2019
2:30PM – 4:30PM EST***

AGENDA

- I. Call to Order; Declaration of Quorum (Chair)
- II. Sunshine Notice (Bill Spivey)
- III. Current Business (Chair)
 - A. All Aboard Florida – Operations LLC
 - 1. Presentation: All Aboard Florida Update (20 minute time limit)
 - 2. Opposition Group Presentation (20 minute time limit)
 - 3. Other Public Comment (3 minute time limit each)
 - i. Elected Officials
 - ii. General Public
 - 4. All Aboard Florida Response (5 minute time limit)
 - 5. Consideration of Bond Resolution No. 19-09:
 - 6. A RESOLUTION OF THE FLORIDA DEVELOPMENT FINANCE CORPORATION (THE “FDFC”) SUPPLEMENTING AND AMENDING RESOLUTION NO. 15-04 OF THE FDFC DATED AUGUST 5, 2015, WHICH PROVIDED FOR THE FINANCING AND REFINANCING OF A PORTION OF THE COST OF THE DEVELOPMENT, DESIGN, ACQUISITION, CONSTRUCTION, INSTALLATION, AND EQUIPPING OF CERTAIN PORTIONS OF A PRIVATELY OWNED AND OPERATED INTERCITY PASSENGER RAIL SYSTEM WITH STATIONS LOCATED IN ORLANDO, WEST PALM BEACH, FORT LAUDERDALE AND MIAMI, FLORIDA FOR THE BENEFIT OF ALL ABOARD FLORIDA -- OPERATIONS LLC, NOW KNOWN AS [BRIGHTLINE TRAINS LLC] (OR ANY AFFILIATE THEREOF, THE “BORROWER”), AS PREVIOUSLY SUPPLEMENTED AND AMENDED BY RESOLUTION NO. 17-09 OF THE FDFC DATED OCTOBER 27, 2017 AND BY RESOLUTION NO. 18-05 OF THE FDFC DATED AUGUST 29, 2018, IN ORDER TO: (I) PROVIDE FOR THE ISSUANCE BY THE FDFC OF NOT TO EXCEED

\$2,700,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS SURFACE TRANSPORTATION FACILITY REVENUE BONDS ([ALL ABOARD FLORIDA/BRIGHTLINE] PASSENGER RAIL PROJECT), SERIES 2019 (THE “SERIES 2019 BONDS”), AND A LOAN OF THE PROCEEDS THEREOF TO THE BORROWER IN AN AMOUNT EQUAL TO THE PRINCIPAL AMOUNT OF THE SERIES 2019 BONDS; (II) PROVIDE THAT THE SERIES 2019 BONDS MAY BE ISSUED IN ONE OR MORE SERIES OR SUBSERIES FROM TIME TO TIME; (III) AUTHORIZE A NEGOTIATED SALE OF THE SERIES 2019 BONDS UPON MEETING CERTAIN CONDITIONS SPECIFIED HEREIN; (IV) DELEGATE TO EACH OF THE CHAIRMAN, VICE-CHAIRMAN, EXECUTIVE DIRECTOR AND SECRETARY OR ASSISTANT SECRETARY OF THE FDFC THE POWER TO APPROVE THE FINAL TERMS AND DETAILS OF THE SERIES 2019 BONDS AND RELATED DOCUMENTS UPON SATISFACTION OF THE CONDITIONS SET FORTH HEREIN; (V) RATIFY AND AFFIRM THE APPROVAL OF THE USE OF ONE OR MORE PRELIMINARY LIMITED OFFERING MEMORANDA AND ONE OR MORE FINAL LIMITED OFFERING MEMORANDA IN CONNECTION WITH THE OFFERING AND SALE OF THE SERIES 2019 BONDS; (VI) RATIFY AND AFFIRM THE AUTHORIZATION AND APPROVAL OF THE BOND DOCUMENTS AND CERTAIN OTHER DOCUMENTS AND AGREEMENTS WITH RESPECT TO THE SERIES 2019 BONDS; (VII) AUTHORIZE THE EXECUTION AND DELIVERY OF OTHER RELATED INSTRUMENTS, DOCUMENTS, AGREEMENTS AND CERTIFICATES; (VIII) PROVIDE FOR OTHER MISCELLANEOUS MATTERS IN CONNECTION WITH THE FOREGOING; AND (IX) PROVIDE AN EFFECTIVE DATE.

(VOTE Required)

IV. Adjournment (Chair)

* *The public meeting will end at 4:30pm.*

Florida Development Finance Corporation

Board of Directors and Appointed Officers

Board of Directors (Elected Officers)

- | | |
|---|--|
| 1. Daniel Davis (<i>Chairman</i>)
President and CEO
JAX Chamber | Term expires: May 2, 2018
Appointment: March 27, 2015
Reappointment: June 12, 2015
Confirmation: January 28, 2016
(Economic Development) |
| 2. Kevin C. Hale, JD (<i>Vice-Chairman</i>)
Mutual of Omaha Bank, Retired | Term expires: May 2, 2018
Appointment: March 27, 2015
Reappointment: June 12, 2015
Confirmation: January 28, 2016
(Banker No. 1) |
| 3. Vacancy | Term expires:
Appointment:
Confirmation:
(Banker No. 2) |
| 4. J. Nelson Bradshaw (<i>Treasurer</i>)
Northeast Florida CEO
BBVA Compass | Term expires: May 2, 2019
Appointment: September 27, 2016
Confirmation: May 5, 2017
(Banker No. 3) |
| 5. Vacancy | Term expires:
Appointment:
(Open Seat) |

Staff (Appointed Officers)

Bill Spivey (*Executive Director / Secretary*)
Executive Director / Chief Executive Officer
Florida Development Finance Corporation

Ryan Bartkus (*Deputy Executive Director / Assistant Secretary*)
PACE Program Manager
Florida Development Finance Corporation

Third-Party Professionals

Issuer's Counsel

Joseph B. Stanton, Esq.
Nelson Mullins Broad and Cassel

Financial Advisor

Brent Wilder
Nicklas Rocca
Laura Howe
PFM Financial Advisors LLC

PACE Financial Advisor

Jeff Larson
Larson Consulting Services, LLC

Sunshine Notice

Sunshine Notice (Bill Spivey)

This meeting of the Florida Development Finance Corporation is being held in compliance with the “Government in the Sunshine Guidelines.” We are recording the meeting today. FDFC staff will generate meeting minutes and submit them to the Board for approval at a subsequent meeting.

Public Comment (Bill Spivey)

At this time, the FDFC Board would like to open the meeting to the general public. If anyone is interested in making any comments or to address the Board on agenda items, please state your legal name, address, the agenda item and who you represent. We will allow three (3) minutes for each speaker. Are there any in attendance who wish to address the Board?

Notice of Meeting

OTHER AGENCIES AND ORGANIZATIONS

Florida Development Finance Corporation

The Board of Directors for the Florida Development Finance Corporation announces a public meeting to which all persons are invited.

DATE AND TIME: Wednesday, March 6, 2019, 2:30 p.m. – 4:30 p.m.

PLACE: Hyatt Regency Orlando International Airport

9300 Jeff Fuqua Boulevard

Orlando, FL 32827

Room Location: Shannon/Kaitak/Mirabel

GENERAL SUBJECT MATTER TO BE CONSIDERED:

- A RESOLUTION OF THE FLORIDA DEVELOPMENT FINANCE CORPORATION (THE “FDFC”) SUPPLEMENTING AND AMENDING RESOLUTION NO. 15-04 OF THE FDFC DATED AUGUST 5, 2015, WHICH PROVIDED FOR THE FINANCING AND REFINANCING OF A PORTION OF THE COST OF THE DEVELOPMENT, DESIGN, ACQUISITION, CONSTRUCTION, INSTALLATION, AND EQUIPPING OF CERTAIN PORTIONS OF A PRIVATELY OWNED AND OPERATED INTERCITY PASSENGER RAIL SYSTEM WITH STATIONS LOCATED IN ORLANDO, WEST PALM BEACH, FORT LAUDERDALE AND MIAMI, FLORIDA FOR THE BENEFIT OF ALL ABOARD FLORIDA -- OPERATIONS LLC, NOW KNOWN AS [BRIGHTLINE TRAINS LLC] (OR ANY AFFILIATE THEREOF, THE “BORROWER”), AS PREVIOUSLY SUPPLEMENTED AND AMENDED BY RESOLUTION NO. 17-09 OF THE FDFC DATED OCTOBER 27, 2017 AND BY RESOLUTION NO. 18-05 OF THE FDFC DATED AUGUST 29, 2018, IN ORDER TO: (I) PROVIDE FOR THE ISSUANCE BY THE FDFC OF NOT TO EXCEED \$2,700,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS SURFACE TRANSPORTATION FACILITY REVENUE BONDS ([ALL ABOARD FLORIDA/BRIGHTLINE] PASSENGER RAIL PROJECT), SERIES 2019 (THE “SERIES 2019 BONDS”), AND A LOAN OF THE PROCEEDS THEREOF TO THE BORROWER IN AN AMOUNT EQUAL TO THE PRINCIPAL AMOUNT OF THE SERIES 2019 BONDS; (II) PROVIDE THAT THE SERIES 2019 BONDS MAY BE ISSUED IN ONE OR MORE SERIES OR SUBSERIES FROM TIME TO TIME; (III) AUTHORIZE A NEGOTIATED SALE OF THE SERIES 2019 BONDS UPON MEETING CERTAIN CONDITIONS SPECIFIED HEREIN; (IV) DELEGATE TO EACH OF THE CHAIRMAN, VICE-CHAIRMAN, EXECUTIVE DIRECTOR AND SECRETARY OR ASSISTANT SECRETARY OF THE FDFC THE POWER TO APPROVE THE FINAL TERMS AND DETAILS OF THE SERIES 2019 BONDS AND RELATED DOCUMENTS UPON SATISFACTION OF THE CONDITIONS SET FORTH HEREIN; (V) RATIFY AND AFFIRM THE APPROVAL OF THE USE OF ONE OR MORE PRELIMINARY LIMITED OFFERING MEMORANDA AND ONE OR MORE FINAL LIMITED OFFERING MEMORANDA IN CONNECTION WITH THE OFFERING AND SALE OF THE SERIES 2019 BONDS; (VI) RATIFY AND AFFIRM THE AUTHORIZATION AND APPROVAL OF THE BOND DOCUMENTS AND CERTAIN OTHER DOCUMENTS AND AGREEMENTS WITH RESPECT TO THE SERIES 2019 BONDS; (VII) AUTHORIZE THE EXECUTION AND DELIVERY OF OTHER RELATED INSTRUMENTS, DOCUMENTS, AGREEMENTS AND

CERTIFICATES; (VIII) PROVIDE FOR OTHER MISCELLANEOUS MATTERS IN CONNECTION WITH THE FOREGOING; AND (IX) PROVIDE AN EFFECTIVE DATE.

A copy of the agenda may be obtained by contacting Jennifer Jenkins, FDFC Administrative Coordinator, (407) 712-6351.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 1 day before the workshop/meeting by contacting Jennifer Jenkins, FDFC Administrative Coordinator, (407) 712-6351. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

If any person decides to appeal any decision made by the Board with respect to any matter considered at this meeting or hearing, he/she will need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence from which the appeal is to be issued.

For more information, you may contact Jennifer Jenkins, FDFC Administrative Coordinator, (407) 712-6351.

PLACE: Mary Lee House, Healthy Start Training Room, 2806 N. Amenias Avenue, Tampa, FL 33607

GENERAL SUBJECT MATTER TO BE CONSIDERED: The Committee will address administrative issues, review cases, and discuss the CADR Action Plan. A portion of the meeting is required by paragraph 383.412(3)(a), F.S. to be closed to the public to allow the Committee to discuss information that is confidential and exempt from public meetings and public records. This portion of the meeting will be announced at the meeting.

A copy of the agenda may be obtained by contacting: Alice Horton: Alice.Horton@flhealth.gov.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 5 days before the workshop/meeting by contacting: Alice Horton: Alice.Horton@flhealth.gov. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

For more information, you may contact: Alice Horton: Alice.Horton@flhealth.gov.

DEPARTMENT OF FINANCIAL SERVICES

The Department of Financial Services announces a public meeting to which all persons are invited.

DATE AND TIME: March 13, 2019, 9:00 a.m. – 12:00 Noon

PLACE: 2450 Shumard Oak Boulevard, Tallahassee, Florida 32399; Building 1, Room 1221

GENERAL SUBJECT MATTER TO BE CONSIDERED: Representative Agency Workgroups are designed to review and discuss draft designs for specific business process groupings. The topic of the meeting will be Revenue Accounting.

A copy of the agenda may be obtained by contacting: Florida PALM website; <https://www.myfloridacfo.com/floridapalm/agency/meetings-workshops/>.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 5 days before the workshop/meeting by contacting: Jenifer Hartsfield at (850)410-9025 or FloridaPALM@myfloridacfo.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

For more information, you may contact: FloridaPALM@myfloridacfo.com.

DEPARTMENT OF FINANCIAL SERVICES

The Department of Financial Services announces a public meeting to which all persons are invited.

DATE AND TIME: March 13, 2019, 9:00 a.m. – 12:00 Noon

PLACE: 2450 Shumard Oak Boulevard, Tallahassee, Florida 32399; Building 1, Room 1220

GENERAL SUBJECT MATTER TO BE CONSIDERED: Representative Agency Workgroups are designed to review and discuss draft designs for specific business process groupings. The topic of this meeting will be Cash Management.

A copy of the agenda may be obtained by contacting: Florida PALM website; <https://www.myfloridacfo.com/floridapalm/agency/meetings-workshops/>.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 5 days before the workshop/meeting by contacting: Jenifer Hartsfield at (850)410-9025 or FloridaPALM@myfloridacfo.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

For more information, you may contact: FloridaPALM@myfloridacfo.com.

DEPARTMENT OF FINANCIAL SERVICES

The Department of Financial Services announces a public meeting to which all persons are invited.

DATE AND TIME: March 14, 2019, 9:00 a.m. – 12:00 Noon

PLACE: 2450 Shumard Oak Boulevard, Tallahassee, Florida 32399; Building 1, Room 1220

GENERAL SUBJECT MATTER TO BE CONSIDERED: Representative Agency Workgroups are designed to review and discuss draft designs for specific business process groupings. The topic of the meeting will be Accounts Receivables.

A copy of the agenda may be obtained by contacting: Florida PALM website; <https://www.myfloridacfo.com/floridapalm/agency/meetings-workshops/>.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 5 days before the workshop/meeting by contacting: Jenifer Hartsfield at (850)410-9025 or FloridaPALM@myfloridacfo.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

For more information, you may contact: FloridaPALM@myfloridacfo.com.

FLORIDA DEVELOPMENT FINANCE CORPORATION

The Board of Directors for the Florida Development Finance Corporation announces a public meeting to which all persons are invited.

DATE AND TIME: Wednesday, March 6, 2019, 2:30 p.m. – 4:30 p.m.

PLACE: Hyatt Regency Orlando International Airport, 9300 Jeff Fuqua Boulevard, Orlando, FL 32827

Combined Rooms: Shannon/Kaitak/Mirabel

GENERAL SUBJECT MATTER TO BE CONSIDERED: • A resolution of the Florida development finance corporation (the “FDFC”) supplementing and amending resolution no. 15-04 of the FDFC dated august 5, 2015, which provided for the financing and refinancing of a portion of the cost of the development, design, acquisition, construction, installation, and equipping of certain portions of a privately owned and operated intercity passenger rail system with stations located in Orlando, west palm beach, Fort Lauderdale and Miami, Florida for the benefit of all aboard Florida -- Operations LLC, now known as [bright line trains LLC] (or any affiliate thereof, the “borrower”), as previously supplemented and amended by resolution no. 17-09 of the FDFC dated October 27, 2017 and by resolution no. 18-05 of the FDFC dated august 29, 2018, in order to: (i) provide for the issuance by the FDFC of not to exceed \$2,700,000,000 aggregate principal amount of its surface transportation facility revenue bonds ([all aboard Florida/bright line] passenger rail project), series 2019 (the “series 2019 bonds”), and a loan of the proceeds thereof to the borrower in an amount equal to the principal amount of the series 2019 bonds; (ii) provide that the series 2019 bonds may be issued in one or more series or subseries from time to time; (iii) authorize a negotiated sale of the series 2019 bonds upon meeting certain conditions specified herein; (iv) delegate to each of the chairman, vice chairman, executive director and secretary or assistant secretary of the FDFC the power to approve the final terms and details of the series 2019 bonds and related documents upon satisfaction of the conditions set forth herein; (v) ratify and affirm the approval of the use of one or more preliminary limited offering memoranda and one or more final limited offering memoranda in connection with the offering and sale of the series 2019 bonds; (vi) ratify and affirm the authorization and approval of the bond documents and certain other documents and agreements with respect to the series 2019 bonds; (vii) authorize the execution and delivery of other related instruments, documents, agreements and certificates; (viii) provide for other miscellaneous matters in connection with the foregoing; and (ix) provide an effective date.

A copy of the agenda may be obtained by contacting: Jennifer Jenkins, FDFC Administrative Coordinator, (407)712-6351.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 1 days before the workshop/meeting by contacting: Jennifer Jenkins, FDFC Administrative Coordinator, (407)712-6351. If you are hearing or speech

impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

If any person decides to appeal any decision made by the Board with respect to any matter considered at this meeting or hearing, he/she will need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence from which the appeal is to be issued.

For more information, you may contact: Jennifer Jenkins, FDFC Administrative Coordinator, (407)712-6351.

INFINITE SOURCE COMMUNICATIONS GROUP, LLC

The Florida Department of Transportation announces a hearing to which all persons are invited.

DATE AND TIME: Wednesday, March 13, 2019, 6:00 p.m. – 8:00 p.m.

PLACE: Trinity Church, 17801 NW 2 Avenue, Miami, FL 33169

GENERAL SUBJECT MATTER TO BE CONSIDERED: The Florida Department of Transportation (FDOT) District Six will hold a Public Hearing for a safety improvement project along State Road (SR) 7/NW 2 Avenue from NW 183 Street/Miami Gardens Drive to NW 188 Street, in Miami-Dade County. The project identification number is 439920-1-52-01. The hearing will be held from 6 p.m. to 8 p.m. with a presentation starting at 6:30 p.m. Graphic displays will be shown and FDOT representatives will be available to discuss the project and answer questions.

Public participation is solicited without regard to race, color, national origin, age, sex, religion, disability or family status.

A copy of the agenda may be obtained by contacting: Community Outreach Specialist, Rodolfo Roman at (305)470-5477, email: Rodolfo.Roman@dot.state.fl.us.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 7 days before the workshop/meeting by contacting: Hong Benitez, P.E. at (305)470-5219 or in writing at FDOT, 1000 NW 111 Avenue, Miami, FL 33172 or by email at: Hong.Benitez@dot.state.fl.us. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

For more information, you may contact: Community Outreach Specialist Rodolfo Roman at (305)470-5477, email: Rodolfo.Roman@dot.state.fl.us.

CARPE DIEM COMMUNITY SOLUTIONS, INC.

The Florida Department of Transportation (FDOT) announces a hearing to which all persons are invited.

DATE AND TIME: Thursday, March 7, 2019, the hearing will begin as an open house at 5:30 p.m. with a formal presentation at 6:00 p.m. CT, followed by a public comment period.

Site History

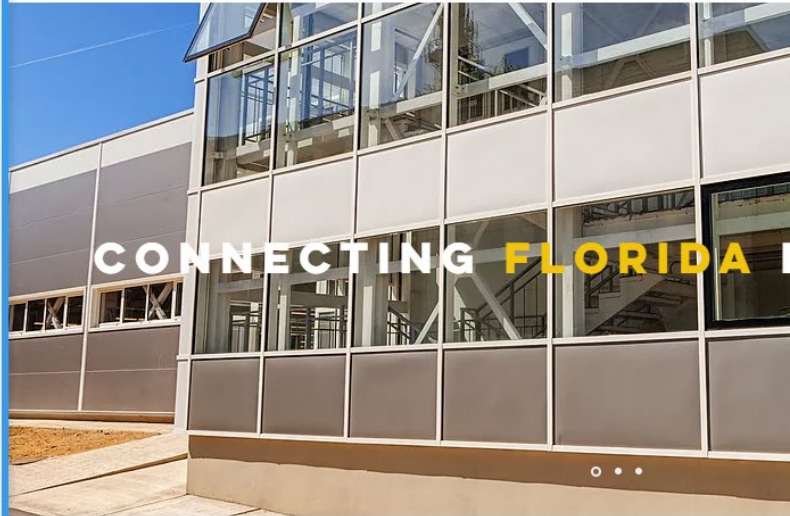
Show All Revisions

- ☆ Feb 28, 2019 10:51 AM
Published | jjenkins@fdfcbonds.com
- ☆ Feb 27, 2019 2:01 PM
Published | jjenkins@fdfcbonds.com
- ☆ Feb 26, 2019 1:22 PM
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- ☆ Feb 21, 2019 10:54 AM
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- ☆ Feb 15, 2019 3:00 PM
Published | jjenkins@fdfcbonds.com
- ☆ Feb 15, 2019 1:55 PM
Published | jjenkins@fdfcbonds.com
- ☆ Feb 12, 2019 5:25 PM
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- ☆ Feb 12, 2019 5:20 PM
Site Owner
- ☆ Feb 12, 2019 4:59 PM
Site Owner



**FLORIDA
DEVELOPMENT
FINANCE** CORP.

HOME ABOUT US FI



Bond Resolution No. 19-09: All Aboard
Florida – Operations LLC



March 1, 2019

Memorandum

To: William Spivey, Executive Director
Florida Development Finance Corp ("FDFC")

From: Jeff Larson, President, Larson Consulting Services, Orlando, Financial Advisor to
FDFC – Brightline (All Aboard Florida) Passenger Rail Project ("the Project")

Re: FDFC Bond Resolution No. 19-09; Brightline Trains LLC (f/k/a All Aboard Florida - Operations LLC "the Company"); Additional \$950,000,000 for a Total of Up to \$2,700,000,000 Florida Development Finance Corporation Surface Transportation Facility Revenue Bonds (Brightline Passenger Rail Project), Series 2019 ("the Series 2019 Bonds")

A. BACKGROUND:

Following the FDFC Board's prior approval of Resolution No.15-04 on August 5, 2015 for up to \$1.75 Billion in Surface Transportation Facility Revenue Bonds, the Company decided to not proceed with the marketing of the bonds and continued to finance the project out of its own sources. The Company received FDFC Board approval of Resolution No. 17-09 for the up to \$600 Million in Surface Transportation Facility Revenue Bonds (Brightline Passenger Rail Project) – South Segment, Series 2017 (the "Series 2017 Bonds") and these bonds were successfully issued. In August 2018, the Board approved Resolution No. 18-05 for up to \$1.75 Billion in bonds that would have refinanced the \$600 Million in Series 2017 South Segment Bonds, and provided an additional \$1.15Billion for the North Segment of the Project (West Palm Beach to Orlando). The Company decided to not issue the 2018 bonds.

B. RESOLUTION 2019-09

The Company has requested a meeting to update the FDFC Board regarding the issuance of the above referenced Series 2019 Bonds in the amount of \$2.7 Billion, **an incremental proposed increase of \$950 Million**, and has provided FDFC and LCS with additional material. The Series 2019 Bonds, together with Company funds, will provide funds on this \$4.0 Billion Project to:

- 1) Current refund all of the Series 2017 Bonds (including the 5% early call premium),
- 2) Provide for a portion of the construction funds for the West Palm Beach to Orlando portion of the Project ("North Segment"),
- 3) Fund Capitalized Interest,
- 4) Fund Debt Service Reserve or other reserve funds, and,
- 5) Pay Costs of Issuance.

The Company had received US DOT approval for up to \$1.75 Billion of private activity bonds, and is expecting an additional US DOT approval of the incremental \$950 Million for a period out to June 30, 2019. The TEFRA Public Hearing was held on March 1st, with an approval for the Series 2019 Bonds expected shortly thereafter. The Series 2017 Bonds included the special call features allowing this current refunding to occur.

Please allow this memo to serve as a summary of the proposed Series 2019 Bonds and adherence/application of FDFC's Conduit Issuance Policy. We are serving as the Financial Advisor to FDFC on the Brightline/AAF Project, and not as the Financial Advisor to the Company.

C. UPDATE

We understand that the Company has selected Morgan Stanley as its Senior Managing Underwriter on the Series 2019 Bonds, following its successful leadership and pricing of the \$600 Million in Series 2017 Bonds (BB- rated by Fitch). The 2017 Bonds were priced on November 30, 2017 and approximately \$2.3 Billion in orders were received from around 61 QIB investors. Per discussions with the Underwriter, the Series 2019 Bonds are not expected to be able to achieve an Investment Grade underlying rating during the proposed timetable to price in late March and close in mid- April 2019. Therefore, for purposes of this memo, and FDFC's Conduit Issuance Policy, we will assume that the bonds are either nonrated, or non-investment grade rated.

Substantial investments and progress have been made on this project. The Company's equity investment, including start-up costs, is approximately \$1.3 Billion, in addition to its estimated \$700 Million in existing rail infrastructure (appraised value of around \$700 Million against Book Value of around \$250 Million). Their affiliated company is also making substantial investments in the real estate related projects around the stations in Miami, Fort Lauderdale, and West Palm Beach. The total updated Capital Spending Budget for Phase I (South Segment) and Phase II (North Segment) remains close to the 2018 levels of \$2.2 Billion to \$2.3 Billion. The Company had also been considering a RRIF Loan with the US DOT's Railroad Rehabilitation & Improvement Financing Loan Program ("RRIF"), but timing considerations redirected their decision to request this \$950 Million via an increase in the FDFC PABs option. *A Company Capital Spend Tracking update is attached to this memo for reference.*

Passenger rail service on the South Segment commenced in 2018, and the three stations are substantially complete. Five trainsets are currently operational on the South Segment, with one held in reserve, and one dedicated for charter service. Each trainset has two locomotives, and four coach cars, with passenger capacity of 240. We have reviewed the unaudited financial summary for the Company for the twelve months ended December 31, 2018. *A summary of the four quarters for 2018 and year end totals is attached to this memo.*

The Company generated total revenues of approximately \$10 Million, and carried 579,205 passengers. This is below the initial ridership estimate for a full year due to the Miami Station opening in May 2018. Revenues included roughly \$8 Million in Ticket revenues and \$2 Million in Ancillary revenues (includes food & beverage, parking, etc.). Ridership and revenues showed

a 42% to 50% quarter to quarter increase in 2018. Train operating expenses of \$49 Million and corporate and other operating expenses of \$47 Million produced a negative EDITDA of \$86 Million. \$2 Million in maintenance and other capital expenditures led to a negative operating cash flow in 2018 of \$88 Million. Losses in the ramp up period were expected and covered out of the funded Ramp-Up Reserve fund. With Orlando expected to be open in 2022 after a three year construction period, projections provide for a sizeable increase in ridership and revenues, with total system revenues are expected to be reach a stabilization level during 2023/24. Company's projections show them being cash flow positive beginning in Quarter 4 2019.

D. FINANCING TEAM

Key members of the Financing Team for the Series 2019 Bonds, in addition to FDFC Issuer's Counsel and Financial Advisor, are listed below:

Borrower:	Brightline Trains, LLC, f/k/a All Aboard Florida-Operations LLC ("Company"). The Company signed a Licensing Agreement with the <i>Virgin Group</i> in November 2018, a multi-national firm with operations in the rapid rail (Virgin Trains UK), hotel, air, and cruise sectors. This Agreement is expected to assist with branding and marketing efforts, with a name change to Virgin Trains USA. Virgin Trains has initiated, and then delayed, an IPO equity offering, with Virgin then expected to also take a direct minority equity position in Brightline.
Management Company:	Brightline Management LLC, f/k/a All Aboard Florida Operations Management LLC, an affiliated company to the Company ("Manager")
Parent Company:	Florida East Coast Industries, LLC ("FECI"), is a diversified transportation, infrastructure and commercial real estate company and one of Florida's oldest and largest businesses. FECI, headquartered in Coral Gables, FL, is a private company currently owned by certain private equity funds managed by affiliates of Fortress Investment Group LLC ("Fortress"). Fortress acquired FECI in May 2007, and has approximately \$35.5 Billion in assets under management and remains as the majority shareholder of Brightline. In December 2017, Fortress was acquired by Softbank Group Corporation, a large Japanese multinational conglomerate that was established in 1981.
Rail Service Operator:	Florida East Coast Railway, LLC ("FECR") is headquartered in Jacksonville, Florida and was established in 1885. The Company's passenger rail service runs along an existing rail corridor between Miami and Jacksonville that is currently used for freight service by FECR. On June 30, 2017, FECR was sold by Fortress Funds to a

subsidiary of Grupo Mexico, the largest owner and operator of freight railroads in Mexico, for \$2.1 Billion. In connection with the FECR sale, the Company entered into certain amendments and/or new agreement with FECR involving the maintenance, use and operation of the shared rail corridor on which the Company's trains will operate.

Dispatching Services:	Florida DispatchCo LLC is a 50-50 joint venture formed by the Company and FECR in December 2016 ("DispatchCo"). DispatchCo is responsible for providing dispatch services to FECR and the Company. Dispatching protocols provide for priority scheduling of passenger trains and require that DispatchCo make reasonable best efforts to dispatch in a manner that maximizes the number of the Company's and FECR's trains achieving on-time performance standards.
Borrower's Counsel:	Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York
Bond Counsel:	Greenberg Traurig, P.A., Miami, Florida
Underwriters:	Expected to be a group led by Morgan Stanley & Co. LLC
Underwriter's Counsel:	Mayer Brown LLP, Chicago, Illinois
Trustee, Collateral Agent:	Deutsche Bank National Trust Company, Jacksonville, Florida
Dissemination Agent:	Per recommendations from FDFC and LCS, Digital Assurance Corporation ("DAC"), Orlando, Florida, serves as Dissemination Agent on its SEC 15c2-12 Continuing Disclosure Requirements. The Company will be making its required Monthly Operating Reports, Quarterly Unaudited Financial, Annual Audited Statements, and Monthly Construction filings via DAC.

E. PROJECT SUMMARY

Proceeds of the Series 2019 Bonds will, together with other available funds of the Company, be used to finance, or refinance, (i) the North Segment of the Project (the design, development, acquisition, construction, installation, equipping, ownership and operation of the West Palm Beach to Orlando portion of a privately owned and operated express intercity passenger rail system and related facilities, and rolling stock, (ii) fund capitalized interest, (iii) fund certain reserve funds, (iv) pay cost of issuance, and (v) fully refund the Series 2017 Bonds.

- The North Segment will include express passenger rail service on an approximately 169 mile track between the Orlando and West Palm Beach stations, with trips expected to take about 2 hours and have speeds of up to 125 MPH. Rail improvements will be made

on existing track from West Palm Beach to Cocoa, and a new rail line will be built from Cocoa to the multi-modal station at the Orlando International Airport.

To date, the Company has already spent over \$200 million on the North Segment. We understand that an affiliate of the Company is expected to contribute an additional \$400 Million in equity for the North Segment Phase that includes the Rail Infrastructure and Corridor from West Palm Beach to Cocoa, and the easement along SR 528 leading into the Orlando airport. The Series 2019 Bond proceeds will only finance capital expenditures in the five counties of Orange, Brevard, Miami-Dade, Broward, and Palm Beach. The Company is already exploring the feasibility of an Orlando to Tampa High Speed Rail route, and connection Disney to the Orlando Airport station.

F. PROPOSED BOND STRUCTURE

The Company is expected to structure the Series 2019 Bonds similar to the Series 2017 \$600 Million South Segment Bonds, and in line with the form of the documents approved for the proposed 2018 bonds. Following a review of an updated Revenue and Ridership Study, Technical Advisors Report, Insurance Advisor's Report, and Operations and Maintenance and Ancillary Revenues Report, Investor Site visit, and an Institutional Investor Roadshow, the Borrower is expected to finalize the details given underwriter and investor input and update the PLOM. The basic structure is expected to be a Multi modal arrangement, with the initial bonds going out in an Initial 10 Year Term Mode for a to-be-determined period at an Initial Term Rate to be established based on market conditions with a to-be-determined period of interest only payments. Preliminary discussions with the Underwriter indicate a similar structure on the 2019 bonds as seen in 2017 with interest only period for approximately 7 years, and then principal and interest over the balance of a 30 year period.

The size of the initial Series 2019 Bonds will be subject to investor responses, and market conditions at the time of sale, and may be less than \$2.7Billion. If, for example, the 2019 Bonds were sized at \$1.75 Billion, then the balance of the \$950 Million would be issued under a FDFC reviewed and approved Escrow Structure prior to US DOT expiry of the PABs allocation. The Escrow would invest in U.S. Treasuries/Agencies to fully secure this second issue, and be set for a period of up to two to three years (subject to Bond Counsel approval). Any carrying costs or cost of issuance related to these escrow related bonds would be covered in full by the Company and subject to FDFC Staff, Issuer's Counsel, and LCS review. The Escrow would be released based on predetermined criteria, mainly focused on the Underwriters' ability to sell these FDFC bonds in the open market. As detailed in the past to the Board, FDFC Staff, and its Counsel and LCS would receive and review any future PLOM and related bond documents for any bonds issued once the Escrow is unwound, and provide an update to the Board at that time for informational purposes, so long as the total issuance amount did not exceed \$2.7Billion.

For Board reference, the Series 2017 Bonds priced on November 30, 2017 and went out with an Initial Ten Year Term Period, Interest Only for Seven Years, and amortization payments beginning in Year 8. The interest rate was 5.625%, representing a 328 basis point spread to the Ten Year U.S. Treasury (2.34%). **This offering was oversubscribed by 3.77X after receiving institutional QIB orders from 61 investors totaling over \$2.26 Billion.** Since November 2017,

the Ten Year Treasury has risen by about 34 basis points to 2.68% as of February 27, 2019. Pricing will be constrained by investor input and any applicable state interest rate limitations.

At the end of the Initial Term Period, the bonds can be remarketed to investors following a mandatory put, pursuant to a new offering document, to either investors at (i) a new Term Rate for a new Term Mode Period, or (ii) at a Fixed Rate to maturity, with a final maturity not to exceed thirty years from the December following the initial closing date (i.e. December 2049). The Company does not expect to arrange any liquidity facility for remarketing purposes and did not provide one for the Series 2019 Bonds. Company cash flow projections show the use of a Revolving Line of Credit Facility. The Company at closing is expected to contribute approximately \$400 Million in cash equity contribution to help cover a portion of the construction costs and reserve fund deposits.

Projected Sources and Uses Statement (as Provided by the Company) (1):

Source of Funds:

Bond Par Amount:	\$2,700,000,000.00
Transfer of Exiting DSRF:	16,875,000.00
Transfer of Existing LOC:	<u>10,000,000.00</u>
Total Source of Funds:	<u>\$2,726,875,000.00</u>

Use of Funds

Refund Series 2017 Bonds:	\$630,000,000.00
Series 2019 Project:	1,668,250,000.00
Funded Interest Account (5.75%):	310,500,000.00
Debt Service Reserve Fund (5.75%):	77,625,000.00
Cost of Issuance (1.5%):	<u>40,500,000.00</u>
Total Use of Funds:	<u>\$2,726,875,000.00</u>

(1) Preliminary, for discussion purposes only, from Company and Underwriter, February 28, 2019.

As FA to FDFC, LCS will review the estimated COI with the Company and financing team and follow the bond pricing by the Underwriter via IPREO. The professionals selected by the Company all have extensive experience with large complex Project Financings and worked closely together in support of the Company on the successful Series 2017 Bond issue. We will monitor the market and get updates from the Senior Underwriter as the financing moves forward. The Company expects to fund and maintain a Debt Service Reserve Fund (estimated to be six months of debt service).

Security Structure: The documents were for the Series 2017 Bonds, and are being updated for the proposed Series 2019 Bonds with a simpler, and vastly improved collateral package for investor review and consideration. The collateral package will also include the rolling stock, Siemens trains. LCS and Issuer's Counsel review of the 2019 documents will assume the use of the prior form of the 2017 and 2018 documents approved by FDFC. Pursuant to the Trust Indenture, Senior Loan Agreement, and Collateral Agency Agreement, the Company will have

an obligation to pay the debt service on the Series 2019 Bonds to the Trustee. Deutsche Bank will also serve as the Collateral Agent and Account Bank for the collateral and certain key accounts and funds including the Revenue Fund, Debt Service Reserve Fund, and Ramp-Up Reserve Fund. Other Company accounts will be held at Bank of America, N.A.

Security will include a first priority lien on all Company revenues, and also substantially all existing and hereafter acquired real and personal property and other assets of the Company and pursuant to certain mortgages and security agreements to be delivered at closing. This includes the Passenger Rail Easement, Stations, Rolling Stock, Leasehold Interest, Maintenance Facilities, Parking Garages, and pledge of Equity Interests. The Company's net equity of \$1.3 Billion (including start-up costs), and their additional \$600 Million in contributed assets for the \$4.0 Billion Project upon issuance of the Series 2019 Bonds (assuming the full \$2.7 Billion) represents approximately 47.5% of project value. Mortgages were filed with respect to the Company's interest in the Series 2017 Mortgage Collateral. At Closing of the Series 2019 Bonds, amended and restated Mortgages and new Mortgages will be filed with respect to all of the Series 2017 Mortgage Collateral and the following additional Collateral: (i) the Company's easement interests in the portion of FECR's existing Miami to Cocoa rail corridor, (ii) the Company's leasehold and easement interests in real property constituting the rail track corridor from Cocoa to Orlando, Florida, (iii) the Company's leasehold interests in grounds and premises located at or adjacent to the Orlando International Airport, and (iv) any PABs funded Rolling Stock. Outside of our financing and the collateral, affiliated companies of the Company will also continue to be developing commercial real estate adjacent to the three Stations that is expected to help provide additional passenger amenities and attract rail passenger traffic.

Ratings Status: We understand that packages may be supplied to Moody's, S&P Global, and Fitch, but ratings are not expected to be available in time for a March 2019 pricing and April 2019 closing.

Minimum Denominations and Permitted Investors: Per FDFC Policy, \$100,000 and multiples thereof, if sold only to QIBs and AIs. As discussed with the Senior Underwriter and FDFC Management, *we have recommended staying only with QIBs on the 2019 bonds.*

As with the Series 2017 Bonds, LCS will monitor the bond pricing via IPREO, and we understand that the Underwriter will provide FDFC and the Trustee at closing with a certification that the investors are QIBs, and therefore have the knowledge and experience in financial and business matters, capable of evaluating the merits and risks of the Series 2019 Bonds and are not purchasing for more than one account or with a view to distributing the Series 2019 Bonds. LCS and Issuer's Counsel will review this Certificate on behalf of FDFC.

Financial Covenants: The Financing Team expects to use the FDFC approved form of the documents for the 2018 bond approval process, including the PLOM, Trust Indenture, Senior Loan Agreement, and Collateral Agency Agreement. The Underwriter and Company are working on the details regarding the proposed financial covenants for the Series 2019 Bonds. FDFC approved the Series 2017 and 2018 Bonds under the same conditions, as these will be developed as discussions with the QIBs commence. We understand that the Company will work with the Underwriter to develop these items, and then revise them, as needed, following the

Institutional Investor Roadshow and discussions. As in 2017, and 2018, we understand and are comfortable with this approach. We will continue to be part of the PLOM and bond document review process along with FDFC staff, Issuer's Counsel, and Trustee/Trustee's Counsel until closing.

Financial covenants, per the prior 2017 and 2018 structures approved by FDFC, including the deployment of the Escrow Bonds, as needed and amended, are expected to include, but not be limited to:

- *Levels of Permitted Existing Senior Indebtedness In Addition to Series 2019 Bonds:* TBD
- *Additional Bonds Test:* TBD for levels of additional parity bonds, subordinated debt, capital leases, contingent liabilities. (This "add bonds test" could be used for the Company's planned Rapid Rail Project connecting Orlando and Tampa).
- *Series 2019 Bonds to be done as Subordinate Lien Bonds:* Not anticipated, and subject to investors, and any other Company debt options that they may explore in addition to FDFC Bonds, the Series 2019 bonds Resolution does allow these bonds to be issued as subordinate to another financing issue.
- *Maintenance of Major Maintenance Expense Reserves:* Will be formula- based on outside consultant's determination, built into annual operating budget, Company to prepare and submit a Major Maintenance Budget. Expected to begin in 2021, and represent 100% of the current year and 50% of the following year projection.
- *Operations and Maintenance Reserve:* TBD, expected to represent 1/12th of upcoming budgeted operating expenses once the Ramp-Up Reserve is depleted.
- *Minimum Debt Service Coverage Levels:* To be determined, expected to be six months of interest.
- *Ramp-Up Reserve:* To be determined, estimated to be \$19 Million.
- *Restrictions on Distributions to Borrower from Net Excess Project Fund Revenues:* Any funds deposited into the Distribution Account will only be made after all other required deposits made to funds noted above, satisfactory minimum debt coverage levels met, and other items per Investor negotiations to be determined.
- *Reporting Requirements:* Expected to continue to include quarterly filings of unaudited financials, construction completion updates, and other metrics that the QIBs or AIs may ask for, and annual Audit and Covenant Compliance Certificate. This will include any reporting metrics from FDFC.
- *Collateral Monitoring:* By Trustee as Collateral Agent, as negotiated with QIBs and Company, to be confirmed.
- *Cross Default Provisions:* TBD
- *Change of Control Provisions:* TBD
- *Sale of Assets:* TBD

G. BRIGHTLINE RIDERSHIP AND REVENUE STUDY

Louis Berger US, Inc. provided the Company with a December 2017 Ridership Study and 2018 Ancillary Revenues Study for the proposed 2018 bonds, updated from earlier 2015 Report (North and South Segments) and 2017 (South only Segment). We will continue to review these reports

as they are updated, along with the PLOM. We also had the opportunity to review a 2019 S 1 SEC filing for the proposed Virgin Trains USA IPO offering that was delayed. These reports and S1 were very thorough and provided good detail, research, summaries from local potential passenger surveys and discussion as to the potential demand for Brightline Express Rail Service between the three South Segment Stations, and the Phase 2 West Palm Beach to Orlando stations. The 2015 Report had covered the entire Orlando to Miami Rail Service. Composition of the projected passengers, employment trends, and existing and competing modes of transportation (auto, local rail, rail, and bus) were all discussed. A few key items are noted below.

Demographics:

The Miami/SE Florida and Orlando/Central Florida markets represent a population of over 8.7 Million, having grown significantly since 1975. This includes approximately 2.9 Million, 1.6 Million, 1.5 Million, and 2.7 Million in Miami Dade, Broward, Palm Beach, and Orange counties, respectively. The downtown location of the three Stations in the cities of Miami, Fort Lauderdale, and West Palm Beach are key to ridership estimates as representing a majority of the county's population (within a ten mile radius), proximity to employment centers, and other local connecting transportation providers (busing, local transit, light rail, etc.). This three county SE FL area represents approximately 1/3rd of all Florida population, and household income.

When you add in the Orlando/Central Florida market, the travel markets near these four stations include:

- *Miami International Airport*: Busiest in Florida, with over 40 million annual passengers.
- *City of Miami Area*: 2nd largest international tourist destination in the U.S. Proximity to American Airlines Area (Miami Heat), Miami Dade Performing Arts Center, Miami Dade Government Center.
- *Port of Miami*: Largest passenger cruise terminal in the world.
- Miami Station being connected to Metrorail (20 million annual passengers), Metro Mover (9.5 Million passengers), and Tri Rail Commuter (4.3 million annual passengers).
- *Fort Lauderdale*: Station near City Hall, County and State office buildings, Las Olas Shopping District, Broward County Performing Arts Center.
- *West Palm Beach*: Station close to Clermont and City Place shopping districts, Kravis Center for Performing Arts, Downtown Waterfront.
- *Orlando Area*: 68 million visitors in 2016 (up now to over 74 million).
- *Orlando International Airport*: Station will be within this Airport, 2nd busiest airport in Florida. Sun Rail connection being planned, with local people mover.

Transportation Analysis

Per the Ridership Studies, the vast majority of current travel in this region is by auto, with the two areas of Miami/SE Florida and Orlando/Central Florida also documented in regional, State and Federal studies as two of the most congested areas of travel in the State and Country, notwithstanding the options of both the I-95 and the Florida Turnpike. Brightline's City Center

to City Center Express Rail Service is expected to find the most resistance from current auto travelers due in large part to the need to then find local transportation to the departing Station, and from the arriving Station. Prior Ridership market share estimates seemed to be conservative. With the advent of service in the South, it will be interesting to see the continued increase in ridership and revenues for the South Segment, and the growth of both as the Orlando station opens in 2022. *Market research has indicated success with comparable City to City service in the United States and Europe for routes that are “too long to drive and too short to fly”.* Travel trends continue to include:

- Growing road congestion
- Development and use of mobile devices
- Increase in uber/lyft options (once someone reached their intended station)

Brightline is currently running 32 trains a day, and can offer up to 36 trains a day, 18 Southbound and 18 Northbound. Monday to Friday service is expected to begin at 6:00 am in West Palm Beach, and 6:20 am in Miami up until around 10 to 11 pm. There is expected to be hourly departures seven days a week, with the perceived advantages over other options for travelers including:

- **Travel Time Savings** (versus auto, bus, traditional rail, est. 25 to 50%)
- **Customer Experience** (including Frequency and Reliability, Booking (online, mobile, same day or advance, coach, business, etc.), Amenities (free WiFi, sufficient electrical outlets, seats similar to First Class Airline, food & beverage), Stations (centrally located, good intermodal connectivity, parking and ride sharing services)
- **Cost Savings:** estimated to be 25% less than car, 35% less than air

Ticket revenues were expected to represent approximately 85% of total revenues, with the other 15% coming from food and beverage, merchandise sales, parking, sponsorship, advertising and marketing revenues, and we have seen that during the 2018 initial ramp-up year. Seats are available both in SMART (equivalent to Business Class), SMART PLUS (Business Class plus a complimentary snack and beverage), and SELECT (First Class and Premium Seating).

Travel time between Orlando and Miami is estimated at 3 hours, versus about 4.5 hours for the same trip via I-95 and about 3 hours and 50 minutes via the Florida Turnpike. The Company expects to capture around 2% of the travel market from Orlando to Miami, with other options continuing to be auto, airplane, bus, and two daily Amtrak trains.

Projected Cash Flow From Operations and Debt Service Coverage:

We have been able to review, and discuss this with the Company. *Their updated multi-year forecast is attached for reference*, and includes 2019, the years of continued expected growth in ridership and revenues for the South Segment, and jump in revenues following the connection to Orlando in 2022. The ridership study generally projects an initial year at 40% of level revenues, followed by a second 12 month period of 80%, and finally reaching 100% of projected annual revenues during the third 12 month period. The forecast includes an assumption of capitalized interest through six months of FYE 2021, and \$2.7 Billion in tax-exempt FDFC PABs. Ridership and revenues in FY 2023 are expected to reach 6,614

passengers and \$567 Million, covering annual debt service, operating expenses, and capital maintenance expenses producing EDITDA of an estimated \$219 Million. Early cash flows are supported by the company funded Ramp Up Reserve, Capitalized Interest Fund, and usage of the Company's revolving credit facility.

H. REPORTING REQUIREMENTS- CONTINUING DISCLOSURE TO INVESTORS VIA THE DISSEMINATION AGENT

DAC, as dissemination agent, shall make all filings with the MSRB's EMMA disclosure platform that are required under the terms of the Disclosure Dissemination Agent Agreement with the Company. The expected reporting requirements are set forth in the form of Disclosure Dissemination Agent Agreement provided to FDFC.

Economic Development/Employment Metrics for FDFC:

Since the Company is already filing reports with DAC, there is an assumption for FDFC and LCS to continue to be able to access these monthly, quarterly and annual filings. Per FDFC Policy, we will request that the annual filing report with the Audit as part of the Continuing Disclosure Agreement ("CDA") with DAC to include for a seven year period, the following, beginning with the FYE 2018 Audit;

- \$ amount of capital expenditures spent for that year,
- Number of employees added that year, and total salary levels, and
- Number of passengers and ticket revenues

I. FINANCIAL ADVISOR RECOMMENDATION

We have reviewed the updated Company material, and earlier set of FDFC approved form of bond documents and PLOM for this proposed bond financing of up to \$2.7 Billion. This review has also included the key areas of FDFC's Board adopted Conduit Issuance Policy, as amended.

We recommend this proposed Brightline bond issue, as amended from prior Board approvals in 2015, 2017, and 2018 for the incremental \$950 Million to you, and to the Board, as part of their consideration of Resolution No. 19-09 on March 6th, subject to:

- (1) It is only to be sold to QIBs and in minimum denominations of \$100,000.
- (2) Company's receipt of the \$950 Million incremental U.S. DOT incremental PABs approval and allocation.
- (3) Continued receipt and review by LCS, Issuer's Counsel, FDFC Staff, Trustee and Trustee's Counsel of the updated PLOM, Numbers, Bond Documents, Collateral Agreement, Ridership Study, other material documents, and continuing disclosure agreements, as changes and inserts are made.
- (4) Close coordination with the Company, Underwriter, and Legal Team, on the proposed Financing Timetable, including, but not limited to, the proposed date of PLOM distribution, proposed pricing date, and closing date.

- (5) LCS' participation on behalf of FDFC in the Bond Pricing and Allocation of initial bonds to the QIBs following the Investor Calls, so as to confirm for FDFC, along with the Underwriter's BPA certification, that these were sold only to QIBs, and that the Delegation Parameters in the Bond Resolution were met. As requested by FDFC, LCS will also review that the pricing is done at current market coupons and yields for a comparable Nonrated Tax Exempt AMT bond issue
- (6) Any future resale of the non-rated Bonds in the secondary market can be made to purchasers who are QIBs, unless the Company is able to procure an underlying Investment Grade Rating.
- (7) Receipt of appropriate Indemnification from the Company to FDFC, LCS and Issuer's Counsel regarding this financing, to the satisfaction of FDFC Issuer's Counsel and LCS, and reimbursement to FDFC of any costs incurred as part of the 2019 Bond process.

We appreciate the opportunity to support FDFC on this proposed Series 2019 Bond issue. The Company has made a lot of progress since 2015. We will be happy to address any questions from the Board prior to this meeting, if helpful.

Jeffrey T. Larson
President
Larson Consulting Services, Orlando
SEC and MSRB Licensed, Series 50, Municipal Advisor
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407-496-1597

Virgin Trains USA PABS 2 Capital Spend Tracking

(\$ in millions)

Phase 1

	<u>Eligible</u>	<u>Non Eligible</u>	<u>Total</u>
Track	\$525		\$525
Rolling Stock	\$258		\$258
Stations	\$259		\$259
Ramp up, Issuance costs, Issuer fees, Reserves, etc.	\$30	\$259	\$289

\$1,043mm
construction
costs

Phase 2

Track	\$1,107	\$524	\$1,631
Rolling Stock	\$151		\$151
Stations & Buildings	\$83		\$83
Project Mgt & Prof Fees	\$110	\$52	\$161
Land*	\$87		\$87
Contingency	\$118	\$55	\$173
Ramp up, Issuance costs, Issuer fees, Reserves, etc.	\$105		\$105
Total Phase 1 & Phase 2	\$2,833	\$889	\$3,722

\$2,113mm
construction
costs ex.
contingency

Debt
Equity

\$2,700
\$133
\$889
\$2,700
\$1,022*

Additional contributed equity used to cover debt fees, interest expense and other costs, outside this analysis.

*Excludes additional equity contributed as corridor and station land with an appraised value of approximately \$0.7bn.

Virgin Trains USA Cash Flow Summary

(\$ in mm's except for fares)

	Unaudited Actual				
	Q1'18	Q2'18	Q3'18	Q4'18	2018
1) Cash flows:					
Passengers (000's)	74,780	106,090	159,586	238,749	579,205
Average fare	\$8.86	\$10.76	\$14.38	\$15.47	\$13.45
Ticket revenue	\$1	\$1	\$2	\$4	\$8
Ancillary revenue	0	0	1	1	2
Total revenue	\$1	\$2	\$3	\$5	\$10
Train operating expenses	(11)	(12)	(12)	(14)	(49)
Corporate and other operating expenses ⁽¹⁾	(14)	(9)	(11)	(13)	(47)
EBITDA	(\$24)	(\$19)	(\$20)	(\$23)	(\$86)
Maintenance and other capex	-	-	(1)	(1)	(2)
Operating cash flow	(\$24)	(\$19)	(\$21)	(\$23)	(\$88)
Total Operating Expenses (excluding D&A)					(\$96)
Non-recurring and start-up costs					\$14
Adjusted Total Operating Expenses (excluding D&A)					(\$82)

(1) Includes start-up costs (recruiting/relocation/initial ramp-up), share-based compensation, parent company overhead allocations and related items totaling approximately \$14.4 million in 2018.

Virgin Trains USA Cash Flow Summary

(\$ in mm' s except for fares)

1) Cash flows:

	2019E	2020E	2021E	2022E	2023E	2024E
Passengers (000's)	2,096	2,937	2,988	4,630	6,614	6,778
Average fare	\$24.69	\$36.52	\$37.56	\$59.63	\$73.29	\$75.69
Ticket revenue	\$52	\$107	\$112	\$276	\$485	\$513
Ancillary revenue	26	37	39	59	82	90
Total revenue	\$78	\$145	\$151	\$335	\$567	\$603
Operating expenses	(\$93)	(\$96)	(\$97)	(\$154)	(\$181)	(\$186)
EBITDA	(\$15)	\$49	\$54	\$181	\$386	\$417
Maintenance and other capex	(\$15)	(\$6)	(\$8)	(\$10)	(\$13)	(\$15)
Operating cash flow	(\$30)	\$43	\$46	\$171	\$372	\$402
Interest expense, net of pre-funded interest ⁽¹⁾	-	-	(\$78)	(\$155)	(\$155)	(\$155)
Ramp-up reserve funding ⁽²⁾	19	-	-	-	-	-
Equity from parent	18	-	-	-	-	-
Interest income not used for construction	-	-	2	2	2	2
Levered cash flow after reserve funding	\$7	\$43	(\$29)	\$18	\$219	\$249

2) Cash balance:

Beginning cash balance ⁽³⁾	\$150	\$157	\$200	\$171	\$189	\$408
Levered cash flow after reserve funding	7	43	(29)	18	219	249
Ending cash balance	\$157	\$200	\$171	\$189	\$408	\$657

3) Reserve balances:

Pre-funded interest reserve						
Beginning balance	\$311	\$233	\$78	-	-	-
Draw down	(78)	(155)	(78)	-	-	-
Ending balance	\$233	\$78	-	-	-	-
Ramp-up reserve						
Beginning balance	\$19	-	-	-	-	-
Draw down ⁽²⁾	(19)	-	-	-	-	-
Ending balance	-	-	-	-	-	-
Debt service reserve						
Beginning balance	\$78	\$78	\$78	\$78	\$78	\$78
Draw down	-	-	-	-	-	-
Ending balance	\$78	\$78	\$78	\$78	\$78	\$78

Note: Virgin Trains USA management estimates as of February 27, 2019 and subject to change based on market conditions.

(1) Interest expense assumes \$2.7bn of tax-exempt debt.

(2) Ramp-up reserve funds losses from April - September of '19 before turning cash positive in Q4 '19.

(3) Cash balance includes borrowing available under revolving credit line.

RESOLUTION No. 19-09

A RESOLUTION OF THE FLORIDA DEVELOPMENT FINANCE CORPORATION (THE "FDFC") SUPPLEMENTING AND AMENDING RESOLUTION NO. 15-04 OF THE FDFC DATED AUGUST 5, 2015, WHICH PROVIDED FOR THE FINANCING AND REFINANCING OF A PORTION OF THE COST OF THE DEVELOPMENT, DESIGN, ACQUISITION, CONSTRUCTION, INSTALLATION, AND EQUIPPING OF CERTAIN PORTIONS OF A PRIVATELY OWNED AND OPERATED INTERCITY PASSENGER RAIL SYSTEM WITH STATIONS LOCATED IN ORLANDO, WEST PALM BEACH, FORT LAUDERDALE AND MIAMI, FLORIDA FOR THE BENEFIT OF ALL ABOARD FLORIDA -- OPERATIONS LLC, NOW KNOWN AS BRIGHTLINE TRAINS LLC (AS SUCH NAME MAY BE CHANGED IN THE FUTURE OR ANY AFFILIATE THEREOF, THE "BORROWER"), AS PREVIOUSLY SUPPLEMENTED AND AMENDED BY RESOLUTION NO. 17-09 OF THE FDFC DATED OCTOBER 27, 2017 AND BY RESOLUTION NO. 18-05 OF THE FDFC DATED AUGUST 29, 2018, IN ORDER TO: (I) PROVIDE FOR THE ISSUANCE BY THE FDFC OF NOT TO EXCEED \$2,700,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS SURFACE TRANSPORTATION FACILITY REVENUE BONDS (BRIGHTLINE PASSENGER RAIL PROJECT), SERIES 2019 (THE "SERIES 2019 BONDS"), AND A LOAN OF THE PROCEEDS THEREOF TO THE BORROWER IN AN AMOUNT EQUAL TO THE PRINCIPAL AMOUNT OF THE SERIES 2019 BONDS; (II) PROVIDE THAT THE SERIES 2019 BONDS MAY BE ISSUED IN ONE OR MORE SERIES OR SUBSERIES FROM TIME TO TIME; (III) AUTHORIZE A NEGOTIATED SALE OF THE SERIES 2019 BONDS UPON MEETING CERTAIN CONDITIONS SPECIFIED HEREIN; (IV) DELEGATE TO EACH OF THE CHAIRMAN, VICE-CHAIRMAN, EXECUTIVE DIRECTOR AND SECRETARY OR ASSISTANT SECRETARY OF THE FDFC THE POWER TO APPROVE THE FINAL TERMS AND DETAILS OF THE SERIES 2019 BONDS AND RELATED DOCUMENTS UPON SATISFACTION OF THE

CONDITIONS SET FORTH HEREIN; (V) RATIFY AND AFFIRM THE APPROVAL OF THE USE OF ONE OR MORE PRELIMINARY LIMITED OFFERING MEMORANDA AND ONE OR MORE FINAL LIMITED OFFERING MEMORANDA IN CONNECTION WITH THE OFFERING AND SALE OF THE SERIES 2019 BONDS; (VI) RATIFY AND AFFIRM THE AUTHORIZATION AND APPROVAL OF THE BOND DOCUMENTS AND CERTAIN OTHER DOCUMENTS AND AGREEMENTS WITH RESPECT TO THE SERIES 2019 BONDS; (VII) AUTHORIZE THE EXECUTION AND DELIVERY OF OTHER RELATED INSTRUMENTS, DOCUMENTS, AGREEMENTS AND CERTIFICATES; (VIII) PROVIDE FOR OTHER MISCELLANEOUS MATTERS IN CONNECTION WITH THE FOREGOING; AND (IX) PROVIDE AN EFFECTIVE DATE.

WHEREAS, the FDFC was created as a public body corporate and politic and a public instrumentality pursuant to the Act (as defined herein); and

WHEREAS, pursuant to Resolution No. 15-04 of the FDFC, dated August 5, 2015 (the “Original Resolution”), the FDFC previously authorized the issuance of not to exceed \$1,750,000,000 of its Surface Transportation Facility Revenue Bonds (All Aboard Florida Passenger Rail Project), Series 2015 (the “Bonds”), pursuant to an Indenture of Trust (the “Indenture”) by and between the FDFC and the Trustee (as hereinafter defined), and the loan of the proceeds thereof to the Borrower, pursuant to a Senior Loan Agreement (the “Loan Agreement”) by and between the FDFC and the Borrower, for the purpose of financing and refinancing a portion of the costs of (or reimbursing the Borrower for its prior expenditures for) the development, design, acquisition, construction, installation, equipping, ownership, operation, maintenance and administration of a privately owned and operated intercity passenger rail system with stations located in Orlando, West Palm Beach, Fort Lauderdale and Miami, Florida, as more fully described in the Original Resolution (the “Project”), with proceeds of the Bonds to be spent only for portions of the Project located in Miami-Dade County, Broward County, Palm Beach County, Brevard County and Orange County (collectively, the “Counties”); and

WHEREAS, pursuant to the Original Resolution, the FDFC approved the form and use of a Preliminary Limited Offering Memorandum for the offering of the Bonds and authorized and approved the preparation of a final Limited Offering Memorandum; authorized the form of and the execution and delivery of a Bond Purchase Agreement with respect to the Bonds; approved the form of an Indenture of Trust, a Senior Loan Agreement, a Collateral Agency Agreement and a Disclosure Dissemination Agent

Agreement; and authorized the execution and delivery of other related instruments, documents, agreements and certificates; and

WHEREAS, pursuant to Resolution No. 17-09 of the FDFC, dated October 27, 2017 (the “2017 Amending Resolution”), the FDFC previously authorized: (i) the issuance of a portion of the Bonds in an aggregate principal amount not to exceed \$600,000,000 for the purpose of financing the South Segment of the Project from Miami to West Palm Beach; and (ii) the amendment of certain provisions of the Original Resolution to, among other things, change the designated name of the Bonds to be issued for the South Segment of the Project, provide that the Bonds for the South Segment of the Project may be issued in one or more series or subseries from time to time, and approve amended forms of the Indenture, the Senior Loan Agreement, the Collateral Agency Agreement, the Bond Purchase Agreement, the Preliminary Limited Offering Memorandum, and the Disclosure Dissemination Agent Agreement; and

WHEREAS, in the 2017 Amending Resolution, the FDFC also determined that: (i) the portion of the Project to be financed with the proceeds of the Prior Bonds will serve the public purposes expressed in the Act by promoting and advancing economic development within the State; (ii) the FDFC will be acting in furtherance of the public purposes intended to be served by the Act by assisting the Borrower in financing and refinancing a portion of the costs of the Project through its issuance of the Prior Bonds; and (iii) the issuance of the Prior Bonds for the South Segment of the Project is for an essential public and governmental purpose; and

WHEREAS, on December 19, 2017, the FDFC issued the portion of the Bonds authorized by the 2017 Amending Resolution for the South Segment of the Project in the aggregate principal amount of \$600,000,000, such Bonds being denominated as Florida Development Financing Corporation Surface Transportation Facility Revenue Bonds (Brightline Passenger Rail Project – South Segment), Series 2017 (the “Prior Bonds”); and

WHEREAS, pursuant to Resolution No. 18-05 of the FDFC dated August 29, 2018 (the “2018 Amending Resolution,” and collectively with the 2017 Amending Resolution, the “Prior Amending Resolutions”), the FDFC previously authorized: (i) the issuance of a portion of the Bonds in an aggregate principal amount not to exceed \$1,150,000,000 for the purpose of financing and refinancing a portion of the costs incurred or that may be incurred by the Borrower in completing Phase II of the Project, which costs shall be limited to expenditures in Miami-Dade County, Broward County, Palm Beach County, Brevard County and Orange County; (ii) the issuance of additional bonds on a parity in all respects with such Bonds in the additional aggregate principal amount not to exceed \$600,000,000 for the purpose of providing funds, together with other available funds of the Borrower, to currently refund the Prior Bonds; and (iii) the amendment of certain provisions of the Original Resolution, as amended and supplemented by the 2017 Amending Resolution, to, among other things, designate the

name of the Bonds, provide that the Bonds may be issued in one or more series or subseries from time to time, and approve further amended forms of the Indenture, the Senior Loan Agreement, the Collateral Agency Agreement, the Bond Purchase Agreement, the Preliminary Limited Offering Memorandum, and the Disclosure Dissemination Agent Agreement; and

WHEREAS, in the 2018 Amending Resolution, the FDFC also determined that: (i) the Project to be financed and refinanced with the proceeds of the Bonds will serve the public purposes expressed in the Act by promoting and advancing economic development within the State; (ii) the FDFC will be acting in furtherance of the public purposes intended to be served by the Act by assisting the Borrower in financing and refinancing a portion of the costs of the Project through its issuance of the Bonds; and (iii) the issuance of the Bonds is for an essential public and governmental purpose; and

WHEREAS, the FDFC now desires to authorize: (i) the issuance of additional bonds in an aggregate principal amount not to exceed \$950,000,000, such that FDFC will now be authorized to issue (a) a portion of the Bonds in an aggregate principal amount not to exceed \$2,100,000,000 for the purpose of financing and refinancing a portion of the costs incurred or that may be incurred by the Borrower in completing the Project, which costs shall be limited to expenditures in Miami-Dade County, Broward County, Palm Beach County, Brevard County and Orange County, and (b) a portion of the Bonds in an aggregate principal amount not to exceed \$600,000,000 for the purpose of providing funds, together with other available funds of the Borrower, to currently refund the Prior Bonds (all of such Bonds and bonds collectively, the “Series 2019 Bonds”); and (ii) the amendment of certain provisions of the Original Resolution, as amended and supplemented by the Prior Amending Resolutions, to, among other things, designate the name of the Series 2019 Bonds; and

WHEREAS, the Series 2019 Bonds will not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and none of the State of Florida (the “State”), the Counties, nor any political subdivision of the State shall be liable for the payment of the principal of or interest on the Series 2019 Bonds, and neither the full faith and credit nor the taxing power of the State, the Counties, the FDFC or of any other political subdivision of the State shall be deemed to have been pledged for the payment of the principal of or interest on the Series 2019 Bonds. The FDFC has no taxing power; and

WHEREAS, no owner of any of the Series 2019 Bonds shall ever have the right to compel the exercise of the ad valorem taxing power of the State, the Counties or any other political subdivision of the State, or taxation in any form of real property therein, or the application of any funds, other than the Borrower’s loan payments and other revenues and proceeds derived by the FDFC and the Trustee and the other components of the trust estate pledged to the payment of the Series 2019 Bonds;

IT IS, THEREFORE, DETERMINED AND RESOLVED BY THE FLORIDA DEVELOPMENT FINANCE CORPORATION, THAT:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This supplemental resolution (this “Supplemental Resolution”) is adopted pursuant to the provisions of Chapter 288, Part X, Florida Statutes, as amended (being the Florida Development Finance Corporation Act of 1993), and other applicable provisions of law (collectively, the “Act”).

SECTION 2. DEFINITIONS. Unless the context otherwise requires, the terms used in this Supplemental Resolution but not otherwise defined herein shall have the meanings specified in the Original Resolution, as amended and supplemented by the Prior Amending Resolutions, and if such terms are not defined in the Original Resolution, as amended and supplemented by the Prior Amending Resolutions, then such terms shall have the meanings specified in the Indenture. Words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing persons shall include corporations and other entities or associations.

SECTION 3. FINDINGS. The FDFC previously approved the issuance of the Bonds pursuant to the Original Resolution, as amended and supplemented by the Prior Amending Resolutions. Except as otherwise further amended and supplemented by this Supplemental Resolution, the findings set forth in Section 3 of the Original Resolution, as amended and supplemented by the Prior Amending Resolutions, are hereby ratified and affirmed as of the date hereof and the findings set forth in the recitals to this Supplemental Resolution are hereby affirmed and incorporated in this Supplemental Resolution as though fully set forth herein.

SECTION 4. FINANCING AND REFINANCING OF THE PROJECT AUTHORIZED. (A) In addition to the \$1,750,000,000 in aggregate principal amount of Series 2019 Bonds previously authorized to be issued under the Original Resolution, as amended and supplemented by the Prior Amending Resolutions, that remain unissued, the FDFC hereby authorizes the issuance of an additional aggregate principal amount of Series 2019 Bonds not to exceed \$950,000,000 for the purpose of financing and refinancing a portion of the costs incurred or that may be incurred by the Borrower in completing the Project. The Series 2019 Bonds or any portion thereof may be issued on either a tax-exempt or taxable basis. With the approval of bond counsel and in addition to applications previously authorized, proceeds of the Series 2019 Bonds may be applied to finance and refinance a portion of the costs of (or reimburse the Borrower for its prior expenditures for) the development, design, acquisition, construction, installation, equipping, ownership, operation, maintenance and administration of one or more additional stations to be located in the Counties.

(B) The Borrower has advised the FDFC that: (i) it may finance and/or refinance a portion of the costs of the Project from debt financing that it procures from one or more

sources other than the Series 2019 Bonds (“Other Debt Financing”); and (ii) it may cause the Series 2019 Bonds to be issued in two or more separate series from time to time with different lien and/or payment priorities. Notwithstanding anything to the contrary in the Original Resolution, as amended and supplemented by the Prior Amending Resolutions and this Supplemental Resolution: (i) in the event the Borrower procures Other Debt Financing, (a) if required by the terms thereof, the Series 2019 Bonds shall be issued on a basis subordinate to such debt financing; (b) the forms of Financing Documents approved in this Supplemental Resolution may be revised in such manner as shall be necessary or appropriate to accommodate the terms of the Other Debt Financing, with such revisions as may be approved by an Authorized Representative of the FDFC, such approval to be evidenced conclusively by his or her execution thereof; and (c) the FDFC may enter into any other agreement necessary or appropriate to accommodate the terms of the Other Debt Financing and as may be approved by an Authorized Representative of the FDFC, such approval to be evidenced conclusively by his or her execution thereof; and (ii) in the event that the Borrower causes the Series 2019 Bonds to be issued in two or more separate series with different lien and/or payment priorities, (a) the forms of Financing Documents approved in this Supplemental Resolution may be revised in such manner as shall be necessary or appropriate to establish the different lien and/or payment priorities among the separate series of the Series 2019 Bonds, with such revisions as may be approved by an Authorized Representative of the FDFC, such approval to be evidenced conclusively by his or her execution thereof; and (b) the FDFC may enter into any other agreement necessary or appropriate to establish the different lien and/or payment priorities among the separate series of the Series 2019 Bonds and as may be approved by an Authorized Representative of the FDFC, such approval to be evidenced conclusively by his or her execution thereof.

(C) Subject to the conditions set forth in (i) the Original Resolution, as amended and supplemented by the Prior Amending Resolutions, (ii) the Indenture, the Senior Loan Agreement, the Collateral Agency Agreement, the Bond Purchase Agreement, the Interlocal Agreements and the other documents and agreements related to the Series 2019 Bonds as ratified and approved by this Supplemental Resolution, if any (collectively, the “Bond Documents”), and (iii) Section 5 hereof, the approval of the financing and refinancing by the FDFC of the portion of the Project in Miami-Dade, Broward, Palm Beach, Brevard and Orange Counties in the manner provided in the Original Resolution, as amended and supplemented by the Prior Amending Resolutions and this Supplemental Resolution, is hereby ratified and affirmed as of the date hereof.

SECTION 5. DELEGATED SALE OF SERIES 2019 BONDS AUTHORIZED AND DESCRIPTION OF SERIES 2019 BONDS. (A) Subject to the requirements which must be satisfied in accordance with the provisions of Section 5(B) below and in the Bond Documents prior to the issuance of any Series 2019 Bonds, the FDFC hereby authorizes the issuance of one or more series or subseries from time to time of the Series 2019 Bonds, in the aggregate principal amount of not to exceed

\$2,700,000,000, to be designated as the “Florida Development Finance Corporation Surface Transportation Facility Revenue Bonds (Brightline Passenger Rail Project), Series 2019,” as such designation may be changed to accommodate branding then associated with the Borrower, and with such additional series or subseries designations as may be approved by an Authorized Representative (as hereinafter defined) of the FDFC, for the principal purposes of providing moneys to (i) finance and refinance a portion of the costs incurred or that may be incurred by the Borrower in completing the Project, which costs shall be limited to expenditures in Miami-Dade County, Broward County, Palm Beach County, Brevard County and Orange County; (ii) provide funds, together with other available funds of the Borrower, to currently refund the Prior Bonds, (iii) fund certain reserves (if any), including a debt service reserve fund for the Series 2019 Bonds, (iv) fund capitalized interest on the Series 2019 Bonds, and (v) pay costs of issuance of the Series 2019 Bonds. The Series 2019 Bonds shall be issued only in accordance with the provisions hereof and of the Bond Documents.

(B) Subject to full satisfaction of the conditions set forth in this Section 5(B), the FDFC hereby authorizes a delegated negotiated sale of the Series 2019 Bonds, in one or more series or subseries from time to time, in accordance with the terms of one or more Bond Purchase Agreements, by and among the FDFC, the Borrower and one or more nationally recognized investment banks (the “Underwriters”) designated by the Borrower and approved by an Authorized Representative of the FDFC, to be dated the date of sale of such Series 2019 Bonds and to be substantially in the form attached to the 2018 Amending Resolution, with such changes, corrections, insertions and deletions thereto as shall be approved by the Chairman, Vice Chairman or Executive Director of FDFC (each “an Authorized Representative”) and that are in accordance with the provisions of clauses (1) and (3) of this Section 5(B) below, the execution thereof being deemed conclusive evidence of the approval of such changes and the full and complete satisfaction of the conditions set forth in this Section 5. The FDFC hereby authorizes and directs one or more of its Authorized Representatives, as necessary, to date and execute the Indenture providing for the issuance of the Series 2019 Bonds, and to deliver the Bond Purchase Agreement to the Trustee. The Bond Purchase Agreement shall not be executed by an Authorized Representative of the FDFC until such time as all of the following conditions have been satisfied:

(1) Receipt by an Authorized Representative of the FDFC of a written offer to purchase the Series 2019 Bonds by the Underwriters substantially in the form of the Bond Purchase Agreement, said offer to provide for, among other requirements, (i) the issuance of the Series 2019 Bonds in an initial aggregate principal amount not to exceed \$2,700,000,000, (ii) an underwriting fee or discount not in excess of two percent (2.00%) of the initial par amount of the Series 2019 Bonds being offered, and (iii) with the final maturity of the Series 2019 Bonds being no later than the end of the 30th fiscal year of the FDFC after the fiscal year in which the Series 2019 Bonds are issued. The Authorized

Representative of FDFC may conclusively rely upon a certificate of the Borrower as to compliance with these requirements.

(2) Receipt by an Authorized Representative of the FDFC from the Underwriters of a disclosure statement and truth-in-bonding information complying with Section 218.385, Florida Statutes.

(3) The issuance of the Series 2019 Bonds shall not exceed any debt limitation prescribed by law, and the Series 2019 Bonds, when issued, will be within the limits of all constitutional or statutory debt limitations.

(4) Receipt by the FDFC of one or more letters from the Governor of the State of Florida or his duly authorized designee approving the issuance of any Series 2019 Bonds to be issued on a tax-exempt basis for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended.

(5) The aggregate principal amount of Series 2019 Bonds authorized pursuant hereto and issued on a tax-exempt basis will not exceed the aggregate amount authorized to be issued pursuant to one or more provisional bond allocation approval letters from the United States Department of Transportation authorizing the FDFC to issue private activity bonds on behalf of the Borrower to finance the Project.

(6) In determining the satisfaction of the conditions set forth in this Section 5, FDFC shall have the right to rely on the advice and certifications of its advisors and professionals and the Borrower shall have provided such information and documents as are necessary for FDFC's advisors and professionals to provide such advice and certifications.

(C) Notwithstanding anything in the Original Resolution, the Prior Amending Resolutions or this Supplemental Resolution to the contrary, no Bonds other than the Series 2019 Bonds shall be issued without further approval from the governing board of the FDFC.

SECTION 6. AUTHORIZATION OF EXECUTION AND DELIVERY OF BOND DOCUMENTS. The approval and authorization of the Bond Documents (and where appropriate to address the issuance of portions of the Series 2019 Bonds on more than one date, supplements to the Bond Documents) in accordance with the provisions of the Original Resolution, as amended and supplemented by the Prior Amending Resolutions and this Supplemental Resolution, is hereby ratified and affirmed, with such changes, corrections, insertions and deletions to the Bond Documents as may be approved by an Authorized Representative of the FDFC, including without limitation changes to the series, maturities, interest rates, interest rate modes, conversion provisions, redemption provisions, tender provisions, covenants, collateral, authorized denominations

and other provisions of the Series 2019 Bonds, and including without limitation changes to provide for an initial period during which all or a portion of the proceeds of the Series 2019 Bonds are held in escrow pending the satisfaction of certain conditions, changes to provide for all or a portion of the Series 2019 Bonds to be issued as capital appreciation bonds or capital appreciation and income bonds, or to provide for the all or a portion of the Series 2019 Bonds to be issued in such other mode or structure as an Authorized Representative of the FDFC may approve, such approval to be evidenced conclusively by his or her execution thereof. In addition, the Secretary or Assistant Secretary of the FDFC is hereby authorized to attest the signatures of any Authorized Representative on any Bond Documents or other documents, certificates or agreements in connection with the financing contemplated by this Resolution.

SECTION 7. APPROVAL OF PRELIMINARY LIMITED OFFERING MEMORANDUM AND LIMITED OFFERING MEMORANDUM.

The approval of the use of one or more Preliminary Limited Offering Memoranda and final Limited Offering Memoranda in connection with the offer and sale of the Series 2019 Bonds in accordance with the provisions of the Original Resolution, as amended and supplemented by the Prior Amending Resolutions and this Supplemental Resolution, is hereby ratified and affirmed, with such changes, corrections, insertions and deletions to the PLOMs and the LOMs as may be approved by an Authorized Representative of the FDFC, including without limitation changes to reflect modifications to the Bond Documents authorized pursuant to Section 6 hereof.

SECTION 8. APPROVAL OF DISCLOSURE DISSEMINATION AGENT AGREEMENT. The approval of one or more Disclosure Dissemination Agent Agreements with respect to the Series 2019 Bonds in accordance with the provisions of the Original Resolution, as amended and supplemented by the Prior Amending Resolutions and this Supplemental Resolution, is hereby ratified and affirmed, with such changes, corrections, insertions and deletions to the Disclosure Dissemination Agent Agreements as may be approved by an Authorized Representative of the FDFC, including without limitation changes to comply with Rule 15c2-12 and to reflect modifications to the Bond Documents authorized pursuant to Section 6 hereof.

SECTION 9. APPOINTMENT OF TRUSTEE, BOND REGISTRAR AND PAYING AGENT. The appointment of Deutsche Bank National Trust Company (the “Trustee”) to serve as Trustee, Bond Registrar and Paying Agent for the Series 2019 Bonds under the Indenture is hereby ratified and affirmed.

SECTION 10. AUTHORIZATION OF EXECUTION OF OTHER CERTIFICATES, INSTRUMENTS, DOCUMENTS AND AGREEMENTS. Each Authorized Representative of the FDFC is hereby authorized and directed, either alone or jointly, under the official seal of the FDFC, to execute and deliver certificates of the FDFC certifying such facts as counsel to FDFC or Bond Counsel shall require in connection with the issuance, sale and delivery of the Series 2019 Bonds, and to execute

and deliver such other instruments, documents, agreements, deeds, assignments and financing statements, as shall be necessary or desirable to perform the FDFC's obligations under the Original Resolution, as amended and supplemented by the Prior Amending Resolutions and this Supplemental Resolution, the Senior Loan Agreement, the Indenture, the Bond Purchase Agreement, the Collateral Agency Agreement and the Disclosure Dissemination Agent Agreement and to consummate the transactions hereby authorized.

SECTION 11. NO PERSONAL LIABILITY. No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained or contained in any Bond Document, in the Series 2019 Bonds, in any certificate or other instrument to be executed on behalf of the FDFC in connection with the issuance of the Series 2019 Bonds or contained in the Disclosure Dissemination Agent Agreement, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any appointed official, director, officer, employee or agent of the FDFC in his or her individual capacity, and none of the foregoing persons nor any appointed official, director or officer of the FDFC executing this Supplemental Resolution, the Series 2019 Bonds, the Bond Documents or any certificate or other instrument to be executed by the FDFC in connection with the issuance of the Series 2019 Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof. The Bond Documents, the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum, the Disclosure Dissemination Agent Agreement, and any supplements or amendments on any of the foregoing authorized by this Supplemental Resolution, are hereinafter collectively referred to as the "Financing Documents."

SECTION 12. NO THIRD PARTY BENEFICIARIES. Except as otherwise expressly provided herein, in the Series 2019 Bonds or in any Financing Document, nothing in this Supplemental Resolution, or in the Series 2019 Bonds or in any Financing Document, express or implied, is intended or shall be construed to confer upon any person, firm, corporation or other organization, other than the FDFC, the Borrower, the Trustee and the owners from time to time of the Series 2019 Bonds any right, remedy or claim, legal or equitable, under and by reason of this Supplemental Resolution or any provision hereof, or under and by reason of the Series 2019 Bonds or of any Financing Document or any provision thereof, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the FDFC, the Borrower, the Trustee and the owners from time to time of the Series 2019 Bonds.

SECTION 13. PREREQUISITES PERFORMED FOR ISSUANCE OF SERIES 2019 BONDS AND EXECUTION AND DELIVERY OF BOND DOCUMENTS. Subject to the provisions of Section 5 hereof and the conditions precedent set forth in the Financing Documents, all acts, conditions and things relating to the passage of this Supplemental Resolution, to the issuance, sale and delivery of the

Series 2019 Bonds and the execution and delivery by the FDFC of the Bond Documents, required by the Constitution or other laws of the State, to happen, exist and be performed precedent to the passage hereof, and precedent to the issuance, sale and delivery of the Series 2019 Bonds and the execution and delivery of the Bond Documents, have either happened, exist and have been performed as so required or will have happened, will exist and will have been performed prior to such execution and delivery thereof.

SECTION 14. COMPLIANCE WITH CHAPTER 218, PART III, FLORIDA STATUTES. The FDFC hereby approves and authorizes the completion, execution and filing with the Division of Bond Finance of the State of Florida, at the expense of the Borrower, Bond Information Form BF 2004, and any other acts as may be necessary to comply with Chapter 218, Part III, Florida Statutes.

SECTION 15. GENERAL AUTHORITY. The members of the FDFC and its officers, attorneys, engineers or other agents or employees are hereby authorized to do all acts and things required of them by the Original Resolution, as amended and supplemented by the Prior Amending Resolutions and this Supplemental Resolution, the Series 2019 Bonds and the Financing Documents, and to do all acts and things which are desirable and consistent with the requirements hereof or of the Series 2019 Bonds or any Financing Document, for the full, punctual and complete performance of all the terms, covenants and agreements contained herein, in the Series 2019 Bonds, and the Financing Documents.

SECTION 16. THIS RESOLUTION CONSTITUTES A CONTRACT. The FDFC covenants and agrees that the Original Resolution as amended and supplemented by the Prior Amending Resolutions and this Supplemental Resolution shall constitute a contract between the FDFC and the owners from time to time of the Series 2019 Bonds then outstanding and that all covenants and agreements set forth herein, in the Series 2019 Bonds and in the Bond Documents to be performed by the FDFC shall, except as otherwise set forth in the Bond Documents, be for the equal and ratable benefit and security of all owners of outstanding Series 2019 Bonds, and all subsequent owners from time to time of the Series 2019 Bonds, without privilege, priority or distinction as to lien or otherwise of any of the Series 2019 Bonds over any other of the Series 2019 Bonds.

SECTION 17. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued under the Indenture.

SECTION 18. REPEALING CLAUSE. All resolutions or parts thereof in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 19. EFFECTIVE DATE. This Supplemental Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 6th day of March, 2019.

**FLORIDA DEVELOPMENT FINANCE
CORPORATION**

Chair

ATTEST:

Secretary