



a full service aviation development company

July 21, 2010

TO: The Mayor and the Broward County Board of County Commissioners
(hand delivered)

RE: REQUEST FOR APPROVALS

Entities of Holland Sheltair Aviation Group (collectively the "Sheltair Entities") are leasing certain facilities and land (collectively the "Facilities") at Fort Lauderdale International Airport (the "Airport") from Broward County (the "County"). In connection with such Facilities, the Sheltair Entities are requesting the County to provide certain approvals related to financing (the "Financing") of the Facilities to be used by the Sheltair Entities.

The Financing, a total of approximately \$62,000,000, will be provided through a private placement of Bonds with two major banks, Bank United and TD Bank. The Bonds will include both Tax-Exempt and Taxable components. The Bonds will be issued through the Jacksonville Economic Development Commission (the "JEDC"), an entity of the City of Jacksonville, Florida. The proceeds of the Financing will be applied in three separate portions. The first portion of the Financing, approximately \$38,000,000, will be used, among other uses, to acquire the existing outstanding Bonds that are secured by a Letter of Credit from Bank of America, N.A. Another amount of the first portion of the Financing will also be used, among other items, to repay a loan used to improve the North Side site used by the Sheltair Entities at the Airport, retire a separate credit line to Bank of America, repay a funding used to pay for the Fuel Farm improvements at the Airport, and to pay the Financing costs. The second portion of the Financing, approximately \$16,000,000, which will be funded separately from the first portion of the Financing, will be used to make improvements to the West Side facilities at the Airport. The third portion of the Financing, which will also be funded separately from the first and second portions of the Financing, will be in the approximate amount of \$8,000,000, and will also be used to make improvements to the West Side Facilities at the Airport.

The proposed timing of the closing for the Financing is at the beginning of September, assuming certain approvals may be obtained on a timely basis. The approvals that are to be obtained from the County include approvals by the County Board of Commissioners of an Interlocal Agreement between Broward County and the City of Jacksonville, Florida, according to which the JEDC will issue the Bonds. The County will also hold a hearing (the "TEFRA Hearing") as required by the Internal Revenue Service for issuance of the Tax-Exempt Bonds, relating to issuance of the Bonds, after which the Mayor will be asked to execute an approval of the Bond issuance. The facilities supporting the repayment of the Bonds are located at the Airport, as well as Airport facilities in Volusia County (Daytona Beach) and Jacksonville. The County Commission in Volusia County and the JEDC are both being asked to hold TEFRA hearings and execute approvals relating to issuance of Tax-Exempt Bonds as well.

The bank financing already used to make the improvements at the North Side of the Airport provided approximately \$8,000,000 for improvements (actually, \$8,400,000 was expended). As stated above herein, approximately \$24,000,000 of this Financing (\$16,000,000 from the second portion of this Financing plus \$8,000,000 from the third portion of this Financing) will be used to make improvements at the West Side land and facilities at the Airport. The actual amount to be expended is expected to be a total of approximately \$29,000,000. The Sheltair Entities are required to spend a total of \$40,000,000 at the Airport to satisfy requirements of the lease agreements relating thereto. This \$37,400,000 of expenditures, as outlined herein (\$29,00,000 of expenditures partially funded from this Financing and \$8,400,000 already spent on the North Side), plus an additional \$5,000,000 of monies already spent on the existing buildings more than meet the required amount of \$40,000,000 of lease expenditures.

Thank you for consideration of our requests for approvals by the County regarding this Financing, which will benefit the Sheltair Entities and the County as well. We are available to answer any questions you may have regarding the Financing.

Respectfully,

A handwritten signature in black ink, appearing to read "Gerald M. Holland, CEO".

Gerald M. Holland
CEO/Chairman of the Board