As filed with the Securities and Exchange Commission on January 28, 1997

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-K

(Mark One)

X ----- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (fee required)

FOR THE FISCAL YEAR ENDED OCTOBER 31, 1996 OR

----- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (no fee required)

For the transition period from _____ to _____

Commission file number 1-4604

HEICO CORPORATION
(Exact name of registrant as specified in its charter)

FLORIDA	65-0341002
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3000 TAFT STREET, HOLLYWOOD, FLORIDA	33021
(Address of principal executive offices)	(Zip Code)

(954) 987-6101
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b)of the Act:

COMMON STOCK, PAR VALUE $.01 PER SHARE	AMERICAN STOCK EXCHANGE
(Title of Each Class)	(Name of Each Exchange On Which Registered)

Securities registered pursuant to Section 12(g) of the Act:

PREFERRED STOCK PURCHASE RIGHTS
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of the voting stock held by nonaffiliates of the registrant as of December 31, 1996 was $73,020,000 based on the closing price of $26 3/8 on December 31, 1996 as reported by the American Stock Exchange and after subtracting from the number of shares outstanding on that date the number of shares held by affiliates of the Registrant.

The number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

COMMON STOCK, $.01 PAR VALUE	5,306,430 SHARES
(Class)	(Outstanding at January 17, 1997)

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the 1997 Annual Meeting of Shareholders are incorporated by reference into Part III. See Item 14(a)(3) on page 40 for a listing of exhibits.

Certain statements in this Report constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: lower commercial air travel, product pricing levels, general economic conditions and competition on military programs.

PART I

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ITEM 1. BUSINESS

GENERAL

HEICO Corporation (the Company) is principally engaged in the design, manufacture and sale of aerospace products and services through HEICO Aerospace Corporation (HEICO Aerospace) and HEICO Aviation Products Corp. (HEICO Aviation), both wholly-owned subsidiaries of the Company. References in this Annual Report on Form 10-K to the "Company" include each of the Company's subsidiaries unless otherwise required by the context.

In July 1996, the Company consummated the sale of all of the outstanding capital stock of its wholly-owned subsidiary MediTek Health Corporation ("MediTek"), representing the Company's health care services segment, to U.S. Diagnostic, Inc. ("USDL"). For further information regarding the sale of the Company's Health Care operations, see Note 3 to the Consolidated Financial Statements. With the sale of MediTek, the Company's operations are all within a single business segment.

In September 1996, the Company, through HEICO Aviation, acquired all of the outstanding stock of Trilectron Industries, Inc. (Trilectron). Trilectron is primarily a manufacturer of ground power, air conditioning and air starting equipment for civil and military aircraft. For further information regarding the acquisition of Trilectron, see Note 2 to the Consolidated Financial Statements.

Upon the purchase of Trilectron, the Company's operations were divided into the Flight Support Group and the Ground Support Group. For a description of the general development of the Company's Flight Support Group and Ground Support Group, see the narrative below.

The Company was organized in 1993 creating a new holding company known as HEICO Corporation and renaming the former holding company (formerly known as HEICO Corporation, organized in 1957) as HEICO Aerospace Corporation. The reorganization, which was completed in 1993, did not result in any change in the business of the Company, its consolidated assets or liabilities or the relative interests of its shareholders.

MARKETS AND DISTRIBUTION - FLIGHT SUPPORT GROUP

The Flight Support Group is operated by HEICO Aerospace and is composed of Jet Avion Corporation (Jet Avion), LPI Industries Corporation (LPI), and Aircraft Technology, Inc. (Aircraft Technology), all of which are wholly-owned subsidiaries.

JET AVION CORPORATION - Jet Avion is primarily engaged in the development and sale of certain replacement parts for commercial jet aircraft engines, principally engine components for Pratt & Whitney JT8D engines, which are used in Boeing 727 and 737 and McDonnell Douglas DC-9 and MD-80 commercial aircraft. Since 1991, Jet Avion has expanded its program to obtain additional Federal Aviation Administration ("FAA") approval to manufacture and sell other replacement parts and has obtained FAA approvals on additional replacement parts for: JT9D engines, which are used in Boeing 747 and 767, Airbus A300 and A310 and McDonnell Douglas DC-10 aircraft; PW2000 engines, which are utilized in Boeing 757 aircraft; and PW4000 engines which are utilized in Boeing 747 and 767, Airbus A300, A310 and A330 and McDonnell Douglas MD-11 aircraft and certain other commercial aircraft engines.

Jet Avion sells its jet engine replacement parts principally to domestic and foreign commercial air carriers (passenger and cargo) and aircraft repair (airmotive) companies through Jet Avion's sales force.

Jet Avion holds Parts Manufacturing Approvals (PMA) from the FAA for the engine components which it sells. With PMA certification, Jet Avion may manufacture and sell approved replacement parts as FAA certified. This approval is obtained by submitting to the FAA a data package concerning replacement parts intended to be manufactured by the Company, and, if the FAA finds such parts qualify as original part replacements, PMA certification is then granted. For information regarding pending litigation relating to certain of Jet Avion's sales, see Item 3 to Part I of this Form 10-K.

LPI INDUSTRIES CORPORATION - LPI is engaged in the production of a variety of component parts for the aerospace industry and manufactures a substantial portion of Jet Avion's products. In addition, LPI manufactures and sells component parts to original equipment manufacturers (OEMs) as a sub-contractor and to U.S. military agencies as a replacement parts supplier. Orders are obtained through LPI's sales force from outside customers (OEM and U.S. military agencies) by competitive bidding and generally have contract terms from one to three years. Currently, orders extending beyond one year are not significant.

AIRCRAFT TECHNOLOGY, INC. - Aircraft Technology is engaged primarily in the overhaul and repair of certain of JT8D and JT3D jet engine components and markets its services principally through Jet Avion's sales force.

ATI Heat Treat, a subsidiary of Aircraft Technology, provides commercial heat treating and brazing services. In January 1997, the Company discontinued offering such services to outside customers and sold the related assets. The amount of revenues and earnings derived from outside customers for such services and the proceeds from the sale of the related assets were not significant.

MARKETS AND DISTRIBUTION - GROUND SUPPORT GROUP

The Ground Support Group is operated by HEICO Aviation and is composed principally of Trilectron.

Trilectron is primarily engaged in the design, manufacturer and sale of aircraft ground support equipment used to fulfill power, jet starting and air-conditioning requirements for commercial and military aircraft. Trilectron also manufactures and sells military electronics.

Customers of Trilectron are primarily domestic and foreign commercial air carriers (passenger and cargo), contracted ground support service providers and military agencies (United States and foreign). Orders are obtained by Trilectron's sales force or by independent sales representatives and generally have contract terms from one to three years. Currently, orders extending beyond one year are not significant.

PRINCIPAL PRODUCTS AND CUSTOMERS

Sales of the Flight Support Group accounted for 93% of the Company's total consolidated sales from continuing operations in fiscal 1996, and all of the Company's sales from continuing operations in fiscal 1995 and 1994. On a proforma basis, assuming Trilectron had been acquired as of the beginning of fiscal 1996, the Flight Support Group's sales would have accounted for 67% of consolidated fiscal 1996 sales from continuing operations.

Sales of products and services related to JT8D engines accounted for approximately 75% of the Company's sales from continuing operations in fiscal 1996.

No one customer accounted for sales of 10% or more of total consolidated sales from continuing operations during any of the last three fiscal years. Military sales were 3% of the Company's consolidated sales from continuing operations in fiscal 1996.

COMPETITION

With respect to sales of jet engine replacement parts by the Flight Support Group, the Company competes mainly with Pratt & Whitney, a division of United Technologies Corporation. The competition is principally based on price and service inasmuch as the Company's parts are interchangeable with the parts produced by Pratt & Whitney. The Company believes that it supplies a substantial portion of the market for certain JT8D engine components for which it holds a PMA from the FAA, with Pratt & Whitney controlling the balance. With respect to other aerospace products and services sold by the Flight Support Group, the Company competes with a large number of machining, fabrication and repair companies, some of which have greater financial resources than the Company. Competition is based mainly on price, product performance, service and technical capability.

The Company's Ground Support Group competes with several large and small domestic and foreign competitors, some of which have greater financial resources than the Company. The Company believes the market for its ground support equipment is highly fragmented, with competition based mainly on price, product performance and service.

BACKLOG

The Company's backlog of unshipped orders as of October 31, 1996 was $25 million as compared to $23 million as of October 31, 1995 and $14 million as of October 31, 1994. The backlog includes $11 million related to the newly acquired Ground Support Group's operations. The backlog also includes $9 million representing forecasted shipments over the next 12 months for certain contracts of the Flight Support Group pursuant to which customers provide estimated annual usage. Substantially all of the backlog of orders as of October 31, 1996 are expected to be delivered during fiscal 1997. For additional information regarding the Company's backlog, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Backlogs."

RESEARCH, DEVELOPMENT AND PRODUCT IMPROVEMENT ACTIVITIES

The Company has expanded the engineering capabilities of its Flight Support Group to manufacture and distribute additional jet engine components as discussed above. In fiscal 1996, 1995 and 1994, the cost of such activities amounted to approximately $2,400,000, $1,800,000 and $1,200,000, respectively. In addition, the Company intends to increase the development of new products within its Ground Support Group in order to expand the existing product line.

PATENTS, TRADEMARKS, ETC.

As discussed under "Markets and distribution" above, the Company's PMAs from the FAA are material to the Company's operations. The Company does not have any patents, trademarks or licenses that the loss of which would materially adversely affect the Company.

RAW MATERIALS

The principal materials used in the manufacture of the Company's Flight Support Group's products are high temperature alloy sheet metal and castings and forgings. The principal materials used in the manufacture of the Company's Ground Support Group's products are numerous raw materials, parts and components, including diesel and gas powered engines, compressors, and generators. The materials used by the Company's operations are generally available from a number of sources and in sufficient quantities to meet current requirements subject to normal lead times.

EMPLOYEES

At the end of fiscal 1996, the Company and its subsidiaries employed approximately 370 persons, of which approximately 240 were employed within the Flight Support Group and approximately 120 were employed within the Ground Support Group.

ENVIRONMENTAL REGULATION

Compliance with federal, state and local provisions relating to the protection of the environment has not had and is not expected to have a material effect upon the capital expenditures, earnings or competitive position of the Company.

SEASONALITY

The Company believes that its business activities are not seasonal.

FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES

The Company has no operations located outside of the United States. See Note 13 to the Consolidated Financial Statements for additional information regarding the Company's export sales.

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ITEM 2. PROPERTIES

The Company's headquarters is located at 3000 Taft Street, Hollywood, Florida and occupies approximately 5,000 square feet of office space at this location. HEICO Aerospace and its subsidiaries occupy the remainder of this 140,000 square foot facility, which is owned by HEICO Aerospace.

Trilectron is located at 12297 U.S. Highway 41 North, Palmetto, Florida and occupies a 35,000 square foot facility under a lease expiring in 1998. Trilectron currently intends to build a new facility aggregating approximately 75,000 square feet in 1997 on other property owned by Trilectron and located in Palmetto, Florida.

The Company and its subsidiaries have adequate capacity to handle their anticipated needs for the foreseeable future. The real property owned by the Company, exclusive of the unimproved property owned by Trilectron, is subject to mortgages. See Note 5 to the Consolidated Financial Statements.

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ITEM 3. LEGAL PROCEEDINGS

In November 1989, HEICO Aerospace and Jet Avion were named defendants in a complaint filed by United Technologies Corporation (United) in the United States District court for the Southern District of Florida. The complaint, as amended in fiscal 1995, alleges infringement of a patent, misappropriation of trade secrets and unfair competition relating to certain jet engine parts and coatings sold by Jet Avion in competition with Pratt & Whitney, a division of United. United seeks approximately $10 million in damages for the patent infringement and approximately $30 million in damages for the misappropriation of trade secrets and the unfair competition claims. The aggregate damages referred to in the preceding sentence do not exceed approximately $30 million because a portion of the misappropriation and unfair competition damages duplicate the $10 million patent infringement damages. The complaint also seeks, among other things, pre-judgment interest and treble damages.

In July and November 1995, the Company filed its answers to United's complaint denying the allegations. In addition, the Company filed counterclaims against United for, among other things, malicious prosecution, trade disparagement, tortious interference, unfair competition and antitrust violations. The Company is seeking treble, compensatory and punitive damages in amounts to be determined at trial. United filed its answer denying certain counterclaims and moved to dismiss other counterclaims. A number of motions are currently pending and no trial date has been set.

Based on currently known facts, the Company's legal counsel has advised that it believes that the Company should be able to successfully defend the patent infringement claims alleged in United's complaint. With respect to the misappropriation and unfair competition claims, legal counsel to the Company has advised that it believes the likelihood that United will be able to prove a case regarding such claims within the statute of limitations is remote. Further, the Company intends to vigorously pursue its counterclaims against United. The ultimate outcome of this litigation is not certain at this time and no provision for gain or loss, if any, has been made in the accompanying consolidated financial statements.

The Company is involved in various other legal actions arising in the normal course of business. After taking into consideration legal counsel's evaluation of such actions, management is of the opinion that the outcome of these other matters will not have a significant effect on the Company's consolidated financial statements.

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ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS

There were no matters submitted to a vote of securities holders during the fourth quarter of fiscal 1996.

EXECUTIVE OFFICERS OF THE REGISTRANT

The Executive Officers are elected by the Board of Directors at the first meeting following the annual meeting of shareholders and serve at the discretion of the Board. The names and ages of, and offices held by, the executive officers of the Company are as follows:

NAME	AGE	OFFICE
Laurans A. Mendelson	58	Chairman of the Board, President and Chief Executive Officer of the Company
Thomas S. Irwin	50	Executive Vice President and Chief Financial Officer of the Company
Eric A. Mendelson	31	Director, Vice President of the Company; President of HEICO Aerospace Corporation
Victor H. Mendelson	29	Director, Vice President and General Counsel of the Company; President of HEICO Aviation Products Corp.
James L. Reum	65	Executive Vice President and Chief Operating Officer of HEICO Aerospace Corporation

Mr. Laurans Mendelson has served as Chairman of the Board of the Company since December 1990 and as Co-Chairman of the Board of the Company from January 1990 until December 1990. Mr. Mendelson has also served as Chief Executive Officer of the Company since February 1990, President of the Company since September 1991 and President of MediTek Health Corporation from May 1994 until its sale in July 1996. He has been Chairman of the Board of Ambassador Square, Inc. (a Miami, Florida real estate development and management company) since 1980 and President of that company since 1988. He has been Chairman of Columbia Ventures, Inc. (a private investment company) since 1985 and President of that company since 1988. Mr. Mendelson is a Certified Public Accountant.

Mr. Irwin has served as Executive Vice President of the Company since September 1991 and served as Senior Vice President of the Company from 1986 to 1991 and Vice President and Treasurer from 1982 to 1986. Mr. Irwin is a Certified Public Accountant.

Mr. Eric Mendelson has served on the Company's Board of Directors since July 1992. He has served as a Vice President of the Company since March 1992 and President of HEICO Aerospace Corporation since April 1993. He served as Director of Planning and Operations of the Company and Executive Vice President of Jet Avion Corporation from 1990 to March 1992. Eric Mendelson is the son of Laurans Mendelson.

Mr. Victor Mendelson has served on the Company's Board of Directors since July 1996. He has served as President of HEICO Aviation Products Corp. since September 1996 and as General Counsel of the Company since 1993. He served as Executive Vice President of MediTek Health Corporation beginning in 1994 and its Chief Operating Officer from 1995 until its sale in July 1996. He was the Company's Associate General Counsel from 1992 until 1993. From 1990 until 1992, he worked on a consulting basis with the Company developing and analyzing various strategic opportunities. He is a member of the American Bar Association and The Florida Bar. Victor Mendelson is the son of Laurans Mendelson.

Mr. James Reum has served as Executive Vice President of HEICO Aerospace since April 1993 and Chief Operating Officer of HEICO Aerospace since May 1995. He also has served as President of LPI Industries Corporation since August 1991 and President of Jet Avion Corporation since March 1996. From January 1990 to August 1991, he served as Director of Research and Development for Jet Avion Corporation. From 1986 to 1989, Mr. Reum was self-employed as a management and engineering consultant to companies primarily within the aerospace industry. From 1957 to 1986, he was employed in various management positions with Chromalloy Gas Turbine Corp., Cooper Airmotive (later named Aviall, Inc.), United Airlines, Inc. and General Electric Company.

COMPLIANCE WITH SECTION 16(A) OF THE SECURITIES AND EXCHANGE ACT OF 1934

Section 16(a) of the Securities and Exchange Act of 1934 requires the Company's Directors, Executive Officers and 10% shareholders to file initial reports of ownership and changes in ownership of Common Stock with the Securities and Exchange Commission and the American Stock Exchange. Directors, Executive Officers and 10% shareholders are required to furnish the Company with copies of all Section 16(a) forms they file. Based on the review of such reports furnished to the Company, the Company believes that during 1996, the Company's Directors, Executive Officers and 10% shareholders complied with all Section 16(a) filing requirements applicable to them except that Messrs. Laurans Mendelson, Thomas Irwin, Eric Mendelson, Victor Mendelson and one former Executive Officer each filed one late report relating to shares of Common Stock allocated to each of these Executive Officers' participant accounts by the Company's 401-K Plan. The reports were delayed because the information necessary to complete the filings was not provided to the Plan participants until after the Section 16(a) required filing date.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

The Company's common stock is traded on the American Stock Exchange under the Symbol "HEI". The following table sets forth the quarterly high and low sales prices for the common stock on the American Stock Exchange and the amounts of cash dividends paid per share during the last two fiscal years. In July 1995, February 1996 and July 1996 the Company paid 10% stock dividends in addition to its semi-annual cash dividends. The Company also distributed a three-for-two stock split in April 1996. In December 1996, the Company declared a fourth 10% stock dividend in addition to a semi-annual cash dividend of $.05 per share, both payable January 17, 1997 to shareholders of record January 8, 1997. The quarterly sales prices and cash dividend amounts set forth below have been retroactively adjusted for the stock split and stock dividends, including the stock dividend paid in January 1997.

	1996			1995		
FISCAL QUARTER	HIGH	LOW	DIVIDENDS PER SHARE	HIGH	LOW	DIVIDENDS PER SHARE
First	9.52	9.02	$.041	4.84	4.10	$.034
Second	13.29	8.75	--	6.83	4.78	--
Third	24.07	11.98	$.045	8.52	6.43	$.037
Fourth	17.73	14.09	--	9.89	7.45	--

The Company had approximately 1,300 shareholders of record as of December 31, 1996.

ITEM 6. SELECTED FINANCIAL DATA

	YEAR ENDED OCTOBER 31,				
	1996	1995	1994	1993	1992
	(in thousands of dollars, except per share data)				
OPERATING DATA(5)					
Net sales	$ 34,565	$ 25,613	$ 19,212	$ 19,856	$ 19,852
Gross profit from sales	$ 12,169	$ 8,116	$ 5,835	$ 5,119	$ 5,993
Selling, general and administrative expenses	$ 7,657	$ 6,405	$ 5,495	$ 4,850	$ 4,750
Insurance recovery of litigation costs	$ ---	$ ---	$ ---	$ (190)	$ (350)
Non-recurring charge	$ ---	$ ---	$ ---	$ ---	$ 1,900(1)
Interest expense	$ 185	$ 169	$ 59	$ 205	$ 183
Net income:					
From continuing operations before cumulative effect of change in accounting principle	$ 3,665	$ 1,437	$ 640	$ 728	$ 332
From discontinued operations(2)	963	1,258	830	256(3)	(912)
From gain on sale of discontinued operations	5,264	---	---	---	---
From cumulative effect on prior years of change in accounting principle	---	---	381	---	---
Net income (loss)	$ 9,892	$ 2,695	$ 1,851	$ 984	$ (580)
Weighted average number of common and common equivalent shares (4)	5,903,151	5,302,370	5,044,963	5,190,196	4,971,480
Net income (loss) per share:					
From continuing operations before cumulative effect of change in accounting principle (4)	$ .62	$ .27	$ .13	$ .14	$ .07
From discontinued operations	.17	.24	.16	.05	(.19)
From gain on sale of discontinued operations	.89	---	---	---	---
From cumulative effect of change in accounting principle (4)	---	---	.08	---	---
Net income (loss) per share (4)	$ 1.68	$ .51	$ .37	$ .19	$ (.12)
Cash dividends per share (4)	$ .086	$ .072	$ .068	$ .068	$ .068
BALANCE SHEET DATA					
Working capital	$ 25,248	$ 14,755	$ 12,691	$ 12,517	$ 14,633
Net property, plant and equipment	$ 5,845	$ 9,296	$ 8,608	$ 7,734	$ 8,478
Total assets	$ 61,836	$ 47,401	$ 39,020	$ 33,738	$ 46,425
Long-term debt	$ 6,022	$ 7,076	$ 4,402	$ 2,864	$ 3,092
Shareholders' equity	$ 41,488	$ 30,146	$ 27,061	$ 25,513	$ 25,556

(1) Represents a non-recurring charge for the restructuring of the aerospace products and services segment.
(2) Represents income (loss) from the discontinued health care operations that were sold in fiscal 1996.
(3) Includes a $194,000 loss from the discontinued health care operations and a $450,000 reversal of a portion of reserves for costs related to the laboratory products segment disposed of in 1990, which were determined not to be required.
(4) Information has been adjusted to reflect a three-for-two stock split distributed in April 1996 and 10% stock dividends paid in July 1995, February 1996, July 1996 and January 1997.
(5) The Operating Data has been restated to show the results of the Company's health care operations as discontinued operations for all periods presented.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW OF CONTINUING OPERATIONS

Net sales in fiscal 1996 totaled $34,565,000, up 35% when compared to fiscal 1995 net sales of $25,613,000 and up 80% when compared to fiscal 1994 net sales of $19,212,000.

The Company's net income from continuing operations totaled $3,665,000, or $.62 per share, in fiscal 1996, improving 155% from net income from continuing operations of $1,437,000, or $.27 per share, in fiscal 1995 and improving 473% from net income of $640,000 (before the impact of an accounting change), or $.13 per share, in fiscal 1994.

The Company paid 10% stock dividends in July 1995, February 1996 and July 1996 and declared a fourth 10% stock dividend in December 1996, which is payable in January 1997. In addition, the Company distributed a 3-for-2 stock split in April 1996. All net income per share, dividends per share and common stock outstanding information has been adjusted for all years presented to give effect to the stock dividends and stock split, including the stock dividend payable in January 1997.

In September 1996, the Company acquired all of the outstanding stock of Trilectron, a manufacturer of ground power, air conditioning and air starting equipment for civil and military aircraft, as well as a designer and manufacturer of certain military electronics, for approximately $7 million in cash and the assumption of debt aggregating $2.3 million. The acquisition of Trilectron has been accounted using the purchase method of accounting and the results of operations of Trilectron are included in the consolidated statements of operations from September 1, 1996. For further information regarding the acquisition of Trilectron, see Note 2 to the Consolidated Financial Statements.

The increase in fiscal 1996 sales over fiscal 1995 sales reflects a $6,627,000, or 26% increase in revenues from the Company's Flight Support products (HEICO Aerospace) and $2,325,000 in revenues from the Company's Ground Support products, representing Trilectron's sales for the two months since its acquisition. The $6,401,000 increase in fiscal 1995 sales over fiscal 1994 sales is all attributable to HEICO Aerospace.

The increases in HEICO Aerospace's sales in fiscal 1996 and fiscal 1995 are principally due to increased sales volumes of jet engine replacement parts to the Company's commercial airline industry customers.

The net income improvement in fiscal 1996 and fiscal 1995 is primarily attributable to the increased sales volume of HEICO Aerospace and improved profit margins as further discussed below.

SALE OF HEALTH CARE OPERATIONS

In July 1996, the Company consummated the profitable sale of all of the outstanding capital stock of MediTek, representing the Company's health care services segment, to U.S. Diagnostic, Inc. ("USDL"). In consideration for the sale, the Company received $13,828,000 in cash and a five-year, 6-1/2% promissory note in the principal amount of $10,000,000, which is convertible, at the option of the Company, into 1,081,081 shares of USDL common stock.

The sale of MediTek resulted in a gain in fiscal 1996 of $5,264,000, or $.89 per share, net of expenses and applicable income taxes. MediTek's results of operations for the eight months ended June 30, 1996, fiscal 1995 and fiscal 1994 have been reported separately as discontinued operations in the Consolidated Statement of Operations. For further information regarding the Health Care operations, see Note 3 to the Consolidated Financial Statements.

RESULTS OF CONTINUING OPERATIONS

BACKLOGS

The Company's backlog of unshipped orders as of October 31, 1996 was $25 million as compared to $23 million as of October 31, 1995 and $14 million as of October 31, 1994. The backlog includes $11 million related to the newly acquired operations at Trilectron. The backlog also includes $9 million representing forecasted shipments over the next 12 months for certain contracts of HEICO Aerospace's operations pursuant to which customers provide estimated annual usage. The decrease in HEICO Aerospace's current backlog from that of October 31, 1995 is principally due to expiration of certain customer contracts which have been replaced by orders pursuant to shorter term purchase orders. Substantially all of the backlog of orders as of October 31, 1996 are expected to be delivered during fiscal 1997.

GROSS MARGINS AND OPERATING EXPENSES

The Company's gross profit margins averaged 35.2% in fiscal 1996 as compared to 31.7% in fiscal 1995 and 30.4% in fiscal 1994. The improvement reflects higher margins in HEICO Aerospace primarily attributable to volume increases in sales of higher margin products and manufacturing cost efficiencies.

Selling, general and administrative (SG&A) expenses were $7,657,000 in fiscal 1996, $6,405,000 in fiscal 1995 and $5,495,000 in 1994. As a percentage of net sales, SG&A expenses declined from 28.6% in fiscal 1994 to 25.0% in fiscal 1995 and declined further to 22.2% in fiscal 1996, reflecting continuing efforts to control costs while increasing revenues. The $1,252,000 increase from fiscal 1995 to fiscal 1996 is due principally to increased HEICO Aerospace selling expenses and SG&A expenses of Trilectron since its acquisition. The $910,000 increase in SG&A expenses from fiscal 1994 to fiscal 1995 is due principally to an increase in general corporate expenses and an increase in HEICO Aerospace's sales efforts.

INCOME FROM OPERATIONS

Income from operations increased $2,801,000 to $4,512,000 in fiscal 1996 and increased $1,371,000 to $1,711,000 in fiscal 1995. These improvements in operating income are due primarily to the increases in sales and gross margins of HEICO Aerospace discussed above.

INTEREST EXPENSE

Interest expense remained level in fiscal 1996 after increasing by $110,000 from fiscal 1994 to fiscal 1995. The increase was due primarily to increases in long-term debt associated with equipment financing.

INTEREST AND OTHER INCOME

Interest and other income in fiscal 1996 increased $392,000 over fiscal 1995 due principally to interest income on the convertible note and cash received from the sale of MediTek.

Fiscal 1995 interest and other income increased by $212,000 over fiscal 1994 due primarily to an increase in cash balances available for investment and profits from the sale of certain excess equipment of HEICO Aerospace.

INCOME TAX EXPENSE

The Company's effective tax rate in fiscal 1996 declined from that of fiscal 1995 due principally to the tax benefits from tax-free investment income and lower state taxes.

The Company's effective income tax rate in fiscal 1994 was less than the statutory rate primarily due to tax benefits on export sales and the reversal of excess tax provisions upon completion of tax audits.

For a detailed analysis of the provisions for income taxes and a discussion of new income tax accounting standards adopted in fiscal 1994, see Notes 1 and 7 to the Consolidated Financial Statements.

NET INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

Fiscal 1996 income from continuing operations before cumulative effect of change in accounting principle totaled $3,665,000 and increased $2,228,000, or 155%, over that of fiscal 1995, which increased $797,000, or 125%, over that of fiscal 1994. Both increases were due principally to the aforementioned improvements in fiscal 1996 and 1995 income from operations.

INFLATION

The Company has generally experienced increases in its costs of labor, materials and services consistent with overall rates of inflation. The impact of such increases on the Company's net income from continuing operations has been generally minimized by efforts to lower costs through manufacturing efficiencies and cost reductions.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash flow from operations aggregated $12.5 million over the last three years, including $7.1 million in fiscal 1995. Net cash provided by operations in fiscal 1996 declined as compared to fiscal 1995 primarily as a result of planned increases in inventories to meet customer delivery requirements.

The Company's current ratio remained strong at 3 to 1 as of October 31, 1996 and working capital increased by $11 million in fiscal 1996, including a $6 million increase in cash and cash equivalents.

During the past three years, the Company's principal cash proceeds from investing activities was the $14 million from the sale of MediTek. The principal cash used in investing activities the past three years were the acquisition of Trilectron for $7 million, acquisitions by MediTek prior to its sale aggregating $6 million and purchases of property, plant and equipment aggregating $5 million, including $3 million purchased by HEICO Aerospace primarily to expand and improve its product development and manufacturing capabilities.

The Company's principal financing activities during the same three-year period included the use of an aggregate of $6 million for scheduled payments on short-term debt, long-term debt and capital leases. In addition, the Company received $3 million from the issuance of long-term debt and $2 million from the exercise of stock options.

The Company has available credit facilities aggregating $7 million and unexpended industrial development revenue bond proceeds of $2.6 million available for future qualified expenditures. See Note 5 to the Consolidated Financial Statements for further information regarding credit facilities.

In addition, the Company has the right to demand prepayment of the $10 million convertible note received in the sale of MediTek until such time as the common stock into which the note is convertible has been registered. See Note 3 to the Consolidated Financial Statements for further information regarding the convertible note.

Funds necessary for future capital expenditures, debt payments, and working capital requirements are expected to be derived from current cash resources and internally generated funds.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

HEICO CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

OCTOBER 31, 1996 AND 1995

ASSETS

	1996	1995
Current assets:		
Cash and cash equivalents	$11,025,000	$ 4,664,000
Short-term investments	--	2,939,000
Accounts receivable, net	7,879,000	6,709,000
Inventories	15,277,000	5,359,000
Prepaid expenses and other current assets	874,000	1,373,000
Deferred income taxes	2,058,000	1,593,000
Total current assets	37,113,000	22,637,000
Note receivable	10,000,000	--
Property, plant and equipment, net	5,845,000	9,296,000
Intangible assets, net	4,756,000	12,445,000
Investments in and advances to unconsolidated partnerships	--	2,094,000
Unexpended bond proceeds	2,649,000	--
Other assets	1,473,000	929,000
Total assets	$61,836,000	$47,401,000

See notes to consolidated financial statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

HEICO CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

OCTOBER 31, 1996 AND 1995

LIABILITIES AND SHAREHOLDERS' EQUITY

	1996	1995
Current liabilities:		
Current maturities of long-term debt and capital leases	$ 494,000	$ 794,000
Trade accounts payable	4,803,000	1,499,000
Accrued expenses and other current liabilities	5,903,000	5,046,000
Income taxes payable	665,000	543,000
Total current liabilities	11,865,000	7,882,000
Long-term debt and capital leases, net of current maturities	6,022,000	7,076,000
Deferred income taxes	1,137,000	1,720,000
Other non-current liabilities	1,324,000	470,000
Total liabilities	20,348,000	17,148,000
Minority interests	--	107,000
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, par value $.01 per share; Authorized - 10,000,000 shares issuable in series, 50,000 designated as Series A Junior Participating Preferred Stock, none issued	--	--
Common stock, $.01 par value; Authorized - 20,000,000 shares; Issued - 5,275,551 shares in 1996 and 5,075,283 in 1995 (as restated - Note 4)	53,000	28,000
Capital in excess of par value	30,881,000	8,371,000
Retained earnings	13,893,000	25,439,000
	44,827,000	33,838,000
Less: Note receivable from employee savings and investment plan	(3,339,000)	(3,692,000)
Total shareholders' equity	41,488,000	30,146,000
Total liabilities and shareholders' equity	$61,836,000	$47,401,000

See notes to consolidated financial statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

HEICO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED OCTOBER 31, 1996, 1995 AND 1994

	1996	1995	1994
Net sales	$ 34,565,000	$ 25,613,000	$ 19,212,000
Operating costs and expenses:			
Cost of sales (Note 13)	22,396,000	17,497,000	13,377,000
Selling, general and administrative expenses	7,657,000	6,405,000	5,495,000
Total operating costs and expenses	30,053,000	23,902,000	18,872,000
Income from operations	4,512,000	1,711,000	340,000
Interest expense	(185,000)	(169,000)	(59,000)
Interest and other income	1,058,000	666,000	454,000
Income from continuing operations before income taxes and cumulative effect of change in accounting principle	5,385,000	2,208,000	735,000
Income tax expense	1,720,000	771,000	95,000
Net income from continuing operations before cumulative effect of change in accounting principle	3,665,000	1,437,000	640,000
Discontinued operations (Note 3):			
Net income from discontinued health care operations, net of applicable income taxes of $717,000, $894,000 and $618,000 in fiscal 1996, 1995 and 1994, respectively	963,000	1,258,000	830,000
Gain on sale of health care operations, net of applicable income taxes of $1,719,000	5,264,000	--	--
Cumulative effect on prior years of change in accounting principle	--	--	381,000
Net income	$ 9,892,000	$ 2,695,000	$ 1,851,000
Net income per share:			
From continuing operations before cumulative effect of change in accounting principle	$ 0.62	$ 0.27	$ 0.13
From discontinued health care operations	0.17	0.24	0.16
From gain on sale of health care operations	0.89	--	--
From cumulative effect of change in accounting principle	--	--	$ 0.08
Net income per share	$ 1.68	$ 0.51	$ 0.37
Weighted average number of common and common equivalent shares outstanding	5,903,151	5,302,370	5,044,963

See notes to consolidated financial statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

HEICO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED OCTOBER 31, 1996, 1995 AND 1994

	COMMON STOCK	CAPITAL IN EXCESS OF PAR VALUE	RETAINED EARNINGS	NOTE RECEIVABLE	TOTAL
Balances, October 31, 1993	$ 23,000	$ -0-	$ 29,721,000	$(4,231,000)	$ 25,513,000
Exercise of stock options (2,200 shares)	--	22,000	--	--	22,000
Payment on note receivable from employee savings and investment plan	--	--	--	253,000	253,000
Repurchases and retirements of 16,300 shares of common stock	--	--	(238,000)	--	(238,000)
Cash dividends ($.068 per share)	--	--	(340,000)	--	(340,000)
Net income for the year	--	--	1,851,000	--	1,851,000
Balances, October 31, 1994	23,000	22,000	30,994,000	(3,978,000)	27,061,000
Exercise of stock options (59,095 shares)	1,000	589,000	--	--	590,000
Payment on note receivable from employee savings and investment plan	--	--	--	286,000	286,000
Repurchases and retirements of 13,000 shares of common stock	--	(117,000)	--	--	(117,000)
Cash dividends ($.072 per share)	--	--	(369,000)	--	(369,000)
10% common stock dividend paid July 28, 1995 (229,349 shares)	2,000	3,240,000	(3,242,000)	--	--
10% common stock dividend paid February 8, 1996 (254,209 shares)	2,000	4,637,000	(4,639,000)	--	--
Net income for the year	--	--	2,695,000	--	2,695,000
Balances, October 31, 1995	28,000	8,371,000	25,439,000	(3,692,000)	30,146,000
Exercise of stock options (124,972 shares)	2,000	1,562,000	--	--	1,564,000
Payment on note receivable from employee savings and investment plan	--	--	--	353,000	353,000
Cash dividends ($.086 per share)	--	--	(475,000)	--	(475,000)
Three for two common stock split distributed April 24, 1996 (1,442,546 shares)	14,000	(14,000)	--	--	--
10% common stock dividend paid July 26, 1996 (432,644 shares)	4,000	10,827,000	(10,831,000)	--	--
10% common stock dividend payable January 17, 1997 (479,595 shares)	5,000	10,127,000	(10,132,000)	--	--
Other	--	8,000	--	--	8,000
Net income for the year	--	--	9,892,000	--	9,892,000
Balances, October 31, 1996	$ 53,000	$ 30,881,000	$ 13,893,000	$(3,339,000)	$ 41,488,000

See notes to consolidated financial statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

HEICO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED OCTOBER 31, 1996, 1995 AND 1994

	1996	1995	1994
Cash flows from operating activities:			
Net income	$ 9,892,000	$ 2,695,000	$ 1,851,000
Adjustments to reconcile net income to cash provided by operating activities:			
Gain from sale of health care operations	(5,264,000)	--	--
Depreciation and amortization	2,107,000	2,638,000	2,000,000
Deferred income taxes	(1,048,000)	(245,000)	171,000
Deferred financing costs	(159,000)	(56,000)	(255,000)
(Income) loss from unconsolidated partnerships	(393,000)	590,000	724,000
Minority interest in consolidated partnerships	313,000	144,000	34,000
Cumulative effect of change in accounting principle	--	--	(381,000)
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	166,000	(967,000)	(717,000)
(Increase) in inventories	(3,283,000)	(98,000)	(588,000)
Decrease (increase) in prepaid expenses and other current assets	111,000	(147,000)	(190,000)
(Decrease) increase in trade payables, accrued expenses and other current liabilities	(14,000)	2,111,000	1,014,000
(Decrease) increase in income taxes payable and deferred income taxes	(983,000)	488,000	10,000
Increase in other non-current liabilities	251,000	67,000	--
Other	(4,000)	(97,000)	--
Net cash provided by operating activities	1,692,000	7,123,000	3,673,000
Cash flows from investing activities:			
Proceeds from sale of health care operations, net of cash sold of $304,000	13,524,000	--	--
Sale (purchase) of short-term investments	2,939,000	(2,939,000)	--
Acquisitions:			
Purchases of businesses, net of cash acquired	(6,555,000)	(154,000)	(1,518,000)
Contingent note payments	(1,106,000)	(1,945,000)	(1,560,000)
Purchases of property, plant and equipment	(3,227,000)	(800,000)	(1,165,000)
Payments for deferred organization costs	(387,000)	(358,000)	(120,000)
Payment received from employee savings and investment plan note receivable	353,000	286,000	253,000
Proceeds from the sale of property, plant and equipment	17,000	324,000	21,000
Distributions from (advances to) unconsolidated partnerships	60,000	(480,000)	(114,000)
Distributions to minority interests	(216,000)	(71,000)	--
Other	155,000	87,000	(189,000)
Net cash provided by (used in) investing activities	5,557,000	(6,050,000)	(4,392,000)
Cash flows from financing activities:			
Proceeds from the issuance of long-term debt	1,343,000	201,000	1,418,000
Proceeds from the exercise of stock options	1,525,000	570,000	22,000
Repurchases of common stock	--	(117,000)	(238,000)
Principle payments on short-term debt, long-term debt and capital leases	(3,289,000)	(1,715,000)	(594,000)
Cash dividends paid	(475,000)	(369,000)	(340,000)
Other	8,000	(9,000)	--
Net cash (used in) provided by financing activities	(888,000)	(1,439,000)	268,000
Net increase (decrease) in cash and cash equivalents	6,361,000	(366,000)	(451,000)
Cash and cash equivalents at beginning of year	4,664,000	5,030,000	5,481,000
Cash and cash equivalents at end of year	$ 11,025,000	$ 4,664,000	$ 5,030,000

See notes to consolidated financial statements.

HEICO CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the years ended October 31, 1996, 1995 and 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS
HEICO Corporation (the Company), through its subsidiaries, HEICO Aerospace Corporation (HEICO Aerospace), including its subsidiaries, Jet Avion Corporation (Jet Avion), LPI Industries Corporation (LPI), and Aircraft Technology, Inc. (Aircraft Technology), and HEICO Aviation Products Corp. (HEICO Aviation) and its subsidiary, Trilectron Industries, Inc. (Trilectron), is engaged in the design, manufacture and sale of aerospace products and services throughout the United States and abroad. Its customer base is primarily the commercial airline industry. As of October 31, 1996, the Company's principal operations are located in Hollywood and Palmetto, Florida.

BASIS OF PRESENTATION
The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned. All significant intercompany balances and transactions are eliminated.

USE OF ESTIMATES
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS
For purposes of the consolidated financial statements, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

SHORT-TERM INVESTMENTS
Investments with a maturity of less than one year that are not readily convertible to cash before their maturity are classified as short-term investments and are stated at their fair value (see Note 8).

INVENTORIES
Portions of the HEICO Aerospace and Trilectron inventories are stated at the lower of cost or market, with cost being determined on the first-in, first-out basis. The remaining portions of these inventories are stated at the lower of cost or market, on a per contract basis, with estimated total contract costs being allocated ratably to all units. The effects of changes in estimated total contract costs are recognized in the period determined. Losses, if any, are recognized fully when identified.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost. Depreciation and amortization is provided mainly on the straight-line method over the estimated useful lives of the various assets, including assets recorded under capital leases which are amortized over the shorter of their useful lives or the term of the related leases. Property, plant and equipment useful lives are as follows:

Buildings and components	7 to 55 years
Building improvements	3 to 15 years
Machinery and equipment	3 to 20 years

The costs of major renewals and betterments are capitalized. Repairs and maintenance are charged to operations as incurred. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and any related gain or loss is reflected in earnings.

INTANGIBLE ASSETS

Intangible assets include the excess of cost over the fair value of net assets acquired and deferred charges which are amortized on the straight-line method over their legal or estimated useful lives, whichever is shorter, as follows:

Excess of cost over the fair market value of net assets acquired	20 to 40 years
Deferred charges	3 to 20 years

The Company continually evaluates the periods of intangible asset amortization to determine whether events and circumstances subsequent to the origination dates of such assets warrant revised estimates of useful lives. In addition, the Company periodically reviews the excess of cost over the fair value of net assets acquired (goodwill) to assess recoverability based upon expectations of undiscounted cash flows and operating income of each consolidated entity having a material goodwill balance. An impairment would be recognized in operating results, based upon the difference between each consolidated entities' respective present value of future cash flows and the carrying value of the goodwill, if a permanent diminution in value were to occur. There have not been any significant revised estimates nor recognition of goodwill impairment during the three years ended October 31, 1996.

FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses and other current liabilities approximate fair value due to the relatively short maturity of the respective instruments. The Company's financial instruments also include a note receivable (see Note 3) and long-term debt (see Note 5).

The carrying amount of the note receivable is $10,000,000 as of October 31, 1996, which approximates its fair market value. Long-term

debt at October 31, 1996 includes industrial development revenue bonds with a carrying value of $5,480,000 and other long-term debt with a carrying value of $1,036,000. The carrying value of long-term debt approximates fair market value due to its floating interest rates.

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments and trade receivables. The Company places its temporary cash investments with high credit quality financial institutions and limits the amount of credit exposure to any one financial institution. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Company's customer base, and their dispersion across many different geographical regions. At October 31, 1996, the Company had no significant concentrations of credit risk.

REVENUE RECOGNITION

Revenues are recognized on an accrual basis, primarily upon shipment of products and the rendering of services. Certain contracts of Trilectron are long-term contracts and the related net costs and estimated earnings in excess of billings, if any, are included in accounts receivable on a percentage of completion basis. Revenue amounts set forth in the accompanying consolidated statements of operations do not include any material amounts in excess of billings related to long-term contracts.

INCOME TAXES

In fiscal 1994, the Company adopted, effective November 1, 1993, Statement of Financial Accounting Standard (SFAS) No. 109 "Accounting for Income Taxes," which requires the use of the liability method of accounting for deferred income taxes. The cumulative effect of this change in accounting for income taxes is a $381,000 benefit ($.08 per share) and is reported separately in the Consolidated Statements of Operations for the year ended October 31, 1994. The provision for income taxes includes Federal, state and local income taxes currently payable and those deferred because of temporary differences between the financial statement and tax basis of assets and liabilities.

INCOME PER SHARE

Income per share is calculated on the basis of the weighted average number of shares outstanding plus common share equivalents arising from the assumed exercise of stock options, if dilutive, and has been adjusted for the effect of any stock dividends and splits (see Note 4).

NEW ACCOUNTING STANDARD

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS 123). SFAS 123 established a fair value based method of accounting for stock options. Entities may elect to either adopt the measurement criteria of the statement for accounting purposes, thereby recognizing an amount in results of operations on a prospective basis, or disclose the pro forma effects of the new measurement criteria in Notes to Consolidated Financial Statements. The Company intends to adopt the pro forma disclosure features of SFAS 123, which are effective for fiscal year 1997.

NOTE 2 - ACQUISITION

In September 1996, the Company, through HEICO Aviation, acquired effective as of September 1, 1996 all of the outstanding stock of Trilectron for $7.0 million in cash and the assumption of debt aggregating $2.3 million. Trilectron is a leading manufacturer of ground power, air conditioning and air starting equipment for civil and military aircraft and is a designer and manufacturer of certain military electronics.

The acquisition of Trilectron has been accounted using the purchase method of accounting and the purchase price has been assigned to the net assets acquired based on the fair value of such assets and liabilities at the date of acquisition. The excess of the purchase price over the fair value of the identifiable net assets acquired amounted to $2,838,000, which will be amortized over 20 years using the straight line method. The results of operations of Trilectron are included in the consolidated statements of operations from September 1, 1996.

The following table presents unaudited proforma consolidated operating results as if the acquisition of Trilectron had occurred at the beginning of fiscal 1995. The proforma consolidated operating results do not purport to present actual operating results had the acquisition been made at the beginning of fiscal 1995, or the results which may occur in the future.

	1996	1995
Net sales	$ 48,198,000	$ 39,544,000
Net income from continuing operations	$ 4,186,000	$ 1,685,000
Net income	$ 10,413,000	$ 2,943,000
Net income per share from continuing operations	$ 0.71	$ 0.32
Net income per share	$ 1.76	$ 0.56

NOTE 3 - SALE OF HEALTH CARE OPERATIONS

In July 1996, the Company consummated the sale of all of the outstanding capital stock of its wholly-owned subsidiary MediTek Health Corporation ("MediTek"), representing the Company's health care services segment, to U.S. Diagnostic, Inc. ("USDL"). In consideration for the sale of MediTek, the Company received $13,828,000 in cash and a five-year, 6-1/2% promissory note (the "Convertible Note") in the principal amount of $10,000,000, which is convertible, at the option of the Company, into 1,081,081 shares of USDL common stock.

In order to assure the Company's liquidity with respect to the Convertible Note and the USDL common stock into which it is convertible, USDL (i) granted the Company demand and piggy-back registration rights with respect to such shares of USDL common stock, and (ii) agreed to prepay the Convertible Note at the Company's request at any time until such registration is completed. The terms of such demand registration rights, as amended in December 1996, require USDL to use its best efforts to cause a registration statement

covering all of the USDL common stock into which the Convertible Note is convertible to be declared effective by the Securities and Exchange Commission by July 1, 1997. The terms of such piggy-back registration rights give the Company rights to include such USDL common stock in certain registration statements filed by USDL from January 1, 1997 until January 1, 2000. Upon 15 days' prior written notice, USDL may require the Company to convert the Convertible Note into USDL common stock at any time beginning on the later of December 31, 1997 or the date that such shares of USDL common stock have been registered, if the closing price of the USDL common stock has averaged at least $9.25 per share for the immediately preceding ten trading days. Also, beginning on December 31, 1997, USDL may prepay the Convertible Note at any time upon 60 days' prior written notice. The Company retains the right to convert the promissory note into the applicable shares of USDL common stock at any time prior to prepayment.

The sale of MediTek resulted in a gain in fiscal 1996 of $5,264,000, net of expenses and applicable income taxes. The income taxes on the gain are less than the normal Federal statutory rate principally due to the utilization of a $4.6 million capital loss carryforward partially offset by state income taxes. MediTek's results of operations, net of taxes, for fiscal 1996, 1995 and 1994 have been reported separately as discontinued operations in the Consolidated Statement of Operations. No amounts related to the discontinued operations remain in the October 31, 1996 Consolidated Balance Sheet.

The condensed statement of operations related to the discontinued health care services segment during fiscal years 1996, 1995 and 1994 are presented below:

	EIGHT MONTHS ENDED JUNE 30,	YEARS ENDED OCTOBER 31,	
	1996	1995	1994
Net revenues.....	$ 11,382,000	$14,766,000	$13,181,000
Income before income taxes...	$ 1,680,000	$ 2,152,000	$ 1,448,000
Income tax expense.....	717,000	894,000	618,000
Net income.....	$ 963,000	$ 1,258,000	$ 830,000

The effective tax rate used in calculating income tax expense related to discontinued operations exceeds the normal Federal statutory tax rate due principally to state income taxes.

With the sale of the health care services segment, the Company's operations are within a single business segment, the aerospace products and services industry.

NOTE 4 - STOCK DIVIDENDS AND SPLIT

In June 1996, December 1995 and May 1995, the Company's Board of Directors declared 10% stock dividends that were paid in July 1996, February 1996 and July 1995, respectively. In March 1996, the Company's Board of Directors declared a three-for-two stock split that was distributed in April 1996. On December 13, 1996, the Company's Board of Directors declared a 10% stock dividend payable January 17, 1997 to shareholders of record on January 8, 1997. These transactions were valued based on the closing market prices of the Company's stock as of their respective declaration dates. During fiscal 1996, retained earnings was charged $20,963,000 as a result of the issuance of a combined total of 2,354,785 shares of the Company's common stock.

During fiscal 1995, retained earnings was charged $7,881,000 as a result of the issuance of a combined total of 483,558 shares of the Company's common stock. All income per share, dividend per share and common shares outstanding information has been retroactively restated to reflect these stock dividends and split.

NOTE 5 - CREDIT FACILITIES, LONG-TERM DEBT AND CAPITAL LEASES

Long-term debt and capital leases consist of:

	OCTOBER 31,	
	1996	1995
Industrial development revenue bonds..	$5,480,000	$1,980,000
Term loan borrowing under revolving credit facility.....	317,000	633,000
Equipment loans.....	719,000	430,000
Mortgage note payable in monthly installments including interest at at 8.625% due January, 1999.....	--	497,000
Capital leases with various expiration dates from 1995 to 2003, at various interest rates from 10.625% to 12.03%.....	--	3,812,000
Other long-term debt.....	--	518,000
	6,516,000	7,870,000
Less current maturities.....	(494,000)	(794,000)
	$6,022,000	$7,076,000

The amount of long-term debt maturing in each of the next five years is $494,000 in fiscal 1997, $170,000 in fiscal 1998, $170,000 in fiscal 1999, $138,000 in fiscal 2000 and $71,000 in fiscal 2001.

INDUSTRIAL DEVELOPMENT REVENUE BONDS
The industrial development revenue bonds represent bonds issued by Broward County, Florida in 1996 (the 1996 bonds) and in 1988 (the 1988 bonds).

The 1996 bonds were issued in the amount of $3,500,000 for the purpose of renovating and expanding the Hollywood facility. As of October 31, 1996, the Company has been reimbursed $851,000 for such qualified expenditures and the balance of the unexpended bond proceeds of $2,649,000 are held by the trustee and is available for future qualified expenditures. The 1996 bonds are due October 2011 and bear interest at a variable rate calculated weekly (3.75% at October 31, 1996). The 1996 bonds are secured by a letter of credit expiring in October 2001 and a mortgage on the related properties pledged as collateral. The letter of credit requires annual sinking fund payments beginning October 2000 in the amount of $187,500.

The 1988 bonds are due April 2008 and bear interest at a variable rate calculated weekly (3.70% at October 31, 1996). The 1988 bonds are secured by a letter of credit expiring in February 1999, a bond sinking fund ($8,250 payable monthly) and a mortgage on the related properties pledged as collateral.

The pledged properties for the 1996 and 1988 bonds have a carrying value aggregating approximately $5,555,000 at October 31, 1996.

Trilectron has been approved by Manatee County, Florida for $3,000,000 of industrial development revenue bonds to finance the construction of a larger facility in Palmetto, Florida and the purchase of additional equipment. These bonds are expected to be issued in fiscal 1997.

REVOLVING CREDIT FACILITY

The Company has a $7 million credit facility available for funding acquisitions, working capital and general corporate requirements. Borrowings under this credit facility bear interest at 1/4% over the bank's prime rate, adjusted daily, and are convertible to term loans that bear interest, at the Company's option, at 1/4% over the bank's prime rate, adjusted daily, or a fixed interest rate of 200 basis points over the bank's prime rate in effect on the day of the conversion. Term loan borrowings under the credit facility are payable in 36 to 48 monthly installments. The credit facility is secured by substantially all the assets of HEICO Aerospace and its subsidiaries. The revolving portion of the facility expires in April 1997 and may be renewed annually by mutual agreement. This credit facility and the letters of credit securing the 1996 bonds and 1988 bonds contain covenants which, among other things, restrict borrowings, capital expenditures and cash dividends, require the maintenance of certain net worth, working capital and debt service amounts and ratios, require the continued employment of the current Chairman, President and Chief Executive Officer and require that he and his affiliates maintain a specified ownership position in the Company.

In October 1994, the Company borrowed $950,000 from the $7 million credit facility, of which $317,000 is outstanding as of October 31, 1996 with interest accruing at 8.5%.

EQUIPMENT LOAN FACILITY

In March 1994, a bank committed to advance up to $1,900,000, as amended in fiscal 1995, for the purpose of purchasing equipment to be used in the Company's operations. Each term loan is limited to 80% of the purchase price of the related equipment and is repayable up to a maximum of 60 months with interest at a rate equal to the bank's prime rate. The term loans are secured by collateral representing the related purchased equipment, which has a carrying value of approximately $905,000 at October 31, 1996. In December 1996, the Company received a commitment to extend the facility until December 1997.

OTHER LONG-TERM DEBT

The mortgage note payable, capital leases and other long-term debt were assumed by USDL as part of the sale of MediTek in July 1996. (See Note 3)

NOTE 6 - LEASE COMMITMENTS

The Company leases certain property and equipment, including manufacturing facilities and office equipment under operating leases. Some of these leases provide the Company with the option after the initial lease term either to purchase the property at the then fair market value or renew its lease at the then fair rental value. Generally, management expects that leases will be renewed or replaced by other leases in the normal course of business.

Minimum payments for operating leases having initial or remaining noncancelable terms in excess of one year are as follows:

Year ending October 31,	
1997	$ 332,000
1998	259,000
1999	133,000
2000	27,000
Total minimum lease commitments	$ 751,000

Total rent expense charged to continuing operations for all operating leases in fiscal 1996, fiscal 1995 and fiscal 1994 amounted to $166,000, $133,000 and $68,000, respectively.

NOTE 7 - INCOME TAXES

The provision for income taxes on income from continuing operations before cumulative effect of change in accounting principle for each of the three years ended October 31, 1996 is as follows:

	1996	1995	1994
Current:			
Federal	$4,084,000	$1,592,000	$ 407,000
State	459,000	318,000	135,000
	4,543,000	1,910,000	542,000
Deferred	(387,000)	(245,000)	171,000
Total income tax expense	4,156,000	1,665,000	713,000
Less income taxes for discontinued operations	(2,436,000)	(894,000)	(618,000)
Income taxes on income from continuing operations	$1,720,000	$ 771,000	$ 95,000

A net deferred tax liability of $661,000 relating to MediTek was written off as a result of the sale of such discontinued operations described in Note 3.

The following table reconciles the federal statutory tax rate to the Company's effective rate for continuing operations:

	1996	1995	1994
Federal statutory tax rate	34.0%	34.0%	34.0%
State taxes, less applicable federal income tax reduction	2.3	2.6	1.1
Tax benefits on export sales	(5.1)	(6.4)	(13.6)
Tax benefits from tax free investments	(1.1)	(.2)	(1.2)
Tax benefits from dividend income	(.2)	(.1)	(.2)
Nondeductible amortization of intangible assets	.3	.8	2.4
Reversal of excess income tax provisions upon completion of tax audit	--	--	(8.0)
Other, net	1.7	4.2	(1.6)
Effective tax rate	31.9%	34.9%	12.9%

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities as of October 31, 1996, 1995 and 1994 are as follows:

	OCTOBER 31,		
	1996	1995	1994
Deferred tax assets:			
Inventory	$ 600,000	$ 412,000	$ 306,000
Bad debt allowances	62,000	436,000	261,000
Retirement and deferred compensation liabilities	148,000	102,000	76,000
Vacation accruals	147,000	112,000	115,000
Customer rebates and credits	860,000	371,000	279,000
Warranty accruals	94,000	--	--
Alternative minimum tax credit	--	13,000	147,000
Capital loss carryforward	--	--	1,560,000
Other	147,000	147,000	67,000
	2,058,000	1,593,000	2,811,000
Valuation allowance	--	--	(1,560,000)
Total deferred tax assets	2,058,000	1,593,000	1,251,000
Deferred tax liabilities:			
Accelerated depreciation	927,000	1,208,000	948,000
Intangible asset amortization	345,000	545,000	280,000
Retirement plan liability	(127,000)	--	--
Equity in losses of partnerships	--	(35,000)	387,000
Other	(8,000)	2,000	8,000
Total deferred tax liabilities	1,137,000	1,720,000	1,623,000
Net deferred tax asset (liability)	$ 921,000	$ (127,000)	$ (372,000)

The $1,560,000 deferred tax asset related to the Company's $4.6 million capital loss carryforward had a 100% valuation allowance as of October 31, 1994.

NOTE 8 - INVESTMENT IN FINANCIAL INSTRUMENTS

In fiscal 1995, the Company entered into transactions in which it simultaneously purchased and sold call options on an industry sector index of equity securities (the Index Options) expiring in November 1995. The Index Options were purchased with temporary surplus funds of approximately $2.9 million for investment purposes. Prior to the end of fiscal 1995, the Company traded substantially all of the purchase option position and entered into a similar purchase option position having the same November 1995 expiration date. The gain realized in fiscal 1995 fully utilized the Company's $4.6 million capital loss carryover. The deferred tax asset related to the Company's $4.6 million capital loss carryforward had a 100% valuation allowance as of October 31, 1994. As of October 31, 1995, the investments in the purchased and sold call option contracts are netted because the terms of the Index Option contracts provide for a right of offset. The net investment as of October 31, 1995 in the amount of $2.9 million is recorded at fair market value as represented by the net cash proceeds realized upon termination of the option contracts in November 1995 and is included in short-term investments. Upon termination of the option contracts in November 1995, the Company recognized a $4.6 million capital loss for income tax purposes. For financial statement purposes, the transactions did not result in any material gain or loss.

NOTE 9 - PREFERRED STOCK PURCHASE RIGHTS PLAN

In November 1993, pursuant to a plan adopted by the Board of Directors on such date, the Board declared a distribution of one Preferred Stock Purchase Right (the Rights) for each outstanding share of common stock, par value $.01 per share, of the Company. The Rights trade with the common stock and are not exercisable or transferable apart from the common stock until after a person or group either acquires 15% or more of the outstanding common stock or commences or announces an intention to commence a tender offer for 30% or more of the outstanding common stock. Absent either of the aforementioned events transpiring, the Rights will expire at the close of business on November 2, 2003.

The Rights have certain anti-takeover effects and, therefore, will cause substantial dilution to a person or group who attempts to acquire the Company on terms not approved by the Company's Board of Directors or who acquires 15% or more of the outstanding common stock without approval of the Company's Board of Directors. The Rights should not interfere with any merger or other business combination approved by the Board since they may be redeemed by the Company at $.01 per Right at any time until the close of business on the tenth day after a person or group has obtained beneficial ownership of 15% or more of the outstanding common stock or until a person commences or announces an intention to commence a tender offer for 30% or more of the outstanding common stock.

NOTE 10 - STOCK OPTIONS

The Company currently has two stock option plans, the 1993 Stock Option Plan (1993 Plan) and the Non-Qualified Stock Option Plan (NQSOP). In March 1996, shareholders of the Company approved an increase in the number of shares issuable pursuant to the 1993 Plan by 251,178 shares. A third plan, the Combined Stock Option Plan expired in February 1993 and was replaced by the 1993 Plan. In September 1996, the Board of Directors reserved 70,180 shares for the issuance of non-qualified stock options in conjunction with the purchase of Trilectron. Under the terms of the plans, a total of 1,634,558 shares of the Company's stock are reserved for issuance to directors, officers and key employees as of October 31, 1996. Options issued under the 1993 Plan may be designated incentive stock options (ISO) or non-qualified stock options (NQSO). ISOs are granted at not less than 100% of the fair market value at the date of grant (110% thereof in certain cases) and are exercisable in percentages specified at date of grant over a period up to ten years. Only employees are eligible to receive ISOs. NQSOs may be granted at less than fair market value and may be immediately exercisable. Options granted under the NQSOP may be granted to directors, officers and employees at no less than the fair market value at the date of grant and are generally exercisable in four equal annual installments commencing one year from date of grant.

Information concerning all of the stock option transactions for the three years ended October 31, 1996 follows:

		SHARES UNDER OPTION	
	SHARES AVAILABLE FOR OPTION	SHARES	PRICE PER SHARE
Outstanding, October 31, 1993	418,940	1,301,854	$ 3.28 - $ 8.95
Granted	(173,496)	173,496	$ 4.73 - $ 5.46
Cancelled	4,392	(63,178)	$ 4.61 - $ 8.16
Exercised	--	(4,831)	$ 4.61
Outstanding, October 31, 1994	249,836	1,407,341	$ 3.28 - $ 8.95
Granted	(194,032)	194,032	$ 4.33 - $ 8.64
Cancelled	57,922	(62,316)	$ 4.38 - $ 8.16
Exercised	--	(126,924)	$ 3.47 - $ 8.16
Outstanding, October 31, 1995	113,726	1,412,133	$ 3.28 - $ 8.95
Additional shares approved for 1993 Stock Option Plan	251,178	--	--
Shares approved for grant in the Trilectron acquisition	70,180	--	--
Granted	(328,803)	328,803	$ 9.08 - $16.64
Cancelled	18,950	(29,412)	$ 4.61 - $11.44
Exercised	--	(202,197)	$ 4.38 - $ 8.95
Oustanding, October 31, 1996	125,231	1,509,327	$ 3.28 - $16.64

All of the above options were granted at the fair market value of the stock on the date of grant. As of October 31, 1996, options for 1,280,429 shares were exercisable at a weighted average option price of $6.05. If there were a change in control of the Company, options for an additional 228,898 shares would become immediately exercisable. The weighted average option price for all options outstanding as of October 31, 1996 is $6.86. All stock option share and price per share information has been retroactively restated for stock dividends and splits.

NOTE 11 - RETIREMENT PLANS

The Company has a qualified defined contribution retirement plan (the Plan) under which eligible employees of the Company and its participating subsidiaries may contribute up to 10% of their annual compensation, as defined, and the Company will contribute specified percentages ranging from 25% to 50% of employee contributions up to 3% of annual pay in Company stock or cash, as determined by the Company. The Plan also provides that the Company may contribute additional amounts in its common stock or cash at the discretion of the Board of Directors.

In September 1992, the Company sold 658,845 shares of the Company's stock to the Plan for an aggregate price of $4,122,000 entirely financed through a promissory note with the Company. The promissory note is payable in nine equal annual installments, inclusive of principal and interest at the rate of 8% per annum, of $655,000 each and a final installment of $640,000 and is prepayable in full or in part without penalty at any time. Prior to September 1992, the Company sold an aggregate of 452,429 shares of its stock to the Plan in exchange for two notes receivable, which have been fully satisfied.

Participants receive 100% vesting in employee contributions. Vesting in Company contributions is based on number of years of service. Contributions to the Plan charged to income from continuing operations for fiscal 1996, 1995 and 1994 totaled $364,000, $240,000 and $206,000, respectively, net of interest income earned on the note received from the Plan of $272,000 in fiscal 1996, $299,000 in fiscal 1995 and $331,000 in fiscal 1994.

In 1991, the Company established a Directors Retirement Plan covering its then current directors. The net assets of this plan as of October 31, 1996 are not material to the financial position of the Company. During fiscal 1996, 1995 and 1994, $82,000, $75,000 and $73,000 respectively, was expensed for this plan.

NOTE 12 - QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Net sales:				
1996.....	$ 6,978,000	$ 7,942,000	$ 8,059,000	$11,586,000
1995.....	$ 5,392,000	$ 6,394,000	$ 6,904,000	$ 6,923,000
Gross profit:				
1996.....	$ 2,322,000	$ 2,716,000	$ 2,897,000	$ 4,234,000
1995.....	$ 1,740,000	$ 1,960,000	$ 2,205,000	$ 2,211,000
Net income from continuing operations:				
1996.....	$ 578,000	$ 647,000	$ 1,053,000	$ 1,387,000
1995.....	$ 191,000	$ 268,000	$ 514,000	$ 464,000
Net income:				
1996.....	$ 870,000	$ 1,082,000	$ 6,553,000	$ 1,387,000
1995.....	$ 569,000	$ 652,000	$ 721,000	$ 753,000
Net income per share share from continuing operations:				
1996.....	$ .10	$ .11	$ .17	$ .23
1995.....	$ .04	$ .05	$ .09	$ .08
Net income per share:				
1996.....	$ .15	$ .18	$ 1.07	$ .23
1995.....	$ .11	$ .13	$ .14	$ .14

Due to changes in the average number of common shares outstanding, net income per share for the full fiscal year does not equal the sum of the four individual quarters.

The amounts above differ from those previously reported on Forms 10-Q because these amounts have been restated to reflect the results of the Company's health care operations as discontinued operations for all periods presented.

NOTE 13 - OTHER CONSOLIDATED BALANCE SHEETS, STATEMENTS OF OPERATIONS AND STATEMENTS OF CASH FLOWS INFORMATION

Accounts receivable are composed of the following:

	BALANCE AT OCTOBER 31,	
	1996	1995
Accounts receivable	$ 7,882,000	$ 9,531,000
Net costs and estimated earnings in excess of billings on uncompleted contracts	265,000	--
Less allowance for doubtful accounts	(268,000)	(1,174,000)
Less contractual allowances	--	(1,648,000)
Accounts receivable, net	$ 7,879,000	$ 6,709,000

Inventories are composed of the following:

	BALANCE AT OCTOBER 31,	
	1996	1995
Finished products	$ 4,428,000	$ 2,534,000
Work in process	5,845,000	1,721,000
Materials, parts, assemblies and supplies	5,004,000	1,104,000
Total inventories	$ 15,277,000	$ 5,359,000

Inventories related to long-term contracts aggregated $628,000 as of October 31, 1996. There were no such inventories as of October 31, 1995.

Property, plant and equipment, including capital leases, are composed of the following:

	BALANCE AT OCTOBER 31,	
	1996	1995
Land	$ 523,000	$ 131,000
Buildings and improvements	5,418,000	6,026,000
Machinery and equipment	13,658,000	18,040,000
	19,599,000	24,197,000
Less accumulated depreciation	(13,754,000)	(14,901,000)
Property, plant and equipment, net	$ 5,845,000	$ 9,296,000

Intangible assets are composed of the following:

	BALANCE AT OCTOBER 31,	
	1996	1995
Excess of cost over the fair value of net assets acquired	$ 4,882,000	$ 12,324,000
Deferred charges	679,000	1,473,000
Other	--	25,000
	5,561,000	13,822,000
Less accumulated amortization	(805,000)	(1,377,000)
Intangible assets, net	$ 4,756,000	$ 12,445,000

Accrued expenses and other current liabilities are composed of the following:

	BALANCE AT OCTOBER 31,	
	1996	1995
Accrued employee compensation	$ 2,071,000	$ 1,711,000
Accrued customer rebates and credits	1,848,000	1,378,000
Accrued property taxes	435,000	505,000
Other	1,549,000	1,452,000
Total accrued expenses and other current liabilities	$ 5,903,000	$ 5,046,000

SALES
Export sales were $9,806,000 in fiscal 1996, $5,762,000 in fiscal 1995 and $3,678,000 in fiscal 1994.

No one customer accounted for sales of 10% or more of consolidated sales during the last three fiscal years.

RESEARCH AND DEVELOPMENT EXPENSES
Fiscal 1996, 1995 and 1994 cost of sales amounts include approximately $2,400,000, $1,800,000 and $1,200,000, respectively, of new product research and development expenses.

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION ARE AS FOLLOWS:

Cash paid for interest was $264,000, $386,000 and $193,000 in 1996, 1995 and 1994, respectively. Cash paid for income taxes was $4,421,000, $1,400,000 and $881,000 in 1996, 1995 and 1994, respectively.

Non-cash investing and financing activities related to the acquisitions and contingent note payments during fiscal 1996, 1995 and 1994 were as follows:

	1996	1995	1994
Fair value of assets acquired:			
Intangible assets.	$ 3,944,000	$ 1,945,000	$ 2,632,000
Inventories.....	6,635,000	--	--
Accounts receivable.....	3,051,000	--	300,000
Property, plant and equipment...	401,000	--	249,000
Other assets.....	41,000	154,000	146,000
Cash paid, including contingent note payments.....	(7,661,000)	(2,099,000)	(3,078,000)
Liabilities assumed...	$ 6,411,000	$ --	$ 249,000

Non-cash investing and financing activities related to purchases of property, plant and equipment financed by capital leases during fiscal 1996, 1995 and 1994 amounted to $1,343,000, $2,257,000 and $1,044,000, respectively. Non-cash investing and financing activities during fiscal 1995 also included purchases of property, plant and equipment of $2,269,000, investments in and advances to unconsolidated partnerships of $862,000, deferred charges of $461,000 and other assets of $139,000 which were financed by capital leases assumed, issuance of a note payable and distributions from an unconsolidated partnership during fiscal 1995. Additionally, retained earnings was charged $20,963,000 in fiscal 1996 and $7,881,000 in fiscal 1995 as a result of the 10% stock dividends described in Note 4 above.

NOTE 14 - PENDING LITIGATION

In November 1989, HEICO Aerospace and Jet Avion were named defendants in a complaint filed by United Technologies Corporation (United) in the United States District court for the Southern District of Florida. The complaint, as amended in fiscal 1995, alleges infringement of a patent, misappropriation of trade secrets and unfair competition relating to certain jet engine parts and coatings sold by Jet Avion in competition with Pratt & Whitney, a division of United. United seeks approximately $10 million in damages for the patent infringement and approximately $30 million in damages for the misappropriation of trade secrets and the unfair competition claims. The aggregate damages referred to in the preceding sentence do not exceed approximately $30 million because a portion of the misappropriation and unfair competition damages duplicate the $10 million patent infringement damages. The complaint also seeks, among other things, pre-judgment interest and treble damages.

In July and November 1995, the Company filed its answers to United's complaint denying the allegations. In addition, the Company filed counterclaims against United for, among other things, malicious prosecution, trade disparagement, tortious interference, unfair competition and antitrust violations. The Company is seeking treble, compensatory and punitive damages in amounts to be determined at trial. United filed its answer denying certain counterclaims and moved to dismiss other counterclaims. A number of motions are currently pending and no trial date has been set.

Based on currently known facts, the Company's legal counsel has advised that it believes that the Company should be able to successfully defend the patent infringement claims alleged in United's complaint. With respect to the misappropriation and unfair competition claims, legal counsel to the Company has advised that it believes the likelihood that United will be able to prove a case regarding such claims within the statute of limitations is remote. Further, the Company intends to vigorously pursue its counterclaims against United. The ultimate outcome of this litigation is not certain at this time and no provision for gain or loss, if any, has been made in the accompanying consolidated financial statements.

The Company is involved in various other legal actions arising in the normal course of business. After taking into consideration legal counsel's evaluation of such actions, management is of the opinion that the outcome of these other matters will not have a significant effect on the Company's consolidated financial statements.

HEICO Corporation and Subsidiaries
INDEPENDENT AUDITORS' REPORT

To the Board of Directors and
Shareholders of HEICO Corporation

We have audited the accompanying consolidated balance sheets of HEICO Corporation and subsidiaries (the "Company") as of October 31, 1996 and 1995, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended October 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 1996 and 1995, and the results of its operations and its cash flows for each of the three years in the period ended October 31, 1996 in conformity with generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for income taxes effective November 1, 1993 to conform with Statement of Financial Accounting Standards No. 109.

DELOITTE & TOUCHE LLP
Certified Public Accountants
Miami, Florida
December 27, 1996

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information concerning the Directors of the Company is incorporated by reference to the Company's definitive proxy statement which will be filed with the Securities and Exchange Commission (Commission) within 120 days after the close of fiscal 1996.

Information concerning the executive officers of the Company is set forth at Part I hereof under the caption "Executive Officers of the Registrant."

ITEM 11. EXECUTIVE COMPENSATION

Information concerning executive compensation is hereby incorporated by reference to the Company's definitive proxy statement which will be filed with the Commission within 120 days after the close of fiscal 1996.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information concerning security ownership of certain beneficial owners and management is hereby incorporated by reference to the Company's definitive proxy statement which will be filed with the Commission within 120 days after the close of fiscal 1996.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information concerning certain relationships and related transactions is hereby incorporated by reference to the Company's definitive proxy statement which will be filed with the Commission within 120 days after the close of fiscal 1996.

PART IV

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ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a)(1) Financial Statements:

The following consolidated financial statements of the Company and subsidiaries are included in Part II, Item 8:

(a)(2) Financial Statement Schedules:

No schedules have been submitted because they are not applicable or the required information is included in the financial statements or notes thereto.

(a)(3) Exhibits

2.1 Amended and Restated Agreement of Merger and Plan of Reorganization, dated as of March 22, 1993, by and among HEICO Corporation, HEICO Industries, Corp. and New HEICO, Inc. is incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form S-4 (Registration No. 33-57624) Amendment No. 1 filed on March 19, 1993.

2.2 Stock Purchase Agreement, dated June 20, 1996, by and among HEICO Corporation, MediTek Health Corporation and U.S. Diagnostic Labs Inc. is incorporated by reference to Exhibit 2 to the Form 8-K dated July 11, 1996.

2.3 Stock Purchase Agreement, dated as of September 16, 1996, by and between HEICO Corporation and Sigmund Borax is incorporated by reference to Exhibit 2 to the Form 8-K dated September 16, 1996.

Item 14 (a) (3) Exhibits continued

3.1	Articles of Incorporation of the Registrant are incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-4 (Registration No. 33-57624) Amendment No. 1 filed on March 19, 1993.
3.2	Articles of Amendment of the Articles of Incorporation of the Registrant, dated April 27, 1993, are incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form 8-B dated April 29, 1993.
3.3	Articles of Amendment of the Articles of Incorporation of the Registrant, dated November 3, 1993, are incorporated by reference to Exhibit 3.3 to the Form 10-K for the year ended October 31, 1993.
3.4	Bylaws of the Registrant.
4.0	The description and terms of Preferred Stock Purchase Rights are set forth in a Rights Agreement between the Company and SunBank, N.A., as Rights Agent, dated as of November 2, 1993, incorporated by reference to Exhibit 1 to the Form 8-K dated November 2, 1993.
10.1	Loan Agreement, dated March 1, 1988, between HEICO Corporation and Broward County, Florida is incorporated by reference to Exhibit 10.1 to the Form 10-K for the year ended October 31, 1994.
10.2	SunBank Reimbursement Agreement, dated February 28, 1994, between HEICO Aerospace Corporation and SunBank/South Florida, N.A. is incorporated by reference to Exhibit 10.2 to the Form 10-K for the year ended October 31, 1994.
10.3	Amendment, dated March 1, 1995, to the SunBank Reimbursement Agreement dated February 28, 1994 between HEICO Aerospace Corporation and SunBank/South Florida, N.A. is incorporated by reference to Exhibit 10.3 to the Form 10-K from the year ended October 31, 1995.
10.4	Loan Agreement, dated February 28, 1994, between HEICO Corporation and SunBank/South Florida, N.A. is incorporated by reference to Exhibit 10.3 to the Form 10-K for the year ended October 31, 1994.

Item 14 (a) (3) Exhibits continued

10.5 The First Amendment, dated October 13, 1994, to Loan Agreement dated February 28, 1994 between HEICO Corporation and SunBank/South Florida, N.A. is incorporated by reference to Exhibit 10.4 to the Form 10-K for the year ended October 31, 1994.

10.6 Second Amendment, dated March 1, 1995, to the Loan Agreement dated February 28, 1994 between HEICO Corporation and SunBank/South Florida, N.A. is incorporated by reference to Exhibit 10.6 to the Form 10-K for the year ended October 31, 1995.

10.7 Loan Agreement, dated March 31, 1994, between HEICO Corporation and Eagle National Bank of Miami is incorporated by reference to Exhibit 10.5 to the Form 10-K for the year ended October 31, 1994.

10.8 The First Amendment, dated May 31, 1994, to Loan Agreement dated March 31, 1994 between HEICO Corporation and Eagle National Bank of Miami is incorporated by reference to Exhibit 10.6 to the Form 10-K for the year ended October 31, 1994.

10.9 The Second Amendment, dated August 9, 1995, to the Loan Agreement dated March 31, 1994 between HEICO Corporation and Eagle National Bank of Miami is incorporated by reference to Exhibit 10.9 to the Form 10-K for the year ended October 31, 1995.

10.10 Loan Agreement, dated October 1, 1996, between HEICO Aerospace Corporation and Broward County, Florida.

10.11 SunTrust Bank Reimbursement Agreement, dated October 1, 1996, between HEICO Aerospace Corporation and SunTrust Bank, South Florida, N.A.

10.12 HEICO Savings and Investment Plan and Trust, as amended and restated effective January 2, 1987 is incorporated by reference to Exhibit 10.2 to the Form 10-K for the year ended October 31, 1987.

10.13 HEICO Savings and Investment Plan, as amended and restated December 19, 1994, is incorporated by reference to Exhibit 10.11 to the Form 10-K for the year ended October 31, 1994.

Item 14 (a) (3) Exhibits continued

10.14 HEICO Corporation 1993 Stock Option Plan.

10.15 HEICO Corporation Combined Stock Option Plan, dated March 15, 1988, is incorporated by reference to Exhibit 10.3 to the Form 10-K for the year ended October 31, 1989.

10.16 Non-Qualified Stock Option Agreement for Directors, Officers and Employees is incorporated by reference to Exhibit 10.8 to the Form 10-K for the year ended October 31, 1985.

10.17 HEICO Corporation Directors' Retirement Plan, as amended, dated as of May 31, 1991, is incorporated by reference to Exhibit 10.19 to the Form 10-K for the year ended October 31, 1992.

10.18 Key Employee Termination Agreement, dated as of April 5, 1988, between HEICO Corporation and Thomas S. Irwin is incorporated by reference to Exhibit 10.20 to the Form 10-K for the year ended October 31, 1992.

10.19 Employment and Non-compete Agreement, dated as of September 16, 1996, by and between HEICO Corporation and Sigmund Borax is incorporated by reference to Exhibit 10.1 to the Form 8-K dated September 16, 1996.

10.20 Employment and Non-compete Agreements, dated as of September 16, 1996, by and between HEICO Corporation and Charles Kott is incorporated by reference to Exhibit 10.2 to the Form 8-K dated September 16, 1996.

10.21 Amendment to 6 1/2% Convertible Note, dated as of December 24, 1996, by and among U.S. Diagnostic, Inc. and HEICO Corporation.

10.22 Amendment to Registration and Sale Rights Agreement, dated as of December 24, 1996, by and among U.S. Diagnostic, Inc. and HEICO Corporation.

11 Computation of earnings per share.

21 Subsidiaries of the Company.

23.1 Consent of independent auditors.

Item 14 (a) (3) Exhibits continued

27 Financial Data Schedule

(b) Reports on Form 8-K

The only report on Form 8-K filed by the Company during the fourth quarter of fiscal 1996 was dated September 16, 1996 and reported under Item 2, "Acquisition of Disposition of Assets," the purchase of all the outstanding capital stock of Trilectron Industries, Inc.

(c) Exhibits

See Item 14 (a) (3).

(d) Separate Financial Statements Required

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HEICO CORPORATION

Date: January 28, 1997

BY: /s/ THOMAS S. IRWIN
THOMAS S. IRWIN
Executive Vice President
and Chief Financial Officer
(Principal Financial and
Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ LAURANS A. MENDELSON LAURANS A. MENDELSON	Chairman, President, Chief Executive Officer and Director (Principal Executive Officer)	January 28, 1997
/s/ JACOB T. CARWILE JACOB T. CARWILE	Director	January 28, 1997
/s/ SAMUEL L. HIGGINBOTTOM SAMUEL L. HIGGINBOTTOM	Director	January 28, 1997
/s/ PAUL F. MANIERI PAUL F. MANIERI	Director	January 28, 1997
/s/ ERIC A. MENDELSON ERIC A. MENDELSON	Director	January 28, 1997
/s/ VICTOR H. MENDELSON VICTOR H. MENDELSON	Director	January 28, 1997
/s/ ALBERT MORRISON, JR. ALBERT MORRISON, JR.	Director	January 28, 1997
/s/ ALAN SCHRIESHEIM ALAN SCHRIESHEIM	Director	January 28, 1997
/s/ GUY C. SHAFER GUY C. SHAFER	Director	January 28, 1997

Exhibit 3.4

BY-LAWS

OF

HEICO CORPORPORATION

F/K/A HEICO INDUSTRIES CORP.

(A FLORIDA CORPORATION)

(AS ADOPTED BY ITS BOARD OF DIRECTORS AS OF JANUARY 29, 1993)

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BY-LAWS OF HEICO INDUSTRIES CORP.

Article 1 - Shareholders

SECTION 1.1 ANNUAL MEETING. A meeting of shareholders shall be held each year for the election of directors and for the transaction of any other business that may come before the meeting. The time and place of the meeting shall be designated by the Board of Directors.

SECTION 1.2 SPECIAL MEETING. Special meetings of the shareholders, for any purpose or purposes, may be called by the chairman of the board, the president or a majority of the Board of Directors, and shall be called by the president or the secretary at the request of a majority of the directors then in office or at the request of the holders of not less than one- tenth (1/10th) of all outstanding shares of the corporation entitled to vote at the meeting.

SECTION 1.3 PLACE OF MEETING. The Board of Directors may designate any place, either within or without the State of Florida, as the place of meeting for any annual or special meeting of the shareholders called by the Board of Directors. If no designation is made the place of meeting shall be the principal office of the corporation in the State of Florida.

SECTION 1.4 NOTICE OF MEETING. Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by first-class mail, by, or at the direction of, the president or the secretary, or the officer or other persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If the notice is mailed at least thirty (30) days before the date of the meeting, it may be done by a class of United States mail other than first-class. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

When a meeting is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. If, however, after the adjournment, the Board of Directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given as provided in this Section to each shareholder of record on the new record date entitled to vote at such meeting.

SECTION 1.5 WAIVER OF NOTICE MEETING. Whenever any notice is required to be given to any shareholder, a waiver thereof in writing signed by the person or persons entitled to such notice, whether signed before, during or after the time of the meeting stated therein, shall be equivalent to the giving of such notice. Attendance of a person at a meeting shall constitute a

waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the shareholders need be specified in any written waiver of notice unless so required in these by-laws, the Articles of Incorporation or by law.

SECTION 1.6 FIXING OF RECORD DATE. In order that the corporation may determine the shareholders entitled to notice of, or to vote at, any meeting of shareholders or any adjourn- ment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than seventy (70) nor less than ten (10) days before the date of such meeting, nor more than seventy (70) days prior to any other action. A determination of share- holders of record entitled to notice of, or to vote at, a meeting of shareholders shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting.

SECTION 1.7 VOTING RECORD. The officer or agent having charge of the stock transfer books for shares of stock of the corporation shall make, at least ten (10) days before each meeting of shareholders, a complete list of shareholders entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of, the number and class and series, if any, of shares held by, each shareholder. Such list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the corporation and shall be subject to inspection by any shareholder at any time during usual business hours and such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the time of meeting.

SECTION 1.8 QUORUM. Except as may be otherwise provided in these by-laws, the Articles of Incorporation or by law, a majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of shareholders. If less than a majority of outstanding shares entitled to vote are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. After a quorum has been established at any shareholders' meeting, the subsequent withdrawal of shareholders, so as to reduce the number of shares entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof.

SECTION 1.9 VOTING PER SHARE. Except as may be otherwise provided in these by-laws, the Articles of Incorporation or by law, each shareholder entitled to vote shall at every meeting of the shareholders be entitled to one (1) vote for each share of voting stock held by him.

SECTION 1.10 VOTING OF SHARES. A shareholder may vote at any meeting of sharehold- ers of the corporation, either in person or by proxy.

Shares standing in the name of another corporation, domestic or foreign, may be voted by the officer, agent or proxy designated by the by-laws of such corporate shareholder or, in the absence of any applicable by-law, by such person or persons as the Board of Directors of the corporate shareholder may designate. Proof of such designation may be made by presentation of a certified copy of the by-laws or other instrument of the corporate shareholder. In the absence of any such designation or, in case of conflicting designation by the corporate share- holder, the chairman of the board, the president, any vice president, the secretary and the treasurer of the corporate shareholder shall be presumed to possess, in that order, authority to vote such shares.

Shares held by an administrator, executor, personal representative, guardian or conser- vator may be voted by him, either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee or custodian may be voted by him, either in person or by proxy, but no trustee or custodian shall be entitled to vote shares held by him without a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name, if authority so to do is contained in an appropriate order of the court by which such receiver was appointed.

SECTION 1.11 PROXIES. Every shareholder entitled to vote at a meeting of shareholders, or to express consent or dissent without a meeting, or his duly authorized attorney-in-fact, may authorize another person to act for him by proxy. Every proxy shall be in writing and shall be signed by the shareholder or his attorney-in-fact. A proxy shall be filed with the secretary of the corporation before or at the time of the meeting or before or at the time the consent is given.

SECTION 1.12 MANNER OF ACTION. If a quorum is present, the affirmative vote of a majority of the shares represented in person or by proxy at the meeting and entitled to vote on the subject matter shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by these by-laws, the Articles of Incorporation or by law.

SECTION 1.13 ACTION WITHOUT A MEETING. Unless otherwise provided in the Articles of Incorporation, action required or permitted to be taken at any meeting of the shareholders may be taken without a meeting, without prior notice, and without a vote if the action is taken by the holders of outstanding shares of each voting group entitled to vote thereon having not less than the minimum number of votes with respect to each voting group that would be necessary to authorize or take such action at a meeting at which all voting groups and shares entitled to vote thereon were present and voted. In order to be effective, the action must be evidenced by one or more written consents describing the action taken, dated and signed by approving shareholders having the requisite number of votes of each voting group entitled to vote thereon, and delivered to the corporation by delivery to its principal office in Florida, its principal place of business, the corporate secretary, or another office or agent of the corpora- tion having custody of the book in which proceedings of meetings of shareholders are record- ed. No written consent shall be effective to take the corporate action referred to herein unless, within sixty (60) days of the date of the earliest dated consent delivered in the manner required by this Section, written consents signed by the number of holders required to take action are delivered to the corporation by delivery as set forth herein.

Any written consent may be revoked prior to the date that the corporation receives the required number of consents to authorize the proposed action. No revocation is effective unless in writing and until received by the corporation at its principal office or its principal place of business, or received by the corporate secretary or other officer or agent of the corporation having custody of the book in which proceedings of meetings of shareholders are recorded.

Within 10 days after obtaining such authorization by written consent, notice must be given to those shareholders who have not consented in writing or who are not entitled to vote on the action. The notice shall fairly summarize the material features of the authorized action and, if the action be such for which dissenters' rights are provided under the articles of incorporation or by law, the notice shall contain a clear statement of the right of shareholders dissenting therefrom to be paid the fair value of their shares upon compliance with applicable law.

A consent signed as set forth in this Section has the effect of a meeting vote and may be described as such in any document.

Whenever action is taken as set forth in this Section, the written consent of the share- holders consenting thereto or the written reports of inspectors appointed to tabulate such consents shall be filed with the minutes of proceedings of shareholders.

SECTION 1.14 NOTIFICATION OF NOMINATION OF DIRECTORS. Nominations for election to the Board of Directors of the Corporation at a meeting of shareholders may be made by the Board of Directors or by any shareholder of the Corporation entitled to vote for the election of

directors at such meeting who complies with the notice procedures set forth in this Section 1.14. Such nominations, other than those made by or on behalf of the Board of Directors, may be made only if notice in writing is personally delivered to, or mailed by first class United States mail, postage prepaid, and received by, the Secretary of the Corporation not less than sixty (60) days nor more than ninety (90) days prior to such meeting; provided, however, that if less than seventy (70) days' notice or prior public disclosure of the date of the meeting is given to shareholders, such nomination shall have been mailed by first class United States mail, postage prepaid, and received by, or personally delivered to, the Secretary of the Corporation not later than the close of business on the tenth (10th) day following the day on which notice of the date of the meeting was mailed or such public disclosure was made, whichever occurs first. Such notice shall set forth (a) as to each proposed nominee (i) the name, age, business address and, if known, residence address of each such nominee, (ii) the principal occupation or employment of each such nominee, (iii) the number of shares, if any, of stock of the Corporation that are beneficially owned by each such nominee and (iv) any other information concerning the nominee that must be disclosed in proxy solicitations pursuant to the proxy rules of the Securities and Exchange Commission if such person had been nominated, or intended to be nominated, by the Board of Directors (including such person's written consent to be named as a nominee and to serve as a director if elected); and (b) as to the shareholder giving the notice (i) the name and address, as they appear on the Corporation's books, of such shareholder, (ii) a representation that such shareholder is a holder of record of shares of stock of the Corporation entitled to vote at the meeting and the class and number of shares of the Corporation which are beneficially owned by such shareholder, (iii) a representa- tion that such shareholder intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice and (iv) a description of all arrangements or understandings between such shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by such shareholder. The Corporation also may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

The chairman of the meeting may, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

SECTION 1.15 NOTICE OF BUSINESS AT ANNUAL MEETINGS. At an annual meeting of the shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors or (c) otherwise properly brought before the meeting by a shareholder. For business to be properly brought before an annual meeting by a shareholder, if such business

relates to the election of directors of the Corporation, the procedures in Section 1.14 must be complied with. If such business relates to any other matter, the shareholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a shareholder's notice must be personally delivered to, or mailed by first class United States mail, postage prepaid, and received by, the Secretary of the Corporation not less than sixty (60) days nor more than ninety (90) days prior to such meeting; PROVIDED, HOWEVER, that if less than seventy (70) days' notice or prior public disclosure of the date of the meeting is given to shareholders, such notice, to be timely, must have been mailed by first class United States mail, postage prepaid, and received by, or personally delivered to, the Secretary of the Corporation not later than the close of business on the tenth (10th) day following the day on which notice of the date of the meeting was mailed or such public disclosure was made, whichever occurs first. A shareholder's notice to the Secretary of the Corporation shall set forth as to each matter the shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and address, as they appear on the Corporation's books, of the shareholder proposing such business, (iii) a representation that the shareholder is a holder of record of shares of stock of the Corporation entitled to vote at the meeting and the class and number of shares of the Corporation which are beneficially owned by the shareholder and (iv) any material interest of the shareholder in such business. Notwithstanding anything in these By-laws to the contrary, no business shall be conducted at any annual meeting except in accordance with the procedures set forth in this Section 1.15 and except that any shareholder proposal which complies with Rule 14a-8 of the proxy rules (or any successor provision) promulgated under the Securities Exchange Act of 1934, as amended, and is to be included in the Corporation's proxy statement for an annual meeting of sharehold- ers shall be deemed to comply with the requirements of this Section 1.15.

The chairman of the meeting may, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 1.15, and if he should so determine, he shall so declare to the meeting and the business not properly brought before the meeting shall be disregarded.

ARTICLE 2 - BOARD OF DIRECTORS

SECTION 2.1 GENERAL POWERS. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, its Board of Directors.

SECTION 2.2 NUMBER, TERMS AND CLASSIFICATION. The Board of Directors of the corporation shall consist of not less than one (1) but no more than nine (9) persons, and shall be set by the Board of Directors from time to time. No decrease in the number of directors shall have the effect of shortening the term of any incumbent director. A director need not be

a citizen of the United States of America, nor a resident of the State of Florida, nor a share- holder of the corporation. Each director shall hold office until his successor shall have been elected and qualified or until his earlier resignation, removal from office or death.

SECTION 2.3 REGULAR MEETINGS. An annual regular meeting of the Board of Directors shall be held without notice immediately after, and at the same place as, the annual meeting of shareholders for the purpose of the election of officers and the transaction of such other business as may come before the meeting, and at such other times and places as may be deter- mined by the Board of Directors. The Board of Directors may, at any time and from time to time, provide by resolution, the time and place, either within or without the State of Florida, for the holding of the annual regular meeting or additional regular meetings of the Board of Directors without other notice than such resolution.

SECTION 2.4 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the chairman of the board, the vice chairman of the board, the president or in their absence by any vice president or by a majority of the Board of Directors.

The person or persons authorized to call special meetings of the Board of Directors may designate any place, either within or without the State of Florida, as the place for holding any special meeting of the Board of Directors called by them. If no designation is made, the place of meeting shall be the principal office of the corporation in the State of Florida.

Notice of any special meeting of the Board of Directors may be given by any reasonable means, whether oral or written, and at any reasonable time prior to such meeting. The reasonableness of any notice given in connection with any special meeting of the Board of Directors shall be determined in light of all of the pertinent circumstances. It shall be pre- sumed that notice of any special meeting given at least five (5) days prior to such special meeting either orally (whether telephonically or face-to-face), by facsimile transmission, or by written notice delivered personally or mailed to each director at his business or residence address, is reasonable. If mailed, such notice of any special meeting shall be deemed to be delivered on the second day after it is deposited in the United States mail, so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Neither the business to be transacted at, nor the purpose or purposes of, any special meeting of the Board of Directors need be specified in the notice or in any written waiver of notice of such meeting.

SECTION 2.5 WAIVER OF NOTICE OF MEETING. Notice of a meeting of the Board of Directors need not be given to any director who signs a written waiver of notice before, during or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting and the manner in which it has been called or convened, except when a director

states, at the beginning of the meeting, any objection to the transaction of business because the meeting is not lawfully called or convened.

SECTION 2.6 QUORUM. A majority of the number of directors fixed by, or in the manner provided in, these by-laws shall constitute a quorum for the transaction of business; provided, however, that whenever, for any reason, a vacancy occurs in the Board of Directors, a quorum shall consist of a majority of the remaining directors until the vacancy has been filled.

SECTION 2.7 PRESUMPTION OF ASSENT. A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of an interest.

SECTION 2.8 MANNER OF ACTION. Unless otherwise provided by law, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 2.9 ACTION WITHOUT A MEETING. Any action required to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board of Directors, may be taken without a meeting, without prior notice, and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by all of the directors and filed in the minutes of the proceedings of the Board of Directors.

SECTION 2.10 MEETINGS OF THE BOARD OF DIRECTORS BY MEANS OF A CONFERENCE TELEPHONE OR SIMILAR COMMUNICATIONS EQUIPMENT. Members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at a meeting.

SECTION 2.11 RESIGNATION. Any director may resign at any time by giving written or oral notice to the chairman of the board, the president or the secretary of the corporation. The resignation of any director shall take effect immediately upon the receipt of such notice, or on any later date specified in a written notice. The acceptance of any such resignation by the Board of Directors shall not be required to make it effective.

SECTION 2.12 REMOVAL. Any director, or the entire Board of Directors, may be removed at any time, with or without cause, by action of the holders of a majority of the shares entitled to vote for the election of directors.

SECTION 2.13 VACANCIES. Any vacancy occurring in the Board of Directors, including any vacancy created by reason of an increase in the number of directors, may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall hold office only until the next election of directors by the shareholders.

SECTION 2.14 COMPENSATION. Each director may receive compensation and/or reimbursement for his expenses for services rendered to the Company, including but not limited to, service on the Board of Directors or any committee thereof. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compen- sation therefor.

ARTICLE 3 - COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors, by resolution adopted by a majority of the whole Board of Directors, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in such resolution, shall have and may exercise all the authority of the Board of Directors, except as prohibited by law.

The Board of Directors, by resolution adopted by a majority of the whole Board of Directors, shall designate a chairman for each committee it establishes who shall preside at all meetings of such committee and who shall have such additional duties as shall from time to time be designated by the Board of Directors.

The Board of Directors, by resolution adopted by a majority of the whole Board of Directors, may designate one or more directors as alternate members of any such committee, who may act in the place and stead of any absent member or members at any meeting of such committee.

ARTICLE 4 - OFFICERS

SECTION 4.1 OFFICERS. The officers of the corporation may consist of a chairman of the board, a vice chairman of the board, a chief executive officer, a president, one or more vice presidents, a secretary, a treasurer and such other officers and assistant officers as may be deemed necessary, and as shall be approved, by the Board of Directors. Any two (2) or more offices may be held by the same person. No officer need be a member of the Board of Directors.

SECTION 4.2 ELECTION AND TERM OF OFFICE. The officers of the corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not occur at such meeting, such election shall occur as soon thereafter as practicable. Each officer shall hold office until his successor shall have been duly elected and qualified, or until his earlier resignation, removal from office or death.

SECTION 4.3 RESIGNATION. Each and every officer, employee and agent of the corporation may resign from his respective office or position by giving written or oral notice to the president or the secretary of the corporation. The resignation of any officer, employee or agent of the corporation shall take effect immediately upon the receipt of such notice, or on any later date specified in a written notice, but the acceptance of any such resignation by the Board of Directors shall not be required to make it effective.

SECTION 4.4 REMOVAL. Each and every officer, employee and agent of the corporation may be removed from his respective office or position at any time, with or without cause, by the affirmative vote of a majority of the whole Board of Directors.

SECTION 4.5 VACANCIES. Any vacancy, however occurring, in any office or position, may be filled by action of the Board of Directors.

SECTION 4.6 CHAIRMAN OF THE BOARD. The chairman of the board shall preside as chairman of all meetings of the shareholders and of the Board of Directors. The chairman may execute contracts, instruments and documents in the name of the corporation, and appoint and discharge agents and employees. The chairman of the board shall have duties as may be prescribed by the Board of Directors from time to time.

SECTION 4.7 VICE CHAIRMAN OF THE BOARD. The vice chairman of the board shall have the powers and duties incident to that office and shall have such other powers and duties as may be prescribed from time to time by the Board of Directors, or the chairman of the board. In the event of the incapacity of the chairman of the board, the vice chairman of the board shall perform such duties of the chairman of the board as the Board of Directors shall prescribe. In the event of the resignation of the chairman of the board, the vice chairman of the board shall have all of the power and duties of the chairman of the board until such time as the chairman of the board is duly elected.

SECTION 4.8 CHIEF EXECUTIVE OFFICER. The chief executive officer shall have general charge of the business of the corporation. He shall exercise the powers and perform such duties as are incident to his office or are properly required of him by the Board of Directors. He shall have supervisory management and control of the affairs and business of the corpora- tion. He may sign or countersign all certificates, contracts and other instruments of the corporation as authorized by the Board of Directors and he may appoint and discharge agents

and employees. In the event of the incapacity of the chairman of the board, and there being no vice chairman of the board, the chief executive officer shall perform such duties of the chairman of the board as the Board of Directors shall prescribe.

SECTION 4.9 PRESIDENT. The president shall be the chief operating officer of the corporation and shall have the responsibility for supervising the day-to-day management and affairs of the corporation. He shall keep the Board of Directors and the chief executive officer fully informed and shall freely consult with them concerning the business of the corporation in his charge. He may sign or countersign all certificates, contracts, and other instruments of the corporation as authorized by the Board of Directors and he may appoint and discharge agents and employees. He shall do and perform such other duties as are incident to his office or are properly required of him by the Board of Directors. In the event of the incapacity of the chairman of the board, and there being no vice chairman of the board or chief executive officer, the president shall perform such duties of the chairman of the board as the Board of Directors shall prescribe.

SECTION 4.10 VICE PRESIDENTS. Each vice president shall possess, and may exercise, such power and authority, and shall perform such duties, as may from time to time be assigned to him by the Board of Directors, the chief executive officer or the president. In the event of the incapacity of the president, a vice president designated by the Board of Directors shall perform such duties of the president as the Board of Directors shall prescribe. A vice presi- dent may execute contracts in the name of the corporation as authorized by the Board of Directors.

SECTION 4.11 SECRETARY. The secretary shall keep the minutes of the proceedings of the shareholders and of the Board of Directors in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these by-laws or as required by law, be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized, and the secretary shall possess, and may exercise, such power and authority, and shall perform such duties, as may from time to time be assigned to him by the Board of Directors and as are incident to the office of secretary.

SECTION 4.12 TREASURER. The treasurer shall have charge and custody of, and be responsible for, all funds and securities of the corporation, receive and give receipts for monies due and payable to the corporation from any source whatsoever and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositaries as shall be utilized by the corporation. He shall disburse the funds of the corporation in payment of the just demands against the corporation, or as may be ordered by the president, the chief executive officer or the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president, the chief executive officer and the Board of Directors from time to time as may be required of him, an account of all his transactions as treasurer and of

the financial condition of the corporation. In addition, the treasurer shall possess, and may exercise such power and authority, and shall perform such duties, as may from time to time be assigned to him by the Board of Directors and as are incident to the office of treasurer.

SECTION 4.13 OTHER OFFICERS, EMPLOYEES AND AGENTS. Each and every other officer, employee and agent of the corporation shall possess, and may exercise, such power and authority, and shall perform such duties, as may from time to time be assigned to him by the Board of Directors, and such officer or officers who may from time to time be designated by the Board of Directors to exercise such supervisory authority.

SECTION 4.14 COMPENSATION. The compensation of the officers, employees and agents of the corporation shall be fixed from time to time by the Board of Directors or the officer or officers of the corporation who may from time to time be designated by the Board of Directors to fix such compensation. The payment of any compensation by the corporation to him shall not prevent any officer, employee or agent of the corporation from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE 5 - INDEMNIFICATION

This corporation shall indemnify and hold harmless each person who shall serve at any time as a director or officer of the corporation from and against any and all claims and liabilities to which such person shall have become subject by reason of his having heretofore or hereafter been a director or officer of the corporation, or by reason of any action alleged to have been heretofore or hereafter taken or omitted by him as such director or officer, and shall reimburse each such person for all legal and other expenses reasonably incurred by him in connection with any such claim or liability; PROVIDED, HOWEVER, that no such person shall be indemnified against, or be reimbursed for any expense incurred in connection with any claim or liability which shall be finally adjudged to arise out of his own gross negligence or willful misconduct. The rights accruing to any person under the foregoing provisions of this Article shall not exclude any other rights to which he may be lawfully entitled, nor shall anything herein contained restrict the right of the corporation to indemnify or reimburse such person in any proper case even though not specifically herein provided for.

The corporation, its directors, officers, employees and agents shall be fully protected in taking any action or making any payment under this Article, or in refusing so to do, in reliance upon the advice of counsel.

ARTICLE 6 - CERTIFICATES OF STOCK

SECTION 6.1 CERTIFICATES FOR SHARES. Certificates representing shares in the corpora- tion shall be signed by the president, a vice president and the treasurer, or an assistant treasurer or the secretary or an assistant secretary and may be sealed with the seal of this corporation or a facsimile thereof. The signatures of the president, a vice president and the treasurer, or an assistant treasurer or the secretary or an assistant secretary may be facsimiles if the certificate is manually signed on behalf of a transfer agent or a registrar, other than the corporation itself or an employee of the corporation. In case any officer who signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of its issuance.

SECTION 6.2 TRANSFER AGENTS AND REGISTRARS. The Board of Directors may appoint one or more responsible banks or trust companies in such city or cities as the board may from time to time deem advisable to act as transfer agents and registrars of the stock of the corpora- tion; and, if and when such appointments shall been made, no stock certificate shall be valid until countersigned by one of such transfer agents and registered by one of such registrars.

SECTION 6.3 TRANSFER OF SHARES; OWNERSHIP OF SHARES. Transfers of shares of stock of the corporation shall be made only upon the stock transfer books of the corporation, and only after the surrender to the corporation of the certificates representing such shares. The person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes and the corporation shall not be bound to recognize any equitable or other claim to, or interest in, such shares on the part of any other person, whether or not it shall have express or other notice thereof, except as provided by law.

SECTION 6.4 LOST CERTIFICATES. The corporation shall issue a new stock certificate in the place of any certificate previously issued if the holder of record of the certificate: (a) makes proof in affidavit form that the certificate has been lost, destroyed or wrongfully taken; (b) requests the issuance of a new certificate before the corporation has notice that the lost, destroyed or wrongfully taken certificate has been acquired by a purchaser for value in good faith and without notice of any adverse claim; (c) at the discretion of the Board of Directors, gives bond in such form and amount as the corporation may direct, to indemnify the corporation, the transfer agent and registrar against any claim that may be made on account of the alleged loss, destruction, or theft of a certificate; and (d) satisfies any other reasonable requirements imposed by the corporation.

ARTICLE 7 - ACTIONS WITH RESPECT TO SECURITIES OF OTHER CORPORATIONS

Unless otherwise directed by the Board of Directors, the chairman of the board if he is present, or in his absence by the vice chairman, if any, or in his absence by the president, or in his absence by any vice president who may be present, shall have power to vote and otherwise act on behalf of the corporation at any meeting of shareholders of, or with respect to, any action of shareholders of any other corporation in which the corporation may hold securities and to otherwise exercise any and all rights and powers which the corporation may possess by reason of its ownership of securities in other corporations.

ARTICLE 8 - AMENDMENTS

Alteration, amendment or repeal of these By-Laws may be made by a majority of the shareholders entitled to vote at any meeting, or by the Board of Directors by a majority vote of the directors at any regular or special meeting, provided notice of such alteration, amendment or repeal has been given to each director in writing at least three (3) days prior to said meeting.

ARTICLE 9 - GENDER

All words used in these by-laws in the masculine gender shall extend to and shall include the feminine and neuter genders.

Exhibit 10.10

BROWARD COUNTY, FLORIDA

AND

HEICO AEROSPACE CORPORATION

LOAN AGREEMENT

Dated as of October 1, 1996

The interest of Broward County, Florida (the "Issuer") in this Loan Agreement has been assigned (except for amounts payable under Sections 4.2(b), 7.2 and 8.4 hereof) pursuant to the Indenture of Trust dated as of the date hereof from the Issuer to SunTrust Bank, Nature Coast, as trustee (the "Trustee"), and is subject to the security interest of the Trustee thereunder.

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of October 1, 1996, between BROWARD COUNTY, FLORIDA (the "Issuer") a political subdivision of the State of Florida (the "State") and HEICO AEROSPACE CORPORATION, a corporation organized and existing under the laws of the State of Florida (the "Company");

W I T N E S S E T H:

That the parties hereto, intending to be legally bound hereby, and for and in consideration of the premises and the mutual covenants hereinafter contained, do hereby covenant, agree and bind themselves as follows: provided, that any obligation of the Issuer created by or arising out of this Agreement shall never constitute a debt or a pledge of the faith and credit or the taxing power of the Issuer or any political subdivision or taxing district of the State of Florida but shall be payable solely out of the Trust Estate (as defined in the Indenture), anything herein contained to the contrary by implication or otherwise notwithstanding:

ARTICLE I

DEFINITIONS

All capitalized, undefined terms used herein shall have the same meanings as used in Article I of the hereinafter defined Indenture. In addition, the following words and phrases shall have the following meanings:

"Company Representative" means the authorized representative of the Company empowered to act on behalf of the Company in the manner described herein.

"Cost" with respect to the Project shall be deemed to include all items permitted to be financed under the provisions of the Code and the Act.

"Default" means any Default under this Agreement as specified in and defined by Section 8.1 hereof.

"Indenture" means the Indenture of Trust dated as of this date between the Issuer and the Trustee, pursuant to which the Bonds are authorized to be issued, and any amendments and supplements thereto.

"Issuance Costs" means all costs that are treated as costs of issuing or carrying the Bonds under existing Treasury Department regulations and rulings, including, but not limited to, (a) underwriter's spread (whether realized directly or derived through purchase of the Bonds at a discount below the price at which they are expected to be sold to the public); (b) counsel fees (including bond counsel, underwriter's counsel, Issuer's counsel, Company counsel, as well as any other specialized counsel fees incurred in connection with the issuance of the Bonds); (c) financial adviser fees incurred in connection with the issuance of the Bonds; (d) rating agency fees; (e) Trustee fees incurred in connection with the issuance of the Bonds; (f) paying agent and certifying and authenticating agent fees related to issuance of the Bonds; (g) accountant fees related to the issuance of the Bonds; (h) printing costs of the Bonds and of the preliminary and final offering materials; (I) publication costs associated with the financing proceedings; (j) Issuer's closing fee of .5% of the aggregate principal amount of Bonds issued and (k) costs of engineering and feasibility studies necessary to the issuance of the Bonds; provided, that bond insurance premiums and certain credit enhancement fees, to the extent treated as interest expense under applicable regulations, shall not be treated as "Issuance Costs."

"Issuance Fee" means a fee of 1/2 of 1% of up to the first $4 million of the aggregate principal amount of Bonds, which equals $17,500 to which are issued to be payable to the Broward Economic Development Council.

"Issuer Representative" means the authorized representative of the Issuer empowered to act on behalf of the Issuer in the manner described herein.

"Mortgage" means the Mortgage and Security Agreement dated as of October 1, 1996 from HEICO Aerospace Corporation to SunTrust Bank, South Florida, National Association and Broward County.

"Net proceeds of the sale of the Bonds" means the proceeds from the sale of the Bonds reduced by amounts in a reasonably required reserve or replacement fund.

"Plans and Specifications" means the plans and specifications for the Project submitted to the Bank and the Trustee.

"Project" means the Project Site, the Project Facilities and the Project Equipment.

"Project Equipment" means the items of machinery, equipment, or other tangible property described in EXHIBIT B hereof located on the Project Site or used in connection within the Project Facilities and purchased with Bond proceeds.

"Project Facilities" means those certain buildings or improvements to buildings and all other facilities and improvements forming a part of the Project existing or to be renovated, expanded or rehabilitated on the Project Site and not constituting part of the Project Equipment, as they may at any time exist, and which are described generally in EXHIBIT A hereto.

"Project Site" means the site located at 3000 Taft Street in the City of Hollywood, Broward County, Florida on which the Project Facilities are situated, and any other interests in real property, leasehold interests, easements, licenses, and rights in real property hereafter acquired by the Company with proceeds of the Bonds for use in connection with the Project.

"Qualified Project Costs" means costs and expenses of the Project which constitute land costs or costs for property of a character subject to the allowance for depreciation excluding specifically working capital and inventory costs, provided, however, that (i) costs or expenses paid more than sixty (60) days prior to the adoption by the Issuer of its resolution on May 28, 1996, declaring its intent to reimburse Project expenditures with Bond proceeds, shall not be deemed to be Qualified Project Costs; (ii) Issuance Costs shall not be deemed to be Qualified Project Costs; (iii) interest during the Construction Period shall be allocated between Qualified Project Costs and other costs and expenses to be paid from the proceeds of the Bonds; (iv) interest following the Construction Period shall not constitute a Qualified Project Cost; (v) letter of credit fees and munici- pal bond insurance premiums which represent a transfer of credit risk shall be allocated between Qualified Project Costs and other costs and expenses to be paid from the proceeds of the Bonds; and (vi) letter of credit fees and municipal bond insurance premiums which do not represent a transfer of credit risk shall not constitute Qualified Project Costs.

"Requisition" means a written request for a disbursement from the Construction Fund, signed by a Company Representative, substantially in the form attached hereto as Exhibit C and satisfactorily completed as contemplated by said form.

"State" means the State of Florida.

"Term of Agreement" means the term of this Agreement as specified in Section 9.1 hereof.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1. REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE ISSUER. The Issuer represents, covenants and warrants that:

(a) The Issuer is a political subdivision of the State of Florida. Under the provisions of the Act, the Issuer is authorized to enter into the transactions contemplated by this Agree- ment and the Indenture and to carry out its obligations hereunder and thereunder. The Issuer has been duly authorized to execute and deliver this Agreement and the Indenture.

(b) The Issuer covenants that it will not pledge the amounts derived from this Agreement other than as contemplated by the Indenture.

SECTION 2.2. REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE COMPANY. The Company represents, covenants and warrants that:

(a) The Company is a corporation duly organized and validly existing under the laws of the State of Florida. The Company is not in violation of any provision of its Articles of Incorporation, as amended, has the corporate power to enter into this Agreement, and has duly authorized the execution and delivery of this Agreement, and is qualified to do business and is in good standing under the laws of the State.

(b) The Company agrees that during the Term of Agreement it will maintain its existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another legal entity or permit one or more other legal entities to consolidate with or merge into it, without the prior written consent of the Issuer, the Bank and the Trustee.

(c) Neither the execution and delivery of this Agreement, the Mortgage, the Guaran- ty, the Remarketing Agreement, the Credit Agreement, the Tender Agent Agreement or the Pledge Agreement, nor the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms and conditions hereof or thereof conflicts with or results in a breach of the terms, conditions, or provisions of any agreement or instrument to which the Company is now a party or by which the Company is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Company under the terms of any such instrument or agreement.

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Company or any of its officers, wherein an unfavorable decision, ruling, or finding would materially adversely affect the transactions contemplated by this Agreement or which would adversely affect, in any way, the validity or enforceability of the Bonds, this Agreement, the Mortgage, the Guaranty, the Pledge Agreement, the Tender Agent Agreement, the Credit Agreement, the Remarketing Agreement, or any agreement or instrument to which

the Company is a party, used or contemplated for use in the consummation of the transactions contemplated hereby.

(e) The Project, to the best of the knowledge of the Company, is of the type authorized and permitted by the Act, and its estimated Cost is not less than $3,500,000.

(f) The proceeds from the sale of the Bonds will be used only for payment of Costs of the Project.

(g) The Company will use due diligence to cause the Project to be operated in accordance with the laws, rulings, regulations and ordinances of the State and the depart- ments, agencies and political subdivisions thereof. The Company has obtained or caused to be obtained all requisite approvals of the State and of other federal, state, regional and local governmental bodies for the renovation, expansion, rehabilitation, improving and equipping of the Project.

(h) The Company will fully and faithfully perform all the duties and obligations which the Issuer has covenanted and agreed in the Indenture to cause the Company to perform and any duties and obligations which the Company is required in the Indenture to perform. The foregoing shall not apply to any duty or undertaking of the Issuer which by its nature cannot be delegated or assigned.

(i) The issuance of the Bonds by the Issuer and the lending of the proceeds thereof to the Company to enable the Company to renovate, expand, rehabilitate and equip the Project have induced the Company to locate the Project in the County which will directly result in an increase in employment opportunities in the County.

SECTION 2.3. TAX-EXEMPT STATUS OF THE BONDS. The Company hereby represents, warrants and agrees that the Tax Certificate and the Tax Regulatory Agreement executed and delivered by the Company concurrently with the issuance and delivery of the Bonds is true, accurate and complete in all material respects as of the date on which executed and delivered.

SECTION 2.4. NOTICE OF DETERMINATION OF TAXABILITY. Promptly after the Company first becomes aware of any Determination of Taxability, the Company shall give written notice thereof to the Issuer and the Trustee.

ARTICLE III

ACQUISITION AND CONSTRUCTION
OF THE PROJECT;
ISSUANCE OF THE BONDS

SECTION 3.1. AGREEMENT TO RENOVATE, EXPAND, REHABILITATE AND EQUIP THE PROJECT. The Company agrees to make all contracts and do all things necessary for the renovation, expansion, rehabilitation and equipping of the Project, with or without advertising for bids, and the Company agrees that it will cause the Project Facilities to be constructed on the Project Site substantially in accordance with the Plans and Specifications and that it will cause the Project Equipment to be installed therein or located thereon. The Company may make such change orders as it deems necessary or desirable provided, however, that any change orders the cost of which, either individual- ly or in the aggregate, shall exceed $100,000 shall be subject to the prior written approval of the Bank.

The Company further agrees that it will renovate, expand, rehabilitate and equip the Project with all reasonable dispatch and use its best efforts to cause renovation, expansion, rehabilita- tion, equipping, and occupancy of the Project Facilities to be completed by October 1, 1999, or as soon thereafter as may be practicable, delays caused by FORCE MAJEURE as defined in Section 8.1 hereof only excepted; but if for any reason such renovation, expansion, rehabilitation and equipping is not completed by said date there shall be no resulting liability on the part of the Company and no diminution in or postponement of the payments required in Section 4.2 hereof to be paid by the Company and the Company further agrees to keep the Project free of all encumbrances except the permitted encumbrances set forth in Exhibit D and to subject to the lien and security interest of the Mortgage each item of Project Equipment prior to the delivery of the Bonds. The Company shall obtain mortgagee title insurance in an amount not less than the principal amount of the Series 1996 Bonds insuring the Issuer's and the Trustee's interest under the Mortgage and a current survey of the Project Site certified to the Issuer and the Trustee.

SECTION 3.2. AGREEMENT TO ISSUE THE BONDS; APPLICATION OF BOND PROCEEDS. In order to provide funds for the payment of a portion of the Cost of the Project, the Issuer, concurrent- ly with the execution of this Agreement, will issue, sell, and deliver the Bonds and deposit the net proceeds thereof with the Trustee in the Construction Fund.

SECTION 3.3. DISBURSEMENTS FROM THE CONSTRUCTION FUND. The Issuer has, in the Indenture, authorized and directed the Trustee to make disbursements from the Construction Fund to pay the Costs of the Project, or to reimburse the Company for any Cost of the Project paid by the Company. The Trustee shall not make any disbursement from the Construction Fund until the Company shall have provided the Trustee with a Requisition approved by the Bank in advance.

SECTION 3.4. FURNISHING DOCUMENTS TO THE TRUSTEE. The Company agrees to cause such Requisitions to be directed to the Trustee as may be necessary to effect payments out of the Construction Fund in accordance with Section 3.3 hereof.

SECTION 3.5. ESTABLISHMENT OF COMPLETION DATE.

(a) The Completion Date shall be evidenced to the Issuer and the Trustee by a certificate signed by a Company Representative stating that, except for amounts retained by the Trustee at the Company's direction to pay any Cost of the Project not then due and payable, (i) construction of the Project has been substantially completed and all costs then due of labor, services, materials and supplies used in such construction have been paid, (ii) all equipment for the Project has been installed, such equipment so installed is suitable and sufficient for the operation of the Project, and all costs then due and expenses incurred in the acquisition and installation of such equipment have been paid, and (iii) all other facilities necessary in connection with the Project have been renovated, expanded, rehabilitated and equipped and all costs and expenses incurred in connection therewith have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. Forthwith upon completion of the renovation, expansion, rehabilitation and equipping of the Project, the Company agrees to cause such certificate to be furnished to the Issuer and the Trustee. Upon receipt of such certificate, the Trustee shall retain in the Construction Fund a sum equal to the amounts necessary for payment of the Costs of the Project not then due and payable according to such certificate. If any such amounts so retained are not subsequently used, prior to any transfer of said amounts to the General Account of the Bond Fund as provided below, the Trustee shall give notice to the Company of the failure to apply said funds for payment of the Costs of the Project. Any amount not to be retained in the Construction Fund for payment of the Costs of the Project, and all amounts so retained but not subsequently used, shall be transferred by the Trustee into the General Account of the Bond Fund.

(b) As of the Completion Date, if at least ninety-five percent (95%) of the net proceeds of the sale of the Bonds have not been used to pay Qualified Project Costs, any amount (exclusive of amounts retained by the Trustee in the Construction Fund for payment of Costs of the Project not then due and payable) remaining in the Construction Fund shall be transferred by the Trustee into the General Account of the Bond Fund and used by the Trustee (a) to redeem, or to cause the redemption of, Bonds on the earliest redemption date permitted by the Indenture without a premium, (b) to purchase Bonds on the open market prior to such redemption date at prices not in excess of one hundred percent (100%) of the principal amount of such Bonds, or (c) for any other purpose provided that the Trustee is furnished with an opinion of Bond Counsel to the effect that such use is lawful under the Act and will not require that interest on the Bonds be included in gross income for federal income tax purposes. Until used for one or more of the foregoing purposes, such segregated amount may be invested as permitted by the Indenture provided that prior to any such investment the Trustee is provided with an opinion of Bond Counsel to the effect that such investment will not require that interest on the Bonds be included in gross income for federal income tax purposes.

SECTION 3.6. COMPANY REQUIRED TO PAY IN EVENT CONSTRUCTION FUND INSUFFICIENT. In the event the moneys in the Construction Fund available for payment of the Costs of the Project should not be sufficient to pay the Costs of the Project in full, the Company agrees to complete the Project and to pay that portion of the Costs of the Project in excess of the moneys available therefor in the Construction Fund. The Issuer does not make any warranty, either express or implied, that the moneys paid into the Construction Fund and available for payment of the Costs of the Project will be sufficient to pay all of the Costs of the Project. The Company agrees that if after exhaustion of the moneys in the Construction Fund, the Company should pay any portion of the Costs of the Project pursuant to the provisions of this Section, the Company shall not be entitled to any reimbursement

therefor from the Issuer, the Trustee or the Owners of any of the Bonds, nor shall the Company be entitled to any diminution of the amounts payable under Section 4.2 hereof. Costs of the Project shall include, but not be limited to, conveyance, transfer and recording costs and all taxes and charges related thereto.

SECTION 3.7. SPECIAL ARBITRAGE CERTIFICATIONS. The Company and the Issuer covenant not to cause or direct any moneys on deposit in any fund or account to be used in a manner which would cause the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code, and the Company certifies and covenants to and for the benefit of the Issuer and the Owners of the Bonds that so long as there are any Bonds Outstanding, moneys on deposit in any fund or account in connection with the Bonds, whether such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code.

SECTION 3.8. DAMAGE, DESTRUCTION OR LOSS OF PROPERTY; OBLIGATION TO REBUILD; USE OF INSURANCE PROCEEDS AND CONDEMNATION AWARDS. If prior to full payment of all Bonds (or provision for payment thereof having been made in accordance with the provisions of the Inden- ture), the Project, or any part or component of the Project shall be damaged or destroyed, by whatever cause, or shall be taken by any public authority or entity in the exercise of or acquired under the threat of the exercise of its power of eminent domain, there shall be no abatement or reduction in the Loan Installments payable under this Agreement, and the Company will apply any insurance proceeds or condemnation awards resulting from claims for such losses or takings as provided in this Section.

If prior to full payment of all Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the Project, or any part or component of the Project shall be damaged, destroyed, or the Project or any part or component of the Project, the Project Site shall be taken by eminent domain or the threat of exercise of eminent domain, the Company shall promptly give, or cause to be given, written notice thereof to the Issuer, the Bank and the Trustee. All proceeds received from such property insurance with respect to the Project and all condemnation awards with respect to the Project shall be deposited with the Trustee to the credit of the Construction Fund. Following the occurrence of such an event with respect to the Project, the Company shall have the option of (1) continuing to pay all amounts payable hereunder and to the extent permitted below proceeding promptly to repair, rebuild, restore or replace the property damaged, destroyed or taken, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Company and, with respect to the Project, and as will comply with the limitations contained in this Agreement, and the Trustee will deposit such proceeds to the credit of the Construction Fund and make such disbursements therefrom, in accordance with Section 3.3 hereof, as may be necessary to pay the cost of such repair, rebuilding or restoration, either on completion thereof or as the work progresses or (2) requesting the Issuer to cause the Bonds to be redeemed in accordance with the terms of the Indenture.

SECTION 3.9. PURSUIT OF REMEDIES AGAINST CONTRACTORS, SUBCONTRACTORS AND SURETIES. In the event of default of any contractor or subcontractor, if any, under any contract made by it in connection with the Project, the Company will promptly proceed, either separately or in conjunc-

tion with others, to exhaust its remedies against the contractor or subcontractor so in default and against each surety for the performance of such contract. The Company agrees forthwith to take such actions as may be necessary or required to protect the interests of all parties with respect to the Project unless directed to the contrary by the Trustee. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing that are needed to pay a portion of the cost of the Project shall be paid into the applicable account in the Construction Fund.

ARTICLE IV

LOAN PROVISIONS; SUBSTITUTE LETTER OF CREDIT

SECTION 4.1. LOAN OF PROCEEDS. The Issuer agrees, upon the terms and conditions contained in this Agreement and the Indenture, to lend to the Company the proceeds received by the Issuer from the sale of the Bonds. Such proceeds shall be disbursed to or on behalf of the Company as provided in Section 3.3 hereof.

SECTION 4.2. AMOUNTS PAYABLE.

(a) The Company hereby covenants and agrees to repay the loan, as follows: on or before any Interest Payment Date for the Bonds or any other date that any payment of interest, premium, if any, or principal or Purchase Price is required to be made in respect of the Bonds pursuant to the Indenture, until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in any account of the Bond Fund, will enable the Trustee to pay the amount payable on such date as Purchase Price or principal of (whether at maturity or upon redemption or acceleration or otherwise), premium, if any, and interest on the Bonds as provided in the Indenture; provided, however, that the obligation of the Company to make any payment hereunder shall be deemed satisfied and discharged to the extent of the corresponding payment made by the Bank to the Trustee under the Letter of Credit.

It is understood and agreed that all payments payable by the Company under subsection (a) of this Section 4.2 are assigned by the Issuer to the Trustee for the benefit of the Owners of the Bonds. The Company assents to such assignment. The Issuer hereby directs the Company and the Company hereby agrees to pay to the Trustee at the Principal Office of the Trustee all payments payable by the Company pursuant to this subsection.

(b) The Company will also pay the Issuance Fee and reasonable expenses of the Issuer related to the issuance of the Bonds and incurred upon the written request of the Company and all reasonable ongoing costs and expenses for any continuing duties or obligations of the Issuer related in any respect to the Bonds, this Agreement, the Indenture or any other documents executed in connection therewith after the issuance of the Bonds.

(c) The Company will also pay the reasonable fees and expenses of the Trustee under the Indenture and all other amounts which may be payable to the Trustee under Section 10.02 of the Indenture, such amounts to be paid directly to the Trustee for the Trustee's own account as and when such amounts become due and payable.

(d) The Company covenants, for the benefit of the Owners of the Bonds, to pay or cause to be paid, to the Tender Agent, such amounts as shall be necessary to enable the Tender Agent to pay the Purchase Price of Bonds delivered to it for purchase, all as more particularly described in Sections 3.08, 4.01, 4.02 and 4.04 of the Indenture; PROVIDED, HOWEVER, that the obligation of the Company to make any such payment under this subsection (d) shall be reduced by the amount of moneys available for such payment described in subsection (I) of Section 4.05 of the Indenture; and PROVIDED, FURTHER, that the obligation of the Company to make any payment under this subsection (d) shall be deemed to be satisfied and discharged to the extent of the corresponding payment made by the Bank under the Letter of Credit.

(e)(i) In the event the Company should fail to make any of the payments required in this Section 4.2, which are not otherwise paid by the Bank, the item or installment so in default shall continue as an obligation of the Company until the amount in default shall have been fully paid, and the Company agrees to pay the same with interest thereon, to the extent permitted by law, from the date when such payment was due, at the rate of interest borne by the Bonds. (ii) In the event the Company should fail or refuse to comply with the provisions of this Agreement or the Mortgage or the Indenture after the Letter of Credit Termination Date, and such default continues for thirty (30) days after written notice has been given by the Trustee, the Trustee may proceed, subject to Section 9.03 of the Indenture, to protect and enforce the rights of the Owners by mandamus or by action or suit in equity.

SECTION 4.3. OBLIGATIONS OF COMPANY UNCONDITIONAL. The obligations of the Company to make the payments required in Section 4.2 and to perform and observe the other agreements contained herein and in the Mortgage shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach by the Issuer or the Trustee of any obligation to the Company, whether hereunder or other- wise, or out of any indebtedness or liability at any time owing to the Company by the Issuer or the Trustee, and, until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Company (i) will not suspend or discontinue any payments provided for in Section 4.2 hereof, (ii) will perform and observe all other agreements contained in this Agreement and in the Mortgage and (iii) except as otherwise provided herein, will not terminate the Term of Agreement for any cause, including, without limiting the generality of the foregoing, failure of the Company to complete the renovation, expansion, rehabilitation and equipping of the Project, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or temporary use of any or all of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or any failure of the Issuer or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agree- ment. Nothing contained in this Section shall be construed as a waiver of any rights of the Company or to release the Issuer or the Trustee from the performance of any of the agreements on its part herein contained or contained in the Indenture or the Mortgage, and in the event the Issuer or the

Trustee should fail to perform any such agreement on its part, the Company may institute such action against the Issuer or the Trustee as the Company may deem necessary to compel performance so long as such action does not abrogate the obligations of the Company contained in the first sentence of this Section.

SECTION 4.4. SUBSTITUTE LETTER OF CREDIT. During the period in which the Bonds bear interest at the Adjustable Rate, the Company may provide for the delivery to the Trustee of a Substitute Letter of Credit. Any Substitute Letter of Credit shall be delivered to the Trustee not less than sixty (60) days prior to the expiration of the Letter of Credit it is being issued to replace, shall be dated as of a date prior to the expiration date of the Letter of Credit for which the same is to be substituted (which date may be subsequent to the date of delivery of such Substitute Letter of Credit, but in any case such Substitute Letter of Credit shall become effective prior to the expiration of the Letter of Credit for which it is substituted), and shall expire on a date which is fifteen days after an Interest Payment Date for the Bonds. On or before the date of such delivery of a Substitute Letter of Credit to the Trustee, the Company shall furnish to the Trustee (a) written evidence from each rating agency by which the Bonds are then rated, to the effect that such rating agency has reviewed the proposed Substitute Letter of Credit and that the substitution of the proposed Substitute Letter of Credit will not, by itself, result in the reduction or withdrawal of the then applicable rating(s) of the Bonds; (b) a written opinion of Bond Counsel stating that the delivery of such Substitute Letter of Credit will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes; and (c) a written opinion of counsel to the Substitute Bank to the effect that the Substitute Letter of Credit is a legal, valid, binding and enforceable obligation of the Substitute Bank in accordance with its terms.

ARTICLE V

PREPAYMENT AND REDEMPTION

SECTION 5.1. PREPAYMENT AND REDEMPTION. The Company shall have the option to prepay its obligations hereunder and under the Mortgage at the times and in the amounts as neces- sary to exercise its option to cause the Bonds to be redeemed as set forth in the Indenture and in the Bonds. The Company hereby agrees that it shall prepay its obligations hereunder at the times and in the amounts as necessary to accomplish the mandatory redemption of the Bonds as set forth in the Indenture and in the Bonds. The Issuer, at the request of the Company, shall forthwith take all steps (other than the payment of the money required for such redemption) necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the Outstanding Bonds, as may be specified by the Company, on the date established for such redemption.

ARTICLE VI

SPECIAL COVENANTS

SECTION 6.1. NO WARRANTY OF CONDITION OR SUITABILITY BY ISSUER. THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE PROJECT OR THE CONDITION THEREOF, OR THAT THE PROJECT WILL BE SUITABLE FOR THE PURPOSES OR NEEDS OF THE COMPANY. THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, THAT THE COMPANY WILL HAVE QUIET AND PEACEFUL POSSESSION OF THE PROJECT. THE ISSUER MAKES NO REPRESENTATION OR WARRAN- TY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION OR WORKMANSHIP OF ANY PART OF THE PROJECT OR ITS SUITABILITY FOR THE COMPAN- Y'S PURPOSES.

SECTION 6.2. ACCESS TO THE PROJECT. The Company agrees that the Issuer, the Bank, the Trustee and their duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right to inspect the Project during regular business hours and on reasonable notice. The Issuer, the Bank, the Trustee and their duly authorized agents shall also be permitted, at all reasonable times, to examine the books and records of the Company with respect to the Project.

SECTION 6.3. FURTHER ASSURANCES AND CORRECTIVE INSTRUMENTS. The Issuer and the Company agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Agreement and the Mortgage.

SECTION 6.4. ISSUER AND COMPANY REPRESENTATIVES. Whenever under the provisions of this Agreement the approval of the Issuer or the Company is required or the Issuer or the Company is required to take some action at the request of the other, such approval or such request shall be given for the Issuer by an Issuer Representative and for the Company by a Company Representative. The Trustee shall be authorized to act on any such approval or request.

SECTION 6.5. FINANCIAL REPORTS. After the Conversion Date, and so long as any of the Bonds are Outstanding, the Company shall furnish or cause to be furnished to the Trustee and the Issuer the following information:

(a) Within one hundred twenty (120) days after the close of each fiscal year of the Company consolidated financial statements of the Company, and thereafter a balance sheet of the Company as of the end of such fiscal year and statements of income and surplus of the Company for such fiscal year, each prepared in accordance with generally accepted accounting principles consistently applied, in reasonable detail and certified by certified public accountants of recognized standing.

(b) Within sixty (60) days after the close of each of the first three quarters of the Company's fiscal year, a balance sheet of the Company as of the end of such quarter, and a statement of income and surplus of the Company for such quarter and for the period from the beginning of the then fiscal year to the end of such quarter, prepared in accordance with generally

accepted accounting principles consistently applied (subject to year-end adjustments), in reasonable detail and certified by a Company Representative.

(c) Upon request, copies of all such regular or periodic reports, which are available for public inspection which the Company may be required to file with any federal or state department, bureau, commission, or agency.

(d) Within one hundred twenty (120) days after the end of each fiscal year, a certificate of a Company Representative stating whether the Company is in compliance with all covenants and agreements made by the Company in this Agreement and the Mortgage.

SECTION 6.6. FINANCING STATEMENTS. The Company agrees to execute and file or cause to be executed and filed any and all financing statements or amendments thereof or continua- tion statements necessary to perfect and continue the perfection of the security interests granted in the Indenture and the Mortgage. The Company shall pay all costs of filing such instruments.

SECTION 6.7. MAINTENANCE OF PROJECT. The Issuer and the Company agree that the Company will (i) maintain, repair and operate the Project; and (ii) pay, prior to any penalties accruing or the same becoming delinquent, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against the Company or the Issuer with respect to the Project or any portion thereof or with respect to the original issuance of the Bonds, including, without limiting the generality of the foregoing, any taxes levied against the Company or the Issuer upon or with respect to the income or profits of the Issuer from the Project or a charge on the loan payments due hereunder prior to or on a parity with the charge under the Indenture thereon and the pledge or assignment thereof to be created and made in the Indenture, and including all ad valorem taxes lawfully assessed upon the Project, all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project, all assessments and charges lawfully made by any governmental body against the Company or the Issuer on the loan payments due hereunder; provided, however, that nothing in this subsection (ii) shall require the payment of any such tax or charge or make provision for the payment thereof, so long as the validity thereof shall be contested in good faith by the Company by appropriate legal or administra- tive proceedings, and further provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated to pay only such installments as are required to be paid during the Term of the Agreement.

SECTION 6.8. UNDERTAKING TO PROVIDE ONGOING DISCLOSURE.

(a) This Section 6.8 constitutes the written undertaking for the benefit of the holders of the Bonds required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, ss. 240. 15c2-12) (the "Rule"), and shall apply when and if the Company exercises the Conversion Option. It is the Company's express intention that this Section 6.8 be assigned pursuant to and in accor- dance with the terms of the Indenture to the Trustee for the benefit of the Bondholders and that the Trustee and each Bondholder be a beneficiary of this Section 6.8 with the right to enforce this Section 6.8 directly against the Company. Capitalized terms used in this Section 6.8 and not

otherwise defined in this Agreement shall have the meanings assigned such terms in subsection (d) hereof.

(b) The Company, as an "obligated person" within the meaning of the Rule, undertakes to provide the following information as provided in this Section 6.8:

(1) Annual Financial Information;

(2) Financial Statements, if any; and

(3) Material Event Notices.

(c) (1) Subject to the terms of this Section 6.8, the Company shall while any Bonds are Outstanding provide the Annual Financial Information to the Trustee on or before April 1 of each year after the election of the Conversion Option (the "Submission Date"), and the Trustee shall provide to the Issuer and to each then existing NRMSIR and the SID, if any, such Annual Financial Information on or before April 30 of each year (the "Report Date") while any Bonds are Outstand- ing or, if not received by the Trustee by the Submission Date, then within fifteen (15) Business Days of its receipt by the Trustee. The Company shall include with each submission of Annual Financial Information to the Trustee and the Issuer a written representation addressed to the Trustee and the Issuer to the effect that the Annual Financial Information is the Annual Financial Informa- tion required by this Section 6.8 and that it complies with the applicable requirements of this Section 6.8. The Company may adjust the Submission Date and the Report Date if the Company changes its fiscal year by providing written notice of the change of fiscal year and the new Submission Date and Report Date to the Trustee, the Issuer, each then existing NRMSIR and the SID, if any; provided that the new Report Date shall be one hundred twenty (120) days after the end of the new fiscal year and the new Submission Date shall be thirty (30) days prior to the Report Date, and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration. It shall be sufficient if the Company provides to the Trustee and the Issuer and the Trustee provides to each then existing NRMSIR and the SID, if any, the Annual Financial Information by specific reference to documents previously provided to each NRMSIR and the SID, if any, or filed with the Securities and Exchange Commission and, if such a document is a final official statement within the meaning of the Rule, available from the Municipal Securities Rulemak- ing Board.

(2) If not provided as part of the Annual Financial Information, the Company shall provide Financial Statements to the Trustee when and if available while Bonds are Outstanding and the Trustee shall then promptly provide the Issuer, each then existing NRMSIR and the SID, if any, with such Financial Statements.

(3) (i) If a Material Event occurs while any Bonds are Outstanding, the Company shall provide a Material Event Notice to the Trustee in a timely manner and the Trustee shall promptly provide to the Issuer, the Municipal Securities Rulemaking Board and the SID, if any, such Material Event Notice. Each Material Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

(ii) The Trustee shall promptly advise the Company whenever, in the course of per- forming its duties as Trustee under the Indenture, the Trustee identifies an occurrence which, if material, would require the Company to provide a Material Event Notice pursuant to clause (2)(i); provided that the failure of the Trustee so to advise the Company shall not constitute a breach by the Trustee of any of its duties and responsibilities hereunder.

(4) The Trustee shall, without further direction or instruction from the Compa- ny, provide in a timely manner to the Municipal Securities Rulemaking Board and to the SID, if any, notice of any failure while any Bonds are Outstanding by the Trustee to provide to each then existing NRMSIR and the SID, if any, Annual Financial Information on or before the Report Date (whether caused by failure of the Company to provide such information to the Trustee by the Submission Date or for any other reason). For the purposes of determining whether information received from the Company is Annual Financial Information, the Trustee shall be entitled conclusively to rely on the Company's written representation made pursuant to clause (c)(1) of this Section 6.8.

(5) If the Company provides to the Trustee information relating to the Company or the Bonds, which information is not designated as a Material Event Notice, and directs the Trustee to provide such information to information repositories, the Trustee shall provide such information in a timely manner to the Issuer, the Municipal Securities Rulem- aking Board and the SID, if any.

(d) The following are the definitions of the capitalized terms used in this Section and not otherwise defined in this Agreement.

(1) "Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")) or operating data with respect to the Company, provided at least annually, of the type included in the official statement or other offering document utilized in connection with the remarketing of Bonds after the Conversion Option, which Annual Financial Information shall include Financial Statements.

(2) "Financial Statements" means the Company's annual financial statements, prepared in accordance with GAAP, and if audited, accompanied by the report of the certified public accountant.

(3) "Material Event" means any of the following events, if material, with respect to the Bonds.

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions or events affecting the tax-exempt status of the security;

(vii) Modifications to rights of security holders;

(viii) Bond calls;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the securi- ties; and

(xi) Rating changes.

(4) "Material Event Notice" means written or electronic notice of a Material Event.

(5) "NRMSIR" means a nationally recognized municipal securities information repository, as recognized from time to time by the Securities and Exchange Commission for the purposes referred to in the Rule; the NRMSIRs as of the date of this Agreement being as follows:

Thomson Municipal Services, Inc. of New York
Moody's Investor's Service (NRMSIR) of New York
Kenny Information Systems, Inc. of New York
Bloomberg Municipal Reposites of Princeton, New Jersey
Disclosure Inc. of Bethesda, Maryland
R.R. Donnelley Financial of Hudson, Massachusetts

(6) "SID" means a state information depository as operated or designated by the State as such for the purposes referred to in the Rule.

(e) Unless otherwise required by law and subject to technical and economic feasibility, the Company and the Trustee shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Company's information.

(f) The continuing obligation hereunder of the Company to provide Annual Financial Information and Material Event Notices and the Trustee's obligations under this Section 6.8 shall terminate immediately once the Bonds no longer are Outstanding. This Section 6.8, or any provision hereof, shall be null and void in the event that the Company delivers to the Trustee and the Issuer an opinion of Bond Counsel to the effect that those portions of the Rule which require this Section 6.8, or any such provisions, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; provided that the Trustee shall have provided notice of such delivery and the cancellation of this Section 6.8 to each then existing NRMSIR and the SID, if any. This

Section 6.8 may be amended without the consent of the Bondholders, but only upon the delivery by the Company to the Trustee and the Issuer of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Section and by the Company with the Rule; provided that the Trustee shall have provided notice of such delivery and of the amendment to each then existing NRMSIR and the SID, if any.

(g) Any failure by the Company to perform in accordance with this Section 6.8 shall not constitute an "Event of Default" under Article VIII hereof, and the rights and remedies provided by Article VIII upon the occurrence of an "Event of Default" shall not apply to any such failure. Neither the Issuer nor the Trustee shall have any power or duty to enforce this Section 6.8.

(h) The Company shall reimburse the Trustee for any expenses incurred by the Trustee in complying with the requirements of this Section 6.8.

(i) The Company shall comply with the requirements of Rule 15c2-12.

ARTICLE VII

ASSIGNMENT, SELLING, LEASING;
INDEMNIFICATION; REDEMPTION INSURANCE

SECTION 7.1. ASSIGNMENT, SELLING AND LEASING. This Agreement may be assigned and the Project may be sold or leased, as a whole or in part, with the prior written consent of the Bank and the Issuer, but without the necessity of obtaining the consent of the Trustee; PROVIDED, however, that no such assignment, sale or lease shall, in the opinion of Bond Counsel, result in interest on any of the Bonds becoming includable in gross income for federal income tax purposes, or shall otherwise violate any provisions of the Act; PROVIDED FURTHER, however, that no such assignment, sale or lease shall relieve the Company and the Guarantors of any of its obligations under this Agreement for the period of time from the date of this Agreement to the date of such transfer unless the assignee, purchaser or lessee shall have executed an assumption agreement reasonably satisfactory to the Issuer and the Issuer shall have consented to such assignment, sale or lease which consent shall not be unreasonably withheld whereupon the Company shall be relieved of its obligations under this Agreement and from and after the date of such assumption, the Company shall no longer be liable thereupon.

SECTION 7.2. RELEASE AND INDEMNIFICATION COVENANTS.

(a) The Company shall and hereby agrees to indemnify and save the Issuer and the Trustee harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of, or from any work or thing done on, the Project during the Term of Agreement, including without limitation, (i) any condition of the Project, (ii) any breach or default on the part of the Company in the performance of any of its obligations under this Agreement, (iii) any act or negligence of the Company or of any of its agents, contractors, servants, employees or licensees or (iv) any act or negligence of any assignee or lessee of the Company, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the Company. The Company shall indemnify and save the Issuer and the Trustee harmless from any such claim arising as aforesaid, or in connection with any action or proceeding brought thereon, as well as from any claim arising from the presence, disposal, release or threatened release of any Hazardous Substances (as such term is defined in the Environmental Indemnification Agreement dated as of October 1, 1996 between the Company and the Bank) and upon notice from the Issuer or the Trustee, the Company shall defend them or either of them in any such action or proceeding. The provisions of this Section shall survive the payment in full of the obligations due hereunder.

(b) Notwithstanding the fact that it is the intention of the parties hereto that the Issuer shall not incur any pecuniary liability by reason of the terms of this Agreement or the undertakings required of the Issuer hereunder, by reason of the issuance of the Bonds, by reason of the execution of the Indenture or by reason of the performance of any act requested of the Issuer by the Company, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulation pertaining to the foregoing; nevertheless, if the Issuer should incur any such pecuniary liability, then in such event the Company shall indemnify and hold the Issuer harmless against all claims, demands or causes of action whatsoever, by or on behalf of any person, firm or corporation or other legal entity arising out of the same or out of any information provided by the

Company in any offering statement in connection with the sale or resale of the Bonds and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the Issuer, the Company shall defend the Issuer in any such action or proceeding. All references to the Issuer in this Section 7.2 shall be deemed to include its commissioners, directors, officers, employees, and agents.

Notwithstanding anything to the contrary contained herein, the Company shall have no liability to indemnify the Issuer against claims or damages resulting from the Issuer's own gross negligence or willful misconduct or to indemnify the Trustee against claims or damages resulting from the Trustee's own negligence or willful misconduct.

Notwithstanding anything to the contrary contained herein, this provision 7.2 shall remain in effect after the termination of this Agreement.

SECTION 7.3. ISSUER TO GRANT SECURITY INTEREST TO TRUSTEE. The parties hereto agree that pursuant to the Indenture, the Issuer shall assign to the Trustee, in order to secure payment of the Bonds, all of the Issuer's right, title, and interest in and to this Agreement, except for the Issuer's rights under Sections 4.2(b), 7.2 and 8.4 hereof.

SECTION 7.4. INDEMNIFICATION OF TRUSTEE. The Company shall and hereby agrees to indemnify the Trustee for, and hold the Trustee harmless against, any loss, liability or expense (including the costs and expenses of defending against any claim of liability) incurred without gross negligence or willful misconduct by the Trustee and arising out of or in connection with its acting as Trustee under the Indenture.

SECTION 7.5. MAINTENANCE, OPERATION AND INSURING OF PROJECT; TAXES; NO OPERATION OF PROJECT BY ISSUER. The Company hereby agrees that it will at its own expense maintain and operate all portions of the Project during their useful lives or until they are replaced with facilities necessary in their operation. The Company further agrees that, except for taxes contested in good faith, it will pay all taxes levied with respect to the Project and the income therefrom and that it will at its own expense keep the Project properly insured against loss or damage from such perils usually insured against by businesses operating or owning like properties and maintain public liability insurance and all such worker's compensation or other similar insurance as may be required by law. Evidence of such insurance will be furnished to the Trustee, Issuer and the Bank upon request. Nothing contained in this Agreement shall be deemed to authorize or require the Issuer to operate the Project or to conduct any business enterprise in connection therewith.

ARTICLE VIII

DEFAULTS AND REMEDIES

SECTION 8.1. DEFAULTS DEFINED. The following shall be "Defaults" under this Agreement and the term "Default" shall mean, whenever it is used in this Agreement, any one or more of the following events:

(a) Failure by the Company to pay any amount required to be paid under subsection (a) or (d) of Section 4.2 hereof.

(b) Failure by the Company to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 8.1(a), for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied shall have been given to the Company by the Issuer or the Trustee, unless the Issuer and the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Issuer and the Trustee will not unreasonably withhold their consent to an extension of such time if correc- tive action is instituted by the Company within the applicable period and diligently pursued until such failure is corrected.

(c) The dissolution or liquidation of the Company, except as authorized by Section 2.2 hereof, or the voluntary initiation by the Company of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Company of any such proceeding which shall remain undismissed for sixty (60) days, or failure by the Company to promptly have discharged any execution, garnishment or attachment of such consequence as would impair the ability of the Company to carry on its operations at the Project, or assignment by the Company for the benefit of creditors, or the entry by the Company into an agreement of composition with its creditors or the failure generally by the Company to pay its debts as they become due.

(d) The occurrence of a Default under the Indenture.

The provisions of subsection (b) of this Section are subject to the following limitation: if by reason of FORCE MAJEURE the Company is unable in whole or in part to carry out any of its agreements contained herein (other than its obligations contained in Article IV hereof), the Company shall not be deemed in Default during the continuance of such inability. The term "FORCE MAJEURE" as used herein shall mean, without limitation, the following: acts of God; strikes or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or of any of their departments, agencies or officials, or of any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; and any other cause or event not reasonably within the control of the Company. The Company agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Company from carrying out its agreement, provided that the settlement of strikes and other industrial disturbances shall be entirely within the discretion of the Company and the Company shall not be required to settle strikes, lockouts and other industrial

disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Company unfavorable to the Company.

SECTION 8.2. REMEDIES ON DEFAULT. Whenever any Default referred to in Section 8.1 hereof shall have happened and be continuing, the Trustee, or the Issuer with the written consent of the Trustee, may take one or any combination of the following remedial steps:

(a) If the Trustee has declared the Bonds immediately due and payable pursuant to Section 9.02 of the Indenture, by written notice to the Company, declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity (as provided in the Indenture) or otherwise, to be immediately due and payable, whereupon the same shall become immediately due and payable;

(b) Have reasonable access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Company during regular business hours of the Company if reasonably necessary in the opinion of the Trustee; or

(c) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and obser- vance of any obligation, agreement or covenant of the Company under this Agreement.

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture, except for anything collected pursuant to Section 4.2(b), 7.2 or 8.4 hereof which shall be applied to costs related thereto.

SECTION 8.3. NO REMEDY EXCLUSIVE. Subject to Section 9.02 of the Indenture, no remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article. Such rights and remedies as are given the Issuer hereunder shall also extend to the Trustee, and the Trustee and the Owners of the Bonds, subject to the provisions of the Indenture, shall be entitled to the benefit of all covenants and agreements herein contained.

SECTION 8.4. AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES. In the event the Company should default under any of the provisions of this Agreement and the Issuer should employ attorneys or incur other expenses for the collection of payments required hereunder or the enforce- ment of performance or observance of any obligation or agreement on the part of the Company herein contained, the Company agrees that it will on demand therefor pay to the Issuer the reason- able fee of such attorneys and such other expenses so incurred by the Issuer.

SECTION 8.5. NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE IX
MISCELLANEOUS

SECTION 9.1 TERM OF AGREEMENT. This Agreement shall remain in full force and effect from the date hereof to and including October 1, 2011 or until such time as all of the Bonds and the fees and expenses of the Issuer and the Trustee and all amounts payable to the Bank under the Credit Agreement shall have been fully paid or provision made for such payments, whichever is later; provided, however, that this Agreement may be terminated prior to such date pursuant to Article V of this Agreement.

SECTION 9.2. NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, addressed as follows:

If to the Issuer:
Broward County, Florida
Broward County Finance and Administrative Services Department
115 South Andrews Avenue, Room 121
Fort Lauderdale, Florida 33301
Attention: Assistant Finance Director

with a copy to:

County Attorney's Office
Broward County Governmental Center
115 South Andrews Avenue, Suite 423
Fort Lauderdale, Florida 33301
Attention: Lori Smith-Lalla, Esq.

If to the Trustee:
SunTrust Bank, Nature Coast
c/o SunTrust Bank, Central Florida, National Association

225 East Robinson Street, Suite 250
Orlando, Florida 32801
Attention: Corporate Trust Department

If to the Company:
HEICO Aerospace Corporation
3000 Taft Street
Hollywood, Florida 33521
Attention: Treasurer

with a copy to:

Weil, Gotshal & Manges LLP
701 Brickell Avenue, Suite 2100
Miami, Florida 33131
Attention: Richard A. Morrison, Esq.

If to the Bank:	SunTrust Bank, South Florida, National Association 501 East Las Olas Boulevard Fort Lauderdale, Florida 33301 Attention: Corporate Banking Division
with a copy to:	
	SunTrust Bank, Atlanta c/o SunTrust International Services Inc. 25 Park Place, 16th Floor-3706 Atlanta, Georgia 30303 Attention: Corporate Banking Division
If to the issuer of a Substitute Letter of Credit:	Its address designated in writing to the Trustee
If to the Remarketing Agent:	Its Principal Office
If to the Tender Agent:	SunTrust Bank, Nature Coast c/o SunTrust Bank, Central Florida, National Association 225 East Robinson Street, Suite 250 Orlando, Florida 32801 Attention: Corporate Trust Department
If to Moody's:	Moody's Investors Service, Inc. 99 Church Street New York, New York 10007 Attention: Corporate Department, Structured Finance Group
If to S&P:	Standard & Poor's Ratings Group The McGraw Hill Companies 25 Broadway New York, New York 10004 Attention: Corporate Finance Department

A duplicate copy of each notice, certificate or other communication given hereunder by the Issuer or the Company shall also be given to the Trustee and the Bank. The Issuer, the Company, the Trustee and the Bank may, by written notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 9.3 BINDING EFFECT. This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Company, the Bank, the Trustee, the Owners of Bonds and their

respective successors and assigns, subject, however, to the limitations contained in Section 2.2(b) hereof.

SECTION 9.4. SEVERABILITY. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invali- date or render unenforceable any other provision hereof.

SECTION 9.5. AMOUNTS REMAINING IN FUNDS. Subject to the provisions of Section 6.11 of the Indenture, it is agreed by the parties hereto that any amounts remaining in any account of the Bond Fund, the Construction Fund, or any other fund (other than the Rebate Fund) created under the Indenture upon expiration or earlier termination of this Agreement, as provided in this Agreement, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and the fees and expenses of the Trustee in accordance with the Indenture, shall belong to and be paid to the Company by the Trustee.

SECTION 9.6. AMENDMENTS, CHANGES AND MODIFICATIONS. Subsequent to the issuance of Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise herein expressly provided, this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee and, prior to the Letter of Credit Termination Date and payment of all amounts payable to the Bank under the Credit Agreement, the consent of the Bank, in accordance with the provisions of the Indenture.

SECTION 9.7. EXECUTION IN COUNTERPARTS. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.8. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 9.9. CAPTIONS. The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Agreement.

IN WITNESS WHEREOF, the Issuer and the Company have caused this Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

(SEAL) BROWARD COUNTY, FLORIDA

Attest: By:_____
Title: Chair

By:_____
Title: Assistant County Administrator

(SEAL) HEICO AEROSPACE CORPORATION

Attest: By:_____
Title:

By: _____
Title:

EXHIBIT A

PROJECT FACILITIES

The Project Facilities consist of an approximately 147,000 square foot manufacturing facility located at 3,000 Taft Street, Hollywood, Florida.

EXHIBIT B

PROJECT EQUIPMENT

Laser cutting, drilling and welding equipment
Product development test and design equipment
Furniture and work stations
Machinery
Miscellaneous support and other equipment,
all to the extent purchased with the proceeds of the Bonds,
and located or used at the Project Facilities

EXHIBIT C

REQUISITION NO. ___

BROWARD COUNTY
Industrial Development Revenue Bonds
(HEICO Aerospace Corporation Project),
Series 1996

REQUISITION FOR PAYMENT

HEICO Aerospace Corporation, referred to herein and in the Loan Agreement (the "Agreement") dated as of October 1, 1996, between Broward County, Florida (the "Issuer") and HEICO Aerospace Corporation, a Florida corporation (the "Company"), does hereby make application to SunTrust Bank, Nature Coast, as trustee (the "Trustee") under the Indenture of Trust (the "Indenture") between the Issuer and the Trustee, dated as of October 1, 1996, for reimburse- ment or payment of advances, payments and obligations made or incurred by the Company in connection with the renovation, expansion, rehabilitation and equipping of the Project Facilities (as defined in the Agreement) and the issuance, delivery and sale of the $3,500,000 Broward County Industrial Development Revenue Bonds (HEICO Aerospace Corporation Project), Series 1996, as provided for or contemplated in the Agreement and the Indenture.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement and the Indenture.

The Company does hereby request disbursement of the amounts as set forth on EXHIBIT A attached to this certificate, for reimbursement to the Company for payments made to, or incurred for, the contractors or payees listed on EXHIBIT A or for direct payment to the payees listed on EXHIBIT A, all as provided on EXHIBIT A.

The undersigned further certifies that:

(i) the obligations described in EXHIBIT A (which includes a description of the purpose and circumstances of such obligations in reasonable detail and the name and address of the persons to whom such obligations are owed and which is accom- panied by bills, invoices, or statements of account for, or other written evidence of, such obligations) in the stated amounts have been incurred in connection with the issuance and sale of the Bonds or the financing, planning, design, renovation, expansion, rehabilitation and equipping of the Project;

(ii) such obligations are permitted Costs of the Project, are proper charges against the account in the Construction Fund and have not been the basis for any previous disbursement from any account in the Construction Fund;

(iii) no item in EXHIBIT A represents any portion of an obligation which the Company is, as of the date hereof, entitled to retain under any retained percentage agreement;

(iv) insofar as any obligation described in EXHIBIT A was incurred for labor, services, materials, supplies or equipment (i) such labor and services were actually performed in a satisfactory manner in connection with the renovation, expansion, rehabilitation and equipping of the Project and (ii) such materials, supplies and equipment were actually used in connection with the acquisition, construction and equipping of the Project or were delivered to the Project Site (and remain at the Project Site) for that purpose;

(v) all sums previously advanced by the Trustee have been used solely for purposes permitted by the Indenture and the specific items which are the subject of this requisition will be so used;

(vi) there has not been recorded or filed with or served upon the Compa- ny, notice of any lien, right to lien or attachment upon or claim affecting the right to receive payment of, any moneys payable to any of the persons or firms named in this requisition, which has not been released or will not be released simultaneously with the payment of such obligation;

(vii) each item in EXHIBIT A is or was appropriate in connection with the renovation, expansion, rehabilitation and equipping of the Project, as noted in EXHIBIT A;

(viii) the use of the disbursements requested hereunder will not result in the covenants made by the Company in the Agreement being violated. Accordingly, one of the following statements applies to the requested disbursement:

(a) If all disbursements from the Construction Fund to be used to pay Issuance Costs have not yet been made, the disbursement requested hereunder will be used only to pay either Qualified Project Costs or Issuance Costs.

(b) If all Issuance Costs to be paid with proceeds of the Bonds have previously been requisitioned but the aggregate Qualified Project Costs paid with previous disbursements and to be paid with the disbursement requested hereunder do not equal or exceed substantially all of the Costs of the Project paid (or to be paid) with the requested and all previous disbursements, the disbursement requested hereunder will be used only for Qualified Project Costs.

(c) If all Issuance Costs to be paid with proceeds of the Bonds have previously been requisitioned and the aggregate Qualified Project Costs paid with previous disbursements equals or exceeds substantially all of the Costs of the Project paid with those previous disbursements, the disbursement requested hereunder, when added to all disbursements under previous requisitions, will not result in less than substantially all of the total of such disbursements having been used to pay Qualified Project Costs;

(ix) all disbursements related to Issuance Costs of the Bonds, requested hereunder, when added to all disbursements for such Issuance Costs under previous requisitions, will not result in more than two percent (2%) of the proceeds of the Bonds having been drawn from the Construction Fund or otherwise used to pay such Issuance Costs;

(x) no Event of Default under the Indenture has occurred and is continu- ing and there exists no event or condition which, with the giving of notice or the passage of time would constitute an Event of Default under the Indenture; and

(xi) after payment of such disbursement, sufficient amounts will remain in the Construction Fund, taking into account investment earnings thereon, to pay all remaining unpaid costs of the Project which are to be financed with proceeds of the Bonds.

Dated as of _____, 199_.

HEICO Aerospace Corporation

By:_____

Its:_____

Approved by SunTrust Bank, South Florida, National Association

By:_____
Authorized Representative

EXHIBIT D

Those matters set forth in Schedule B - Section 2 of the Commitment for Title Insurance issued by Chicago Title Insurance Company, which is identified as Commitment No. _____ and bears an effective date of October __, 1996.

EXHIBIT E

FORM OF NOTE

AFTER THE ENDORSEMENT OF THIS NOTE AS HEREIN PROVIDED, THIS NOTE MAY NOT BE ASSIGNED, PLEDGED, ENDORSED OR OTHERWISE TRANSFERRED EXCEPT TO A SUCCESSOR OF THE TRUSTEE UNDER THE TRUST INDENTURE REFERRED TO IN THE LOAN AGREEMENT REFERRED TO HEREIN.

PROMISSORY NOTE

$3,500,000 October 18, 1996

FOR VALUE RECEIVED, HEICO Aerospace Corporation, a corporation organized and existing under the laws of the State of Florida (the "Borrower"), by this promissory note promises to pay to the order of Broward County, Florida (the "Issuer") the principal sum of Three Million Five Hundred Thousand and No/100 Dollars ($3,500,000) which principal amount shall be due and payable on October 1, 2011.

The Borrower further agrees to pay interest on the unpaid principal amount from the date of authentication and delivery of the Series 1996 Bonds until the principal amount and all interest thereon is paid in full which shall be paid on each Interest Payment Date (as defined in the Indenture hereinaf- ter mentioned) at the rate of interest equal to the Adjustable Rate (as defined in the Indenture) or the Fixed Rate (as defined in the Indenture), as applicable.

This Promissory Note is the "Note" referred to in the Loan Agreement dated as of October 1, 1996 (the "Loan Agreement"), between the Borrower and the Issuer and is entitled to the benefits thereof and subject to the conditions thereof. Terms not otherwise defined herein shall have the definitions set forth in the Loan Agreement.

Under the Loan Agreement, the Issuer has loaned to the Borrower the proceeds received from the sale of the Issuer's $3,500,000 Industrial Development Revenue Bonds (HEICO Aerospace Corporation Project), Series 1996 (the "Series 1996 Bonds"). The Series 1996 Bonds have been issued, concurrently with the execution and delivery of this Note, pursuant to, and are secured by, the Indenture of Trust between the Issuer and SunTrust Bank, Nature Coast, as Trustee (the "Trustee") dated as of October 1, 1996 (the "Indenture" or the "Trust Indenture"). The Series 1996 Bonds bear interest at the Adjustable Rate prior to the Conversion Date (as defined in the Indenture) and at the Fixed Rate on or subsequent to the Conversion Date. Such interest is payable on the applicable Interest Payment Dates. This Note shall bear interest at the Adjustable Rate or the Fixed Rate, whichever is applicable, during the same periods as such rates are borne by the Series 1996 Bonds.

Borrower shall make payments of principal and interest on this Note in amounts which will be sufficient to enable the Issuer to pay when due the total amount of principal of (whether at maturity, upon acceleration or otherwise), premium, if any, and interest on the Series 1996 Bonds. To the extent that principal of, premium, if any, or interest on the Series 1996 Bonds shall be paid, there shall be credited against unpaid principal of or interest on this Note, as the case may be, an amount equal to the

principal of or interest on the Series 1996 Bonds so paid. The principal of, premium, if any, and interest on this Note are payable in immediately available funds of any coin or currency of the United States of America which on the respective dates of payment thereof shall be legal tender for the payment of public and private debts.

In addition, the Borrower agrees to pay when due in immediately available funds all other amounts at the time the Issuer or the Trustee, on behalf of the Issuer, may be required to pay the same pursuant to the Loan Agreement, the Series 1996 Bonds or the Indenture.

The obligation of the Borrower to make the payments required hereunder shall be absolute and unconditional without any defense, recoupment or right of set-off by reason of any default by the Issuer under the Loan Agreement or for any other reason.

Upon the occurrence of an Event of Default specified in the Loan Agreement, the unpaid principal hereof interest hereon may become forthwith due and payable as provided in the Loan Agreement, and in the event the Borrower shall fail to pay any amount required to be paid under this Note when due, the Borrower shall pay interest on such amount at a rate per annum equal to the Adjustable Rate or the Fixed Rate, as applicable to the Series 1996 Bonds at the time of such occurrence, or the maximum rate permitted by law, whichever is lower.

The Borrower may at its option, and may under certain circumstances be required to, prepay all or any part of the unpaid principal of this Note upon the terms provided in the Loan Agreement.

The Borrower hereby promises to pay all costs of collection, including reasonable attorneys' fees and disbursements, without regard to any statutory presumption, in the case of a default under this Note or the Loan Agreement. The Borrower hereby waives presentment, protest and notice of protest or dishonor.

This Note shall be construed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the Borrower has caused this instrument to be executed in its corporate name by its duly authorized officer and its corporate seal to be affixed hereto all as of the date first above written.

HEICO AEROSPACE CORPORATION

[SEAL]

By: _____

Name: _____

Title: _____

ENDORSEMENT

Pay to the order of SunTrust Bank, Nature Coast, as Trustee for the benefit of the Bondholders under the Trust Indenture dated as of October 1, 1996, between the Issuer and the Trustee, without recourse. This endorsement is given and made without any warranty as to the authority and genuineness of the signature of the maker of the foregoing Promissory Note.

This 18th day of October, 1996.

BROWARD COUNTY, FLORIDA

By: _____

Title: _____

Exhibit 10.11

SUNTRUST BANK REIMBURSEMENT AGREEMENT

This SunTrust Bank Reimbursement Agreement, dated as of the 1st day of October, 1996 (the "Agreement"), by and between HEICO AEROSPACE CORPORATION, a Florida corporation (the "Company"), and SUNTRUST BANK, SOUTH FLORIDA, NATIONAL ASSOCIATION (the "Bank"),

W I T N E S S E T H:

WHEREAS, Broward County, Florida, a political subdivision of the State of Florida (the "Issuer") (i) is issuing $3,500,000 principal amount of Broward County, Florida, Industrial Development Revenue Bonds (HEICO Aerospace Corporation Project), Series 1996 (the "Bonds"), and (ii) is loaning the proceeds of the sale of the Bonds to the Company to finance the renovation, expansion, rehabilitation and equipping of the Company's existing facility for manufacturing aircraft parts (the "Project") on a tract of land located at 3000 Taft Street, Hollywood, Broward County, Florida, all pursuant to an Indenture of Trust, dated as of October 1, 1996 (the "Indenture"), between the Issuer and SunTrust Bank, Nature Coast, as trustee (the "Trustee"), and a Loan Agreement, dated as of October 1, 1996 (the "Loan Agreement"), between the Issuer and the Company; and

WHEREAS, the Bonds are variable rate demand bonds that are convertible into fixed rate bonds at the option of the Company and otherwise in accordance with the Indenture; and

WHEREAS, in order to provide liquidity and credit support for the Bonds and thereby to enhance the marketability thereof, the Issuer required, as a condition precedent to the issuance of the Bonds and the making of such loan to the Company, that the Company obtain and deliver to the Trustee for the benefit of the holders of the Bonds an irrevocable letter of credit to secure payment of the Bonds; and

WHEREAS, the Company has requested the Bank, and the Bank has agreed, to issue its letter of credit in the form attached as Exhibit "A" (the "Letter of Credit"), in accordance with the terms and conditions of this Agreement, and in accordance with the terms of the Indenture; and

WHEREAS, the Company has agreed to pay the Bank certain fees in connection with such Letter of Credit and to reimburse the Bank for all payments made by the Bank thereunder.

NOW, THEREFORE, in consideration of the foregoing premises and in order to induce the Bank to issue the Letter of Credit, the parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS. In addition to the defined terms in the preamble to this Agreement (capitalized terms not otherwise defined herein shall have the meanings provided in the Indenture), the following terms shall have the following meanings as used herein, unless the context otherwise requires:

"ADA" means, collectively, the Americans with Disabilities Act of 1990 and the Florida Americans with Disabilities Accessibility Implementation Act.

"ADA INDEMNITY" means the agreement to comply with the Americans with Disabilities Act of 1990 dated as of October 1, 1996, between the Company and the Bank.

"A DRAWING" shall have the meaning specified in the Letter of Credit, which shall be a drawing in respect of the payment of the portion of the purchase price of Bonds corresponding to principal of the Bonds.

"AGREEMENT" means this SunTrust Bank Reimbursement Agreement, including all exhibits, appendices and schedules hereto, by and between the Company and the Bank, as the same may be modified, amended, supplemented or extended from time to time.

"B DRAWING" shall have the meaning specified in the Letter of Credit, which shall be a drawing in respect of the payment of principal of the Bonds.

"BANK" means SunTrust Bank, South Florida, National Association, acting as issuer of the Letter of Credit.

"BOND COUNSEL" means such nationally recognized bond counsel appointed by the Issuer.

"BONDHOLDERS" means the registered owners of record of the Bonds as shown in the Bond registration books of the Issuer maintained by the Trustee.

"BONDS" means the Broward County, Florida Industrial Development

Revenue Bonds (HEICO Aerospace Corporation Project), Series 1996, and any bonds duly issued, in exchange or replacement therefor, including temporary bonds, if any, authorized under the Indenture.

"BUSINESS DAY" means any day on which the corporate trust office of the Trustee and commercial banks located in Orlando, Florida, Fort Lauderdale, Florida and Atlanta, Georgia are required or permitted by law to be open for the purpose of conducting a commercial banking business.

"C DRAWING" shall have the meaning specified in the Letter of Credit, which shall be a drawing in respect of the payment of interest, or the portion of the purchase price corresponding to interest, on the Bonds.

"CASH COLLATERAL ACCOUNT" means the Yield Restricted Cash Collateral Account/HEICO Aerospace Corporation created pursuant to the Custodial Agreement.

"CODE" means the Internal Revenue Code of 1986, as amended from time to time, including, when appropriate, the statutory predecessor of the Code, and all applicable regulations thereunder whether proposed, temporary or final, including regulations issued and proposed pursuant to the statutory predecessor of the Code, and, in addition, all official rulings and judicial determinations applicable under the Code and under the statutory predecessor of the Code and any successor provisions to the relevant provisions of the Code or regulations.

"COMPANY" means HEICO Aerospace Corporation, a Florida corporation, and its successors and assigns.

"COMPANY DOCUMENTS" means, collectively, the Indenture, the Loan Agreement, the Note, the Mortgage, the Remarketing Agreement, the Tender Agent Agreement, the Custodial Agreement, the Environmental Indemnity, the ADA Indemnity and the Bonds.

"CONVERSION DATE" means the date on which the interest rate on the Bonds is converted from the Adjustable Rate to the Fixed Rate in accordance with the terms of the Indenture.

"COSTS" means Cost as defined in the Loan Agreement.

"CUSTODIAN" means SunTrust Bank, Central Florida, National Association, and any successor thereto acting as custodian of the Cash Collateral Account under the Custodial Agreement.

"CUSTODIAL AGREEMENT" means that certain Custodial Agreement dated as of October 1, 1996, by and among the Company, the Bank and the Custodian.

"DEBT" shall mean all interest-bearing indebtedness for money borrowed, purchase money mortgages or security agreements, capitalized leases, conditional sales contracts and similar title- retention instruments of indebtedness. "Debt" shall include both short- and long-term maturities of indebtedness.

"DEFAULT" means any of the events specified in Section 8 herein, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"ENVIRONMENTAL INDEMNITY" means the Environmental Indemnification Agreement dated as of October 1, 1996, from the Company to the Bank.

"ERISA" means the Employee Retirement Income Security Act of 1974, and all related provisions of the Code, as the same may be

amended, supplemented or modified from time to time, together with all applicable rulings and regulations issued under the provisions of either of them.

"ERISA Affiliate" means each trade or business (whether or not incorporated) which, together with the Company, is treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

"EVENT OF DEFAULT" means any of the events specified in Section 8 herein provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"EXPIRATION DATE" means the date upon which the Bank's obligations under the Letter of Credit expire as set forth therein.

"FIRST REIMBURSEMENT AGREEMENT" means the SunBank Reimbursement Agreement dated as of February 28, 1994, between the Company and the Bank (f/k/a SunBank/South Florida, National Association) related to the Issuer's Industrial Development Revenue Bonds (HEICO Corporation Project), Series 1988.

"FIXED INTEREST RATE" means the interest rate applicable to the Bonds after the Conversion Date, established in accordance with Section 2.02(d) of the Indenture.

"GAAP" means generally accepted accounting principles as defined by the Financial Accounting Standards Board as from time to time in effect that are consistently applied and, when used with respect to the Company, that are consistent with the accounting practice of the Company, reflected in the financial statements for the Company, with such changes as may be approved by an independent public accountant satisfactory to the Bank.

"GUARANTORS" MEANS, collectively, Jet Avion Corporation, a Florida corporation, LPI Industries Corporation, a Florida corporation, Aircraft Technology, Inc., a Florida corporation, HEICO and HEICO-Newco, Inc., a Florida corporation.

"GUARANTY" means each Unconditional Guarantee of Payment and Performance dated as of October 1, 1996, made by each Guarantor in favor of the Bank, executed and delivered to the Bank contemporaneously herewith, and "Guaranties" means all of such instruments collectively.

"HAZARDOUS MATERIALS" means any petroleum product, and any hazardous, toxic or dangerous waste, substance or material defined as such in Hazardous Materials Law.

"HAZARDOUS MATERIALS LAWS" means, collectively, all federal, state and local laws, ordinances or regulations, now or

hereafter in effect, relating to environmental conditions or Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. ss. 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. ss. 6901, et seq., (the "RCRA"), the Clean Air Act, 42 U.S.C. ss. 7401, et seq. (the "CAA"), the Toxic Substances Control Act, 15 U.S.C. ss.ss. 2601 through 2929 (the "TSCA"), and all similar federal, state and local laws and ordinances, together with all regulations now or hereafter adopted, published or promulgated pursuant thereto.

"HEICO" means HEICO Corporation, a Florida corporation.

"INDENTURE" means the Indenture of Trust, dated as of October 1, 1996, between the Issuer and the Trustee pursuant to which the Bonds are issued.

"INTEREST COMPONENT" means that portion of the Stated Amount of a Letter of Credit equal to the sum of 50 days' interest on the series of Bonds secured by such Letter of Credit, computed at the rate of 13% per annum, notwithstanding the actual rates of interest borne by the Bonds.

"INTEREST RATE" means 2% over the Prime Rate, adjusted daily with any change in the Prime Rate, based on a year containing 360 days, for the actual number of days elapsed.

"ISSUER" means Broward County, Florida, as issuer of the Bonds.

"LEGAL REQUIREMENTS" means (i) any and all present and future judicial decisions, statutes, rulings, directions, rules, regulations, permits, certificates, ordinances or other requirements of any governmental or public entity of in any way applicable to the Company or the Project, including, without limitation, the ownership, use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction thereof, (ii) the Company's presently or subsequently effective Bylaws and Certificate of Incorporation, and (iii) any and all terms, provisions and conditions of any and all leases, indentures and other contracts (written or oral) of any nature applicable to or binding on the Project or the Company, including, without limitation, any lease or other contract pursuant to which the Company is granted a possessory interest in the Project.

"LETTER OF CREDIt" means the direct draw irrevocable letter of credit issued by the Bank for the account of the Company to secure payment of the principal of and interest on the Bonds prior to the Conversion Date, in the form set forth in Exhibit "A" hereto, executed and delivered by the Bank contemporaneously herewith, and all extensions thereof.

"Lien" means, as to any asset, (a) any lien, charge, claim, mortgage, security interest, pledge or other encumbrance of any kind with respect to such asset, (b) any interest of a vendor or lessor under any conditional sale agreement, capitalized lease or other title retention agreement relating to such asset, (c) any reservation, exception, encroachment, easement, right-of-way, covenant, condition, restriction, lease or other title exception affecting such asset, or (d) any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction).

"LOAN AGREEMENT" means the Loan Agreement, dated as of October 1, 1996, between the Issuer and the Company.

"MAXIMUM INTEREST RATE" means the maximum interest rate permitted by applicable law.

"MORTGAGE" means the Mortgage and Security Agreement dated as of October 1, 1996, executed by the Company, as mortgagor, in favor of the Bank and the Issuer, as mortgagees.

"1988 BONDS" means the Broward County, Florida Industrial Development Revenue Bonds (HEICO Corporation Project), Series 1988.

"NOTE" means the Promissory Note from the Company to the Issuer dated October 18, 1996 in the principal amount of $3,500,000.

"PBGC" means the Pension Benefit Guaranty Corporation and any successor thereto.

"PAYMENT OBLIGATIONS" means all amounts payable by the Company to the Bank under Section 2 or any other provision hereof.

"PERMITTED ENCUMBRANCES" shall have the meaning ascribed thereto in the Mortgage.

"PERSON" means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture or other entity or a government or any agency or political subdivision thereof.

"PLAN" means any plan of a type described in Section 402 1(a) of ERISA which may be established or maintained by the Company in respect of which the Company or an ERISA Affiliate is an "employer" as defined in Section 3(5) of ERISA.

"PLEDGE AGREEMENT" means the Pledge and Security Agreement dated as of October 1, 1996 by and between the Company and the Bank, and any amendments and supplements thereto.

"PLEDGED BONDS" means all Bonds that have been purchased with proceeds from a draw on the Letter of Credit, for which the Bank has not been reimbursed in accordance with this Agreement and which have been pledged to the Bank under the terms of the Pledge Agreement.

"PRIME RATE" means the annual interest rate announced by SunTrust Banks of Florida, Inc. from time to time as its Prime Rate, which interest rate is only a benchmark, is purely discretionary, and is not necessarily the best or lowest rate charged borrowing customers of any subsidiary of SunTrust Banks of Florida, Inc.

"PROJECT" means the renovation, expansion, rehabilitation and equipping of the Company's existing facility for manufacturing aerospace and defense parts on a tract of land located at 3000 Taft Street, Hollywood, Broward County, Florida, as more particularly described in Exhibit A to the Loan Agreement, including all fixtures therein and all equipment, machinery and other personalty financed with proceeds of the Bonds, all as described in the Loan Agreement.

"RELATED DOCUMENTS" means, collectively, the Letter of Credit, this Agreement, the Guaranties, the Pledge Agreement, the Tender Agent Agreement and any other agreement or instrument, relating to any of the above.

"REMARKETING AGREEMENT" means the Remarketing Agreement dated as of October 1, 1996 between the Company and the Remarketing Agent.

"REPORTABLE EVENT" means any of the events set forth in Section 4043(b) of ERISA or the regulations thereunder.

"SECOND MORTGAGE" means the Second Mortgage and Security Agreement dated as of February 28, 1994, from the Company to the Bank.

"STATED AMOUNT" shall have the meaning ascribed thereto in the Letter of Credit.

"SUBSIDIARY" means any corporation of which more than fifty percent (50%) of the outstanding shares of stock of each class having ordinary voting power (other than stock having such power only by reason of the happening of a contingency) is at the time owned by the Company or HEICO.

"SUNTRUST BANK LOAN AGREEMENT" collectively means the Loan Agreement among the Bank, HEICO and the Company, dated as of February 28, 1994, as amended by a First Amendment to Loan Agreement and Reaffirmation Agreement dated as of October 13, 1994, a Second Amendment to Loan Agreement dated as of March 1, 1995, and any further modifications, amendments or supplements thereto, or any successor document pursuant to which the Bank makes available to the Company and/or HEICO or any Subsidiary a line of credit.

"TRUSTEE" means SunTrust Bank, Nature Coast, as Trustee under the Indenture.

Each accounting term not defined herein, and each accounting term partly defined herein to the extent not completely defined, shall have the meaning given to it under GAAP.

SECTION 2. APPLICATION, REIMBURSEMENT AND OTHER PAYMENTS.

(a) The Company hereby applies to the Bank for, and authorizes and instructs the Bank to issue, the Letter of Credit in the amount of the Stated Amount. The Principal Component shall not exceed $3,500,000, and the Interest Component shall be an amount equal to 50 days' interest on the Bonds, computed at a rate of 13% per annum, notwithstanding the actual rate borne from time to time by the Bonds.

(b) The amount available under the Letter of Credit shall be reduced and reinstated as described in the Letter of Credit.

(c) The Company hereby agrees to pay, or to cause to be paid, to the Bank

(i) on the date that any amount is drawn and paid under the Letter of Credit under a B Drawing or a C Drawing, a sum equal to such amount drawn;

(ii) in the event any Bonds are purchased pursuant to an A Drawing under the Letter of Credit pursuant to Sections 2.02(c), 4.01, 4.02 or 4.04 of the Indenture, on a date no later than the earlier of ninety (90) days after the date such drawing is made or the date the Letter of Credit expires, a sum equal to such amount drawn and paid, and in the event any Bonds are purchased pursuant to an A Drawing under the Letter of Credit pursuant to Section 3.08 of the Indenture, on the date of such draw, a sum equal to such amount drawn;

(iii) upon each transfer of the Letter of Credit in accordance with its terms to a successor Trustee under the Indenture, in addition to a fee of $1,500, a sum in such amount as shall be necessary to cover the transfer fee, costs

and expenses of the Bank incurred in connection with such transfer;

(iv) on demand, any amount that is paid by the Bank in connection with its exercise of its discretionary rights pursuant to Sections 9(b) and 9(c) of this Agreement;

(v) on demand, interest on any and all amounts unpaid by the Company when due hereunder from the date such amounts become due until payment in full, at the Interest Rate;

(vi) with respect to a drawing under the Letter of Credit referred to in subparagraph (ii) above, if the amount of such drawing is not due and payable immediately, monthly interest on the first day of each month on unreimbursed amounts outstanding from the date of the drawing to the date the Bank receives reimbursement in full of the amount of any such drawing at the Prime Rate; provided, however, that with respect to all drawings referred to in subparagraph (ii) above, from and after such time as such unreimbursed drawings become due, interest thereon shall accrue at the Interest Rate and shall be payable on demand;

(vii) on demand, any and all expenses incurred by the Bank Bank (including, without limitation, reasonable attorneys' fees) in enforcing any rights under this Agreement;

(viii) the Company shall be permitted to treat as a credit against the interest payable pursuant to clause (c)(vi) above, any payments of interest received by the Bank in respect of Pledged Bonds delivered to the Bank pursuant to the Pledge Agreement which payments do not constitute the proceeds of a draw upon the Letter of Credit;

(ix) on the date hereof, a commitment fee of one-half of one percent (0.50%) of the initial Stated Amount of the Letter of Credit (less any portion of such commitment fee already paid by the Company to the Bank);

(x) commencing on the date hereof, and continuing on the first day of each month hereafter during the term of the Letter of Credit, a fee equal to one twelfth (1/12) of the annual fee of one percent (1%) of the excess, if any, of the Stated Amount of the Letter of Credit over the balance in the Cash Collateral Account on the date of payment of such fee;

(xi) Company will timely pay or cause to be paid the sums due under Section 25 hereof at the times required thereby; and

(xii) a standard negotiation and reinstatement fee in the amount of $100 for each draw (whether for principal, interest

or purchase price of Bonds) on the Letter of Credit, payable at the time of each draw upon the Letter of Credit.

(d) If any change in any law or regulation or in the interpretation thereof, as the same may be applied by any court or administrative or governmental authority charged with the administration thereof, or any change shall occur in generally accepted accounting principles which shall be mandated and not optionally elected by Bank, shall either (i) impose, modify or deem applicable any reserve, capital adequacy, special deposit or similar requirement against letters of credit issued by the Bank similar in form, type, purpose or amount to the Letter of Credit or (ii) impose on the Bank any other condition relating, either directly or indirectly, to this Agreement or the Letter of Credit, and the result of any event referred to in clause (i) or (ii) above shall be to increase the cost to the Bank of issuing or maintaining the Letter of Credit (which increase in costs may be the result of the Bank's reasonable pro rata allocation of the aggregate of such cost increases resulting from such events), then, (A) the Bank shall so notify the Company and (B) upon receipt of such notice from the Bank, the Company shall immediately pay to the Bank all additional amounts which are necessary to compensate the Bank for such increased cost incurred or to be incurred by the Bank. All payments of increased costs shall be accompanied by interest thereon from the date of notice of such change until payment in full thereof at the Interest Rate. A certificate as to such increased cost incurred by the Bank as a result of any event mentioned in clause (i) or (ii) above showing the manner of calculation thereof shall be submitted by the Bank to the Company and shall be conclusive (absent manifest error) as to the amount thereof. In determining the amount of any increased costs, the Bank may use any reasonable averaging and attribution methods.

(e) If, after the date of this Agreement, the Bank shall have determined that the adoption or implementation of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has the effect of reducing the rate of return on the Bank's capital, on this credit facility or otherwise, as a consequence of its obligations hereunder and under the Letter of Credit to a level below that which the Bank could have achieved but for such adoption, change or compliance (taking into consideration the Bank's policies with respect to capital adequacy) by an amount deemed by the Bank to be material, then from time to time, promptly upon demand by the Bank, the Company hereby agrees to pay the Bank such additional amount or amounts as will compensate the Bank for such reduction. A certificate of the Bank claiming compensation

under this subsection and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive absent manifest error and notice shall be furnished to the Company and shall be conclusive (absent manifest error) as to the amount thereof. In determining any such amount, the Bank may use any reasonable averaging and attribution methods.

(f) The Company hereby agrees to pay to the Bank, on demand, any and all reasonable charges and expenses which the Bank may pay or incur relative to the Letter of Credit, and any and all expenses, including, without limitation, reasonable attorneys' fees and disbursements of counsel for the Bank incurred or paid by the Bank in connection with (i) the preparation and negotiation of this Agreement and the instruments referred to herein; (ii) the closing of the transactions contemplated hereby; (iii) protecting or collecting the Company's indebtedness to the Bank under this Agreement; (iv) foreclosing against or otherwise enforcing any collateral security therefor; (v) inspection of the Project by the Bank or its agents in connection with clauses (iii) and (iv) of this paragraph; (vi) the exercising by the Bank of its discretion- ary rights pursuant to Section 9 of this Agreement; (vii) any and all claims, damages, losses or liabilities of the Bank for which the Company has agreed to indemnify the Bank pursuant to Sections 6(e), 6(ll), 6(mm) and 13 hereof; and (viii) protecting, exercising or enforcing any or all of the Bank's rights and remedies under this Agreement, including without limitation in connection with any reorganization, insolvency or bankruptcy proceeding affecting the Company, any of the Guarantors or any of the properties of any of the foregoing.

(g) All payments to the Bank by the Company hereunder shall be made in lawful currency of the United States to the account of the Bank at its office at SunTrust Bank, South Florida, National Association, 501 East Las Olas Boulevard, Fort Lauderdale, Florida 33301, Attention: Corporate Banking Division, by 2:00 p.m. Fort Lauderdale, Florida time on the date such payment is due in immediately available funds. Funds received after such time shall be deemed received on the next succeeding Business Day. Overdue payments shall bear interest at the Interest Rate. Interest payable hereunder shall be computed on the basis of a 360-day year, actual number of days elapsed.

(h) Upon receipt of a disbursement of money from the Trustee in conjunction with a certification from the Trustee that money sufficient to pay all principal of and interest on the Bonds are on deposit with the Trustee and that all claims against the Issuer under the Indenture have been satisfied or adequate provision has been made for the payment of all such claims, the Bank shall apply all money so received:

(i) First, to the Payment Obligations of the Company under this Agreement;

(ii) Second, to meet any other amounts owed by the Company to the Bank under this Agreement;

(iii) Third, to meet any other amounts owed by the Company to the Bank under any other Related Document; and

(iv) Lastly, to the extent remaining, as a disbursement to the Company.

No money shall be distributed to the Company pursuant to this Section 2(h) prior to the Expiration Date.

(i) As security for the payment of the obligations of the Company pursuant to clause (c)(ii) above, and all interest on any amounts payable thereunder, the Company will pledge to the Bank, and grant to the Bank a security interest in, its right, title and interest in and to Bonds delivered to the Bank in connection with A Drawings pursuant to the Pledge Agreement.

(j) After any C Drawing, the obligation of the Bank to honor demands for payment under the Letter of Credit with respect to payment of interest, or the portion of Purchase Price of the Bonds corresponding to interest, on the Bonds will automatically be reinstated up to the total amount specified therein, upon the terms and conditions set forth in the Letter of Credit. Upon release by or on behalf of the Bank of any Pledged Bonds, the obligation of the Bank to honor demands for payment under the Letter of Credit with respect to payment of the principal, or the portion of Purchase Price of the Bonds corresponding to principal, of such Bonds will be automatically reinstated up to the total amount specified therein upon the terms and conditions set forth in the Letter of Credit.

SECTION 3. CONDITIONS PRECEDENT TO THE ISSUANCE OF THE LETTER OF CREDIT. The Bank's obligation to issue the Letter of Credit is subject to the fulfillment of each of the following conditions precedent:

(a) On the date of issuance of the Letter of Credit and after giving effect to the issuance of the Letter of Credit, there shall exist no Default or Event of Default.

(b) On the date of issuance of the Letter of Credit and after giving effect to the issuance of the Letter of Credit, all representations and warranties of the Company contained herein, in the Company Documents or otherwise made in writing in connection herewith shall be true and correct with the same force and effect as though such representations and warranties had been made on and as of such date.

(c) The Bank shall have received the following, all of which shall be in form and substance satisfactory to the Bank:

(i) certified copies of all approvals, authorizations and consents of any trustee or holder of any indebtedness or obligation of the Company or any other Person necessary for the Company to enter into this Agreement;

(ii) the opinion of Weil, Gotshal & Manges LLP, counsel to the Company, addressing such matters, and in such form, as the Bank may reasonably request;

(iii) evidence satisfactory to the Bank of any local government approvals which may be required in connection with the transactions contemplated hereby;

(iv) a copy of the Company's Certificate of Incorporation and Bylaws;

(v) certified resolutions of the Board of Directors or the Executive Committee of the Board of Directors of the Company authorizing the execution, delivery and performance by the Company of this Agreement, the Mortgage and those Company Documents to which the Company is a party and approving the form and content of the Letter of Credit;

(vi) certificates of officers of the Company certifying the name and true signatures of the officers of the Company authorized to sign this Agreement and the other documents to be delivered by it hereunder;

(vii) an executed copy of each Guaranty;

(viii) certified resolutions of the Board of Directors or the Executive Committee of the Board of Directors of each Guarantor authorizing the execution, delivery and performance by such Guarantor of the applicable Guaranty;

(ix) an executed copy of each Company Document and Related Document;

(x) satisfaction of all other conditions of the Indenture and any other conditions required by Bond Counsel, counsel to the Company or Bank's counsel; and

(xi) such other documents, instruments, approvals (and, if requested by the Bank, certified duplicates or executed copies thereof) or opinions as the Bank may reasonably request.

(c) No change shall have occurred in any law or regulation thereunder or interpretation thereof which in the opinion of counsel for the Bank would make it illegal for the Bank to issue the Letter of Credit as provided herein.

SECTION 4. OBLIGATIONS OF THE COMPANY. (a) The obligations of the Company under this Agreement shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including without limitation the following circumstances:

(i) any lack of validity or enforceability of the Company Documents or Related Documents;

(ii) any amendment or waiver of or any consent to departure from all or any of the Company Documents or Related Documents;

(iii) the existence of any claim, set-off, defense or other rights which the Company may have at any time against the Trustee, any beneficiary or any transferee of the Letter of Credit (or any persons or entities for whom the Trustee, any such beneficiary or any such transferee may be acting), the Bank or any other person or entity, whether in connection with this Agreement, any Company Documents, any Related Document or any unrelated transaction;

(iv) any breach of contract or other dispute between the Company and the Trustee, any beneficiary or any transferee of the Letter of Credit, the Issuer, the holders of the Bonds, the Bank or any other person or entity;

(v) any statement or any other document presented under the Letter of Credit proving to be forged, fraudulent, unauthorized, invalid or any statement therein being untrue or inaccurate in any material respect whatsoever;

(vi) any delay, extension of time, renewal, compromise, or other indulgence or modification granted or agreed to by the Bank, with or without notice to or approval by the Company, in respect of any of the Company's indebtedness or Payment Obligations to the Bank under this Agreement; or

(b) The Bank shall not be obligated to issue any further credits, to cure any Defaults hereunder or defaults under the Company Documents, or in any other manner to extend any financial consideration to the Company. The Company understands and agrees that no payment by it under any other agreement, whether voluntary or involuntary or pursuant to court order or otherwise, shall constitute a defense to the several obligations hereunder except to the extent that the Bank has been indefeasibly paid in full.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company represents and warrants as of the date hereof as follows:

(a) ORGANIZATION, STANDING, CORPORATE POWER, ETC. It is duly incorporated, validly existing and in good standing under the laws of the state of its incorporation, and has corporate power and authority to own its properties and to carry on its business as now being conducted, in every jurisdiction where it is conducting its business, and has corporate power and authority to execute, deliver and perform the Company Documents and the Related Documents to which it is a party.

(b) AUTHORIZATION. The execution, delivery and performance by the Company of the Company Documents and the Related Documents to which it is a party:

(i) have been duly authorized by all requisite corporate action, and do not require any consent or approval of any other Person, including, without limitation, the stockholders or creditors of the Company, which has not otherwise been obtained;

(ii) will not violate any Legal Requirements or any provision of law, rule or regulation, or the articles of incorporation or by-laws, as amended to the date hereof, of the Company;

(iii) will not violate or be in conflict with, result in a breach of, or constitute a default under, any indenture, agreement and other instrument to which the Company is a party or by which the Company, or any of its properties, is bound, or any order, writ, injunction, decree or award of any court or governmental institution; and

(iv) will, when executed and delivered for value, be valid and binding obligations of the Company.

(c) LITIGATION. Except as set forth in the footnotes to the Company's financial statements for the fiscal year ended October 31, 1995, there are no actions, suits or proceedings pending, or to the knowledge of the Company or any Guarantor, threatened against or adversely affecting them, or any of them, at law or in equity or before or by any federal agency or instrumentality, domestic or foreign, which involve any of the transactions herein contemplated, or the possibility of any judgment or liability which is likely to result in any material and adverse change in the business, operations, prospects, properties or assets, or in the condition, financial or otherwise, of the Company or the Guarantors, taken as a whole. Neither the Company nor any Guarantor, is in default with respect to any judgment, order, writ, injunction, decree, rule or regulation of any court, or federal, state, municipal or other governmental department.

(d) FINANCIAL STATEMENTs. The Company heretofore has furnished to Bank balance sheets, income statements, and other

financial information which are, to the best of its knowledge, correct and complete, and accurately present the financial condition and the results of the operations of the Company and the Guarantors on a consolidated basis as of the dates and for the periods indicated up to and including October 31, 1995, and said financial statements show all known direct liabilities or contingent material liabilities as of the dates thereof, and have been prepared in accordance with GAAP on a consolidated basis and consistently applied. Since the date of the furnishing of the most recent financial statements, there has been no material adverse change in the financial or other condition of the Company and the Guarantors, taken as a whole.

(e) TAXES. The Company and each Guarantor have filed, or caused to be filed, all federal and state tax returns which, to the knowledge of the respective officers thereof, are required to be filed in accordance with any Legal Requirements, and has paid or caused to be paid, all taxes as shown on said returns or on any assessments received by it and not being contested in good faith, to the extent that such taxes have become due.

(f) BURDENSOME RESTRICTIONS. Except as are reflected on the most recent financial statements furnished to the Bank, neither the Company nor any Guarantor is a party to any agreement or instrument or subject to any charter or other corporate restrictions materially adversely affecting its business, properties or assets, operations or condition, financial or otherwise.

(g) PROPERTY AND ASSETS. The Company and each Guarantor has good and marketable title to all the property and assets reflected on the most recent consolidated financial statement furnished to the Bank, except such as have been disposed of in the ordinary course of business since the date of said financial statement, and all such property and assets are free and clear of any Liens, except Liens for taxes not yet due, Liens on personal or real property as reflected in the most recent audited financial statement furnished to the Bank, Permitted Encumbrances, and except for those Liens, if any, on properties acquired subsequent to said statement until the date of this Agreement.

(h) ENFORCEABILITY. (i) This Agreement and each of the Company Documents and the Related Documents to which the Company is a party, when delivered, will constitute legal, valid and binding obligations of the Company, enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the rights of creditors generally and (ii) each Guaranty when delivered hereunder, will constitute the legal, valid and binding obligation of the applicable Guarantor executing the same, enforceable against such Guarantor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy,

insolvency or similar laws affecting the rights of creditors generally.

(i) DEFAULT. Neither the Company nor any Guarantor is in default in any respect under, or with respect to any material contract, agreement or other instrument to which it is a party or by which it or its assets may be bound, and no Default or Event of Default has occurred and is continuing.

(j) REGULATIONS G, X and U. Neither the Company nor any Guarantor is engaged nor will engage principally, or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulations G, X or U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of any loans hereunder will be used for "purchasing" or "carrying" any "margin stock" as so defined or for any purpose which violates, or would be inconsistent with, the provisions of any regulations of such Board of Governors, and the execution, delivery and performance of this Agreement and the use of the proceeds of the Bonds or any extension of credit hereunder do not and will not constitute a violation of such regulations. Upon request, the Company will furnish the Bank with a statement in conformity with the requirements of Federal Reserve Form U-1 referred to in said Regulation U to the foregoing effect.

(k) ERISA. (i) The Plans maintained by the Company and/or the Guarantors or any of them and all ERISA Affiliates, if any, comply with all applicable requirements of ERISA and of the Code, and with all applicable rulings and regulations issued under the provisions of ERISA and the Code. No Reportable Event has occurred and is outstanding with respect to any Plan(s).

(ii) Each Plan has at all times been maintained by its terms and in operation, in accordance with all applicable laws, except such noncompliance (when taken as a whole) that will not have a materially adverse effect on the Company, or upon its financial condition, assets, business, operations, liabilities or prospects;

(iii) The Company is not currently or will not become subject to any liability (including withdrawal liability), tax or penalty whatsoever to any person whomsoever with respect to any Plan including, but not limited to, any tax, penalty or liability arising under Title I or Title IV of ERISA or Chapter 43 of the Code, except such liabilities (when taken as a whole) as will not have a materially adverse effect on the Company, or upon its financial condition, assets, business, operations, liabilities or prospects; and

(iv) The Company and each ERISA Affiliate have made full and timely payment of all amounts (A) required to be contributed under the terms of each Plan and applicable law and (B) required to be paid as expenses of each Plan. No Plan has or would have an "amount of unfunded benefit liabilities (as defined in Section 4001(a)(18) of ERISA) if such Plan were terminated as of this date.

(l) APPROVALS. No consent of any person and no authori- zation or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the valid or due execution, delivery and performance by the Company of this Agreement, any Company Document or any Related Document to which the Company is a party, other than such consents, authorizations, approvals or actions as have already been obtained or which cannot be obtained on the date hereof and are not required to be obtained on the date hereof. The Company is in compliance with all of the terms and conditions of each such consent, authorization, approval or action already obtained, has applied for each such consent, authorization, approval or action that may be applied for at this time and has met or has made provisions adequate for meeting all requirements for each such consent, authorization, approval or action not yet obtained.

(m) PUBLIC UTILITY HOLDING COMPANY. Neither the Company nor any Guarantor is (i) a "holding company," or (ii) a "subsidiary company" of a "holding company," or (iii) an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company," within the meaning of the Public Utility Holding Company Act of 1935, as amended.

(n) INFORMATION. No certificate, report or other paper furnished by the Company or a Guarantor to the Bank or any other Person in connection with this Agreement, the Company Documents or the Related Documents contains as of its effective date any material misstatement of fact or fails to state a material fact or any fact necessary to make the statements contained therein not misleading in any material respect as of such date, and all of the information contained therein is true, accurate and complete in all material respects as of such date.

(o) NOT AN INVESTMENT COMPANY. Neither the Company nor any Guarantor is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(p) ENVIRONMENTAL MATTERS. The Company is in compliance in all material respects with all federal, state and local environmental laws, rules, regulations, ordinances and other Legal Requirements including, without limitation, all Hazardous Materials Laws.

(q) HAZARDOUS SUBSTANCES. The site of the Project has not in the past been used and is not presently being used for the handling, storage, transportation or disposal of Hazardous Materials or toxic materials in contravention of applicable state, federal or local law or regulation nor have such materials ever been present on the Property in contravention of applicable state, federal or local law or regulation.

SECTION 6. AFFIRMATIVE AND NEGATIVE COVENANTS OF THE COMPANY. Until the payment in full of any and all amounts due and owing or payable to the Bank hereunder and the expiration or termination of the Letter of Credit, the Company shall abide by (and shall cause the Guarantors to abide by) all of the following affirmative and negative covenants:

(a) The Company and each of the Guarantors shall do, or cause to be done, all of the things necessary to preserve, renew and keep in full force and effect, their corporate existence and their rights, licenses and permits which are necessary for the operation of their respective businesses and shall comply with all laws applicable to them, operate their respective businesses as in a proper and efficient manner, and substantially as presently operated or proposed to be operated, and at all times shall maintain, except as otherwise previously disclosed in writing to Bank, preserve and protect all franchises and trade names and preserve all property used or useful in the conduct of their businesses, and keep the same in good repair, working order and condition, and from time to time make or cause to be made any needed and proper repairs, renewals, replacements, betterments and improvements thereto so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

(b) The Company and Guarantors shall at all times maintain true and correct books and records and shall keep their books and records in accordance with GAAP, and shall furnish to Bank such financial statements as may be required by Bank on a yearly and interim basis as set forth in this Agreement.

(c) The Company and Guarantors shall properly pay and discharge (a) all taxes, assessments and governmental charges upon or against the Company, a Guarantor or the assets of any of them prior to the date on which penalties are attached thereto, unless, and to the extent, such taxes are being diligently contested in good faith by appropriate proceedings and appropriate reserves therefor have been established; and (b) all lawful claims for labor, materials, supplies, services or anything else which might or could, if unpaid, become a lien or charge upon the properties or assets of the Company or a Guarantor, unless and to the extent only that the same are transferred to bond, being diligently contested in good faith, and by appropriate proceedings and appropriate reserves therefor have been established.

(d) The Company shall, at its sole cost and expense, comply with all of the insurance requirements set forth in this Agreement, the Mortgage and the Loan Agreement throughout the term of the Letter of Credit.

(e) In connection with any claims or lawsuits brought by third parties in connection with the Letter of Credit or this Agreement, any Company Document or any Related Document, the Company shall and does indemnify and save harmless the Bank from any and all loss, liabilities, costs, charges or damages of whatsoever kind and from any suits, claims, actions or demands, including, without limitation, the Bank's reasonable legal fees and expenses, at all trial and appellate levels, on account of any matter or thing arising out of this Agreement, any Company Document or any Related Document, or in connection herewith or therewith, or on account of any act or omission to act by Company in connection with this Agreement, the Letter of Credit, any Company Document or any Related Document, challenge the validity of any of the above referred to instruments, it being the intention of the parties that this Agreement shall be construed and applied to protect and indemnify the Bank against any and all risks involved in, related to or arising out of the issuance of the Letter of Credit, all of which risks are hereby assumed by the Company, including, without limitation, any and all risks of the acts or omissions, whether rightful or wrongful, of any present or future de jure or de facto government or governmental authority (all such acts and omissions, herein called "Government Acts"); excepting for gross negligence or willful misconduct on the part of the Bank or the violation by the Bank of any state or federal laws or regulations governing national banking associations. The Company further agrees to pay any and all taxes (other than taxes on or measured by net income of the Bank) incurred or payable in connection with, related to or arising out of the execution and delivery of this Agreement or the Letter of Credit. The Bank shall not, in any way, be liable for any failure by the Bank or anyone else to pay any draft under the Letter of Credit as a result of any Government Acts or any other cause beyond the control of the Bank.

The Company further agrees to indemnify, protect and hold harmless the Bank and all successors and assigns of the Bank (whether following the foreclosure of the Mortgage or otherwise) from and against any and all damages, losses, cleanup costs, liabilities, disabilities, fines, penalties, costs or expenses (including reasonable attorneys' and paralegals' fees and expenses) incurred or to be incurred, whether absolute, fixed or contingent, civil or criminal, and whether arising under federal, state or local law, incurred or to be incurred (i) in connection with the handling, storage, transportation or disposal by anyone (other than the Bank or its successors or assigns) of (A) Hazardous Materials, (B) "hazardous waste," as defined in the Resource Conservation and Recovery Act and Section 403.703(21, FLORIDA STATUTES, (C) "hazardous substance," as defined in the Comprehensive Environmental

Response, Compensation and Liability Act, and/or (D) petroleum products or by-products or natural gas, or (ii) otherwise on account of any violation by the Company of the Hazardous Materials Laws.

The obligations under this paragraph (e) shall survive expiration of or satisfaction of the Letter of Credit and this Agreement.

(f) The Bank shall have the right, from time to time hereafter and until the expiration of the Letter of Credit, to publicize and advertise in any manner the Bank's participation as lender in connection with the Letter of Credit, with the prior written consent of the Company, which consent shall not be unreasonably withheld.

(g) The Company shall: (a) make full and timely payments of all amounts due and owing under this Agreement, including, without limitation, the Payment Obligations; (b) duly comply with all of the terms and covenants contained in each of the Company Documents to which the Company is a party; and (c) at all times maintain the liens and security interests provided for under or pursuant to this Agreement and the Mortgage as valid and perfected liens and security interests on the property intended to be covered thereby.

(h) The Company shall promptly notify the Bank upon the commencement of any action, suit or claim or counter-claim or proceeding against or investigation of Company or any Guarantor involving claims in excess of Two Hundred Fifty Thousand Dollars ($250,000.00), in the aggregate.

(i) The Company shall promptly notify the Bank in writing of (a) any extraordinary material assessments against the Company or the Guarantors or any of them by any taxing authorities for unpaid taxes as soon as Company has knowledge thereof; and, (b) any alleged default by Company or a Guarantor in the performance of any of the terms and conditions contained in any agreement, mortgage or indenture or instrument to which the Company or the Guarantors or any of them is a party, or, which is binding upon Company or the Guarantors or any of them, which would materially affect the business operation of the Company or Guarantors or any of them, and upon any default by Company or the Guarantors or any of them in the payment of any of its indebtedness, in excess of Two Hundred Fifty Thousand Dollars ($250,000.00).

(j) The Company shall pay or caused to be paid all indebtedness and obligations which, if not paid, would have a material adverse affect on the business operation of the Company or any of the Guarantors, promptly and in accordance with their respective terms and timely comply with all applicable laws and governmental rules and regulations.

(k) The Company shall give the Bank prompt written notice of any action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency, the outcome of which might materially adversely affect the operations or financial condition of the Company or adversely affect the ability of any Guarantor to perform under its Guaranty.

(l) The Company shall give the Bank prompt written notice of any Default or Event of Default hereunder, or any default or event of default with respect to its or any Guarantor's obligations under any of the other Company Documents or any Related Documents to which it is a party, indicating the nature and status thereof and the action which the Company proposes to take or cause to be taken with respect thereto.

(m) The Company shall give the Bank prompt written notice of the organization of a Subsidiary, as well as such other information in respect thereof as the Bank may reasonably request.

(n) The Company or a Guarantor shall not directly or indirectly engage in any business activity which would represent a material change from the kind of business activity currently engaged in by it, which would have a substantial and material affect on the Company's or such Guarantor's business, without the prior written consent of the Bank, which shall be in the Bank's sole discretion.

(o) The Company shall not, upon the occurrence of an Event of Default or an event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default, as well as during the continuance thereof, (1) declare any dividend or make any other distribution with respect to its stock (whether by reduction of capital or otherwise), or redeem, retire, purchase or otherwise acquire, directly or indirectly, for value or set apart any sum for the redemption, retirement, purchase or other acquisition of, directly or indirectly, any shares of its common stock or warrants or options to purchase any shares of its common stock; or (2) declare dividends or make any other distribution with respect to its stock (whether by reduction of capital or otherwise).

(p) The Company shall not change its independent public accountants without the prior written consent of the Bank unless to independent public accountants of stature and national prominence substantially equal to that of the firm presently employed by the Company.

(q) The Company shall provide to the Bank consolidated annual audited financial statements of Company and all Guarantors and all Subsidiaries, in form and substance acceptable to the Bank, prepared in accordance with GAAP, and accompanied by an unqualified opinion of an independent certified public accountant acceptable to

the Bank, within one hundred twenty (120) days following the end of each fiscal year of Company. Additionally, HEICO shall provide to the Bank copies of consolidated annual tax returns within fifteen (15) days of filing of the same, unless such returns shall not be prepared on a consolidated basis, in which case HEICO and each of its Subsidiaries shall provide their annual tax returns within fifteen (15) days of filing.

(r) The Company shall provide to the Bank all Form 10-Q statements filed by the Company and each Guarantor, as applicable, with the Securities and Exchange Commission and all quarterly public or published financial statements or information of the Company and all Guarantors, within sixty (60) days of the end of each of the first three quarters of each fiscal year of Company and each Guarantor, as applicable.

(s) The Company shall provide to the Bank all Form 10-K statements filed by Company and each Guarantor, as applicable, with the Securities and Exchange Commission, within one hundred twenty (120) days following the end of each fiscal year of Company and each Guarantor, as applicable.

(t) The Company shall provide to the Bank within sixty (60) days after the expiration of each quarter of each fiscal year, a certificate executed by the chief executive officer or chief financial officer of the Company that no Default exists under this Agreement and that no default by the Company exists under any Company Documents, the Related Documents or any other material obligation of the Company or any Guarantor to the Bank.

(u) The Company shall provide the Bank with reasonable promptness any other financial information or documents that the Bank shall reasonably request.

(v) The Company shall maintain its principal operating accounts with the Bank during the term of the Letter of Credit. The parties acknowledge that the Bank has no right of set-off against the accounts.

(w) There shall be no merger, consolidation or reorganization of Company or any Guarantor without the Bank's prior written consent, which consent may be withheld in the Bank's sole discretion; provided, however, that this paragraph shall not prohibit the merger or consolidation of the Company with one or more Guarantors or of one or more Guarantors with each other, but the Company may not transfer substantially all of its assets to HEICO-Newco, Inc.

(x) The Company, HEICO and the Subsidiaries of HEICO, on a consolidated basis, shall maintain a minimum tangible net worth of $9,600,000 at all times during the term of the Letter of Credit.

(y) The Company, HEICO and the Subsidiaries of HEICO, on a consolidated basis, shall maintain a minimum net worth of $30,000,000.00 at all times during the term of the Letter of Credit.

(z) The Company, HEICO and the Subsidiaries of HEICO, on a consolidated basis, shall maintain a ratio of Debt to tangible net worth ratio of not greater than 3.0:1.0 at all times during the term of the Letter of Credit.

(aa) The Company, HEICO and the Subsidiaries of HEICO, on a consolidated basis, shall maintain a minimum amount of working capital of $8,300,000 at all times during the term of the Letter of Credit. The term "minimum amount of working capital" shall be calculated excluding indebtedness due under this Agreement and the Related Documents, but including required payments under Section 25 of this Agreement, and excluding indebtedness due under the First Reimbursement Agreement, but including required payments under Section 25 of the First Reimbursement Agreement.

(bb) The Company, HEICO and the Subsidiaries of HEICO, on a consolidated basis, shall maintain a current ratio of not less than 1.5:1.0 at all times during the term of the Letter of Credit. The term "current ratio" shall be calculated (i) excluding indebtedness due under this Agreement and the Related Documents, but including, required payments under Section 25 of this Agreement, and (ii) excluding indebtedness due under the First Reimbursement Agreement, but including required payments under Section 25 of the First Reimbursement Agreement.

(cc) The Company, HEICO and the Subsidiaries of HEICO, on a consolidated basis, shall maintain a ratio of Debt to total net worth of not greater than 1.0:1.0 at all times during the term of the Letter of Credit.

(dd) The Company, HEICO and the Subsidiaries of HEICO, on a consolidated basis, shall maintain minimum debt service coverage (as hereinafter defined) of not less than 1.2:1.0 at all times during the term of the Letter of Credit. (Debt service coverage shall mean net profit after taxes and dividends plus non-cash expenses (including, but not limited to, depreciation and amortization, minority interests in consolidated partnerships, deferred income taxes, deferred financing costs and losses from unconsolidated partnerships) divided by the current maturity of long-term debt, and shall be calculated excluding indebtedness due under this Agreement and the Related Documents but including required payments under Section 25 of this Agreement, and excluding indebtedness due under the First Reimbursement Agreement but including required payments under Section 25 of the First Reimbursement Agreement.)

(ee) The Company may not hereafter grant subordinate or junior liens on any of the collateral securing the Company's obligations hereunder, whether such collateral be real or personal property. (The parties hereto, however, acknowledge the existence of the lien created by the Mortgage Documents, as such term is defined in the SunTrust Bank Loan Agreement.)

(ff) With respect to management and ownership of HEICO, the Mendelson Reporting Group (as identified in the reports filed with the Security and Exchange Commission) must at all times beneficially own and control, directly or indirectly, at least ten (10%) percent of the issued and outstanding common shares of stock of the HEICO during the term of the Letter of Credit. Laurans A. Mendelson must be employed by HEICO as President and Chief Executive Officer and actively manage HEICO during the term of the Letter of Credit.

(gg) The Company hereby indemnifies and holds harmless the Bank of and from any and all liability in connection with the payment of any necessary documentary stamp tax and intangible tax (including non-recurring intangible tax) in connection with the Letter of Credit, this Agreement, the Guaranties, the Mortgage and all other Company Documents and Related Documents, which indemnification shall survive repayment of the obligations under this Agreement and expiration of the Letter of Credit. The Company does also authorize the Bank to pay said documentary stamp tax and intangible tax, including without limitation non-recurring intangible tax, from any of Company's accounts with the Bank at any time in the event the Bank deems the same necessary, including any penalties and interest that may be associated therewith.

(hh) The Company shall provide written notice to the Bank of any default which results in the acceleration of indebtedness owing by Company or any Guarantor in excess of Two Hundred Fifty Thousand Dollars ($250,000.00).

(ii) The Company shall execute and deliver to the Bank such further instruments, provide it with such further data and information and take such further action as the Bank may reasonably request or as may be necessary further to effect the purposes of the Agreement, the Company Documents or the Related Documents.

(jj) The Company shall cause all of its properties used or useful in the conduct of its business as it relates to the Project to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the reasonable judgment of the Company may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

(kk) The Company shall deliver to the Bank:

(i) Promptly after the occurrence thereof with respect to any Plan, or any trust established thereunder, notice of (A) a Reportable Event (other than a Reportable Event not subject to the provisions for 30-day notice to the PBGC under such regulations), or (B) any other event which could subject the Company or any ERISA Affiliate to any material tax, penalty or liability under Title I or Title IV of ERISA or Chapter 43 of the Code;

(ii) At the same time and in the same manner as such notice must be provided to the PBGC, or to a Plan participant, beneficiary or alternative payee, any notice required under Section 101(d), 302(f)(4), 303, 307, 4041(b)(1)(A)s or 4041(c)(1)(A) of ERISA or under Section 401(a)(29) or 412 of the Code with respect to any Plan;

(iii) Upon the request of the Bank, (A) true and complete copies of any and all documents, government reports and determination or opinion letters for any Plan, or (B) a current statement of withdrawal liability for each Multiemployer Plan.

(ll) The site of the Project will not in the future be used for the handling, storage, transportation or disposal of Hazardous Materials or toxic materials in contravention of applicable state, federal or local law or regulation. The Company agrees to indemnify, defend, and hold the Bank harmless from and against any loss to the Bank, including without limitation, reasonable attorneys' fees incurred by the Bank as a result of such past, present or future use, handling, storage, transportation or disposal of hazardous or toxic materials, or their presence on the Property in contravention of applicable state, federal or local law or regulation, which indemnification shall survive the repayment of the obligations under this Agreement and the termination or expiration of the Letter of Credit.

(mm) The Company will comply with the ADA and any and all regulations and guidelines issued thereunder. The Company agrees to indemnify, defend, and hold the Bank harmless from and against any loss to the Bank, including without limitation, reasonable attorneys' fees incurred by the Bank as a result of the Company's noncompliance with the ADA or the failure of the Improvements to comply therewith (unless otherwise exempted thereunder) which indemnification shall survive the repayment of the obligations under this Agreement and the termination or expiration of the Letter of Credit.

(nn) The Company shall not transfer substantially all of its assets to HEICO-Newco, Inc.

(oo) So long as no Event of Default has occurred and is continuing, additional Debt, lease obligations and guaranties of the obligations of others by the Company and the Guarantors shall be unrestricted. If an Event of Default shall have occurred, neither the Company nor any of the Guarantors shall incur additional Debt or lease obligations or enter into any guaranties of the obligations of others.

(pp) The Company and each Guarantor shall provide the Bank with advance written notice of the incurrence by any of them of any recourse obligations or Debt, or the entering into by any of them of any guaranties of the obligations of others, in excess of $250,000 and increments of $100,000 thereafter.

(qq) If the name of the Company, HEICO-Newco, Inc. or any other Guarantor is changed, the Company will provide the Bank with appropriate executed documentation evidencing such change and protecting all interests of the Bank (including all relevant security interests of Bank) within ten (10) Business Days of such change.

(rr) The Company shall not elect to purchase Bonds pursuant to Section 3.08 of the Indenture without the advance written consent of the Bank.

(ss) The Company shall not (i) replace the Bank's letter of credit securing the 1988 Bonds (other than with another letter of credit issued by the Bank), (ii) terminate the First Reimburse- ment Agreement (other than upon execution of a similar document between the Company and the Bank), or (iii) elect to convert the interest rate on the 1988 Bonds from a floating or adjustable rate to a fixed rate of interest if the effect thereof is that the 1988 Bonds will no longer be secured by a letter of credit issued by the Bank unless (1) the Company elects to convert the interest rate on the Bonds to a fixed rate and terminates this Agreement, or takes some other action the result of which is that this Agreement is terminated, and in each such case all amounts due and owing the Bank hereunder, including all interest, are paid in full, and (2) all amounts due and owing the Bank under the First Reimbursement Agreement (or any successor document between the Bank and the Company), including all interest, are paid in full and the First Reimbursement Agreement is terminated, and (3) at the option of the Bank, all amounts outstanding under the SunTrust Bank Loan Agreement, including all interest, are repaid in full and the SunTrust Bank Loan Agreement is terminated.

(tt) The Company shall complete the portion of the Project consisting of interior renovations and roof replacement by July 18, 1997, and shall acquire all equipment or other personalty constituting part of the Project by October 18, 1999.

The Bank acknowledges that a default under the Second Mortgage or the SunTrust Bank Loan Agreement shall not be a breach of any of the foregoing covenants and therefore shall not constitute an Event of Default hereunder.

SECTION 7. DISBURSEMENT OF BOND PROCEEDS. The proceeds of the Bonds will be deposited in the Construction Fund created under the Indenture and disbursed only in accordance with the terms of the Indenture and upon approval by the Bank of all requisitions for disbursement. Prior to the Bank granting approval to a requisition from the Construction Fund, the following conditions must be met:

(a) The Company shall have furnished to the Bank a complete set of plans and specifications for the Project, to the extent the same are available.

(b) The Company shall have secured and delivered to the Bank, at the Company's expense, lien waivers or other assurances from the Company's contractor, architect, engineer and all subcontractors, materialmen, laborers, or others, including all parties who have served notices to owner, sufficient to assure that the rights of all contractors, subcontractors, architects, engineers, surveyors, sub-subcontractors and materialmen performing any work in connection with the portion of the Project as to which payment of a requisition is requested, or furnishing any services, labor or materials thereto shall be subordinate and inferior to the Mortgage.

(c) There shall exist no Default or Event of Default under this Agreement, and the Company shall not be in default in any material respect under any other instrument with respect to any indebtedness or obligations owing to the Bank.

(d) There shall be no eminent domain or other government or judicial action or proceeding, of any nature, pending or threatened against the Project or any part thereof.

(e) The Bank shall have received the following documents and materials relating to the Project which shall be satisfactory in substance and in form to the Bank:

(1) copies of all permits necessary for construction of the Project pursuant to the plans and specifications, including any necessary building permits for the Project;

(2) copies of all construction contracts relating to the Project of all lienors in privity with the Company or HEICO.

(3) Back-up documentation for the requisition, including invoices for soft costs and equipment and, if applicable, for hard construction costs;

(4) If requisition covers material pieces of equipment, it must be accompanied by individual invoices and lists of equipment being purchased;

(5) Unless otherwise waived by the Bank, each requisition for equipment or other personalty shall be accompanied by UCC-1 financing statements naming the Company as debtor and the Bank and the Trustee as secured parties, providing a detailed description of such equipment or other personalty, or filing, at the expense of the Company, with the Florida Secretary of State and in the public records of Broward County, Florida and a UCC-11 search report of the records of the Florida Secretary of State with respect to the Company; and

(6) such other evidence or back-up documentation as the Bank or the Bank's counsel reasonably deems necessary.

(f) The Company shall have fully complied with all of the covenants set forth herein; there shall be no breach of the Company's or any Guarantor's representations and warranties set forth herein; each condition to the approval of a requisition shall have been met or waived in writing by the Bank; all of the other terms, provisions and conditions of this Agreement shall have been complied with by the Company and the Guarantors; and the Project shall not have suffered any material damage or loss.

(g) The portions of the Project for which reimbursement is being requested shall have been constructed in strict compliance with the plans and specifications and the construction thereof and materials used therein shall have been in strict compliance with the plans and specifications and shall have been certified to be so by the Company.

(h) The Company shall have furnished satisfactory proof to the Bank that the undisbursed proceeds of the Construction Fund will be sufficient to pay all remaining costs and expenses of the Project after taking into account the Company's equity in the Project.

(i) The Bank shall have received a title insurance policy in form and amount acceptable to the Bank and a survey in form, and with certification, acceptable to the Bank.

(j) Prior to the final requisition from the Construction Fund, the Bank shall have received (i) a certificate of completion or other similar evidence of completion from the City of Hollywood, Florida for the roof replacement, (ii) a certificate of completion or other similar evidence of completion from the City of Hollywood, Florida related to the interior renovation, (iii) final contractors' affidavits, (iv) final lien waivers and (v) a final

owner's affidavit, all in form and substance satisfactory to the Bank.

Requisitions from the Construction Fund shall be submitted to the Bank for approval no more frequently than once per calendar month.

The Bank or its representatives may, but shall not be obligated to, make inspections of the Project upon receipt of a request for approval of a requisition for disbursement from the Construction Fund to determine whether the Project conforms to applicable law and regulations and is in compliance with the plans and specifications. Such inspections if made shall be for the sole and exclusive benefit of the Bank and shall not be for the direct or indirect benefit of any other person or party.

SECTION 8. EVENTS OF DEFAULT. The occurrence of any of the following events shall be an "Event of Default" hereunder unless waived by the Bank pursuant to Section 10 hereof:

(a) Subject to the provisions of Section 9 hereof, the Company shall fail to pay when due any amount referred to in Section 2(c)(i) or 2(c)(ii) hereof;

(b) The Company shall fail to pay when due any other amount referred to in Section 2 hereof, and such failure shall remain unremedied for ten (10) days;

(c) Any representation or warranty (i) made by the Company pursuant to Section 5 hereof, (ii) contained in any certificate delivered in connection with this Agreement, or (iii) made to the Bank concerning the financial condition or credit worthiness of the Company shall prove to have been false or misleading in any material respect when made;

(d) The Company shall fail to perform or observe any other term, covenant or agreement contained in this Agreement (other than those referred to in clauses (a), (b) and (c) above) and such failure shall continue for thirty (30) days after notice of such Default shall have been given to the Company by the Bank; provided, however, that no Event of Default shall be deemed to have occurred under this subsection (d) if, in the reasonable opinion of the Bank, corrective action has been instituted by the Company within the thirty-day period after notice of default has been given to the Company and in being diligently pursued; provided, however, that the additional period for pursuit of such corrective action shall in no event exceed thirty (30) days beyond the expiration of the thirty-day period following notice from the Bank to the Company;

(e) The obtaining by any Person of an order or decree in any court of competent jurisdiction enjoining or prohibiting the

Company or the Bank or either of them from consummating the transactions contemplated by this Agreement;

(f) An "Event of Default" (as defined in the Indenture) shall have occurred and be continuing under the Indenture;

(g) An "Event of Default" (as defined in the Loan Agreement) shall have occurred and be continuing under the Loan Agreement;

(h) Any payment obligation of the Company included in this Agreement or any Guarantor under a Guaranty shall at any time for any reason cease to be valid and binding on the Company, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Company, a Guarantor or any governmental agency or authority or the Company or any Guarantor shall deny, in whole or in part, that it has any or further liability or obligation under this Agreement or a Guaranty;

(i) The Company or any one or more of the Guarantors shall (i) apply for or consent to the appointment of a receiver, trustee in bankruptcy for benefit of creditors, or liquidator of it or of any of its property; (ii) admit in writing its inability to pay its debts as they mature or generally fail to pay its debts as they mature; (iii) make a general assignment for the benefit of creditors; (iv) be adjudicated as bankrupt or insolvent; (v) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors, or seeking to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation alleged in a petition filed against it in any proceeding under any such law; or (vi) take any corporate action for the purpose of effecting any of the foregoing;

(j) An order, judgment or decree shall be entered against the Company or any Guarantor, without its application, approval or consent, or by any court of competent jurisdiction, approving a petition seeking its reorganization or appointing a receiver, trustee or liquidator of the Company or a Guarantor or Guarantors, or of all or a substantial part of the assets thereof, and such order, judgment or decree shall continue unstayed and in effect for a period of thirty (30) days from the date of entry thereof;

(k) Final judgments, excluding claims covered by insurance, for the payment of money in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate, shall be rendered against the Company or any Guarantor and/or Guarantors, and the same shall remain undischarged for a period of thirty (30) consecutive days, during which execution shall not be effectively stayed, provided that a judgment shall be deemed "final" only when the time for appeal shall have expired without an appeal having

been claimed, or all appeals and further review claimed have been determined adversely to it (however, a final judgment entered in favor of Bank incident to a default under the Second Mortgage or the SunTrust Bank Loan Agreement, or any document, instrument or agreement executed in connection therewith, shall not be an Event of Default under this subparagraph);

(l) There shall be any material adverse change in the financial condition of the Company and the Guarantors, taken as a whole;

(m) Any moneys, deposits or other property of the Company or any Guarantor, now or hereafter on deposit with, or in the possession or under control of the Bank, shall be attached or become subject to distraint proceedings or any order or process of court, unless the same is either dismissed or transferred to bond in accordance with applicable law, within thirty (30) days of commencement;

(n) Any permits or licenses, the absence of which would have a material adverse effect on the business of the Company and the Guarantors, taken as a whole, are suspended or revoked;

(o) The Company or any one or more of the Guarantors shall default and fail to make payment of principal or interest on any of their indebtedness owed to third parties (other than the Bank) beyond any applicable period of grace with respect thereto (if any), or fail in the performance of any other agreement, term or condition contained in any agreement under which any such obligation is created, if the effect of such default or failure is to cause or permit the holder or holders of such obligation to accelerate the maturity thereof and has a material adverse affect on the business of the Company and the Guarantors, taken as a whole;

(p) The Company shall agree to entering into an indenture or indentures supplemental to the Indenture without the written consent of the Bank or shall agree to any amendment, change or modification of the Loan Agreement without the consent of the Bank;

(q) The Company shall default under, or fail to timely perform any of its obligations under, the Environmental Indemnity or the ADA Indemnity; or

(r) An "Event of Default" shall occurred be continuing under the First Reimbursement Agreement.

Notwithstanding the foregoing or any other provision of this Agreement, the Mortgage or any other Related Document to the contrary, default under the Second Mortgage or the SunTrust Bank Loan Agreement and/or any document, instrument or agreement

executed in conjunction therewith shall not constitute an Event of Default under the Mortgage, this Agreement or any Related Document.

The Company acknowledges and confirms that an Event of Default hereunder shall constitute a breach of and default under the First Reimbursement Agreement, the Second Mortgage and the SunTrust Bank Loan Agreement.

SECTION 9. RIGHTS AND REMEDIES.

(a) DEFAULTS UNDER THIS AGREEMENT. Notwithstanding any provision hereof to the contrary, upon the occurrence and during the continuance of an Event of Default hereunder, the Bank, in its sole discretion, may do any or all of the following:

(i) send notice and a request to accelerate to the Trustee under Section 9.01 of the Indenture, whereupon the Trustee shall immediately declare the Bonds to be immediately due and payable and an amount equal to the amount drawn under the Letter of Credit in connection with such declaration shall become immediately due and payable by the Company without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by the Company; and

(ii) in the event that an Event of Default hereunder may be cured by the Bank by the payment of money, the Bank is hereby authorized at any time and from time to time, without notice to the Company (any such notice being expressly waived by the Company), to set off and apply any and all amounts held on deposit in the Cash Collateral Account against any and all of the obligations of the Company now or hereafter existing hereunder, irrespective of whether or not the Bank shall have made any demand hereunder and although such obligations may be contingent and unmatured, and without waiving any other right that the Bank may have against the Company; and

(iii) exercise any rights and remedies available to it by law or under this Agreement, the Mortgage or the Guaranties or any of them or under any other Related Document.

(b) DEFAULTS UNDER RELATED DOCUMENTS. The Bank may cure a default by the Company under any of the Related Documents or Company Documents that may be cured by the payment of money; provided, however, that nothing contained herein shall obligate the Bank to cure such default and no such payment shall be deemed to constitute a waiver of any right of the Bank against the Company in respect of such default. All sums so paid shall be for the account of the Company, and the Company shall reimburse the Bank for all such sums on demand therefor, with interest at the Interest Rate from the date of such advance by the Bank until the date of reimbursement.

(c) RIGHT TO ADVANCE OR POST FUNDS. In the event of any default or event of default under any of the Related Documents or Company Documents, or if the Bank at any time in good faith determines that an event or condition exists which could endanger, in its reasonable opinion, the Project or impede the fulfillment or satisfaction of any condition or term of this Agreement or any of the Company Documents or Related Documents, the Bank may cure such default or event of default, or advance funds for the account of the Company to correct such event or condition, in such manner as the Bank deems proper, without prejudice to the Company's rights, if any, to recover such funds from the party to whom paid. Such advances may be pursuant to such agreements as the Bank deems proper, and may include agreements to indemnify a title insurer against possible assertion of lien claims or to pay disputed amounts to contractors if the Company is unable or unwilling to pay them. All sums so advanced by the Bank to cure any such default or event of default or to correct any such event or condition, or which are agreed to be paid pursuant to any such agreement, shall be for the account of the Company, shall be reimbursed to the Bank by the Company upon demand (with interest at the Interest Rate from the date of such advance by the Bank until the date of reimbursement). Nothing in this Agreement shall be construed as imposing under any circumstances any obligation upon the Bank to cure any Default or Event of Default of the Company under this Agreement or default or event of default under any of the Related Documents or Company Documents, or otherwise to perform any of the Company's obligations hereunder or thereunder.

(d) REMEDIES ARE CUMULATIVE. All remedies of the Bank provided for herein are cumulative and shall be in addition to any and all other rights and remedies provided in any document or by law. The exercise of any rights of the Bank hereunder shall not in any way constitute a cure or waiver of a Default hereunder or elsewhere, or invalidate any act done pursuant to any notice of Default, or prejudice the Bank in the exercise of any of its other rights hereunder or elsewhere, or invalidate any act done pursuant to any notice of Default, or prejudice the Bank in the exercise of any of its other rights hereunder or elsewhere unless, in the exercise of said rights, the Bank realizes all amounts owed to it hereunder and under any other document.

SECTION 10. WAIVERS, ETC. No waiver of any provision of this Agreement nor consent to any departure by the Company therefrom shall in any event be effective unless the same shall be in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

SECTION 11. ADDRESSES FOR NOTICES. Any notice shall be conclusively deemed to have been received by either party hereto and be effective on the day on which delivered to such party at the address set forth below or such other address as Such party shall

specify to the other party in writing, or if sent prepaid by certified or registered mail or by telegram or telex (where the receipt of such message is verified by return) on the third Business Day after the day mailed (or sent), addressed to such party at said address:

(a) if to the Company:

HEICO Aerospace Corporation
3000 Taft Street
Hollywood, Florida 33021
Attention: Treasurer

With a copy to:

Richard Morrison, Esq.
Weil, Gotshal & Manges LLP
Suite 2100
701 Brickell Avenue
Miami, Florida 33131

(b) if to the Bank:

SunTrust Bank, South Florida, National Association
501 East Las Olas Boulevard
Fort Lauderdale, FL 33301
Attention: Corporate Banking Division

SECTION 12. NO WAIVER; REMEDIES. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof or otherwise preclude enforcement of any of its rights and remedies; nor shall any single or partial exercise of any right hereunder preclude any further exercise thereof or the exercise of any other right. The Bank need not resort to any particular right or remedy before exercising or enforcing any other. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 13. INDEMNIFICATION.. The Company shall indemnify and hold harmless the Bank from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever which the Bank may incur (or which may be claimed against the Bank by the Company or any other person or entity whatsoever) by reason of or in connection with (a) any breach by the Company of any representation, warranty or covenant contained in the Agreement or contained in any certificate by the Company delivered hereunder; and (b) the execution and delivery or transfer to a successor beneficiary of, or payment or failure to pay under, the Letter of Credit, provided, however, that the Company shall not be required to indemnify the Bank for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, directly caused by (i) the willful misconduct or gross negligence of the

Bank in determining whether a sight draft or certificate presented under the Letter of Credit complied with the terms of the Letter of Credit or (ii) the Bank's willful failure to pay under the Letter of Credit after the presentation to it by the Trustee or a successor beneficiary of a sight draft or certificate strictly complying with the terms and conditions of the Letter of Credit. The indemnification in this Section 13 is in addition to the Company's reimbursement and payment obligations contained in Section 2 hereof and in addition to any other indemnities contained herein.

SECTION 14. CONTINUING OBLIGATION. This Agreement is a continuing obligation and shall (a) be binding upon the Bank and the Company and their respective successors, transferees and assigns, and (b)inure to the benefit of and be enforceable by the Bank and the Company and their respective successors, transferees and assigns; provided, however, that the Company may not assign or transfer all or any part of this Agreement without the prior written consent of the Bank.

SECTION 15. TRANSFER OF LETTER OF CREDIT. The Letter of Credit may be transferred or assigned without the consent of the Bank, but only to a successor Trustee under the terms of the Indenture.

SECTION 16. LIABILITY OF THE BANK. The Company assumes all risks of the acts or omissions of the Trustee and any transferee of the Letter of Credit with respect to its use of the Letter of Credit; provided, however, this assumption with respect to the Bank is not intended to, and shall not, preclude the Company from pursuing such rights and remedies as it may have against the Trustee at law or under any other agreement. Neither the Bank nor any of its officers or directors shall be liable or responsible for: (a) the use which may be made of the Letter of Credit or for any acts or omissions of the Trustee and any transferee of the Letter of Credit in connection therewith; (b) the form, validity, sufficiency, accuracy genuineness or legal effect of documents, or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (c) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign the Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (d) failure of the Trustee to comply fully with conditions required in order to draw upon the Letter of Credit; (e) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex, or otherwise, whether or not they be in cipher; (f) errors in interpretation of technical terms; (g) any loss or delay in the transmission or otherwise of any document or draft required in order to make a draw under the Letter of Credit or of proceeds thereof; (h) any consequences

arising from causes beyond the control of the Bank; (i) payment by the Bank against presentation of documents which do not comply with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or (j) any other circumstances whatsoever in making or failing to make payment under the Letter of Credit; provided, however, anything in the preceding clauses to the contrary notwithstanding, the Company shall have a claim against the Bank to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by the Company which the Company proves were directly caused by the Bank's willful misconduct or gross negligence in determining whether documents presented under the Letter of Credit comply with the terms of the Letter of Credit after the presentation to it by the Trustee (or a successor beneficiary to whom the Letter of Credit has been transferred in accordance with its terms and the terms of this Agreement) of a sight draft and certificate and any other documents or instruments expressly required by the Letter of Credit strictly complying with the terms and conditions of the Letter of Credit. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any, notice or information to the contrary. Subject to the foregoing, the determination of whether a draft has been presented under the Letter of Credit prior to the Expiration Date or whether a draft drawn under the Letter of Credit or any accompanying document or instrument is in proper and sufficient form shall be made by the Bank in its sole discretion, which determination shall be conclusive and binding upon the Company. The Company hereby waives any right to object to any payment made under the Letter of Credit against a draft with accompanying documents in the forms provided for in the Letter of Credit but varying in punctuation, capitalization, spelling or similar matters of form.

SECTION 17. GOVERNING LAW. All documents executed pursuant to the transactions contemplated herein, including without limitation this Agreement and the Letter of Credit shall be deemed to be contracts made under, and for all purposes shall be construed in accordance with, the internal laws and judicial decisions of the State of Florida, without regard to principles of conflicts of laws. THE COMPANY HEREBY SUBMITS TO THE JURISDICTION AND VENUE OF THE STATE AND FEDERAL COURTS OF FLORIDA FOR PURPOSES OF RESOLVING DISPUTES HEREUNDER AND THEREUNDER OR FOR THE PURPOSES OF COLLECTION. THE COMPANY HEREBY AGREES THAT THE FEDERAL AND STATE COURTS IN BROWARD COUNTY, FLORIDA ARE A CONVENIENT FORUM AND AGREES NOT TO RAISE AS A DEFENSE THAT SUCH COURTS ARE NOT A CONVENIENT FORUM.

SECTION 18. ASSIGNMENT BY THE BANK. The Bank may assign, negotiate, pledge or otherwise hypothecate all or any portion of this Agreement without the prior consent of the Company.

SECTION 19. HEADINGS. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

SECTION 20. FURTHER ASSURANCES. The Company agrees to do such further acts and things and to execute and deliver to the Bank such additional assignments, agreements, powers and instruments, as the Bank may require or deem advisable to carry into effect the purposes of this Agreement or to better assure and confirm unto the Bank its rights, powers and remedies hereunder.

SECTION 21. SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All agreements, representations and warranties made in this Agreement and in any certificates delivered pursuant hereto shall survive the execution and delivery of this Agreement and the issuance of the Letter of Credit hereunder until any and all sums payable under this Agreement have been paid in full.

SECTION 22. SEVERABILITY OF PROVISIONS. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 23. EXECUTION IN COUNTERPARTS. This Agreement may be executed in any number of counterparts and by different parties hereto on.separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

SECTION 24. TIME. Time is of the essence of this Agreement, and each and every provision hereof in which time is an element.

SECTION 25. SECURITY AND CASH COLLATERAL ACCOUNT.

(a) Company and Bank hereby confirm that an account entitled "Yield Restricted Cash Collateral Account/HEICO Aerospace Corporation (the "Cash Collateral Account") has been established under the Custodial Agreement by Company with SunTrust Bank, Central Florida National Association, a national banking association having its principal corporate trust office at 225 East Robinson Street, Suite 250, Orlando, Florida 32801 as custodian for the benefit of the Bank (the "Custodian"), in the name of Company as security for Company's obligations under this Agreement. Company shall have no authority to withdraw any amounts from the Cash Collateral Account and only Bank shall have such authority in connection with the same. Company hereby agrees that any deposits into or withdrawals from the Cash Collateral Account now or

hereafter directed by Bank in accordance with the terms of this Agreement are authorized by Company; however, Company acknowledges that Company has no right to direct such transfers at any time.

(b) Company agrees to deposit into the Cash Collateral Account the sum of $15,625 on the first day of October, 2000, and a like amount on the first day of each month thereafter during the remaining term of the Letter of Credit.

(c) The parties acknowledge that the funds held in the Cash Collateral Account will be invested by Custodian in its corporate trust department securities accounts, in accordance with the written instructions from Bond Counsel delivered to Bank contemporaneously herewith (the "Tax Letter") and in accordance with written instructions delivered by Company to Bank and Custodian, from time to time, consistent with the terms of the Tax Letter. The Company acknowledges that the Tax Letter is being delivered to Bank so that the return on investments made on the funds in the Cash Collateral Account will not render the Bonds "arbitrage bonds" within the meaning of the applicable sections of the Code, and applicable regulations promulgated thereunder. Company will not give Bank written instructions directing the Bank to make investments which are contrary to the instructions set forth in the Tax Letter and Company agrees to indemnify and hold harmless Bank of and from any and all liability arising from a determination that the Bonds are "arbitrage bonds" by virtue of the return on the funds deposited in the Cash Collateral Account, so long as Bank makes the investments in accordance with Company's written instructions. All investment earnings on the Cash Collateral Account shall be retained therein.

(d) As collateral security for the Payment Obligations, whether now existing or hereafter arising, whether direct or indirect, absolute or contingent, Company hereby assigns, pledges and transfers to Bank all of its rights, title and interest in and to the Cash Collateral Account and all sums now or hereafter on deposit in or payable or withdrawable from said Cash Collateral Account and any interest accrued or payable thereon. Upon an Event of Default, Bank shall have the full and irrevocable right, power and authority to demand, collect, withdraw, receipt for or sue for all amounts due, to become due and payable hereunder from the Cash Collateral Account and at Bank's discretion take any other action, including the transfer of said Cash Collateral Account to Bank's own name, which Bank deems necessary or appropriate to preserve or protect the security interests of Bank in the Cash Collateral Account and to apply the same to pay all or any amounts due hereunder. Upon an Event of Default, Bank shall have all of the rights and remedies provided by Section 9 hereof and applicable law. Company agrees to execute a UCC-1 Financing Statement stating that the Cash Collateral Account and the investments held therein are "general intangibles" or "instruments" within the meaning of Article 9 of the Florida Uniform Commercial Code, to be filed with

the Secretary of State. Notwithstanding the foregoing or anything to the contrary herein, however, the Bank shall not withdraw funds from the Cash Collateral Account to make payments of draws under the Letter of Credit but may apply such funds to reimburse itself for amounts due the Bank hereunder after the occurrence of an Event of Default.

(e) Upon the expiration or termination of the Letter of Credit and payment in full of the Payment Obligations and all other amounts payable hereunder, as acknowledged in writing to the Custodian by the Bank, all funds held in the Cash Collateral Account, together with all interest and earnings thereon then remaining on deposit in the Cash Collateral Account, shall be returned to Company.

(f) Upon the request of the Bank, the Company shall, at the expense of the Company, execute and deliver a UCC-1 financing statement to be filed in the office of the Florida Secretary of State naming the Company as debtor and the Bank as secured party, providing a description of the Cash Collateral Account as follows: "All moneys held in the Yield Restricted Cash Collateral Account/HEICO Aerospace Corporation created pursuant to that certain Custodial Agreement dated as of October 1, 1996, by and among Debtor, Secured Party and SunTrust Bank, Central Florida, National Association, as custodian, and any additions to, renewals, reinvestments, substitutions and proceeds thereof."

SECTION 26. WAIVER OF JURY TRIAL. THE BANK AND THE COMPANY HEREBY MUTUALLY, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT CONTEMPLATED OR TO BE EXECUTED IN CONJUNCTION HEREWITH, UNDER ANY OF THE COMPANY DOCUMENTS OR RELATED DOCUMENTS OR ANY COURSE OF CONDUCT, COURSE OF DEALING STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THE COMPANY ACKNOWLEDGES THAT THIS WAIVER OF JURY TRIAL IS A MATERIAL INDUCEMENT TO THE BANK IN ACCEPTING THIS AGREEMENT AND THAT THE BANK WOULD NOT HAVE ACCEPTED THIS AGREEMENT WITHOUT THIS JURY TRIAL WAIVER AND THAT THE COMPANY HAS BEEN REPRESENTED BY AN ATTORNEY OR HAS HAD AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY REGARDING THIS JURY TRIAL WAIVER AND UNDERSTANDS THE LEGAL EFFECT OF THIS JURY TRIAL WAIVER.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers and authorized representatives thereunto duly authorized as of the date first above written.

Signed, sealed and delivered in the presence of:

HEICO AEROSPACE CORPORATION, a Florida corporation

_____

By _____
Its_____

_____

(SEAL)

SUNTRUST BANK, SOUTH FLORIDA, NATIONAL ASSOCIATION

(SEAL)

By _____
Its_____

IRREVOCABLE LETTER OF CREDIT

SUNTRUST BANK, SOUTH FLORIDA, NATIONAL ASSOCIATION
501 East Las Olas Boulevard, 7th Floor
Ft. Lauderdale, Florida 33301

October 18, 1996

IRREVOCABLE LETTER OF CREDIT NO. F070279

SunTrust Bank, Nature Coast, as Trustee
225 E. Robinson Street, Suite 250
Orlando, Florida 32801

Attention: Corporate Trust Department

At the request and on the instructions of our customer, HEICO Aerospace Corporation, a Florida corporation (the "Company"), we hereby establish in your favor, as Trustee under the Indenture of Trust, dated as of October 1, 1996 (the "Indenture") between Broward County, Florida (the "Issuer") and you pursuant to which $3,500,000 in aggregate principal amount of the Issuer's Industrial Development Revenue Bonds (HEICO Aerospace Corporation Project), Series 1996 (the "Bonds") may be issued, this Irrevocable Letter of Credit in the initial amount of $3,563,195 (hereinafter, as reduced from time to time in accordance with the provisions hereof, the "Stated Amount") of which (i) an amount not exceeding $3,500,000 (as reduced from time to time in accordance with the terms hereof (the "Principal Component"), may be drawn upon with respect to payment of the unpaid principal amount or the portion of Purchase Price corresponding to principal of the Bonds, and (ii) an amount not exceeding $63,195 (as reduced from time to time in accordance with the terms hereof, the "Interest Component") may be drawn upon with respect to payment of interest accrued or the portion of Purchase Price corresponding to interest accrued on the Bonds on or prior to their stated maturity date, effective immediately and expiring on October 16, 2001, unless terminated earlier in accordance with the provisions hereof or unless otherwise renewed or extended. All drawings under this Letter of Credit will be paid with our own funds.

Funds under this Letter of Credit will be made available to you against receipt by us of the following items at the time required below: (A) if the drawing is being made with respect to the payment of the portion of the Purchase Price of Bonds delivered to the Tender Agent (as defined in the Indenture) pursuant to Section 2.02(c), 3.08, 4.01, 4.02 or 4.04 of the Indenture, corresponding to the principal thereof (an "A Drawing"), receipt by us of your written certificate in the form of Exhibit A attached hereto appropriately completed and signed by an Authorized Officer; (B) if the drawing is being made with respect to the payment of principal of the Bonds (a "B Drawing"), receipt by us of your written certificate in the form of Exhibit B attached hereto appropriately completed and signed by an Authorized Officer; and (C) if the drawing is being made with respect to the payment of interest, or the portion of Purchase Price corresponding to interest, on the Bonds (a "C Drawing"), receipt by us of your written certificate in the form of Exhibit C attached hereto appropriately completed and signed by an Authorized Officer. Presentation of such certificate(s) shall be made at our office located at SunTrust Bank, South Florida, National Association, c/o SunTrust International Services, Inc., 25 Park Place, 16th Floor-3706, Atlanta, Georgia 30303, or at any other office which may be designated by us by written notice delivered to you.

If a drawing is made by you hereunder at or prior to 4:00 P.M., New York City time, on a Business Day, and provided that the requirements set forth above have been strictly satisfied and that such drawing and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you, or to your designee, of the amount specified in immediately available funds, not later than 12:00 Noon, New York City time, on the next succeeding Business Day or not later than 12:00 Noon, New York City time, on such later Business Day as you may specify. If requested by you, payment under this Letter of Credit will be made by deposit of immediately available funds into a designated account that you maintain with us. If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you notice that the demand for payment was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefor and that we will upon your instructions hold any documents at your disposal or return the same to you. Upon being notified that the demand for payment was not effected in conformity with this Letter of Credit, you may attempt to correct any such non-conforming demand for payment to the extent that you are entitled to do so. As used herein, the term "Business Day" shall mean a day on which you, SunTrust Bank, South

Florida, National Association, and banks located in Orlando, Florida, Fort Lauderdale, Florida and Atlanta, Georgia are required or permitted by law to be open for the purpose of conducting a banking business.

Demands for payment hereunder honored by us shall not, in the aggregate, exceed the Stated Amount, as the Stated Amount may have been reinstated by us as provided in the next paragraph. Subject to the preceding sentence, each "A Drawing" and each "B Drawing" honored by the Bank hereunder shall PRO TANTO reduce the Principal Component, and each "C Drawing" honored by the Bank hereunder shall PRO TANTO reduce the Interest Component; any such reduction shall result in a corresponding reduction in the Stated Amount, it being understood that after the effectiveness of any such reduction you shall no longer have any right to make a drawing hereunder in respect of the amount of such principal and/or interest on the Bonds or the payment of Purchase Price corresponding thereto.

Upon release by us or on our behalf of any "Pledged Bonds" (as defined in the Indenture), the Principal Component shall be reinstated automatically by the principal amount of such Pledged Bonds. In addition, (i) if you shall not have received, within ten Business Days after any payment in respect of a "C Drawing", written notice from us that an Event of Default under the SunTrust Bank Reimbursement Agreement dated as of October 1, 1996 by and between the Company and us has occurred and is continuing, the Interest Component shall be reinstated automatically, as of the close of business on such tenth Business Day (unless the Interest Component previously has been reinstated with respect to such "C Drawing"), by the amount of such "C Drawing" and (ii) upon the release by us or on our behalf of any Pledged Bonds, the Interest Component shall be reinstated automatically by the amount of the "C Drawing" made to pay the portion of the Purchase Price corresponding to interest on such Pledged Bonds (unless the Interest Component previously has been reinstated with respect to such "C Drawing"); provided, however, that in no event shall the Interest Component be reinstated to an amount in excess of 50 days' interest (such amount computed as set forth in the second succeeding paragraph) on the sum of the then applicable Principal Component plus the aggregate principal amount of any Pledged Bonds.

Only you or your successor as Trustee may make a drawing under this Letter of Credit. Upon the payment to you, to your designee or to your account of the amount demanded hereunder, we shall be fully discharged on our obligation under this Letter of Credit with respect to such demand for payment and we shall not thereafter be obligated to make any further payments under this Letter of Credit in respect of such demand for payment to you or any other person who may have made to you or makes to you a demand for payment of principal of, Purchase Price of, or interest on, any Bond. By paying to you an amount demanded in accordance herewith, we make no representation as to the correctness of the amount demanded.

This Letter of Credit applies only to the payment of principal or the portion of Purchase Price of the Bonds corresponding to principal, and up to 50 days' interest accruing on the Bonds (computed at a rate of 13% per annum), from the Date of Issuance through the Termination Date (computed on the basis of (i) actual days elapsed in a 365- or 366-day year, as the case may be, so long as the Interest Period is one week or one month in duration, and (ii) a 360-day year comprised of twelve 30-day months, so long as the Interest Period is three months or six months in duration, and does not apply to any interest that may accrue thereon or any principal, premium or other amounts which may be payable with respect to the Bonds subsequent to the expiration of this Letter of Credit.

Upon the earliest of (i) the honoring by us of the final drawing available to be made hereunder, (ii) receipt of a certificate signed by an Authorized Officer and a duly authorized officer of the Company stating that: "(a) the conditions precedent to the acceptance of a Substitute Letter of Credit (as defined in the Indenture) have been satisfied, (b) the Trustee has accepted the Substitute Letter of Credit and (c) on the effective date of the Substitute Letter of Credit, and after receipt by SunTrust Bank, South Florida, National Association of this certificate, SunTrust Bank, South Florida, National Association Irrevocable Letter of Credit No. F070279 shall terminate," (iii) receipt of a certificate signed by an Authorized Officer stating that no Bonds remain Outstanding (as defined in the Indenture), (iv) fifteen days after the Conversion Date (as defined in the Indenture), and (v) the stated expiration date hereof, this Letter of Credit shall automatically terminate and be delivered to us for cancellation.

Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at SunTrust Bank, South Florida, National Association, c/o SunTrust International Services, Inc., 25 Park Place, 16th Floor-3706, Atlanta, Georgia 30303, specifically referring thereon to this Letter of Credit by number.

We agree to issue a substitute letter of credit to any successor trustee (and to successively replace any such substitute letter of credit) upon the return to us for cancellation of the original of the letter of credit to be replaced, accompanied by a request relating to such letter of credit, which (i) shall be substantially in the form of Exhibit D attached hereto with the

blanks appropriately completed, (ii) shall be signed by an Authorized Officer, (iii) shall specify where indicated therein the same letter of credit number as the number of the letter of credit to be replaced and (iv) shall state the name and address of the successor trustee. Each substitute letter of credit will be in substantially the form of this Letter of Credit except for the date and letter of credit number.

As used herein (a) "Authorized Officer" shall mean any person signing as one of your Vice Presidents, Assistant Vice Presidents, Trust Officers or Assistant Trust Officers; and (b) all other capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to such terms in the above-mentioned Indenture.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds), except only the certificate(s) referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificate(s).

This credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce, Publication No. 500 (the "Uniform Customs"). This Letter of Credit shall be deemed to be a contract made under the laws of the State of Florida and shall, as to matters not governed by the Uniform Customs, be governed by and construed in accordance with the laws of such State.

Very truly yours,

SUNTRUST BANK, SOUTH FLORIDA,
NATIONAL ASSOCIATION

By:_____
Title:

By:_____
Title:

EXHIBIT A

CERTIFICATE FOR "A DRAWING"

[Date]

SunTrust Bank, South Florida,
National Association
c/o SunTrust International Services, Inc.
25 Park Place, 16th Floor-3706
Atlanta, Georgia 30303

RE: IRREVOCABLE LETTER OF CREDIT NO. F070279

The undersigned, a duly authorized officer of SunTrust Bank, Nature Coast (the "Trustee"), hereby certifies to SunTrust Bank, South Florida, National Association (the "Bank") that:

(1) The undersigned is the Trustee under the Indenture (as hereinafter defined) for the holders of the Bonds.

(2) The undersigned, in its capacity as Trustee, is making a drawing under the above-referenced Letter of Credit in the amount of $_____ with respect to payment of the portion of the purchase price of Bonds corresponding to the principal amount thereof, which Bonds are to be purchased pursuant to Section [2.02(c)] [3.08] [4.01] [4.02] or [4.04] of the Indenture (as hereinafter defined).

(3) The amount demanded hereby does not exceed the amount available on the date hereof to be drawn under the above-referenced Letter of Credit in respect of the portion of the Purchase Price of Bonds corresponding to the principal amount thereof.

(4) The amount demanded hereby does not include any amount in respect of the purchase of any Pledged Bonds.

(5) Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will apply the same directly to the payment when due of the principal amount owing on account of the purchase of Bonds pursuant to the Indenture (as hereinafter defined) and, upon receipt of written request by the Bank, will cause the Tender Agent to deliver to the Bank Pledged Bonds in an aggregate principal amount equal to the amount demanded hereby (together with any and all due bills for interest due on the next succeeding interest payment date delivered pursuant to Section 4.04 of the Indenture (as hereinafter defined) in respect of such Pledged Bonds), (b) no portion of said amount shall be applied by the undersigned for any other purpose and (c) no portion of said amount shall be commingled with other funds held by the undersigned.

(6) With respect to any drawing hereunder pursuant to Section 3.08 of the Indenture, the undersigned certifies that the Trustee has received a copy of your written consent to the purchase of Bonds pursuant to said Section 3.08.

Any capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to such terms in the Indenture of Trust, dated as of October 1, 1996 between Broward County, Florida and the undersigned, as Trustee (the "Indenture").

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the ____ day of _____, ___.

SUNTRUST BANK, NATURE COAST,
as Trustee

By:_____
Title:

EXHIBIT B

CERTIFICATE FOR "B DRAWING"

[Date]

SunTrust Bank, South Florida,
National Association
c/o SunTrust International Services, Inc.
25 Park Place, 16th Floor-3706
Atlanta, Georgia 30303

RE: IRREVOCABLE LETTER OF CREDIT NO. F070279

The undersigned, a duly authorized officer of SunTrust Bank, Nature Coast (the "Trustee"), hereby certifies to SunTrust Bank, South Florida, National Association (the "Bank") that:

(1) The undersigned is the Trustee under the Indenture (as hereinafter defined) for the holders of the Bonds.

(2) The undersigned, in its capacity as Trustee, is making a drawing under the above-referenced Letter of Credit in the amount of $_____ with respect to the payment of principal of the Bonds, which amount has, or will, on the Business Day immediately following the date hereof, become due and payable pursuant to the Indenture (as hereinafter defined), upon maturity or as a result of acceleration or redemption of the Bonds.

(3) The amount demanded hereby does not include any amount in respect of the principal amount of any Pledged Bonds.

(4) The amount demanded hereby, together with the aggregate of all prior payments made pursuant to "B Drawings" under the above-referenced Letter of Credit, does not exceed $_____.

(5) The amount demanded hereby does not exceed the amount available on the date hereof to be drawn under the above-referenced Letter of Credit in respect of the principal of the Bonds.

(6) Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will apply the same directly to the payment when due of the principal amount owing on account of the Bonds pursuant to the Indenture (as hereinafter defined), (b) no portion of said amount shall be applied by the undersigned for any other purpose and (c) no portion of said amount shall be commingled with other funds held by the undersigned.

Any capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to such terms in the Indenture of Trust, dated as of October 1, 1996 between Broward County, Florida and the undersigned, as Trustee (the "Indenture").

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of _____, ____.

SUNTRUST BANK, NATURE COAST,
as Trustee

By:_____
Title:

EXHIBIT C

CERTIFICATE FOR "C DRAWING"

[Date]

SunTrust Bank, South Florida,
National Association
c/o SunTrust International Services, Inc.
25 Park Place, 16th Floor-3706
Atlanta, Georgia 30303

RE: IRREVOCABLE LETTER OF CREDIT NO. F070279

The undersigned, a duly authorized officer of SunTrust Bank, Nature Coast (the "Trustee"), hereby certifies to SunTrust Bank, South Florida, National Association (the "Bank") that:

(1) The undersigned is the Trustee under the Indenture (as hereinafter defined) for the holders of the Bonds.

(2) The undersigned, in its capacity as Trustee, is making a drawing under the above-referenced Letter of Credit in the amount of $_____ with respect to payment of [the portion of the purchase price of $_____ in principal amount of the Bonds corresponding to the accrued interest thereon, which Bonds are to be purchased pursuant to Section 3.08 or 4.04 of the Indenture (as hereinafter defined) [interest on the Bonds, which amount has accrued and become due and payable pursuant to the Indenture (as hereinafter defined), upon a stated interest payment date or as a result of acceleration or redemption of the Bonds]1 [interest on the Bonds, which has accrued or will accrue during the calendar month for which this drawing is being submitted, less, with respect to the final drawing of the Interest Period (as defined in the Indenture, as that term is hereinafter defined), investment earnings (if any) on any previous amounts drawn under the Letter of Credit, which investment earnings are on deposit in the Letter of Credit Account of the Bond Fund]2.

(3) The amount demanded hereby does not exceed the amount available on the date hereof to be drawn under the above-referenced Letter of Credit in respect of interest on the Bonds.

(4) The amount demanded hereby does not include any amount in respect of the interest on any Pledged Bonds.

(5) Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will apply the same directly to the payment when due of the [interest owing on account of the Bonds pursuant to the Indenture (as hereinafter defined)] [portion of the Purchase Price of Bonds pursuant to Section 3.08 or 4.04, as applicable, of the Indenture (as hereinafter defined) corresponding to accrued interest thereon], (b) no portion of said amount shall be applied by the undersigned for any other purpose and (c) no portion of said amount shall be commingled with other funds held by the undersigned.

- --------

1 For use when Interest Period (as defined in Indenture) is seven days days one month in duration.

2 For use when Interest Period is three months or six months in duration.

(6) With respect to any drawing hereunder pursuant to Section 3.08 of the Indenture, the undersigned certifies that the Trustee has received a copy of your written consent to the purchase of Bonds pursuant to said Section 3.08.

Any capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to such terms in the Indenture of Trust, dated as of October 1, 1996 between Broward County, Florida and the undersigned, as Trustee (the "Indenture").

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the ____ day of _____, ____.

SUNTRUST BANK, NATURE COAST,
as Trustee

By:_____
Title:

EXHIBIT D

INSTRUCTION TO ISSUE SUBSTITUTE LETTER OF CREDIT

[Date]

SunTrust Bank, South Florida,
National Association
c/o SunTrust International Services, Inc.
25 Park Place, 16th Floor-3706
Atlanta, Georgia 30303

RE: IRREVOCABLE LETTER OF CREDIT NO. F070279

Ladies and Gentlemen:

Reference is made to (i) the above-referenced letter of credit (the "Old Letter of Credit") and (ii) the Indenture of Trust dated as of October 1, 1996 (the "Indenture") between Broward County, Florida and us.

[Name and address of successor trustee] (the "Successor Trustee") has been appointed successor trustee under the Indenture. The Successor Trustee has been properly appointed and qualified pursuant to Article X of the Indenture. You are hereby requested to issue, in accordance with the terms of the Old Letter of Credit, a new letter of credit to the Successor Trustee having the same terms and providing for the same Stated Amount as the Old Letter of Credit.

We submit herewith for cancellation the original of the Old Letter of Credit.

The individual signing below on our behalf hereby represents that he or she is duly authorized to so sign on our behalf.

Very truly yours,

SUNTRUST BANK, NATURE COAST,
as Trustee

By:_____
Title:

EXHIBIT 10.14

HEICO CORPORATION
1993 STOCK OPTION PLAN

1. PURPOSE. The purpose of this Plan is to advance the interests of HEICO Corporation, a Florida corporation (the "Company"), and its Subsidiaries by providing an additional incentive to attract and retain qualified and competent persons who provide management and other services and upon whose efforts and judgement the success of the Company and Subsidiaries is largely dependent, through the encouragement of stock ownership in the Company by such persons.

2. DEFINITIONS. As used herein, the following terms shall have the meanings indicated:

(a) "Board" shall mean the Board of Directors of the Company.

(b) "Committee" shall mean the stock option committee appointed by the Board pursuant to Section 12 hereof, or if not appointed, the Board.

(c) "Common Stock" shall mean the common stock, par value $.01 per share, of the Company.

(d) "Director" shall mean a member of the Board.

(e) "Disinterested Person" shall mean a Director who, during one year prior to the time he serves on the Committee and during such service, has not received Shares, options for Shares or any rights with respect to Shares under this Plan or any other employee and/or Director benefit plan of the Company or any of its affiliates except pursuant to an election to receive annual director's fees in securities of the Company.

(f) "Employee" and "employment" shall mean, except where the context otherwise requires, mean or refer to a Director and his Directorship as well as to a regular employee and his employment.

(g) "Fair Market Value" of a Share on any date of reference shall mean the Closing Price of the Common Stock on such date, unless the Committee in its sole discretion shall determine otherwise in a fair and uniform manner. For this purpose, the Closing Price of the Common Stock on any business day shall be (i) if the Common Stock is listed or admitted for trading on any United States national securities exchange, or if actual transactions are otherwise reported on a consolidated transaction reporting system, the last reported sale price of Common Stock on such exchange or reporting system, as reported in any newspaper of general circulation, or (ii) if the Common Stock is quoted on the National Association of Securities Dealers Automated Quotations System ("NASDAQ"), or any similar system of automated dissemination of quotations of securities prices in common use, the mean between the closing bid and asked quotations for Common Stock as reported by the National Quotation Bureau, Incorporated, if at least two securities dealers have inserted both bid and asked quotations for Common Stock on at least 5 of the 10 preceding business days.

(h) "Grantee" shall mean a person to whom a stock option is granted under this Plan or any person who succeeds to the rights of such person under this Plan by reason of death of such person or transfer of such option as may be allowed under this Plan.

(i) "Incentive Stock Option" means an option to purchase Shares of Common Stock which is intended to qualify as an incentive stock option as defined in Section 422 of the Internal Revenue Code.

(j) "Internal Revenue Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(k) "Key Employee" means any person, including officers and Directors, in the regular full- time employment of the Company or any Subsidiary who, in the opinion of the Committee, is or is expected to be responsible for the management, growth or protection of some part or all of the business of the Company or a Subsidiary.

(l) "Non-qualified Stock Option" means an option to purchase Shares of Common Stock which is not intended to qualify as an Incentive Stock Option.

(m) "Option" (when capitalized) shall mean any option granted under this Plan.

(n) "Plan" shall mean this 1993 Stock Option Plan for HEICO Corporation.

(o) "Share(s)" shall mean a share or shares of the Common Stock.

(p) "Subsidiary" shall mean any corporation (other than the Company) in any unbroken chain of corporations, beginning with the Company if, at the time of the granting of the Option, each of the corporations other than the last corporation in the unbroken chain owns stock possessing ten (10) percent or more of any class of any equity security in one of the other corporations in such chain and has the right to direct the management of the other corporation.

3. SHARES AND OPTIONS. The Company may grant to Grantees from time to time Options to purchase an aggregate of up to 325,000 Shares from Shares held in the Company's treasury or from authorized and unissued Shares. Of this amount, all or any may be optioned as Incentive Stock Options, as Non-qualified Stock Options, or any combination thereof. If any Option granted under this Plan shall terminate, expire, or be cancelled or surrendered as to any Shares, new Options may thereafter be granted covering such Shares.

4. CONDITIONS FOR GRANT OF OPTIONS.

(a) Each Option shall be evidenced by an Option Agreement, which Option Agreement may be altered consistent with this Plan and with the approval of both the Committee and the Grantee, that may contain terms deemed necessary or desirable by the Committee, including, but not limited to, a requirement that the Grantee agree that, for a specified period after termination of his employment, he will not enter into any employment with, or participate directly or indirectly in, any entity which is directly or indirectly competitive with the Company or any of its Subsidiaries, provided such terms are not inconsistent with this Plan or any applicable law. Grantees shall be selected by the Committee in its discretion and shall be employees and Directors who are not employees; provided, however, that Directors who are not employees shall not be eligible to receive Incentive Stock Options. Any person who files with the Committee, in a form satisfactory to the Committee, a written waiver of eligibility to receive any Option under this Plan shall not be eligible to receive any Option under this Plan for the duration of such waiver.

(b) In granting Options, the Committee shall take into consideration the contribution the person has made to the success of the Company or its Subsidiaries and such other factors as the Committee shall determine. The Committee shall also have the authority to consult with and receive recommendations from officers and other personnel of the Company and its Subsidiaries with regard to these matters. The Committee may from time to time in granting Options under the Plan prescribe such other terms and conditions concerning such Options as it deems appropriate, including, without limitation, (i) prescribing the date or dates on which the Option becomes exercisable, (ii) providing that the Option rights accrue or become exercisable in installments over a period of years, or upon the attainment of stated goal or both, or (iii) relating an Option to the continued employment of the Grantee for a specified period of time, provided that such terms and conditions are not more favorable to the Grantee than those expressly permitted herein.

(c) The Options granted to Grantees under this Plan shall be in addition to regular salaries, Director's fees, pension, life insurance or other benefits related to their employment or Directorships with the Company or its Subsidiaries. Neither the Plan nor any Option granted under the Plan shall confer upon any person any right to employment or Directorship or continuation of employment or Directorship by the Company or any of its Subsidiaries.

(d) The Committee in its sole discretion shall determine in each case whether periods of military or government service shall constitute a continuation of employment for the purposes of this Plan or any Option.

(f) No employee may be granted any Incentive Stock Option pursuant to this plan to the extent that the aggregate fair market value (determined at the time the Option is granted) of the Shares with respect to which Incentive Stock Options granted to the employee under the terms of this Plan or its predecessor after December 31, 1986 are exercisable for the first time by the employee during any calendar year exceeds $100,000.

(g) Option agreements with respect to Incentive Stock Options shall contain such terms and conditions under Section 422 of the Internal Revenue Code, as such section may be amended from time to time.

5. OPTION PRICE. The option price per share of any Option shall be the price determined by the Committee; provided, however, that in no event shall the option price per Share of any Incentive Stock Option be less than (i) 100% or (ii) in the case of an individual who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, 110%, of the Fair Market Value of the Shares underlying such Option on the date such Option is granted.

6. EXERCISE OF OPTIONS. An Option shall be deemed exercised when (i) the Company has received written notice of such exercise in accordance with the terms of the Option, (ii) full payment of the aggregate option price of the Shares as to which the Option is exercised has been made, and (iii) arrangements that are satisfactory to the Committee in its sole discretion have been made for the Grantee's payment to the Company of the amount, if any, that is necessary to withhold in accordance with applicable Federal or State tax withholding requirements. Unless further limited by the Committee in any Option Agreement, the option price of any Shares shall be paid in cash, by certified check or official bank check, by money order, by the Grantee's promissory note, with Shares (including Shares acquired pursuant to a partial and simultaneous exercise of the Option) or by a combination of the above; provided further, however, that the Committee in its sole discretion may accept a personal check in full or partial payment of any Shares. If the exercise price is paid in whole or in part with Shares, the value of the Shares surrendered shall be their Fair Market Value on the business day immediately preceding the date the Option is exercised. The company in its sole discretion may, on an individual basis or pursuant to a general program established in connection with this Plan, lend money to a Grantee to obtain the cash necessary to exercise all or a portion of an Option granted hereunder or to pay any tax liability of the Grantee attributable to such exercise. If the exercise price is paid in whole or in part with the Grantee's promissory note, such note shall, unless specified by the Committee at the time of grant or any time thereafter, (w) provide for full recourse to the maker, (x) be collateralized by the pledge of the Shares that the Grantee purchases upon exercise of the Option, (y) bear interest at the prime rate of the Company's principal lender and (z) contain such other terms as the Committee in its sole discretion shall reasonably require. No Grantee or permitted transferee(s) thereof shall be deemed to be a holder of any Shares subject to an Option unless and until exercise has been completed pursuant to clauses (i-iii) above. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date of exercise, except as expressly provided in Section 9 hereof.

7. EXERCISABILITY OF OPTIONS. Any Option shall become exercisable in such amounts, at such intervals and upon such terms as the Committee shall provide in the corresponding Option agreement, except as otherwise provided in this Section 7.

(a) The expiration date of an Option shall be determined by the Committee at the time of grant, but in no event shall an Incentive Stock Option be exercisable after the expiration of (i) ten (10) years from the date of grant of the Option or (ii) in the case of an individual who owns stock possessing more than 10% of the total combined voting power of all classes of voting stock of the Company, five years from the date of the grant of the Option.

(b) Except to the extent otherwise provided in any Option agreement, each outstanding Option shall become immediately fully exercisable

(i) if any "person" (as such term is used in Sections 13(d) and 14(d) (2) of the Securities Exchange Act of 1934), except the Mendelson Reporting Group, as that group is defined in an Amendment to a Schedule 13D filed on February 26, 1992 or any subsequent amendment to the aforementioned 13D, is or becomes a beneficial owner, directly or indirectly, of securities of the Company representing 15% or more of the combined voting power of the Corporation's then outstanding securities;

(ii) if, during any period of two consecutive years, individuals who at the beginning of such period constitute the Board cease for any reason to constitute at least a majority thereof, unless the Board in existence immediately preceding the two year period shall have nominated the new Directors whose Directorships have create the altered Board composition; or

(iii) if the stockholders of the Company shall approve a plan of merger, consolidation, reorganization, liquidation or dissolution in which the Company does not survive (unless the merger, consolidation, reorganization, liquidation or dissolution is subsequently abandoned) provided, however, that a merger or reorganization pursuant to which the Company merges with a Subsidiary which is owned principally by the Company's pre-merger or reorganization shareholders and which becomes publicly traded with five (5) business days thereafter shall not trigger immediate exercisability under this Section 7; or

(iv) if the stockholders of the Company shall approve a plan for the sale, lease, exchange or other disposition of all or substantially all of the property and assets of the Company (unless such approved plan is subsequently abandoned).

(c) The Committee may in its sole discretion accelerate the date on which any Option may be exercised.

8. TERMINATION OF OPTION PERIOD.

(a) The unexercised portion of any Option shall automatically and without notice terminate and become null and void at the time of the earliest to occur of the following:

(i) one week after the date on which the Grantee's employment is terminated for any reason other than by reason of (A) cause (which, for purposes of this Plan, shall mean the termination of the Grantee's employment by reason of the Grantee's willful misconduct or gross negligence), (B) a mental or physical disability as determined by a medical doctor satisfactory to the Committee, or (C) death; provided, however, that the one week period may be extended by the Committee to up to three (3) months with respect to Incentive Stock Options and up to thirty six (36) months in the case of Non-qualified Stock Options;

(ii) immediately upon termination of the Grantee's employment for cause, provided, however, that the Committee may extend the period to up to three (3) months with respect to Incentive Stock Options and up to thirty six (36) months in the case of Non-qualified Stock Options;

(iii) six months after the date on which the grantee's employment is terminated by reason of mental or physical disability as determined by a medical doctor satisfactory to the Committee, provided, however, that the Committee may extend the period to up to thirty six (36) months in respect to Non-qualified Stock Options;

(iv) (A) twelve months after the date of termination of the Grantee's employment by reason of death of the Grantee, or (B) three months after the date on which the Grantee shall die if such death shall occur during the six (6) month period specified in Subsection 8(a)(iii) hereof, provided, however, that the Committee may extend the period to up to thirty six (36) months in respect to Non-qualified Stock Options.

(b) The Committee in its sole discretion may by giving written notice ("cancellation notice") cancel, effective upon the date of the consummation of any corporate transaction described in Subsections 7(b)(iii) or (iv) hereof, any Option that remains unexercised on such date. Such cancellation notice shall be given a reasonable period of time prior to the proposed date of such cancellation and may be given either before or after stockholder approval of such of such corporate transaction.

9. ADJUSTMENT OF SHARES.

(a) If, at any time while the Plan is in effect or unexercised Options are outstanding, there shall be any increase or decrease in the number of issued and outstanding Shares through the declaration of a stock dividend or through any recapitalization resulting in a stock split-up, combination or exchange of Shares, then and in such event:

(i) appropriate adjustment shall be made in the maximum number of Shares available for grant under the plan, so that the same percentage of the Company's issued and outstanding Shares shall continue to be subject to being so optioned; and

(ii) appropriate adjustment shall be made in the number of Shares and the option price per Share thereof then subject to any outstanding Option, so that the same percentage of the Company's issued and outstanding Shares shall remain subject to purchase at the same aggregate option price.

(b) Subject to the specific terms of any Option agreement, the Committee may change the terms of Options outstanding under this Plan with respect to the option price or the number of Shares subject to the Options, or both, when, in the Committee's sole discretion, such adjustments become appropriate by reason of a corporate transaction described in Subsections 7(b)(iii) or (iv) hereof.

(c) Except as otherwise expressly provided herein, the issuance by the Company of shares of its capital stock of any class, or securities convertible into shares of capital stock of any class, either in connection with direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to the number of or option price of Shares then subject to outstanding Options granted under this Plan.

(d) Without limiting the generality of the foregoing, the existence of outstanding Options granted under the Plan shall not affect in any manner the right or power of the Company to make, authorize or consummate (i) any or all adjustments, recapitalization, reorganizations or other changes in the Company's capital structure or its business; (ii) any merger or consolidation of the Company; (iii) any issuance by the Company of debt securities or preferred or preference stock that would rank above the Shares subject to outstanding Options; (iv) the dissolution or liquidation of the Company; (v) any sale, transfer or assignment of all or any part of the assets or business of the Company; or (vi) any other corporate act or proceeding, whether of a similar character or otherwise.

10. TRANSFERABILITY OF OPTIONS. Each Option agreement shall provide that the Option shall not be transferable by the Grantee otherwise than by will or the laws of descent and distribution or, in the case on Non-qualified Stock Options, pursuant to a qualified domestic relations order as defined by the Internal Revenue Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder; provided, however, that the Committee may waive the foregoing transferability restriction with respect to Non-qualified Stock Options on a case-by-case basis.

11. ISSUANCE OF SHARES. As a condition of any sale or issuance of Shares upon exercise of any Option, the Committee may require such arrangement or undertakings, if any, as the Committee may deem necessary or advisable to ensure compliance with any applicable federal or state securities law or regulation, including, but not limited to, the following:

(i) a representation and warranty by the Grantee to the Company, at the time any Option is exercised, that he is acquiring the Shares to be issued to him for investment and not with a view to, or for sale in connection with, the distribution of any such shares; and

(ii) a representation, warranty and/or agreement to be bound by any legends that are, in the opinion of the Committee, necessary or appropriate to comply with the provisions of any securities laws deemed by the Committee to be applicable to the issuance of the Shares and are endorsed upon the Share certificates.

12. ADMINISTRATION OF THE PLAN.

(a) The Plan shall be administered by a stock option committee (herein called the "Committee") consisting of not less than two (2) Directors, all of whom shall be Disinterested Persons; provided, however, that if no Committee is appointed, the Board may administer the Plan. provided that all members of the Board at the time are Disinterested Persons. The Committee shall have all of the powers of the Board with respect to the Plan. Any member f the Committee may be removed at any time, with or without cause, by resolution of the Board, and any vacancy occurring in the membership f the Committee may be filled by appointment of the Board.

(b) The Committee, from time to time, may adopt rules and regulations for carrying out the purposes f the Plan. The determinations and the interpretation and construction of any provision of the Plan by the Committee shall be final and conclusive.

(c) Any and all decisions or determinations of the Committee shall be made either (i) by a majority vote of the members of the Committee at a meeting or (ii) without a meeting by the unanimous written approval of the members of the Committee.

13. INTERPRETATION.

(a) If any provision of the Plan should be held invalid for any reason, such holding shall not affect the remaining provisions hereof, but instead the Plan shall be construed and enforced as if such provision had never been included in the Plan.

(b) This Plan shall be governed by the laws of the State of Florida.

(c) Headings contained in this Plan are for convenience only and shall in no manner be construed as part of this Plan.

(d) Any reference to the masculine, feminine, or neuter gender shall be a reference to such other gender as is appropriate.

14. AMENDMENT AND DISCONTINUATION OF THE PLAN. The Committee may from time to time amend the Plan or any Option consistent with the Plan; provided, however, that (except to the extent provided in Section 9) no such amendment may, without approval by the stockholders of the Company, (a) increase the number of Shares reserved for Options, (b) change the requirements for eligibility to receive Options, or (c) materially increase the benefits accruing to the participants under the Plan; and provided, further, that (except to the extent provided in Section 8) no amendment or suspension of the Plan or any Option issued hereunder shall substantially impair any Option previously granted to any Grantee without the consent of such Grantee.

15. EFFECTIVE DATE AND TERMINATION DATE. The effective date of this Plan shall be March 17, 1993 provided that the Plan is approved by the Company's Stockholder(s), and the Plan shall terminate on the tenth (10th) anniversary of the effective date. After such termination date, no Options may be granted hereunder; provided, however, that Options outstanding at such date may be exercised pursuant to their terms.

Dated as of the 19th day of March, 1996.

HEICO CORPORATION

By: /s/ LAURANS A. MENDELSON

Laurans A. Mendelson
Chairman, President and
Chief Executive Officer

EXHIBIT 10.21

AMENDMENT TO SIX AND ONE HALF PERCENT CONVERTIBLE NEGOTIABLE NOTE DUE JUNE 30, 2001

THIS AMENDMENT (this "Amendment") TO SIX AND ONE HALF PERCENT CONVERTIBLE NEGOTIABLE NOTE DUE JUNE 30, 2001 (the "Note") is made as of December 24, 1996 by and among U.S. Diagnostic, Inc., a Delaware corporation ("USDL" or the "Company") and HEICO Corporation, a Florida corporation (the "Payee" or "the Holder of Note").

RECITALS

WHEREAS, the Company issued the Note to the Payee, which note is dated July 1, 1996 and is a portion of the consideration for the purchase of MediTek Health Corporation from the Payee; and

WHEREAS, both the Company and the Payee desire to extend by six months the time period before which the Company is required to register the Company's Common Stock receivable by the Payee upon conversion of the Note and to extend the period of time before which the Company may prepay the Note.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Payee hereby agree as follows:

1. REQUIRED CONVERSION. Section 3 of the Note is hereby amended so that the date upon which conversion of the Note may be required shall be extended to the later of December 31, 1997 or the date that the shares of Common Stock into which the Note are convertible are registered for resale by the Holder under the Securities Act of 1933 as amended (such time being herein called the "Required Conversion Date"), if the last sale price of the Common Stock averages at least $9.25 per share for the ten (10) trading days immediately preceding the Required Conversion Date, then upon written notice from the Company given within fifteen (15) days following the Required Conversion Date, the Payee shall convert this Note at the then applicable Conversion Rate.

2. PREPAYMENT. Section 4 of the Note is hereby amended so that the Note may not be prepaid in whole or in part until any time after December 31, 1997, upon sixty (60) days written notice by the Company to the Holder. The Holder shall be permitted to convert the Note at any time prior to the date of prepayment set forth in such notice.

3. NO OTHER CHANGES. With the exception of the foregoing, all of the other terms and provisions of the Note shall remain unchanged. Any defined terms set forth in this Amendment which are not defined in the Amendment, but are defined in the Note, shall have the definitions ascribed to such defined terms in the Note.

4. MISCELLANEOUS. All of the miscellaneous provisions contained in Section 8 of the Note shall apply to this Amendment.

IN WITNESS WHEREOF, this Amendment has been executed and delivered on the date first specified above by the duly authorized representatives of the Company and the Holder.

U.S. Diagnostic, Inc.

BY: /s/ JOSEPH A PAUL

Joseph A. Paul
President

HEICO Corporation

BY: /s/ LAURANS A. MENDELSON

Laurans A. Mendelson
Chairman, President and
Chief Executive Officer

EXHIBIT 10.22

AMENDMENT

THIS AMENDMENT (this "Amendment") TO REGISTRATION AND SALE RIGHTS AGREEMENT (the "Agreement") is made as of December 24, 1996 by and among U.S. Diagnostic, Inc., a Delaware corporation ("USDL" or the "Company") and HEICO Corporation, a Florida corporation (the "Holder").

RECITALS

WHEREAS, the Company and the Holder entered into the Agreement as of July 1, 1996 in relation to the sale of MediTek Health Corporation by the Holder to the Company. The Agreement sets forth, among other things, the Company's obligations with respect to registration of U.S.D.L. Common Stock which Holder is entitled to receive upon conversion of a Note received in relation to such acquisition of MediTek Health Corporation; and

WHEREAS, the Agreement requires the Company to file and use its best efforts to cause to be declared effective by January 1, 1997 a registration statement on Form S-3 with the Securities and Exchange Commission; and

WHEREAS, the Company and the Holder desire to extend the date by which the Company shall be required to file and use its best efforts to have declared effective such registration statement by six months and the Holder desires to permit such extension.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Holder hereby agree to the following:

1. AMENDMENT OF SECTION 1.2(a). Section 1.2(a) of the Agreement is hereby amended so that the Company shall file with and use its best efforts to cause to be declared effective by, the SEC on or before July 1, 1997 a registration statement on Form S-3 under the Act or such other form that is available to the Company covering the registration of the Registrable Securities.

2. AMENDMENT OF SECTION 1.2(b). Section 1.2(b) of the Agreement shall be amended so that the Company shall be permitted to postpone the filing of any registration pursuant to such Section 1.2 if during the period from May 1, 1997 to July 31, 1997, the Company is engaged or has fixed plans to engage prior to August 31, 1997, in a registered public offering in which Registrable Securities will not be included, or is engaged or has fixed plans to engage within sixty (60) days of July 1, 1997 in a material acquisition or any other activity that in the good faith determination of the Board of Directors of the Company would require premature disclosure of such activity to the material determent of the Company, then the Company may at its option direct that such filing be delayed for a period not in excess of sixty (60) days from the effective date of such offering, or the date of commencement of such other material activity, as the case may be,

provided in any case that the effective date of such registration statement shall not be later than September 1, 1997.

3. NO OTHER CHANGES. With the exception of the foregoing, all of the other terms and provisions of the Agreement shall remain unchanged. Any defined terms set forth in this Amendment which are not defined in this Amendment, but are defined in the Agreement, shall have the definitions ascribed to such defined terms in the Agreement.

4. MISCELLANEOUS. All of the miscellaneous provisions contained in Section 3 of the Agreement shall apply to this Amendment.

IN WITNESS WHEREOF, this Amendment has been executed and delivered on the date first specified above by the duly authorized representatives of the Company and the Holder.

U.S. Diagnostic, Inc.

BY: /s/ Joseph A. Paul

Joseph A. Paul
President

HEICO Corporation

BY: /s/ Laurans A. Mendelson

Laurans A. Mendelson
Chairman, President and

Chief Executive Officer

Exhibit 11

HEICO CORPORATION AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE

Following are details of the computation of earnings per share:

	YEAR ENDED OCTOBER 31,					
	1996		1995		1994	
	PRIMARY	FULLY DILUTED	PRIMARY	FULLY DILUTED	PRIMARY	FULLY DILUTED
Weighted average number of common shares outstanding	5,190,926	5,190,926	5,025,492	5,025,492	4,981,832	4,981,832
Common stock equivalents arising from dilutive stock options (1)	712,225	733,795	276,878	351,026	63,131	63,131
	5,903,151	5,924,721	5,302,370	5,376,518	5,044,963	5,044,963
Net income:						
From continuing operations before cumulative effect of change in accounting principle	$ 0.62	$ 0.62	$ 0.27	$ 0.27	$ 0.13	$ 0.13
From discontinued operations	$ 0.17	$ 0.16	$ 0.24	$ 0.23	$ 0.16	$ 0.16
From gain on sale of discontinued operations	$ 0.89	$ 0.89	--	--	--	--
From cumulative effect of change in accounting principle	--	--	--	--	$ 0.08	$ 0.08
Net income per share	$ 1.68	$ 1.67	$ 0.51	$ 0.50	$ 0.37	$ 0.37

[TABLE CONTINUED BELOW]

(1) Computed under the "treasury stock" method using the average market price for the primary computation and using the higher of average or ending market prices for the fully diluted computation.

	YEAR ENDED OCTOBER 31,			
	1993		1992	
	PRIMARY	FULLY DILUTED	PRIMARY	DILUTED
Weighted average number of common shares outstanding	5,111,521	5,111,521	4,832,701	4,832,701
Common stock equivalents arising from dilutive stock options (1)	78,675	127,014	138,779	156,836
	5,190,196	5,238,535	4,971,480	4,989,537
Net income:				
From continuing operations before cumulative effect of change in accounting principle	$ 0.14	$ 0.14	$ 0.07	$ 0.07
From discontinued operations	$ 0.05	$ 0.05	$ 0.19	$ 0.19
From gain on sale of discontinued operations	--	--	--	--
From cumulative effect of change in accounting principle	--	--	--	--

Net income per share	$ 0.19	$ 0.19	$ 0.12	$ 0.12

(1) Computed under the "treasury stock" method using the average market price for the primary computation and using the higher of average or ending market prices for the fully diluted computation.

EXHIBIT 21

HEICO CORPORATION AND SUBSIDIARIES
SUBSIDIARIES OF COMPANY

NAME	STATE OF INCORPORATION
HEICO Aerospace Corporation	Florida
Jet Avion Corporation	Florida
LPI Industries Corporation	Florida
Aircraft Technology, Inc.	Florida
ATI Heat Treat Corporation	Florida
Jet Avion Heat Treat Corporation (Inactive)	Florida
HEICO International Corporation	U.S. Virgin Islands
HEICO East Corporation	Florida
HEICO-NEWCO, Inc.	Florida
HEICO Engineering Corp. (Inactive)	Florida
HEICO - Jet Corp. (Inactive)	Florida
HEICO Bearings Corp.	Florida
HEICO Aviation Products Corp.	Florida
Trilectron Industries, Inc.	New York

Subsidiaries of the Company, all of which are directly or indirectly wholly-owned, are included in the Company's consolidated financial statements.

EXHIBIT 23.1

INDEPENDENT AUDITORS' CONSENT
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We consent to the incorporation by reference in Registration Statement Nos. 33-4945, 33-62156, 333-8063, and 333-19667 of HEICO Corporation on Forms S-8 of our report dated December 27, 1996, appearing in this Annual Report on Form 10-K of HEICO Corporation for the year ended October 31, 1996.

DELOITTE & TOUCHE LLP
Certified Public Accountants
Miami, Florida
January 24, 1997

YEAR	
	OCT-31-1996
	OCT-31-1996
	11,025,000
	0
	8,147,000
	(268,000)
	15,277,000
	37,113,000
	19,599,000
	(13,754,000)
	61,836,000
	11,865,000
	6,022,000
	0
	0
	53,000
	41,435,000
	61,836,000
	34,565,000
	34,565,000
	22,396,000
	22,396,000
	7,657,000
	0
	185,000
	5,385,000
	1,720,000
	3,665,000
	6,227,000
	0
	0
	9,892,000
	1.68
	1.67