



Adam L. Horn
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NON-BINDING PROPOSAL LETTER

October 27, 2016

Hillsborough County Aviation Authority
4160 George J. Bean Pkwy
Administrative Offices Bldg., Ste. 2400
2nd Level, Red Side
Tampa, Florida 33607
Attn: Connie Mundzak, Procurement Dept.

Damian L. Brooke, Vice President of Finance and IT
Hillsborough County Aviation Authority
P.O. Box 22287
Tampa, FL 33622

Re: Up to \$17,000,000 facility as described in Annex I ("Loan") to Hillsborough County Aviation Authority ("Borrower")

Dear Mr. Brooke:

STI Institutional & Government, Inc., ("*STING*" or "Lender") is pleased to consider making the Loan to Borrower based substantially on the proposed summary of terms and conditions set forth on Annex I attached hereto and incorporated herein by this reference (this "Letter").

This Letter is provided for discussion purposes as an expression of interest by Lender in the proposed financing, does not contain all required terms and conditions and should not be construed to be a commitment, offer, or agreement by Lender to issue a commitment or provide the proposed financing and, as such, Borrower shall be deemed to place no reliance on this Letter. The proposed financing is subject to standard credit underwriting and approval by Lender, which may not be forthcoming. This Letter is not assignable, not intended to benefit any third party, subject to such other terms and conditions as Lender may require, and not an offer or recommendation to enter into any "swap" transaction per Section 1a(47) of the Commodity Exchange Act.

This Proposal Letter is not intended to, and shall not create a legally binding obligation on the part of the STING or the Borrower. This Letter constitutes the entire understanding between Lender and Borrower in connection with the proposed Loan as of the date hereof, supersedes any prior written or oral communications or understandings, and may be amended only by a writing signed by Lender. This Letter is unconditionally cancellable by Lender at any time, neither party shall have an express or implied duty to negotiate and either party may terminate negotiations at any time in their sole discretion, and partial performance or efforts to carry out other acts in contemplation of consummating the proposed Loan shall not, in isolation or in aggregate, be deemed evidence of intent by either party to be bound by the terms of this Letter. Neither Lender nor Borrower shall be deemed to have entered into, signed or executed binding documents evidencing the Loan by virtue of this or any other communication at any time prior to Lender's express acceptance of Loan documents prepared by Lender or its counsel. If Lender and Borrower enter into the proposed Loan, this Letter shall not survive any closing of the proposed Loan, and if there is a conflict between the terms of this Letter and any documents evidencing the Loan, the terms of the documents evidencing the Loan shall be controlling.

Pursuant to the requirements of the Patriot Act, Lender and its affiliates are required to obtain, verify and record information that identifies Loan obligors, which information includes the name, address, tax identification number and other information regarding obligors that will allow Lender to identify obligors in accordance with the Patriot Act, and Lender is hereby so authorized. This notice is given in accordance with the requirements of the Patriot Act and is effective for SunTrust and its affiliates.

This Letter is governed by the laws of the State of FL. To the extent permitted by applicable law, Borrower and Lender waive trial by jury in connection with any action arising under or related to this Letter and submit to exclusive jurisdiction in the foregoing state of governing law.

Except as expressly set forth herein with regard to choice of law, waiver of jury trial and Borrower's obligation to pay Costs, this Letter is not intended to, and shall not, create a legally binding obligation on the part of Lender or Borrower, and your signature below confirms your understanding of this. Subject to the foregoing sentence, if you would like Lender to continue its underwriting and review process and to seek the appropriate credit approvals (which may not be forthcoming), please so advise by executing and returning a copy of this Letter to the address below (delivery of this Letter by the parties via electronic transmission shall be permissible), by December 1, 2016, or this Letter will be deemed withdrawn. This Letter may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same instrument. A signed counterpart of this Letter transmitted via facsimile, pdf or some other electronic means shall be as fully enforceable as the counterpart containing the original signature(s).

If you have any questions in connection with this Proposal Letter or any of the proposed terms and conditions, please do not hesitate to contact me.

Yours sincerely,



Adam L. Horn
Senior Vice President
STI Institutional & Government, Inc.
Tampa, FL

The terms and conditions of this Letter are hereby acknowledged and agreed to this ___ day of ____, 2016

BORROWER:

By: _____

Print Name: _____

Print Title: _____

¹ Note: Execution of this Letter will signify Borrower's request for credit. If Lender does not timely receive the information or documentation outlined herein or subsequently requested by Lender, Borrower's request for credit will be deemed withdrawn by Borrower. You should inquire about the status of Borrower's request for credit at Lender's address listed above. If the requested financing is denied, you have the right to request a written explanation by writing to Lender at the above address within 60 days of Lender's notice of denial. The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Reserve Bank of Atlanta. Any questions concerning this creditor should be directed to the Federal Reserve Consumer Help Center, P.O. Box 1200, Minneapolis, MN 55480, toll-free number: (888) 851-1920, fax number: (877) 888-2520, TTY number: (877) 766-8533.

Affirmative Statements and location of required information:

A. Lender has the capacity and is willing to purchase the 2016A Bond at a fixed rate in the principal amount of approximately \$17 million, and with a final maturity of October 1, 2020, to refund the 2008B Bonds.

B. Lender understands that the 2016A Bond to be acquired through this Solicitation will be secured by a pledge of Authority Net Revenues, as described in the Solicitation, Section 2.0, and will be issued pursuant to the Senior Trust Agreement for Authority GARBs on a parity basis with Authority outstanding senior lien General Airport Revenue Bonds (GARBs) and additional Senior GARBs that may be issued in the future pursuant to the terms of the Senior Trust Agreement.

C. Details of the formula Lender will use to set the fixed interest rate on the 2016A Bond proposed to be purchased can be found on the on page 2 of the attached Term Sheet under the heading "Interest Rate". The fixed interest rate is based on "Approach No. 1 outlined in the RFP, and will be held for 60 days from the date Respondent's Response is due, provided the Borrower notifies Lender of intent to recommend proposal for award to the Borrower's Board of Directors by 5pm on November 29, 2016 and the loan closes on or before December 16, 2016.

D. The attached proposal offers the Authority all three of the pre-payment options outlined in the RFP. Details of how the fixed interest rate proposed in Item C would change if the prepayment options below were available to Borrower can be found on page 2 of the Term Sheet under the headings "Prepayment" and "Interest Rates"

E. The attached proposal includes a \$15,000 upfront loan fee; no additional loan origination fees are included.

F. Refunding transactions expenses related to the proposed refunding transaction are include on page 3 of the attached Term Sheet under the heading "Opinion of Borrower/Note Counsel Legal Fees".

G. No other fees from the Lender outside of the Legal Fees referenced in item "F" above.

H. Lender proposes to use outside legal counsel of Rogers Towers, P.A. on the refunding transaction, whose estimated legal fee for the refunding transaction is include on page 3 of the attached Term Sheet under "Opinion of Borrower/Note Counsel Legal Fees".

I. Lender has reviewed and accepted Appendix C, Senior Trust Agreement with Amendments through 2015, for its Senior lien GARBs and that Respondent is agreeable to the covenants, terms and conditions contained therein for the refunding transaction. Please refer to "Determination of Taxability" section of term sheet found on the bottom of page 3 and the top of page 4.

J. Lender has reviewed and accepted Appendix D, Draft 2016A Supplemental Trust Agreement, Appendix E, Purchaser's Investment Certificate, and Appendix F, Purchaser's Disclosure Letter, pursuant to which the 2015B Bond will be issued.

K. Lender can finalize credit approval for the Note within three to five business days of notice of recommendation for award.

Annex 1

**STI INSTITUTIONAL & GOVERNMENT, INC.
TERM SHEET FOR GOVERNMENT TRANSACTIONS**

| | |
|---|---|
| Municipal Advisor Rule Disclosure: | <p>STI Institutional & Government, Inc. (Lender) is an institutional buyer and makes direct purchase loans to Municipal Entities and Obligated Persons as defined under the Municipal Advisor Regulation, and in this term sheet is providing information regarding the terms under which it would make such a purchase for its own account.</p> <ul style="list-style-type: none">a) Lender is not recommending an action to the Borrower, the Guarantors or the issuer of the debt;b) Lender is not acting as an advisor to the Borrower, the Guarantors or the issuer of the debt and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to the Borrower, the Guarantors or the issuer of the debt with respect to the information and material contained in this communication;c) Lender is acting for its own interests; andd) The Borrower, the Guarantors and the issuer of the debt should discuss any information and material contained in this communication with any and all internal or external advisors and experts that the municipal entity or obligated person deems appropriate before acting on this information or material. |
| Borrower: | Hillsborough County Aviation Authority (the “Authority” or “Borrower”). |
| Lender: | STI Institutional & Government, Inc. |
| Facility: | A Non-Bank Qualified Loan in the form of a tax-exempt bond (the “Bond”). |
| Purpose: | The proceeds from the Note will be used to refund the Series 2008B Senior Lien General Airport Revenue Bonds. |
| Amount: | Up to \$17,000,000 |
| Repayment: | Interest shall be payable calculated on the basis of a 30/360-day year payable semi-annually on April 1 and October 1, commencing April 1, 2017. Principal payments shall be due annually on October 1, commencing October 1, 2018. Principal payments will mirror those of the schedule indicated in the RFP, provided that the weighted average maturity does not increase. |
| Security: | The Note will be secured solely by a senior parity lien upon and pledge of (a) the Borrower’s Net Revenues, as described in the Solicitation, Section 2.0, and will be issued pursuant to the Senior Trust Agreement for Authority General Airport Revenue Bonds (GARBs) on a parity basis with Authority outstanding senior lien GARBs and additional Senior GARBs that may be issued in the future pursuant to the terms of the Senior Trust Agreement; and, (b) any moneys on deposit in certain funds and accounts created under the Senior Trust Agreement, as specified therein (collectively, the “Pledged Revenues”). |

Interest Rate:

Indicative non-bank qualified tax-exempt fixed rates are outlined in the table below as of November 26, 2016. The indicative rate quotes includes a sixty (60) day rate lock from the date of this letter.

| Prepayment Option | Rate |
|---|-------------|
| Option 1: Pre-payable at any time without penalty | 2.15% |
| Option 2: Pre-payable on or after 10/1/2018 without penalty | 2.12% |
| Option 3: Pre-payable with make-whole language | 2.03% |
| Option 4: Pre-payable on or after 10/1/2019 without penalty | 2.06% |

The Borrower understands that market interest rates are subject to change. The Borrower also understands that in the event the Facility is funded during the Rate Lock Period, the Rate will become the effective interest rate for the Facility even if market interest rates are lower than the Rate at the time the Facility is funded.

If the Facility is not funded for any reason on or before the expiration of the Rate Lock Period, Lender may, in its sole discretion, offer a new fixed rate and a revised closing date, provided, however, that if the revised interest rate is unacceptable to the Borrower, the Borrower shall not be obligated to proceed with the Facility. Notwithstanding the foregoing, in the event the Facility is not funded for any reason, the Borrower shall be obligated to reimburse any fees and expenses incurred by Lender in connection with the Facility including, without limitation, attorney's fees.

Maturity Date:

October 1, 2020

Acceptance of Rate:

To maintain this rate quote through closing date, the Borrower must notify the Lender of its acceptance of the general terms and conditions of this Term Sheet before close of business on November 29, 2016 (subject to the Board's approval) and this transaction must close by December 16, 2016.

Prepayment:

The following prepayment alternatives are available. Please refer to the table above under "Interest Rate" to determine the corresponding rate with the option selected.

Option 1: No Prepayment Penalty: The Lender will allow prepayment of the Note in whole or in part on any Business Day without penalty.

Option 2: Prepayment Without Penalty (2018): The Lender will allow prepayment of the Note in whole or in part on any Business Day without penalty on or after November 1, 2018.

Option 3: Make Whole. In the event of a prepayment of the Note under this paragraph, the Borrower may be required to pay the Lender an additional fee (a prepayment charge or premium) determined by Lender's make whole compensation provision in the loan documents, to compensate the Lender for all losses, costs and expenses incurred in connection with such prepayment.

Option 4: Prepayment Without Penalty (2019): The Lender will allow prepayment of the Note in whole or in part on any Business Day without penalty on or after November 1, 2019.

Borrower may prepay the Note in whole or in part at any time upon two Business

Days' prior written notice to the Lender. Such prepayment notice shall specify the amount of the prepayment which is to be made. Any partial prepayment shall be applied as determined by Lender in its sole discretion.

Determination of Taxability:

Upon the occurrence of a Taxable Event the Interest Rate on the Bond shall be adjusted to assure maintenance of the yield.

"Taxable Event" means the occurrence after the date hereof of a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on all or a portion of any Bond is or was includable in the gross income of a Lender for Federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the Borrower has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Lender, and until the conclusion of any appellate review, if sought. A Taxable Event does not include and is not triggered by a change in law by Congress that causes the interest to be includable under Lender's gross income.

**Opinion of Borrower/Note Counsel
Legal Fees**

Our proposed Lender's counsel is Irvin M. Weinstein with Rogers Towers in Jacksonville, Florida. Fees for our counsel will be:

- (a) Not to exceed \$15,000 if our counsel closes the transaction and reviews documentation prepared by the note counsel or counsel to the Borrower;
- (b) Borrower agrees to pay all other reasonable fees, charges, expenses and costs in connection with the transaction, whether it actually closes or not.
- (c) Payment by borrower of expenses described herein shall not be contingent upon closing and legal fees on account of borrower after documentation has started are payable regardless of whether the transaction closes.
- (d) If the loan has extraordinary negotiations, unexpected issues arise or the loan does not close before the closing date set in the commitment the legal fee will be increased to reflect any extra work performed and Borrower agrees to pay such fee.

Covenants and Conditions:

- a. All matters relating to this loan, including all instruments and documents required, are subject to the Lender's policies and procedures in effect, applicable governmental regulations and/or statutes, and approval by the Lender and the Lender's Counsel. This includes, but is not limited to, any Master Agreements, Base Lease Agreements, Supplemental Agreements, Deeds of Trust or Security Agreements currently existing or to be executed and related to the Facility(s).
- b. The provisions, terms and conditions contained herein are not inclusive of all the anticipated terms that will be applicable to the credit and do not purport to summarize all of the conditions, covenants, definitions, representations, warranties, but shall include but not be limited to the waiver of jury trial, submission to jurisdiction and venue, events of default, a default rate the lesser of Prime Rate plus 8% or the maximum allowed rate by law, or other provisions that may be contained in documents required to consummate this financing. All of such terms will be set forth in the final, definitive loan documents, and all such terms must be acceptable to the Lender and its counsel. All matters relating to this loan are subject to Lender's policies and procedures in effect and applicable government statutes and regulations.
- c. Receipt of opinion from Note Counsel in form and substance satisfactory to the Lender, which shall include, without limitation, an opinion that the

interest on the Note is excludable from gross income of the owners thereof for Federal income tax purposes.

- d. The Borrower agrees to have the interest payments collected via ACH Direct Debit from a bank account held at an institution of the Borrower's choosing.
- e. Rate Covenant: The Borrower shall maintain a rate covenant as is currently called for in existing indenture, along with any other covenants within the Senior Trust Agreement and any applicable Supplemental Agreements. It is our understanding the current covenant is a 1.25x debt service coverage on annual debt service on outstanding bonds per the Senior Trust Agreement.
- f. Parity: This debt will be on parity with all other Senior Lien General Airport Revenue Bonds or other Senior Debt of the Borrower.
- g. Additional Debt Test: As outlined in the existing Senior Trust Agreement and any applicable Supplemental Agreements.
- h. If any of the Borrower's debts (LOCs, loans, bonds, securities, etc.) secured by General Airport Revenues, now or in the future, are granted acceleration rights, those same rights will apply to this Note.

Closing Conditions:

The closing of the Loan shall be conditioned upon satisfaction (or valid waiver) of conditions precedent usual and customary for transactions of this type, including, without limitation, the following conditions (all of the items to be delivered in form and substance satisfactory to Lender): (1) receipt and review of (a) all financial, information and other information required by Lender on Borrower) and their constituent entities and other entities specified by Lender, including all due diligence materials to verify authority, identity and background information for regulatory purposes under applicable "know your customer" and anti-money laundering laws, as deemed necessary by Lender in its sole and absolute discretion and (b) such other information and due diligence deliveries as are requested by and acceptable to Lender, including, but not limited to, an environmental questionnaire and any other requested due diligence with respect to any applicable real property, legal documentation and attorney opinion letters; (2) authorization, execution and delivery of such documentation as is standard and customary for this type of transaction or otherwise deemed necessary or appropriate by Lender, and (3) there shall not have occurred, in the opinion of Lender, any material adverse change in the business or financial condition of Borrower or in any other state of facts submitted to Lender in connection with the Loan, from that which existed at the time Lender initially considered the proposed Loan.

The funding of the Loan shall be subject to accuracy of representations and warranties as of the date of such Loan and no event of default or incipient default under the Loan shall have occurred and be continuing as of the date of such Loan or would result from making the Loan.

Expenses and Indemnification:

Borrower will pay all costs and expenses of Lender in connection with the administration and enforcement of all documentation executed in connection with the Loan including, the fees, charges and disbursements of Lender's counsel (including in-house counsel) subject to the limitations above regarding the loan closing counsel fees.

**Governing Law and
Jurisdiction:**

State of Florida

This Summary of Terms and Conditions is intended as an outline of certain material terms and conditions applicable to the Loan and does not purport to describe all of the terms and conditions, representations and warranties, covenants and other provisions that could be contained in the definitive loan and collateral documentation relating to the Loan.