

INVITATION TO TENDER BONDS
(the “Tender Offer”)
made by the
JACKSONVILLE TRANSPORTATION AUTHORITY
(the “Authority”)

All terms used below with initial capitalization where not required by the rules of grammar and not otherwise defined herein have the meanings given to them in this Invitation.

The Authority invites Bondowners, as defined herein, of all or any portion of its bonds of the series designations with base CUSIP numbers identified below with maturity dates and CUSIP numbers listed on page (i) hereof (the “**Target Bonds**”) to offer to sell to the Authority for cash:

Jacksonville Transportation Authority
Senior Lien Local Option Gas Tax Revenue Bonds
Series 2015

(Base CUSIP 469494)

THIS INVITATION WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME ON OCTOBER 4, 2024, UNLESS EARLIER TERMINATED OR EXTENDED AS DESCRIBED HEREIN.
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Key Dates and Times	
<i>All of these dates and times are subject to change. All times are New York City time. Notices of changes will be sent in the manner provided for in this Invitation.</i>	
Launch Date.....	September 23, 2024
Pricing Notice	September 30, 2024
Tender Offer Expiration Date	5:00 p.m., October 4, 2024
Preliminary Notice of Acceptance	October 7, 2024
Final Acceptance Date and Final Notice of Acceptance	October 8, 2024
Settlement Date (unless earlier terminated or extended).....	October 22, 2024

To make an informed decision as to whether, and how, to offer Target Bonds, beneficial owners of Target Bonds (“**Bondowners**”) must read this Invitation carefully and should consult with their broker-dealer, financial, legal, accounting, tax and/or other professionals in making this decision.

The Dealer Manager is:
Jefferies LLC

The Information Agent and Tender Agent is:
Globic Advisors Inc.

The date of this Invitation to Tender Bonds is September 23, 2024.

TARGET BONDS SUBJECT TO TENDER OFFER FOR CASH*

**Jacksonville Transportation Authority
Senior Lien Local Option Gas Tax Revenue Bonds
Series 2015**

CUSIP⁽¹⁾ (Base No. 469494)	Maturity Date (August 1)	Par Call Date	Interest Rate (%)	Outstanding Principal Amount	Indicative Offer Purchase Price⁽²⁾
AK4	2026	8/1/2025	5.000	\$4,565,000	102.068
AL2	2027	8/1/2025	5.000	4,790,000	102.068
AM0	2028	8/1/2025	5.000	5,030,000	102.068
AN8	2029	8/1/2025	5.000	5,285,000	102.068
AP3	2030	8/1/2025	5.000	5,550,000	102.068
AQ1	2031	8/1/2025	5.000	5,825,000	102.068
AR9	2032	8/1/2025	5.000	6,115,000	102.068
AS7	2033	8/1/2025	5.000	6,420,000	102.068
AT5	2034	8/1/2025	5.000	6,745,000	102.068
AU2	2035	8/1/2025	5.000	7,080,000	102.068
AV0	2036	8/1/2025	5.000	7,435,000	102.068

- 1 CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are being provided solely for the convenience of the owners of the Target Bonds and the Authority is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.
 - 2 The Indicative Offer Purchase Prices shown exclude Accrued Interest and are preliminary and subject to change. Actual Offer Purchase Prices for each maturity and corresponding CUSIP will appear in the Pricing Notice. Accrued Interest on the Target Bonds tendered and accepted for purchase will be paid by the Authority to but not including the Settlement Date in addition to the applicable Purchase Price.
- * **It is expected that Unpurchased Bonds (as defined herein) will remain outstanding until the issuance of the 2025 Forward Delivery Bonds (as defined herein). Upon the issuance of the 2025 Forward Delivery Bonds, expected on or about May 7, 2025, any Unpurchased Bonds will be legally defeased to and subsequently redeemed on their first optional redemption date of August 1, 2025 at a price of 100% of the principal amount thereof plus accrued interest to the redemption date, as described herein and in the Refunding Bonds POS.**

IMPORTANT INFORMATION

This Invitation and other information with respect to the Tender Offer are available from the Dealer Manager and the Information Agent and Tender Agent at www.globic.com/jta. Bondowners wishing to offer their Target Bonds for purchase pursuant to this Invitation should follow the procedures more fully described herein. The Authority reserves the right to cancel or modify, this Invitation at any time on or prior to the Expiration Date and reserves the right to purchase Unpurchased Bonds (as defined herein) at prices different than the Offer Purchase Prices described herein and in the Pricing Notice (as defined herein) in its sole discretion. Except as described in this Invitation, the Authority will have no obligation to purchase Target Bonds offered pursuant to this Invitation. The Authority further reserves the right to waive any irregularities or defects in any offer received.

Each of the Target Bonds is subject to redemption in whole or in part, at the option of the Authority on any date on or after August 1, 2025, at a redemption price equal to 100% of the principal amount of such Target Bonds or portions thereof to be redeemed plus accrued but unpaid interest to the date fixed for redemption. It is expected that Unpurchased Bonds (as defined herein) will remain outstanding until the issuance of the 2025 Forward Delivery Bonds (as defined herein). It is further expected that, upon the issuance of the 2025 Forward Delivery Bonds on or about May 7, 2025, the Unpurchased Bonds will be legally defeased and subsequently redeemed on their first optional call date of August 1, 2025 at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.

The Tender Offer is not being made to, and Target Bonds offered for purchase in response to this Invitation will not be accepted from or on behalf of, Bondowners in any jurisdiction in which the Tender Offer, the making of offers to sell Target Bonds or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions whose laws require the Tender Offer to be made through a licensed or registered broker or dealer, the Tender Offer is being made on behalf of the Authority by the Dealer Manager.

None of the Authority, the Dealer Manager, or the Information Agent and Tender Agent is recommending to any Bondowner whether to offer their Target Bonds for purchase in connection with the Tender Offer. Each Bondowner must make these decisions and should read this Invitation and the Refunding Bonds POS (as defined herein), attached as Appendix A, in their entirety and consult with their broker-dealer, financial, legal, accounting, tax and other advisors in making these decisions.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Invitation, including Appendix A and Appendix B; and, if given or made, such information or representation may not be relied upon as having been authorized by the Authority.

The delivery of this Invitation shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or materials delivered herewith or in the affairs of the Authority since the date hereof.

The Dealer Manager makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, including Appendix A. The Dealer Manager has not independently verified any of the information contained herein and assumes no responsibility for the accuracy or completeness of any such information. References to website addresses herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience.

Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not a part of, this Invitation.

This Invitation contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Invitation and other materials referred to or incorporated herein, the words “estimate,” “anticipate,” “forecast,” “project,” “intend,” “propose,” “plan,” “expect” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

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INVITATION TO TENDER BONDS
made by
JACKSONVILLE TRANSPORTATION AUTHORITY

1. Introduction.

This Invitation to Tender Bonds, dated September 23, 2024 (as it may be amended or supplemented, this “**Invitation**”) describes an invitation (“**Tender Offer**”) by the Jacksonville Transportation Authority (the “**Authority**”), with the assistance of Jefferies LLC as dealer manager (the “**Dealer Manager**”), to the beneficial owners (the “**Bondowners**”) of each maturity and corresponding CUSIP of the Authority’s outstanding Senior Lien Local Option Gas Tax Revenue Bonds, Series 2015 (the “**Target Bonds**”) as set forth in the table on page (i) of this Invitation, to tender to the Authority such Target Bonds for cash at an offer purchase price. Each offer purchase price (each an “**Offer Purchase Price**”) will be the applicable purchase price expressed as a dollar amount per \$100 principal amount of the Target Bonds. Bondholders whose Target Bonds are purchased by the Authority pursuant to this Invitation (the “**Purchased Target Bonds**”) will also be paid accrued interest (“**Accrued Interest**”) on such Purchased Target Bonds to but not including the Settlement Date (as hereinafter defined). See Section 2, “Information to Bondowners – *Tender Consideration – Determination of Offer Purchase Prices*” herein.

The purchase of any Target Bonds pursuant to this Invitation is contingent on the issuance of the Authority’s Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2024 (the “**Series 2024 Bonds**”) and is also subject to the terms of this Invitation and certain other conditions as described herein.

Purpose. This Tender Offer is part of a financing plan by the Authority to refinance all of the Authority’s outstanding Senior Lien Local Option Gas Tax Revenue Bonds, Series 2015 (the “**Series 2015 Bonds**”), as described in the Preliminary Official Statement of the Authority related to the Series 2024 Bonds and the 2025 Forward Delivery Bonds (as defined below) dated September 23, 2024 and attached hereto as Appendix A (together with any supplements related thereto, the “**Refunding Bonds POS**”). The Target Bonds subject to the Tender Offer are listed on page (i) of this Invitation and consist of all of the Series 2015 Bonds except for the Series 2015 Bonds maturing on August 1, 2025. Subject to the terms of this Invitation, the Authority intends, but is not obligated, to purchase up to all of the Target Bonds validly tendered (and not validly withdrawn). **The Authority’s outstanding bonds of any series that are not identified in the table on page (i) of this Invitation are not subject to the Tender Offer.** For additional information concerning the Authority, its plan of refunding and its outstanding indebtedness, see the Refunding Bonds POS attached hereto as Appendix A. See also – “*Concurrent Forward Delivery Refunding of Unpurchased Bonds*” below.

Offers by Bondowners. Pursuant to this Invitation, each Bondowner may offer to tender to the Authority for purchase any or all of its Target Bonds, in a denomination of \$5,000 principal amount (the “**Minimum Authorized Denomination**”) or any integral multiple thereof, with respect to which the Bondowner has a beneficial ownership interest. On or about September 30, 2024, the Authority expects to publish the pricing notice in the form attached hereto as Appendix B (the “**Pricing Notice**”), which will set forth the Offer Purchase Price for each respective CUSIP of the Target Bonds. All offers to tender will be made on the basis of the Offer Purchase Prices listed in the Pricing Notice. See Section 2, “Information to Bondowners – *Pricing Notice*” herein.

Source of Funds. The amount paid to Bondowners (each a “**Purchase Price**” and collectively, the “**Aggregate Purchase Price**”) to purchase the Purchased Target Bonds is anticipated to be funded from a portion of the proceeds of the Authority’s Series 2024 Bonds to be issued on the Settlement Date (defined below) and other funds of the Authority available for such purpose. The payment of Accrued Interest on

Purchased Target Bonds is expected to be made from funds held by the Authority for such purpose. The purchase of any of the Purchased Target Bonds is contingent on the issuance of the Series 2024 Bonds. The Authority's obligations to accept for purchase and to pay for Purchased Target Bonds are also subject to the satisfaction or waiver of certain conditions. See Section 14, "Conditions to Purchase," for additional information regarding certain of such conditions.

Concurrent Forward Delivery Refunding of Unpurchased Bonds. It is expected that Target Bonds not tendered for purchase and Target Bonds tendered and not accepted for purchase, all pursuant to this Invitation ("Unpurchased Bonds"), will remain outstanding until the issuance of the Authority's Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2025 (the "2025 Forward Delivery Bonds"), which are expected to price concurrently with the Series 2024 Bonds and be issued by the Authority on or about May 7, 2025 (the "Forward Delivery Date"). Upon the issuance of the 2025 Forward Delivery Bonds on or about the Forward Delivery Date, it is expected that all Unpurchased Bonds will be legally defeased and subsequently redeemed on their first optional call date of August 1, 2025 at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.

Authority's Obligation to Purchase Target Bonds. Subject to the terms of this Invitation and the satisfaction of all conditions to the Authority's obligation to purchase tendered Target Bonds as described herein, and provided that (i) the Target Bonds offered by a Bondowner for purchase have been validly tendered by 5:00 p.m., New York City time, on October 4, 2024 (as extended from time to time in accordance with this Invitation, the "Expiration Date"), and (ii) accepted by the Authority on October 8, 2024 (as extended from time to time in accordance with this Invitation, the "Final Acceptance Date"), the Authority will purchase such Target Bonds tendered for purchase on October 22, 2024 or such later date as the Authority shall determine (such date, the "Settlement Date"). Accrued Interest to but not including the Settlement Date on the Purchased Target Bonds will also be paid on the Settlement Date.

All times in this Invitation are local time in New York City.

No assurances can be given that the Series 2024 Bonds will be issued or that any Target Bonds offered for purchase by a Bondowner will be purchased. See Section 14, "Conditions to Purchase" and Section 10, "Determination of Amounts to be Purchased; Acceptance of Offers; Final Notice of Acceptance," for more information on the selection of tendered Target Bonds to be purchased, if any. The Authority reserves the right to modify, amend or waive the terms of this Invitation as to any or all of the Target Bonds in any respect and at any time prior to the Expiration Date or from time to time, in its sole discretion. The Authority also has the right to terminate this Invitation at any time up to and including the Expiration Date. See Section 15, "Extension, Termination and Amendment of Tender Offer" below.

The Authority's obligation to pay for Purchased Target Bonds is subject to the satisfaction of or waiver of the following conditions on or prior to the Settlement Date: (a) the successful completion by the Authority of the issuance of the Series 2024 Bonds, the proceeds of which will be sufficient to, together with other available moneys of the Authority, (i) fund the Aggregate Purchase Price of all Purchased Target Bonds, plus Accrued Interest to but not including the Settlement Date on such Purchased Target Bonds, and (ii) pay all fees and expenses associated with the issuance of the Series 2024 Bonds and the Tender Offer; (b) receipt of all certifications and opinions required by the Dealer Manager Agreement executed between the Authority and the Dealer Manager in connection with the Tender Offer, and (c) when taken together with the issuance of the Series 2024 Bonds, the Authority determining, in its reasonable discretion, that it will obtain a satisfactory and sufficient economic benefit as a result of market conditions, the expected or actual level of participation by holders of the Target Bonds, or any other factors not within the sole control of the Authority, all on terms and conditions that are in the Authority's best interest (collectively,

the “**Financing Conditions**”). The Authority reserves the right, subject to applicable law, to amend or waive any of the conditions to this Invitation, in whole or in part, at any time prior to the Expiration Date.

Any Target Bonds not tendered by Bondowners, or Target Bonds tendered by Bondowners pursuant to this Invitation but not accepted for purchase by the Authority will be returned to the Bondowners, will continue to be payable and secured under their existing terms until maturity or prior redemption. If the Financing Conditions and all other conditions to this Invitation are not satisfied or waived by the Authority on or prior to the Settlement Date, any Target Bonds tendered by Bondowners pursuant to this Invitation will be returned to the Bondowners and will continue to be payable and secured under their terms until maturity or prior redemption. See “*Concurrent Forward Delivery Refunding of Unpurchased Bonds*” above and Section 17, “Additional Considerations – *Potential Subsequent Transactions*” herein.

To make an informed decision as to whether, and how, to offer Target Bonds for purchase pursuant to this Invitation, a Bondowner must read this Invitation carefully, including, without limitation, the Refunding Bonds POS attached hereto as Appendix A and the Pricing Notice in the form attached hereto as Appendix B. This Invitation, the Refunding Bonds POS, the Pricing Notice, and all other notices, amendments, and supplements thereto, if any, collectively shall constitute an invitation to Bondowners to offer to tender their Target Bonds for purchase.

None of the Authority, the Dealer Manager or the Information Agent and Tender Agent (as defined below) make any recommendation that any Bondowner offer to tender or refrain from offering to tender all or any portion of such Bondowner’s Target Bonds for purchase. Bondowners must make these decisions and should consult with their broker, account executive, financial advisor, attorney and/or other appropriate professionals.

The Dealer Manager for the Tender Offer is Jefferies LLC. Globic Advisors is serving as Information Agent and Tender Agent (the “**Information Agent and Tender Agent**”) in connection with this Invitation. Bondowners with questions about the Tender Offer should contact the Dealer Manager or the Information Agent and Tender Agent utilizing the contact information set forth in Section 20, “Available Information; Contact Information.”

2. Information to Bondowners.

General. The Authority will provide additional information about the Tender Offer, if any, to the market and Bondowners of the Target Bonds, including, without limitation, the Refunding Bonds POS attached hereto as Appendix A, the information contained in the Pricing Notice in the form attached hereto as Appendix B expected to be delivered on or about September 30, 2024 and any supplement to the Refunding Bonds POS, if any, by delivery of such information in the following ways: (a) to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website, currently located at <http://emma.msrb.org> (the “**EMMA Website**”), using the CUSIP numbers for the Target Bonds listed in the table on page (i) of this Invitation; (b) to DTC (defined below) and to the DTC participants holding the Target Bonds; and (c) by posting electronically on the website of the Information Agent and Tender Agent at www.globic.com/jta (collectively, the “**Information Services**”). Delivery by the Authority to the Information Services will be deemed to constitute delivery of the information to each Bondowner. The Authority, the Dealer Manager, and the Information Agent and Tender Agent have no obligation to ensure that a Bondowner actually receives any information provided by the Authority in this manner. Any such Bondowner who would like to receive information furnished by or on behalf of the Authority as described above must make appropriate arrangements with its broker, account executive or other financial advisor or representative.

Pricing Notice. On or about September 30, 2024, the Authority expects to publish the Pricing Notice in the form attached hereto as Appendix B, which will set forth the Offer Purchase Price for each CUSIP of the Target Bonds. Each such Offer Purchase Price may differ from the “Indicative Offer Purchase Price” shown on page (i) of this Invitation for each CUSIP and corresponding maturity of Target Bonds. The Pricing Notice will be made available via the Information Services described above.

Tender Consideration—Determination of Offer Purchase Prices. The Offer Purchase Prices will be set forth in the Pricing Notice for each particular CUSIP and corresponding maturity of Target Bonds tendered pursuant to this Invitation.

The Purchase Price to be received on the Settlement Date by a Bondowner whose Target Bonds were validly tendered and accepted for purchase, in whole or in part, by the Authority will equal the par amount of such Bondowners’ Purchased Target Bonds multiplied by the Offer Purchase Price of such Target Bonds divided by 100. In addition to the Purchase Price of the Purchased Target Bonds, Accrued Interest on such Purchased Target Bonds will be paid by the Authority on the Settlement Date.

3. Expiration Date; Offers Only Through Financial Institutions; Brokerage Commissions. The Tender Offer to tender Target Bonds will expire at 5:00 p.m., New York City time, on October 4, 2024, the Expiration Date, unless earlier terminated or extended as described in this Invitation. Offers to tender Target Bonds received after 5:00 p.m., New York City time, on the Expiration Date (as it may be extended) will not be considered. See Section 15 for a discussion of the Authority’s ability to extend the Expiration Date and to terminate or amend this Invitation.

In the sole discretion of the Authority, the Authority may extend the Expiration Date, the Preliminary Acceptance Date (defined herein), the Final Acceptance Date, or the Settlement Date.

All of the Target Bonds are held in book-entry-only form through the facilities of The Depository Trust Company of New York (“DTC”). The Information Agent and Tender Agent and DTC have confirmed that the Tender Offer is eligible for submission of tenders for purchase through DTC’s Automated Tender Offer Program (known as the “ATOP” system). **Bondowners of Target Bonds who want to tender Target Bonds for purchase pursuant to the Authority’s Invitation must do so through a DTC participant in accordance with the relevant DTC procedures for the ATOP system. The Authority will not accept any offers of Target Bonds for purchase that are not made through the ATOP system.** Bondowners who are not DTC participants can only offer Target Bonds for purchase pursuant to this Invitation by making arrangements with and instructing the bank or brokerage firm through which they hold their Target Bonds (sometimes referred to herein as a “custodial intermediary”) to tender the Bondowner’s Target Bonds on their behalf through the ATOP system. To ensure a Bondowner’s Target Bonds are tendered through the ATOP system by 5:00 p.m., New York City time, on the Expiration Date, Bondowners must provide instructions to its custodial intermediary with sufficient time for such custodial intermediary to tender the Target Bonds in accordance with DTC procedures through the ATOP system by this deadline. Bondowners wishing to tender Target Bonds should contact their custodial intermediary for information on when such custodial intermediary needs the Bondowner’s instructions in order to tender the Bondowner’s Target Bonds through the ATOP system by 5:00 p.m., New York City time, on the Expiration Date. See also Section 5, “Provisions Applicable to All Offers” and Section 6, “Transmission of Offers by Financial Institutions; DTC ATOP Procedures” herein.

The Authority, the Dealer Manager, and the Information Agent and Tender Agent are not responsible for making or transmitting any tender of Target Bonds or for the transfer of any tendered Target Bonds through the ATOP system or for any mistakes, errors or omissions in the making or transmission of any offer or transfer.

Bondowners will not be obligated to pay any brokerage commissions or solicitation fees to the Authority, the Dealer Manager or the Information Agent and Tender Agent in connection with the Tender Offer. However, Bondowners should check with their broker, account executive or other financial institution which maintains the account in which their Target Bonds are held to determine if it will charge any commission or fees.

4. Minimum Denominations and Consideration for Offers.

Authorized Denominations for Offers. A Bondowner may tender all or a portion of its Target Bonds of a particular maturity and corresponding CUSIP that it owns in an amount of its choosing, but only in principal amounts equal to the Minimum Authorized Denomination or any integral multiple of \$5,000 in excess thereof.

5. Provisions Applicable to All Offers. A Bondowner should ask its financial advisor, investment manager, broker or account executive for advice in determining whether to tender Target Bonds for purchase and the principal amount of Target Bonds to be tendered. A Bondowner should also inquire as to whether its financial institution will charge a fee for submitting tenders. The Authority, the Dealer Manager, and the Information Agent and Tender Agent will not charge fees to any tendering Bondowner for completing the purchase of Target Bonds.

A tender of Target Bonds cannot exceed the par amount of Target Bonds owned by the Bondowner. Target Bonds may be tendered and accepted for payment only in principal amounts equal to the Minimum Authorized Denomination and integral multiples of \$5,000 in excess thereof.

“All or none” offers are not permitted. No alternative, conditional or contingent tenders will be accepted. All tenders shall survive the death or incapacity of the tendering Bondowner.

By tendering Target Bonds pursuant to this Invitation, each such Bondowner will be deemed to have represented and warranted to and agreed with the Authority and the Dealer Manager that:

(a) the Bondowner has received, and has had the opportunity to review, this Invitation, including the Refunding Bonds POS, attached as Appendix A hereto, and the Pricing Notice, prior to making the decision as to whether or not they should tender their Target Bonds for purchase;

(b) the Bondowner has full authority to tender, sell, assign and transfer such Target Bonds, and that, on the Settlement Date, the Authority, as transferee, will acquire good title, free and clear of all liens, charges, encumbrances, conditional sales agreements or other obligations and not subject to any adverse claims, subject to payment to the Bondowner of the applicable Purchase Price, plus payment of Accrued Interest on the Target Bonds;

(c) the Bondowner has made its own independent decision to tender, the appropriateness of the terms thereof, and whether the offer is appropriate for the Bondowner;

(d) such decisions are based upon the Bondowner’s own judgment and upon advice from such advisors as the Bondowner has consulted;

(e) the Bondowner is not relying on any communication from the Authority, the Dealer Manager, or the Information Agent and Tender Agent as investment advice or as a recommendation to tender, it being understood that the information from any of the foregoing related to the terms and conditions of this Invitation shall not be considered investment advice or a recommendation to tender Target Bonds; and

(f) the Bondowner is capable of assessing the merits of and understanding (on its own and/or through independent professional advice), and does understand and accept, the terms and conditions of this Invitation.

6. Transmission of Offers by Financial Institutions; DTC ATOP Procedures. Tenders of Target Bonds pursuant to this Invitation may only be made through DTC's ATOP system. Bondowners that are not DTC participants must make their tenders through their custodial intermediary. A DTC participant must tender the Target Bonds offered by the Bondowner pursuant to this Invitation on behalf of the Bondowner for whom it is acting, by book-entry through the ATOP system. In so doing, such custodial intermediary and the Bondowner on whose behalf the custodial intermediary is acting, agree to be bound by DTC's rules for the ATOP system. In accordance with ATOP procedures, DTC will then verify receipt of the tender offer and send an Agent's Message (as described below) to the Information Agent and Tender Agent.

The term "**Agent's Message**" means a message transmitted by DTC to, and received by, the Information Agent and Tender Agent, forming a part of the book-entry confirmation which states that DTC has received an express acknowledgement from the DTC participant tendering Target Bonds for purchase that are the subject of such book-entry confirmation, that includes: (i) the CUSIP number(s) and the par amount of the Target Bonds that have been validly tendered by such DTC participant on behalf of the Bondowner pursuant to this Invitation, and (ii) that the Bondowner agrees to be bound by the terms of this Invitation, including the representations, warranties, agreements and affirmations deemed made by it as set forth in Section 5 above. By causing DTC to transfer Target Bonds into the Authority's ATOP system, a financial institution warrants to the Authority that it has full authority and has received from the Bondowner(s) of such Target Bonds all direction necessary, to tender and sell such Target Bonds as set forth in this Invitation.

Agent's Messages must be transmitted to and received by the Information Agent and Tender Agent by not later than 5:00 p.m., New York City time, on the Expiration Date (as such date may have been changed as provided in this Invitation). Target Bonds will not be deemed to have been tendered for cash purchase pursuant to this Invitation until an Agent's Message with respect thereto is received by the Information Agent and Tender Agent.

Each DTC participant is advised to submit each beneficial owner's instruction individually into DTC's ATOP system to ensure proper settlement.

The Authority, the Dealer Manager, and the Information Agent and Tender Agent are not responsible for making or transmitting any tender of Target Bonds or for the transfer of any tendered Target Bonds through the ATOP system or for any mistakes, errors, or omissions in the making or transmission of any offer or transfer.

7. Determinations as to Form and Validity of Offers; Right of Waiver and Rejection. All questions as to the validity (including the time of receipt of Agent's Messages by the Information Agent and Tender Agent), eligibility, and acceptance of any tenders of Target Bonds will be determined by the Authority in its sole discretion and will be final, conclusive and binding.

The Authority reserves the right to waive any irregularities or defects in any offer. The Authority, the Dealer Manager, and the Information Agent and Tender Agent are not obligated to give notice of any defects or irregularities in offers, and they will have no liability for failing to give such notice.

8. Withdrawals of Offers Prior to Expiration Date; Irrevocability of Offers on Expiration Date. A Bondowner may withdraw its tender of Target Bonds pursuant to this Invitation by

causing a withdrawal notice to be transmitted via DTC's ATOP system to, and received by, the Information Agent and Tender Agent at or before 5:00 p.m., New York City time, on the Expiration Date (as the date and time may have been changed as provided in this Invitation).

Bondowners who are not DTC participants can only withdraw their tenders by making arrangements with and instructing the custodial intermediary through which they hold their Target Bonds to submit the Bondowner's notice of withdrawal through the DTC ATOP system.

All tenders of Target Bonds will become irrevocable as of 5:00 p.m., New York City time, on the Expiration Date (as such date may have been changed from time to time as provided in this Invitation). See Section 11, "Acceptance of Offers Constitutes Irrevocable Agreement."

9. Preliminary Notice of Acceptance. On October 7, 2024, unless such time or date is extended by the Authority (the "**Preliminary Acceptance Date**"), the Authority will determine the preliminary principal amount, if any, of the Target Bonds for each CUSIP that it will purchase, based on satisfaction or waiver by the Authority of the Financing Conditions. Notice of the preliminary principal amount of the Target Bonds, if any, for each CUSIP that the Authority initially agrees to purchase pursuant to this Invitation will be provided to the Information Services on the Preliminary Acceptance Date via the publication of a "**Preliminary Notice of Acceptance**."

10. Determination of Amounts to be Purchased; Acceptance of Offers; Final Notice of Acceptance. The Tender Offer is part of a financing plan by the Authority, as described in the Refunding Bonds POS. The Authority intends to purchase up to all of the Target Bonds; however, depending upon the results of the Tender Offer and the satisfaction or waiver by the Authority of the Financing Conditions and the other conditions described in this Invitation, the Authority, in its sole discretion, may purchase a lesser principal amount of the Target Bonds. The Authority, in its sole discretion, will select which, if any, Target Bonds validly tendered (and not validly withdrawn) of a particular maturity and corresponding CUSIP are purchased based on its determination of the economic benefit from such purchase.

Should the Authority decide to only purchase a portion of the Target Bonds being tendered for purchase of a certain CUSIP, the Authority will accept such Target Bonds tendered for purchase on a pro rata basis. The principal amount of each individual offer will be adjusted, pro rata, based upon a proration factor for each such CUSIP (each a "**Proration Factor**"). In such event, should the principal amount of any individual offer, when adjusted by the Proration Factor, result in an amount that is not a multiple of \$5,000, the principal amount of such offer will be rounded up to the nearest multiple of \$5,000. If as a result of such adjustment, the principal amount of a Bondowner's unaccepted Target Bonds is less than the Minimum Authorized Denomination of \$5,000, the Authority will reject such Bondowner's offer in whole. The Authority will determine the Proration Factor that permits it to accept the amount of Target Bonds it has determined to purchase.

On the Final Acceptance Date, upon the terms and subject to the satisfaction or waiver by the Authority of the conditions of this Invitation, the Authority will announce its acceptance for purchase of Target Bonds, if any, validly tendered (and not validly withdrawn) by Bondowners pursuant to this Invitation via the publication of a "**Final Notice of Acceptance**" provided to the Information Services, with acceptance subject to the satisfaction or waiver by the Authority of the Financing Conditions or other conditions to the purchase of tendered Target Bonds. See Section 11, "Acceptance of Offers Constitutes Irrevocable Agreement" and Section 14, "Conditions to Purchase" herein.

The Final Notice of Acceptance will state: (i) the principal amount of the Target Bonds of each maturity and corresponding CUSIP that the Authority has accepted for purchase in accordance with this

Invitation, which may be zero for a particular maturity and corresponding CUSIP, or (ii) that the Authority has decided not to purchase any Target Bonds.

Shortly following the publication of the Final Notice of Acceptance, all Target Bonds that were tendered but were not accepted for purchase will be released and promptly returned to the tendering institution in accordance with DTC's ATOP procedures. The Authority, the Dealer Manager, and the Information Agent and Tender Agent are not responsible or liable for the operation of the ATOP system by DTC to properly credit such released Target Bonds to the applicable account of the DTC participant or custodial intermediary or by such DTC participant or custodial intermediary for the account of the Bondowner.

Notwithstanding any other provision of this Invitation, the obligation of the Authority to accept for purchase and to pay for Target Bonds offered and validly tendered (and not validly withdrawn) by Bondowners pursuant to this Invitation is subject to the satisfaction or waiver by the Authority of the conditions to this Invitation, including, without limitation, the conditions set forth under Section 14, "Conditions to Purchase" below. The Authority reserves the right to amend or waive any of the terms of or conditions to this Invitation, in whole or in part, at any time prior to the Expiration Date or from time to time subject to the Financing Conditions and other conditions described in this Invitation. The Tender Offer may be withdrawn by the Authority at any time prior to the Expiration Date.

11. Acceptance of Offers Constitutes Irrevocable Agreement. Acceptance by the Authority of validly tendered (and not validly withdrawn) Target Bonds will constitute an irrevocable agreement between the tendering Bondowner and the Authority to sell and purchase such Target Bonds, subject to the conditions and terms of this Invitation, including, without limitation, the Conditions to Purchase set forth in Section 14 hereof.

12. Settlement Date; Purchase of Target Bonds. Subject to satisfaction of all conditions to the Authority's obligation to purchase tendered Target Bonds, as described herein, the Settlement Date is the day on which Purchased Target Bonds will be purchased and paid for at the applicable Offer Purchase Price, and Accrued Interest on the Purchased Target Bonds to but not including the Settlement Date will also be paid. Such purchase and payment are expected to occur on the Settlement Date. The Settlement Date has initially been set as October 22, 2024, unless extended by the Authority, assuming all conditions to this Invitation have been satisfied or waived by the Authority.

The Authority may, in its sole discretion, change the Settlement Date by giving notice thereof in the manner described in Section 2 of this Invitation prior to the change. However, the Settlement Date may not be later than November 26, 2024. If the Authority does not complete the purchase of the Purchased Target Bonds by 3:00 p.m., New York City time, on November 26, 2024, the right and obligation of the Authority to purchase any Target Bonds will automatically terminate, without any liability to any Bondowner, and all tendered Target Bonds will be released and returned to the tendering institution in accordance with DTC's ATOP procedures.

Subject to satisfaction or waiver by the Authority of all conditions to the Authority's obligation to purchase Target Bonds tendered for purchase pursuant to this Invitation, as described herein, payment by the Authority will be made through DTC on the Settlement Date. The Authority expects that, in accordance with DTC's standard procedures, DTC will transmit the Aggregate Purchase Price to be paid for the Purchased Target Bonds (plus Accrued Interest) to DTC participants holding the Purchased Target Bonds on behalf of Bondowners for subsequent disbursement to the Bondowners. **The Authority, the Dealer Manager and the Information Agent and Tender Agent have no responsibility or liability for the**

distribution of the Aggregate Purchase Price and Accrued Interest by DTC to DTC participants or by DTC participants to tendering Bondowners.

Promptly following such deliveries and payments, the Authority will instruct the Trustee for the Purchased Target Bonds to cause such Purchased Target Bonds to be cancelled and retired.

13. Source of Funds. The source of funds to purchase the Purchased Target Bonds, in addition to Accrued Interest, is described herein in Section 1, “Introduction - *Sources of Funds*.”

14. Conditions to Purchase. The consummation of the purchase of the Purchased Target Bonds pursuant to this Invitation is conditioned upon the satisfaction or waiver by the Authority of the Financing Conditions and the other conditions described in this Invitation. Payment on the Settlement Date is conditioned upon the issuance of the Series 2024 Bonds. Furthermore, the Authority will not be required to purchase any Target Bonds, and will incur no liability as a result, if, before payment for Purchased Target Bonds on the Settlement Date:

(a) The Authority does not, for any reason, have sufficient funds on the Settlement Date from the proceeds of the Series 2024 Bonds to pay the Aggregate Purchase Price of Purchased Target Bonds and pay all fees and expenses associated with the Series 2024 Bonds and the Tender Offer, including the Accrued Interest on all Purchased Target Bonds;

(b) Litigation or another proceeding is pending or threatened which the Authority believes may, directly or indirectly, have an adverse impact on the Tender Offer or the expected benefits of the Tender Offer to the Authority or the Bondowners;

(c) A war, other hostilities, or the escalation thereof, public health or other national emergency, banking moratorium, suspension of payments by banks, a general suspension of trading by the New York Stock Exchange or a limitation of prices on the New York Stock Exchange exists and the Authority believes this fact makes it inadvisable to proceed with the purchase of the Purchased Target Bonds;

(d) A material change in the business or affairs of the Authority has occurred which the Authority believes makes it inadvisable to proceed with the purchase of the Purchased Target Bonds;

(e) A material change in the net benefits of the transaction contemplated by the Tender Offer and the Refunding Bonds POS has occurred due to a material change in market conditions which the Authority reasonably believes makes it inadvisable to proceed with the purchase of the Purchased Target Bonds; or

(f) There shall have occurred a material disruption in securities settlement, payment or clearance services.

These conditions are for the sole benefit of the Authority. They may be asserted by the Authority prior to the time of payment for the Purchased Target Bonds on the Settlement Date. Such conditions may be waived by the Authority in whole or in part at any time and from time to time in its sole discretion and may be exercised independently for each maturity date and CUSIP number of the Purchased Target Bonds. The failure by the Authority at any time to exercise any of these rights will not be deemed a waiver of any of these rights, and the waiver of these rights with respect to particular facts and other circumstances will not be deemed a waiver of these rights with respect to any other facts and circumstances. Each of these rights will be deemed an ongoing right of the

Authority which may be asserted at any time and from time to time. Any determination by the Authority concerning the events described in this Section 14 will be final and binding upon all parties. If, prior to the time of payment of any Purchased Target Bonds any of the events described above happens, the Authority will have the absolute right to cancel its obligations to purchase Purchased Target Bonds without any liability to any Bondowner or any other person.

15. Extension, Termination and Amendment of Tender Offer. Through and including the Expiration Date, the Authority has the right to extend the Tender Offer, to any date in its sole discretion. Notice of an extension of the Expiration Date will be given in the manner described in Section 2 of this Invitation, on or about 11:00 a.m., New York City time, on the first Business Day after the then current Expiration Date.

The Authority also has the right, prior to the Final Acceptance Date to terminate the Tender Offer at any time by giving notice of such termination in the manner described in Section 2 of this Invitation.

The Authority also has the right, prior to the Expiration Date, to modify, amend or waive the terms of this Invitation in any respect and at any time by giving notice of the modification, amendment or waiver in the manner described in Section 2 of this Invitation. The modification, amendment or waiver will be effective at the time specified in such notice.

If the Authority modifies or amends the terms of this Invitation, including a waiver of any term, in any material respect, or any change in the Offer Purchase Price for any Target Bonds, notice of such amendment or waiver will be given in the manner described in Section 2, to provide reasonable time for dissemination of such amendment or waiver to Bondowners and for Bondowners to respond. **In the event of any such amendment or change, any offers submitted with respect to the affected Target Bonds prior to such amendment or change will remain in full force and effect, and any Bondowner of such affected Target Bonds wishing to revoke their tender must affirmatively withdraw such tender prior to the Expiration Date as described in Section 8 hereof.**

No extension, termination, modification or amendment of this Invitation (or waiver of any terms of this Invitation) will: (i) change the Authority's right to decline to purchase any Target Bonds without liability; or (ii) give rise to any liability of the Authority, the Dealer Manager, or the Information Agent and Tender Agent to any Bondowner or nominee.

16. Certain Federal Income Tax Consequences.

General Matters. The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) that tender their Target Bonds for cash. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective tendering investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not address U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Target Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address:

(i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Internal Revenue Code of 1986 (the “Code”), or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Target Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors who will hold their Target Bonds as “capital assets” within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any investors in the Target Bonds other than investors that are U.S. Holders. As used herein, “U.S. Holder” means a Bondowner of a Target Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). If a partnership holds Target Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Target Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Target Bonds (including their status as U.S. Holders).

Any federal income tax discussions in this Invitation are included for general information only and should not be construed as a tax opinion nor tax advice by the Authority, the Dealer Manager, the Information Agent and Tender Agent or any of the Authority’s advisors or agents to Bondowners. Such discussions also do not purport to address all aspects of federal income taxation that may be relevant to particular Bondowners (e.g., a foreign person, bank, thrift institution, personal holding company, tax exempt organization, regulated investment company, insurance company, or other broker or dealer in securities or currencies). Bondowners should not rely on such discussions and are urged to consult their own tax advisors to determine the particular federal, state, local and foreign tax consequences of sales made by them pursuant to purchase offers involving the Target Bonds, including the effect of possible changes in the tax laws. In addition to federal tax consequences, the sale of Target Bonds may be treated as a taxable event for state, local and foreign tax purposes. Bondowners are urged to consult their own tax advisors to determine the particular state, local and foreign tax consequences of sales made by them pursuant to purchase offers involving the Target Bonds, including the effect of possible changes in the tax laws.

Tendering U.S. Holders. The purchase by the Authority of a validly tendered Target Bond accepted for cash purchase will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder will recognize gain or loss equal to the difference between (i) the amount of cash received (except to the extent attributable to Accrued Interest on the Target Bond, which will be taxed as ordinary interest income except to the extent such interest is excludible from gross income under Section 103 of the Code) and (ii) the U.S. Holder’s adjusted U.S. federal income tax basis in the Target Bond (generally, the purchase price paid by the U.S. Holder for the Target Bond, decreased by any amortized acquisition premium, and increased by the amount of any original issue discount previously included in income by such U.S. Holder with respect to such Target Bond or otherwise required to be added to the cost basis of the U.S. Holder in such Target Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Target Bonds holding the Target Bond for a period exceeding one year, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income. The deductibility of capital losses is subject to limitations.

Backup Withholding. Amounts paid to Bondowners may be subject to backup withholding by reason of the events specified by Section 3406 of the Code which include failure of a Bondowner to supply

the broker, dealer, commercial bank or trust company acting on behalf of such Bondowner with such Bondowner's taxpayer identification number certified under penalty of perjury. Certification can be made by completing a substitute IRS Form W-9, a copy of which is available from the Information Agent and Tender Agent. Backup withholding may also apply to Bondowners who are otherwise exempt from such backup withholding if such Bondowners fail to properly document their status as exempt recipients.

17. Additional Considerations. In deciding whether to participate in the Tender Offer, each Bondowner should consider carefully, in addition to the other information contained in this Invitation, the following:

Market for Target Bonds. The Target Bonds are not listed on any national or regional securities exchange. To the extent that the Target Bonds are traded, their prices may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. Bondowners may be able to effect a sale of the Target Bonds at a price higher than the Offer Purchase Price established pursuant to this Invitation.

Unpurchased Bonds. It is expected that Unpurchased Bonds will remain outstanding until the issuance 2025 Forward Delivery Bonds. Upon the issuance of the 2025 Forward Delivery Bonds on or about May 7, 2025, the Unpurchased Bonds will be refunded and defeased to their first optional redemption date of August 1, 2025 at a price of 100% of the principal amount thereof plus accrued interest to the redemption date. See Section 1, "Introduction – *Concurrent Forward Delivery of Unpurchased Bonds*" herein.

Ratings. The ratings of the Target Bonds by each applicable rating agency reflect only the views of such organization and any desired explanation of the significance of such ratings and any outlooks or other statements given by such rating agency with respect thereto should be obtained from such rating agency. There is no assurance that the current ratings assigned to the Target Bonds will continue for any given period of time or that any of such ratings will not be revised upward or downward, suspended or withdrawn entirely by any rating agency. Any such upward or downward revision, suspension or withdrawal of such ratings may have an effect on the availability of a market for or the market price of the Target Bonds. Each Bondowner should review such ratings and consult with its financial representatives concerning them.

Market Conditions. The purpose of the Tender Offer is to provide the Authority with the opportunity to purchase a portion of the Target Bonds. The final decision to purchase Target Bonds, and which Target Bonds will be accepted for purchase by the Authority will, in part, be based upon market conditions and other factors outside of the control of the Authority.

Potential Subsequent Transactions. To the extent any portion of the Target Bonds are not purchased pursuant to this Invitation, the Authority reserves the right to, and may in the future decide to, acquire some or all of the Unpurchased Bonds through open market purchases, privately negotiated transactions, subsequent tender offers, exchange offers or otherwise, upon such terms and at such prices as it may determine, which may be more or less than the consideration offered pursuant to this Invitation, and which could be cash or other consideration. Any future acquisition of Unpurchased Bonds may be on the same terms or on terms that are more or less favorable to Bondowners than the terms described in this Invitation. The Authority also reserves the right in the future to refund (on an advance, current, or forward basis) or redeem all or any portion of Unpurchased Bonds through the issuance of publicly offered or privately placed tax-exempt or taxable bonds. The decision to undertake any such future transactions will depend on various factors existing at that time. There can be no assurance as to which of these alternatives, if any, the Authority may ultimately choose to pursue in the future. See Section 1, "Introduction – *Concurrent Forward Delivery of Unpurchased Bonds*" herein.

The Unpurchased Bonds will continue to be governed by their existing terms. Each of the Target Bonds is subject to redemption in whole or in part, at the option of the Authority on any date on or after August 1, 2025, at a redemption price equal to 100% of the principal amount of such Target Bonds or portions thereof to be redeemed plus accrued but unpaid interest to the date fixed for redemption.

The Dealer Manager is not acting as a financial or municipal advisor to the Authority in connection with the Tender Offer.

18. The Dealer Manager. References in this Invitation to the Dealer Manager is to Jefferies LLC only in its capacity as the Dealer Manager.

The Dealer Manager may contact Bondowners regarding the Tender Offer and may request brokers, dealers, custodian banks, depositories trust companies and other nominees to forward this Invitation to beneficial owners of the Target Bonds.

The Authority, subject to the terms of the Dealer Manager Agreement, will pay to the Dealer Manager customary fees for its services in connection with the Tender Offer. In addition, the Authority will pay the Dealer Manager its reasonable out-of-pocket costs and expenses relating to the Tender Offer.

The Dealer Manager, including its affiliates, are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Dealer Manager and its affiliates have, from time to time, performed, and may in the future perform, a variety of these services for the Authority, for which they received and or will receive customary fees and expenses. In the ordinary course of their various business activities, the Dealer Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities of the Dealer Manager and/or its affiliates may involve securities and instruments of the Authority, including but not limited to Target Bonds which may be tendered for purchase pursuant to this Invitation.

In addition to its role as Dealer Manager in connection with the Tender Offer, the Dealer Manager is currently expected to act as the senior managing underwriter of the Series 2024 Bonds anticipated to be issued by the Authority as described in the Refunding Bonds POS attached as Appendix A and, as such, they will receive compensation in connection with that transaction, as well as for acting as Dealer Manager in connection with the Tender Offer.

19. Information Agent and Tender Agent. The Authority has retained Globic Advisors to serve as Information Agent and Tender Agent in connection with the Tender Offer to advise the Authority and the Dealer Manager as to certain matters related to the Tender Offer. The Authority will pay the Information Agent and Tender Agent customary fees for its services and will reimburse the Information Agent and Tender Agent for its reasonable out-of-pocket costs and expenses relating to the Tender Offer, subject to the terms of the Dealer Manager Agreement.

20. Available Information; Contact Information. Certain information relating to the Target Bonds and the Authority may be obtained by contacting the Dealer Manager or the Information Agent and Tender Agent at the contact information set forth on the following page. Such information is limited to (i) the Invitation, including the information set forth in the

Refunding Bonds POS, which is attached hereto as Appendix A, and (ii) information about the Authority available through the EMMA Website. Investors with questions about the Tender Offer should contact the Dealer Manager or the Information Agent and Tender Agent utilizing the contact information below:

GLOBIC ADVISORS INC., *Invitation Agent and Tender Agent*

Attention: Robert Stevens
(212) 227-9622, rstevens@globic.com
Document Website: www.globic.com/jta

JEFFERIES LLC, *Dealer Manager*

Contact your Jefferies LLC Representative or
Jefferies LLC's Municipal Syndicate Desk, (800) 567-8567
muni_underwriting@jefferies.com

21. Miscellaneous. The Tender Offer is not being made to and offers will not be accepted from or on behalf of, Bondowners in any jurisdiction in which the Tender Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions whose laws require the Tender Offer to be made through a licensed or registered broker or dealer, the Tender Offer is being made on behalf of the Authority by the Dealer Manager.

No one has been authorized by the Authority, the Dealer Manager or the Information Agent and Tender Agent to recommend to any Bondowners whether to tender Target Bonds for purchase pursuant to this Invitation. No one has been authorized to give any information or to make any representation in connection with the Tender Offer other than those contained in this Invitation. Any recommendation, information and representations given or made cannot be relied upon as having been authorized by the Authority, the Dealer Manager or the Information Agent and Tender Agent.

None of the Authority, the Dealer Manager or the Information Agent and Tender Agent makes any recommendation that any Bondowner tender or refrain from tendering all or any portion of such Bondowner's Target Bonds for purchase. Bondowners must make these decisions and should consult with their broker, account executive, financial advisor, attorney and/or other appropriate professionals.

APPENDIX A
REFUNDING BONDS POS



NEW ISSUES - BOOK-ENTRY ONLY

RATINGS: See "RATINGS" herein

In the opinion of Nelson Mullins Riley & Scarborough LLP, Orlando, Florida, Bond Counsel, assuming continuing compliance by the Authority (as defined herein) with various covenants in the Trust Agreement (as defined herein), interest on the Refunding Bonds (as defined herein) is, under existing statutes, regulations, rulings and court decisions: (a) excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and (b) not an item of tax preference for purposes of the federal alternative minimum tax imposed on taxpayers other than corporations. See "TAX MATTERS" herein for a discussion of Bond Counsel's tax opinion and selected other U.S. tax consequences of ownership of the Refunding Bonds.



JACKSONVILLE TRANSPORTATION AUTHORITY	
\$27,490,000*	\$25,175,000*
SENIOR LIEN	SENIOR LIEN
LOCAL OPTION GAS TAX	LOCAL OPTION GAS TAX
REFUNDING REVENUE BONDS,	REFUNDING REVENUE BONDS,
SERIES 2024	SERIES 2025

Dated: Date of Delivery

Due: August 1, as shown on the inside front cover

This Official Statement relates to the issuance and sale by the Jacksonville Transportation Authority (the "Authority") of \$27,490,000* in aggregate principal amount of its Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2024 (the "Series 2024 Bonds") and \$25,175,000* in aggregate principal amount of its Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2025 (the "Series 2025 Forward Delivery Bonds" and together with the Series 2024 Bonds, the "Refunding Bonds").

The Authority has authorized the issuance of: (a) the Series 2024 Bonds pursuant to, among other things, (i) a resolution of the Authority adopted on September 19, 2024 (the "Bond Resolution") and (ii) that certain Master Trust Agreement, dated as of January 1, 2015 (the "Master Trust Agreement"), as previously supplemented by that certain Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of January 1, 2015, as previously supplemented (the "2015 Supplemental Agreement"), particularly as supplemented by that certain Second Supplement to Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of October 1, 2024 (the "Second Supplement"), each between the Authority and Regions Bank, as trustee (the "Trustee"); and (b) the Series 2025 Forward Delivery Bonds pursuant to, among other things, the (i) Bond Resolution, (ii) the Master Trust Agreement, and (iii) the 2015 Supplemental Agreement, particularly as supplemented by that certain Third Supplement to Supplemental Trust Agreement (Local Option Gas Tax Revenues), expected to be dated as of May 1, 2025 (the "Third Supplement"), between the Authority and the Trustee. The Master Trust Agreement, the 2015 Supplemental Agreement, the Second Supplement, and the Third Supplement are collectively referred to herein as the "Trust Agreement." See "INTRODUCTION - Authorization for the Refunding Bonds" herein. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned in the Trust Agreement. See "APPENDIX A - COPY OF MASTER TRUST AGREEMENT," "APPENDIX B - COPY OF 2015 SUPPLEMENTAL AGREEMENT," "APPENDIX C-1 - FORM OF SECOND SUPPLEMENT," and "APPENDIX C-2 - FORM OF THIRD SUPPLEMENT" attached hereto.

The Refunding Bonds are being issued by the Authority as part of a plan of finance to purchase, refund, pay, redeem, and defease all of its outstanding Series 2015 Bonds (as defined herein). The proceeds of the Series 2024 Bonds will be used by the Authority to provide funds, together with other available funds of the Authority, to: (a) purchase, in connection with a tender offer relating to certain of the Series 2015 Bonds (the "Tender Offer"), the portion of the Series 2015 Bonds tendered for purchase pursuant to the Tender Offer subject to the terms and conditions set forth in the Invitation (as defined herein) and (b) pay certain costs of issuance in connection with the issuance of the Series 2024 Bonds and the Tender Offer. The proceeds of the Series 2025 Forward Delivery Bonds will be used by the Authority to provide funds, together with other available funds of the Authority, to: (a) refund and defease all of the Series 2015 Bonds that are not purchased pursuant to the Tender Offer to their first optional redemption date of August 1, 2025, (b) pay and defease the August 1, 2025 maturity of the Series 2015 Bonds that is not included in the Tender Offer on August 1, 2025, and (c) pay certain costs of issuance in connection with the issuance of the Series 2025 Forward Delivery Bonds. See "PLAN OF REFUNDING," "ESTIMATED SOURCES AND USES OF FUNDS" and "OUTSTANDING SENIOR LIEN INDEBTEDNESS - Senior Lien Bonds" herein.

The Refunding Bonds will be issued as fully registered bonds, without coupons, in denominations of \$5,000 and any integral multiple thereof and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Purchases of beneficial ownership interests in the Refunding Bonds will be made in book-entry form only and purchasers of beneficial interests in the Refunding Bonds will not receive physical delivery of bond certificates. Payments of principal of, premium, if any, and interest on, any Refunding Bond will be made to Cede & Co., as nominee for DTC, as registered owner of the Refunding Bonds, by Regions Bank, as registrar and paying agent, to be subsequently disbursed to the Beneficial Owners (as defined in Appendix H attached hereto) of the Refunding Bonds. See "APPENDIX H - DTC AND THE BOOK-ENTRY ONLY SYSTEM" attached hereto.

The Series 2024 Bonds will bear interest at the rates set forth on the inside front cover page of this Official Statement and be payable semiannually on February 1 and August 1 of each year, commencing on February 1, 2025 until maturity of the Series 2024 Bonds. The Series 2025 Forward Delivery Bonds will bear interest at the rates set forth on the inside front cover page of this Official Statement and be payable semiannually on February 1 and August 1 of each year, commencing on August 1, 2025 until maturity of the Series 2025 Forward Delivery Bonds. The Refunding Bonds shall mature on August 1 in the years and in the principal amounts, and shall bear interest at the rates set forth on the inside front cover page hereof. See "DESCRIPTION OF THE REFUNDING BONDS - General" herein.

The Refunding Bonds are payable solely from and secured by a pledge of and lien on the Trust Estate (LOGT) on a parity with the Outstanding Senior Lien Bonds (as defined herein) and any additional Senior Lien Indebtedness hereafter issued pursuant to the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE REFUNDING BONDS," "LOCAL OPTION GAS TAX" and "ESTIMATED DEBT SERVICE REQUIREMENTS" herein and "APPENDIX A - COPY OF MASTER TRUST AGREEMENT," "APPENDIX B - COPY OF 2015 SUPPLEMENTAL AGREEMENT," "APPENDIX C-1 - FORM OF SECOND SUPPLEMENT," "APPENDIX C-2 - FORM OF THIRD SUPPLEMENT," and "APPENDIX D - COPY OF THE 2014 INTERLOCAL AGREEMENT" attached hereto.

NEITHER THE STATE OF FLORIDA (THE "STATE"), THE CITY OF JACKSONVILLE, FLORIDA (THE "CITY"), NOR ANY POLITICAL SUBDIVISION OF THE STATE SHALL BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE REFUNDING BONDS, AND THE FULL FAITH AND CREDIT OF THE STATE, THE CITY OR OF ANY POLITICAL SUBDIVISION OF THE STATE SHALL NOT BE DEEMED TO HAVE BEEN PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE REFUNDING BONDS. THE AUTHORITY HAS NO TAXING POWER. NO BENEFICIAL OWNER OF ANY OF THE REFUNDING BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE STATE, THE CITY OR ANY POLITICAL SUBDIVISION OF THE STATE, OR TAXATION IN ANY FORM OF REAL PROPERTY THEREIN, OR THE APPLICATION OF ANY FUNDS, OTHER THAN FUNDS PLEDGED TO THE PAYMENT OF THE REFUNDING BONDS. THE REFUNDING BONDS ARE NOT SECURED BY A MORTGAGE ON OR SECURITY INTEREST IN ANY OF THE REAL OR PERSONAL PROPERTY CONSTITUTING PART OF THE INITIAL PROJECT (AS DEFINED HEREIN).

This cover page contains certain limited information for quick reference only. It is not, and is not intended to be, a summary of all the matters relating to the Refunding Bonds. Potential investors should read the entire Official Statement (including the cover page, the inside front cover page, and all appendices attached hereto) to obtain information essential to the making of an informed investment decision.

The Refunding Bonds are being offered when, as, and if issued by the Authority and received by the underwriters subject to the prior sale and to withdrawal or modification of the offer without notice, and subject to the approving opinion of Nelson Mullins Riley & Scarborough LLP, Orlando, Florida, as Bond Counsel. Certain legal matters in connection with the Refunding Bonds will be passed upon for the Authority by Nelson Mullins Riley & Scarborough LLP, Orlando, Florida, in its capacity as general counsel to the Authority. Greenberg Traurig, P.A., Orlando, Florida, has served as Disclosure Counsel in connection with the Refunding Bonds. Certain legal matters in connection with the Refunding Bonds will be passed upon for the underwriters by Foley & Lardner LLP, Orlando, Florida. Public Resources Advisory Group, Inc., St. Petersburg, Florida, is serving as Municipal Advisor to the Authority in connection with the Refunding Bonds. The Series 2024 Bonds are expected to be delivered through DTC on or about October 22, 2024. The Series 2025 Forward Delivery Bonds are expected to be delivered through DTC on or about May 7, 2025. See "CERTAIN FORWARD DELIVERY CONSIDERATIONS, RISKS, AND ACKNOWLEDGEMENTS WITH RESPECT TO THE SERIES 2025 FORWARD DELIVERY BONDS" herein.

Jefferies

Wells Fargo Securities

Academy Securities, Inc.

_____, 2024

* Preliminary, subject to change.

This Preliminary Official Statement and any information contained herein are subject to completion and amendment. Under no circumstances may this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Refunding Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
YIELDS, PRICES, AND INITIAL CUSIP NUMBERS[†]**

\$27,490,000*

**JACKSONVILLE TRANSPORTATION AUTHORITY
SENIOR LIEN LOCAL OPTION GAS TAX REFUNDING REVENUE BONDS,
SERIES 2024**

Maturity* (August 1)	Principal Amount	Interest Rate	Yield	Price	Initial CUSIP Number[†]
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					

* Preliminary, subject to change.

[†] Initial CUSIP[®] numbers have been assigned to the Series 2024 Bonds by an organization not affiliated with the Authority or the Municipal Advisor (as defined herein) and are included for the convenience of the owners of the Series 2024 Bonds only at the time of initial issuance of the Series 2024 Bonds. CUSIP[®] is a registered trademark of the American Bankers Association. None of the Authority, the Municipal Advisor, or the Underwriters (as defined herein) or their agents or counsel is responsible for the selection, use or accuracy of the CUSIP[®] numbers nor is any representation made as to the accuracy of the CUSIP[®] numbers with respect to the Series 2024 Bonds as included herein or at any time in the future. The CUSIP[®] number for a specific maturity is subject to being changed after the initial issuance of such Series 2024 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such maturity of the Series 2024 Bonds.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
YIELDS, PRICES, AND INITIAL CUSIP NUMBERS[†]**

\$25,175,000*

**JACKSONVILLE TRANSPORTATION AUTHORITY
SENIOR LIEN LOCAL OPTION GAS TAX REFUNDING REVENUE BONDS,
SERIES 2025**

Maturity* (August 1)	Principal Amount	Interest Rate	Yield	Price	Initial CUSIP Number[†]
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					

* Preliminary, subject to change.

[†] Initial CUSIP[®] numbers have been assigned to the Series 2025 Forward Delivery Bonds by an organization not affiliated with the Authority or the Municipal Advisor (as defined herein) and are included for the convenience of the owners of the Series 2025 Forward Delivery Bonds only at the time of initial issuance of the Series 2025 Forward Delivery Bonds. CUSIP[®] is a registered trademark of the American Bankers Association. None of the Authority, the Municipal Advisor, or the Underwriters (as defined herein) or their agents or counsel is responsible for the selection, use or accuracy of the CUSIP[®] numbers nor is any representation made as to the accuracy of the CUSIP[®] numbers with respect to the Series 2025 Forward Delivery Bonds as included herein or at any time in the future. The CUSIP[®] number for a specific maturity is subject to being changed after the initial issuance of such Series 2025 Forward Delivery Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such maturity of the Series 2025 Forward Delivery Bonds.

JACKSONVILLE TRANSPORTATION AUTHORITY

BOARD OF DIRECTORS

Debbie Buckland, *Chair*
G. Ray Driver, Jr., *Vice Chair*
Patricia Gillum Sams, *Treasurer*
Aundra Wallace, *Secretary*
Ari Jolly, *Immediate Past Chair*
Megan Hayward, *Member*
Greg Evans, P.E., *Ex-Officio Board Member & FDOT District Two Secretary*

MANAGEMENT

Nathaniel P. Ford Sr., *Chief Executive Officer*
Cleveland Ferguson III, *Executive Vice President/Chief Administrative Officer*
Greer J. Gillis, *Senior Vice President/Chief Infrastructure & Development Officer*
Jeffrey H. Smith, *Senior Vice President/Chief Operating Officer*
Raj Srinath, *Senior Vice President/Chief Financial Officer*

COUNSEL TO THE AUTHORITY

Nelson Mullins Riley & Scarborough LLP
Orlando, Florida

BOND COUNSEL

Nelson Mullins Riley & Scarborough LLP
Orlando, Florida

DISCLOSURE COUNSEL

Greenberg Traurig, P.A.
Orlando, Florida

MUNICIPAL ADVISOR

Public Resources Advisory Group, Inc.
St. Petersburg, Florida

NO DEALER, BROKER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED BY THE AUTHORITY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT, IN CONNECTION WITH THE OFFERING OF THE REFUNDING BONDS, BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE AUTHORITY. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE REFUNDING BONDS AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE REFUNDING BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT BETWEEN THE AUTHORITY AND ANY ONE OR MORE OF THE PURCHASERS OF THE REFUNDING BONDS. STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT WHICH INVOLVE ESTIMATES, FORECASTS OR MATTERS OF OPINION, WHETHER OR NOT EXPRESSLY SO DESCRIBED IN THIS OFFICIAL STATEMENT, ARE INTENDED SOLELY AS SUCH AND ARE NOT TO BE CONSTRUED AS REPRESENTATIONS OF FACTS.

THE REFUNDING BONDS HAVE NOT BEEN REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE TRUST AGREEMENT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE REFUNDING BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE REFUNDING BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE REFUNDING BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE AUTHORITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THE AUTHORITY IS INCLUDING THE FOLLOWING STATEMENT IN THIS OFFICIAL STATEMENT BASED UPON LONG STANDING HISTORICAL PRACTICES OF MUNICIPAL ISSUERS IN THE STATE OF FLORIDA, AND THE AUTHORITY AND THE UNDERWRITERS MAKE NO STATEMENT OR REPRESENTATION AS TO THE ACCURACY OR APPLICABILITY OF THE FOLLOWING STATEMENT TO THIS PARTICULAR TRANSACTION: IN CONNECTION WITH THIS OFFERING OF THE REFUNDING BONDS, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE REFUNDING BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE

PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT HAS BEEN COMPILED OR PREPARED FROM INFORMATION OBTAINED FROM THE AUTHORITY, PUBLICLY AVAILABLE DOCUMENTS AND OTHER SOURCES CONSIDERED TO BE RELIABLE AND, WHILE NOT GUARANTEED AS TO COMPLETENESS OR ACCURACY, IS BELIEVED TO BE CORRECT AS OF THIS DATE. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE THE IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE MATTERS DESCRIBED HEREIN SINCE THE DATE HEREOF.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN, INCLUDING THE AUTHORITY'S WEBSITE OR ANY OTHER WEBSITE CONTAINING INFORMATION ABOUT THE AUTHORITY, ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR ANY PURPOSE INCLUDING FOR PURPOSES OF RULE 15c2-12 PROMULGATED BY THE SEC ("RULE 15c2-12") PURSUANT TO THE SECURITIES EXCHANGE ACT OF 1934. THE ORDER AND PLACEMENT OF INFORMATION IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES ATTACHED HERETO, ARE NOT AN INDICATION OF RELEVANCE, MATERIALITY OR RELATIVE IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES ATTACHED HERETO, SHOULD BE READ IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE ONLY AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISION OR SECTION IN THIS OFFICIAL STATEMENT.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. PROSPECTIVE PURCHASERS MAY RELY ON THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT IN THE ORIGINAL BOUND FORMAT OR IF IT IS PRINTED OR SAVED IN FULL FROM SUCH WEBSITES; PROVIDED, HOWEVER, THAT PROSPECTIVE PURCHASERS SHOULD READ THE ENTIRE OFFICIAL STATEMENT (INCLUDING THE COVER PAGE, THE INSIDE FRONT COVER PAGE AND ALL APPENDICES ATTACHED HERETO) TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS

PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT, OTHER THAN WITH RESPECT TO THE "UNDERWRITING" SECTION, THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE AUTHORITY FOR PURPOSES OF PARAGRAPH (b)(1) OF RULE 15c2-12 EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO PARAGRAPH (b)(1) OF RULE 15c2-12.

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OFFICIAL STATEMENT

relating to

JACKSONVILLE TRANSPORTATION AUTHORITY

\$27,490,000*
SENIOR LIEN
LOCAL OPTION GAS TAX
REFUNDING REVENUE BONDS,
SERIES 2024

\$25,175,000*
SENIOR LIEN
LOCAL OPTION GAS TAX
REFUNDING REVENUE BONDS,
SERIES 2025

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover page, the inside front cover page, and the appendices attached hereto, is to provide certain information in connection with the issuance and sale by the Jacksonville Transportation Authority (the "Authority") of \$27,490,000* in aggregate principal amount of its Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2024 (the "Series 2024 Bonds") and \$25,175,000* in aggregate principal amount of its Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2025 (the "Series 2025 Forward Delivery Bonds" and together with the Series 2024 Bonds, the "Refunding Bonds"). All capitalized terms used herein and not otherwise defined herein have the meanings assigned in the hereinafter defined Trust Agreement. See "APPENDIX A – COPY OF MASTER TRUST AGREEMENT," "APPENDIX B – COPY OF 2015 SUPPLEMENTAL AGREEMENT," "APPENDIX C-1 – FORM OF SECOND SUPPLEMENT," and "APPENDIX C-2 – FORM OF THIRD SUPPLEMENT" attached hereto.

This introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, the more complete and detailed information contained in the entire Official Statement, including the cover page, the inside front cover page, and the appendices attached hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement and of the documents summarized or described herein. The offering of the Refunding Bonds to potential investors is made only by means of the entire Official Statement, including the appendices attached hereto. No person is authorized to detach this introduction from this Official Statement or to otherwise use it without the entire Official Statement including the appendices attached hereto.

Jacksonville Transportation Authority

The Authority is a body politic and corporate and an agency of the State of Florida (the "State") duly organized and existing under the Constitution of the State, Chapter 349, Florida Statutes (the "Act") and other applicable laws of the State. The Act allows the Authority to issue

* Preliminary, subject to change.

revenue bonds for the purpose of developing, financing, constructing, owning, leasing, purchasing, relocating, equipping, and repairing, public transportation projects that are intended to address critical transportation needs or concerns in the City of Jacksonville, Florida (the "City"), Duval County, Florida ("Duval County"), metropolitan area. See "JACKSONVILLE TRANSPORTATION AUTHORITY" herein.

Authorization for the Refunding Bonds

The Series 2024 Bonds are being issued pursuant to, among other things, (a) the Act, (b) an Interlocal Agreement between the Authority and the City dated as of July 29, 2014 (the "2014 Interlocal Agreement"), (c) a resolution of the Authority adopted on September 19, 2024 (the "Bond Resolution"), and (d) that certain Master Trust Agreement, dated as of January 1, 2015 (the "Master Trust Agreement"), as previously supplemented by that certain Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of January 1, 2015, as previously supplemented (the "2015 Supplemental Agreement"), particularly as supplemented by that certain Second Supplement to Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of October 1, 2024 (the "Second Supplement") each between the Authority and Regions Bank, as trustee (the "Trustee").

The Series 2025 Forward Delivery Bonds are being issued pursuant to, among other things, (a) the Act, (b) the 2014 Interlocal Agreement, (c) the Bond Resolution, (d) the Master Trust Agreement, and (e) the 2015 Supplemental Agreement, particularly as supplemented by that certain Third Supplement to Supplemental Trust Agreement (Local Option Gas Tax Revenues), expected to be dated as of May 1, 2025 (the "Third Supplement"), between the Authority and the Trustee.

The Master Trust Agreement, the 2015 Supplemental Agreement, the Second Supplement, and the Third Supplement are collectively referred to herein as the "Trust Agreement." See "APPENDIX A – COPY OF MASTER TRUST AGREEMENT," "APPENDIX B – COPY OF 2015 SUPPLEMENTAL AGREEMENT," "APPENDIX C-1 – FORM OF SECOND SUPPLEMENT," and "APPENDIX C-2 – FORM OF THIRD SUPPLEMENT" attached hereto.

Purpose of the Refunding Bonds

The Refunding Bonds are being issued by the Authority as part of a plan of finance to purchase, refund, pay, redeem, and defease all of its outstanding Series 2015 Bonds (as defined herein). The proceeds of the Series 2024 Bonds will be used by the Authority to provide funds, together with other available funds of the Authority, to: (a) purchase, in connection with a tender offer relating to certain of the Series 2015 Bonds (the "Tender Offer"), the portion of the Series 2015 Bonds tendered for purchase pursuant to the Tender Offer (the "Purchased Series 2015 Bonds") subject to the terms and conditions set forth in the Invitation (as defined herein) and (b) pay certain costs of issuance in connection with the issuance of the Series 2024 Bonds and the Tender Offer. The proceeds of the Series 2025 Forward Delivery Bonds will be used by the Authority to provide funds, together with other available funds of the Authority, to: (a) refund and defease all of the Series 2015 Bonds that are not purchased pursuant to the Tender Offer to their first optional redemption date of August 1, 2025, (b) pay and defease the August 1, 2025 maturity of the Series 2015 Bonds that is not included in the Tender Offer on August 1, 2025, and (c) pay

certain costs of issuance in connection with the issuance of the Series 2025 Forward Delivery Bonds. See "PLAN OF REFUNDING," "ESTIMATED SOURCES AND USES OF FUNDS" and "OUTSTANDING SENIOR LIEN INDEBTEDNESS – Senior Lien Bonds" herein.

See "PLAN OF REFUNDING," "ESTIMATED SOURCES AND USES OF FUNDS" and "OUTSTANDING SENIOR LIEN INDEBTEDNESS – Senior Lien Bonds" herein.

Description of the Refunding Bonds

The Refunding Bonds will be issued as fully registered bonds, without coupons, in denominations of \$5,000 and any integral multiple thereof ("Authorized Denominations") and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Purchases of beneficial ownership interests in the Refunding Bonds will be made in book-entry form only and purchasers of beneficial interests in the Refunding Bonds will not receive physical delivery of bond certificates. Payments of principal of, premium, if any, and interest on, any Refunding Bond will be made to Cede & Co., as nominee for DTC, as registered owner of the Refunding Bonds, by Regions Bank, as registrar and paying agent (the "Bond Registrar"), to be subsequently disbursed to the Beneficial Owners (as defined in Appendix H attached hereto) of the Refunding Bonds. See "APPENDIX H – DTC AND THE BOOK-ENTRY ONLY SYSTEM" attached hereto.

The Series 2024 Bonds will bear interest at the rates set forth on the inside front cover page of this Official Statement and be payable semiannually on February 1 and August 1 of each year, commencing on February 1, 2025 until maturity of the Series 2024 Bonds. The Series 2025 Forward Delivery Bonds will bear interest at the rates set forth on the inside front cover page of this Official Statement and be payable semiannually on February 1 and August 1 of each year, commencing on August 1, 2025 until maturity of the Series 2025 Forward Delivery Bonds. The Refunding Bonds shall mature on August 1 in the years and in the principal amounts, and shall bear interest at the rates set forth on the inside front cover page hereof. See "DESCRIPTION OF THE REFUNDING BONDS – General" herein.

Security and Sources of Payment for the Refunding Bonds

The Refunding Bonds are payable solely from and secured by a pledge of and lien on the Trust Estate (LOGT) on a parity with the Outstanding Senior Lien Bonds (as defined herein) and any additional Senior Lien Indebtedness hereafter issued pursuant to the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE REFUNDING BONDS," "LOCAL OPTION GAS TAX" and "ESTIMATED DEBT SERVICE REQUIREMENTS" herein and "APPENDIX A – COPY OF MASTER TRUST AGREEMENT," "APPENDIX B – COPY OF 2015 SUPPLEMENTAL AGREEMENT," "APPENDIX C-1 – FORM OF SECOND SUPPLEMENT," "APPENDIX C-2 – FORM OF THIRD SUPPLEMENT," and "APPENDIX D – COPY OF THE 2014 INTERLOCAL AGREEMENT" attached hereto.

NEITHER THE STATE OF FLORIDA, THE CITY, NOR ANY POLITICAL SUBDIVISION OF THE STATE SHALL BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE REFUNDING BONDS, AND THE FULL FAITH AND CREDIT OF THE STATE, THE CITY OR OF ANY POLITICAL

SUBDIVISION OF THE STATE SHALL NOT BE DEEMED TO HAVE BEEN PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE REFUNDING BONDS. THE AUTHORITY HAS NO TAXING POWER. NO BENEFICIAL OWNER OF ANY OF THE REFUNDING BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE STATE, THE CITY OR ANY POLITICAL SUBDIVISION OF THE STATE, OR TAXATION IN ANY FORM OF REAL PROPERTY THEREIN, OR THE APPLICATION OF ANY FUNDS, OTHER THAN FUNDS PLEDGED TO THE PAYMENT OF THE REFUNDING BONDS. THE REFUNDING BONDS ARE NOT SECURED BY A MORTGAGE ON OR SECURITY INTEREST IN ANY OF THE REAL OR PERSONAL PROPERTY CONSTITUTING PART OF THE INITIAL PROJECT (AS DEFINED HEREIN).

Continuing Disclosure

In order to assist the Underwriters (as defined herein) in complying with paragraph (b)(5) of Rule 15c2-12 of the U.S. Securities and Exchange Commission (the "SEC") promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as in effect on the date hereof (the "Rule"), simultaneously with the issuance of the Series 2024 Bonds and the Series 2025 Forward Delivery Bonds, the Authority, as an "obligated person" under the Rule, will enter into two separate continuing disclosure agreements (together, the "Continuing Disclosure Agreements") with Digital Assurance Certification, L.L.C., as initial disclosure dissemination agent (the "Dissemination Agent"), under which the Authority will undertake to provide continuing disclosure with respect to: (a) the Authority, the Local Option Gas Tax, and the Series 2024 Bonds for the benefit of the Holders of the Series 2024 Bonds and (b) the Authority, the Local Option Gas Tax, and the Series 2025 Forward Delivery Bonds for the benefit of the Holders of the Series 2025 Forward Delivery Bonds. See "CONTINUING DISCLOSURE" herein and "APPENDIX F-1 - FORM OF CONTINUING DISCLOSURE AGREEMENT RELATING TO THE SERIES 2024 BONDS" and "APPENDIX F-2 - FORM OF CONTINUING DISCLOSURE AGREEMENT RELATING TO THE SERIES 2025 FORWARD DELIVERY BONDS" attached hereto.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement contains brief descriptions of, among other matters, the Authority, the Local Option Gas Tax (as defined herein), the Refunding Bonds, and the security and sources of payment for the Refunding Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The Master Trust Agreement, the 2015 Supplemental Agreement, the Second Supplement, the Third Supplement, the 2014 Interlocal Agreement, and the Continuing Disclosure Agreements are attached hereto as appendices in their entirety. References herein to (a) the Series 2024 Bonds are qualified in their entirety to the form thereof included in the Second Supplement and (b) the Series 2025 Forward Delivery Bonds are qualified in their entirety to the form thereof included in the Third Supplement. Summaries of the Act and various constitutional provisions, statutes, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents. To the extent not provided as an appendix hereto, copies of the Act and other documents referred to herein may be obtained upon written request and payment of any applicable charge for copying, mailing and handling,

from the Office of the Chief Financial Officer, 100 LaVilla Center Drive, Jacksonville, Florida 32204.

PLAN OF REFUNDING

The Refunding Bonds are being issued as part of a plan of finance to purchase, refund, pay, redeem, and defease all of the Authority's outstanding Senior Lien Local Option Gas Tax Revenue Bonds, Series 2015 (the "Series 2015 Bonds"). The Purchased Series 2015 Bonds will be purchased with a portion of the proceeds of the Series 2024 Bonds, together with other available funds of the Authority, pursuant to the Tender Offer subject to the terms and conditions set forth in the Invitation to Tender Bonds dated September 23, 2024 (the "Invitation") and subsequently cancelled. Series 2015 Bonds that are not Purchased Series 2015 Bonds and the August 1, 2025 maturity of the Series 2015 Bonds that is not included in the Tender Offer (collectively, the "Refunded Series 2015 Bonds") will be refunded and defeased to their first optional redemption date of August 1, 2025 and paid and defeased on August 1, 2025, respectively, with a portion of the proceeds of the Series 2025 Forward Delivery Bonds and other available funds of the Authority, all as more fully described below.

Series 2024 Bonds; Purchase of the Purchased Series 2015 Bonds

The proceeds of the Series 2024 Bonds will be used by the Authority to provide funds, together with other available funds of the Authority, to: (a) purchase the Purchased Series 2015 Bonds in accordance with the Tender Offer subject to the terms and conditions of the Invitation and (b) pay certain costs of issuance in connection with the issuance of the Series 2024 Bonds and the Tender Offer. See "ESTIMATED SOURCES AND USES OF FUNDS" and "OUTSTANDING SENIOR LIEN INDEBTEDNESS – Senior Lien Bonds" herein.

The Authority, with the assistance of Jefferies LLC ("Jefferies"), in its capacity as dealer manager (the "Dealer Manager"), released the Invitation inviting owners of certain of the outstanding Series 2015 Bonds to tender such Series 2015 Bonds for purchase by the Authority and subsequent cancellation. The offer to purchase Purchased Series 2015 Bonds is made solely through the Invitation subject to the terms and conditions set forth therein and no such offer is being made pursuant to this Official Statement. The purchase by the Authority of any of the Purchased Series 2015 Bonds pursuant to the Invitation is contingent on the issuance of the Series 2024 Bonds as well various other terms and conditions set forth in the Invitation. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Promptly following (a) the delivery of the Series 2024 Bonds and (b) the payment by the Authority of the purchase price for the Purchased Series 2015 Bonds, the Authority will instruct the Trustee to cause such Purchased Series 2015 Bonds to be cancelled and retired. Upon their purchase and cancellation, the Purchased Series 2015 Bonds will no longer be outstanding.

Series 2025 Forward Delivery Bonds; Refunding of the Refunded Series 2015 Bonds

The proceeds of the Series 2025 Forward Delivery Bonds will be used by the Authority to provide funds, together with other available funds of the Authority, to: (a) refund, pay, redeem, and defease all of the Refunded Series 2015 Bonds and (b) pay certain costs of issuance in

connection with the issuance of the Series 2025 Forward Delivery Bonds. See "PLAN OF REFUNDING – Series 2024 Bonds; Purchase of the Purchased Series 2015 Bonds," "CERTAIN FORWARD DELIVERY CONSIDERATIONS, RISKS, AND ACKNOWLEDGEMENTS WITH RESPECT TO THE SERIES 2025 FORWARD DELIVERY BONDS," and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The following table presents the Series 2015 Bonds, the Purchased Series 2015 Bonds, and the Refunded Series 2015 Bonds.

Series 2015 Bonds						
CUSIP Number[†]	Maturity Date (August 1)	Par Call Date (August 1)	Interest Rate	Outstanding Principal Amount	Purchased Series 2015 Bonds	Refunded Series 2015 Bonds
469494AJ7	2025	-	5.00%	\$4,345,000		
469494AK4	2026	2025	5.00	4,565,000		
469494AL2	2027	2025	5.00	4,790,000		
469494AM0	2028	2025	5.00	5,030,000		
469494AN8	2029	2025	5.00	5,285,000		
469494AP3	2030	2025	5.00	5,550,000		
469494AQ1	2031	2025	5.00	5,825,000		
469494AR9	2032	2025	5.00	6,115,000		
469494AS7	2033	2025	5.00	6,420,000		
469494AT5	2034	2025	5.00	6,745,000		
469494AU2	2035	2025	5.00	7,080,000		
469494AV0	2036	2025	5.00	7,435,000		

To effect the refunding and defeasance of all of the Refunded Series 2015 Bonds, the Authority will enter into an Escrow Deposit Agreement (the "Escrow Agreement") with Regions Bank, as escrow agent (in that capacity, the "Escrow Agent") on or prior to the delivery of the Series 2025 Forward Delivery Bonds. Pursuant to the terms of the Escrow Agreement, on the date of issuance of the Series 2025 Forward Delivery Bonds, the Authority will deposit a portion of the proceeds of the Series 2025 Forward Delivery Bonds and other available funds of the Authority with the Escrow Agent for deposit to the credit of the Escrow Deposit Fund established under the Escrow Agreement (the "Escrow Fund"). Such monies, together with the proceeds of any investment of the same, will be applied to pay the principal of and accrued interest on the Refunded Series 2015 Bonds as provided in the Escrow Agreement. Such refunding and defeasance of all of the Refunded Series 2015 Bonds is contingent on the issuance of the Series 2025 Forward Delivery Bonds. See "CERTAIN FORWARD DELIVERY CONSIDERATIONS, RISKS, AND ACKNOWLEDGEMENTS WITH RESPECT TO THE SERIES 2025 FORWARD DELIVERY BONDS" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

[†] CUSIP® numbers have been assigned to the Series 2015 Bonds by an organization not affiliated with the Authority or the Municipal Advisor and are included for the convenience of the owners of the Series 2015 Bonds. CUSIP® is a registered trademark of the American Bankers Association. None of the Authority, the Municipal Advisor, or the Underwriters or their agents or counsel is responsible for the selection, use or accuracy of the CUSIP® numbers nor is any representation made as to the accuracy of the CUSIP® numbers with respect to the Series 2015 Bonds as included herein or at any time in the future. The CUSIP® number for a specific maturity is subject to being changed after the initial issuance of such Series 2015 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such maturity of the Series 2015 Bonds.

**CERTAIN FORWARD DELIVERY CONSIDERATIONS,
RISKS, AND ACKNOWLEDGEMENTS WITH RESPECT TO THE
SERIES 2025 FORWARD DELIVERY BONDS**

The following information includes summaries of certain provisions of the Forward Delivery Bond Purchase Agreement and such summaries are qualified in their entirety by reference to the Forward Delivery Bond Purchase Agreement. See "INTRODUCTION – Other Information" herein.

General

The Authority and Jefferies, on behalf of itself and the other underwriters listed in the inside front cover page of this Official Statement (collectively, the "Underwriters"), expect to enter into a Forward Delivery Bond Purchase Agreement relating to the Series 2025 Forward Delivery Bonds (the "Forward Delivery Bond Purchase Agreement") on or about October 9, 2024 (the "Forward Delivery Sale Date"). Subject to the terms of the Forward Delivery Bond Purchase Agreement, the Authority expects to issue and deliver the Series 2025 Forward Delivery Bonds and the Underwriters expect to purchase the Series 2025 Forward Delivery Bonds on or about May 7, 2025 or on such later date as is mutually agreed upon by the Authority and Jefferies (the "Settlement Date").

An initial closing will be held with respect to the Series 2025 Forward Delivery Bonds on or about October 22, 2024 (the "Initial Closing Date"). The obligation of the Underwriters to purchase the Series 2025 Forward Delivery Bonds from the Authority is subject to the satisfaction of certain conditions on or before: (a) the Forward Delivery Sale Date, (b) the Initial Closing Date, and (c) the Settlement Date. Because of the forward delivery in connection with the sale and settlement of the Series 2025 Forward Delivery Bonds, there are certain additional termination rights and settlement conditions that are not generally present in bond transactions that do not involve a forward delivery, and certain of those additional rights and conditions are summarized below.

Upon satisfaction of the conditions of the Initial Closing Date, and subject to compliance with the conditions described below and in the Forward Delivery Bond Purchase Agreement, the Underwriters will be obligated to take delivery of and pay for the Series 2025 Forward Delivery Bonds on the Settlement Date. There will be no delivery of the Series 2025 Forward Delivery Bonds or any payment therefor on the date of the Initial Closing Date.

Settlement Date

The Underwriters' obligations under the Forward Delivery Bond Purchase Agreement to purchase, accept delivery of, and pay for the Series 2025 Forward Delivery Bonds on the Settlement Date are conditioned upon the performance by the Authority of its obligations thereunder, the delivery of certain certificates and legal opinions, including, but not limited to, delivery of an opinion of Bond Counsel substantially in the form set forth in "APPENDIX G-2 – FORM OF OPINION OF BOND COUNSEL RELATING TO THE SERIES 2025 FORWARD DELIVERY BONDS" attached hereto, and the satisfaction of other conditions as of the Settlement Date. The Underwriters may terminate the Forward Delivery Bond Purchase

Agreement without liability at any time after the Initial Closing Date and on or prior to the delivery of and payment for the Series 2025 Forward Delivery Bonds (the "Settlement") if, during the Delayed Delivery Period (as defined herein):

(a) there is a "Change in Law," which means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; (ii) any legislation enacted by the Congress of the United States or introduced therein or recommended for passage by the President of the United States (if such enacted, introduced or recommended legislation has a proposed effective date which is on or before the Settlement Date); (iii) any law, rule or regulation proposed or enacted by any governmental body, department or agency (if such proposed or enacted law, rule or regulation has a proposed effective date which is on or before the Settlement Date); (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case (as provided in (i)-(iv) above), would, (A) as to Jefferies, legally prohibit (or have the retroactive effect of prohibiting, if enacted, adopted, passed or finalized) Jefferies from accepting delivery of and paying for the Series 2025 Forward Delivery Bonds in accordance with the provisions of the Forward Delivery Bond Purchase Agreement, (B) as to the Authority, would make the sale or issuance and delivery of the Series 2025 Forward Delivery Bonds illegal (or have the retroactive effect of making such sale, issuance, or delivery illegal, if enacted, adopted, passed or finalized), or (C) require the Series 2025 Forward Delivery Bonds to be registered under the Securities Act of 1933, as amended (the "Securities Act") or the Exchange Act or the Trust Agreement to be qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") (or have the retroactive effect of requiring such registration or qualification if enacted, passed, finalized, or adopted); provided, however, that such change in or addition to law, legislation, rule or regulation, or judgment, ruling or order described in (i) through (iv) above shall have become effective, been enacted, introduced or recommended, or been proposed or been issued, as the case may be, subsequent to the date of execution of the Forward Delivery Bond Purchase Agreement; or (D) a stop order, ruling, regulation, or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance or sale of the Series 2025 Forward Delivery Bonds, or the delivery of the Trust Agreement is or would be in violation of any provision of the federal securities laws, including the Securities Act, the Exchange Act, or the Trust Indenture Act. If the Change in Law involves the enactment of legislation which only diminishes the value of, as opposed to eliminating the exclusion from gross income for federal income tax purposes, interest payable on "state or local bonds," Jefferies would not have the right to terminate its obligations thereunder and would be required to accept delivery of the Series 2025 Forward Delivery Bonds.

(b) any of the following events occur (each, a "Termination Event"):

(i) Legislation shall be enacted by the Congress of the United States, or a bill introduced (by amendment or otherwise) or favorably reported or passed by either the House of Representatives ("House") or the Senate of the Congress of the United States or any committee of the House or Senate, or a conference committee of such House and Senate makes a report (or takes any other action), or a decision by a court of the United States or the Tax Court of the United States shall be rendered, or a ruling, regulation or temporary regulation, release, announcement or fiscal action shall be issued or proposed

by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency with respect to or having the purpose or effect of changing directly or indirectly the federal income tax consequences of interest on the Series 2025 Forward Delivery Bonds in the hands of the holders thereof (including imposition of a not previously existing minimum federal tax which includes tax-exempt interest in the calculation of such tax), which, in the reasonable judgment of Jefferies, materially adversely affects the market price or the marketability of the Series 2025 Forward Delivery Bonds.

(ii) Any legislation, rule or regulation shall be introduced in, or be enacted by any department or agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the reasonable judgment of Jefferies, materially adversely affects the market for the Series 2025 Forward Delivery Bonds or the sale by the Underwriters of the Series 2025 Forward Delivery Bonds.

(iii) Any event shall have occurred or shall exist which, in the reasonable judgment of Jefferies, would (A) cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading as of such time or (B) materially adversely affect the marketability of the Series 2025 Forward Delivery Bonds.

(iv) Any amendment is made to the Official Statement which in the reasonable judgment of Jefferies, will materially adversely affect the market price of the Series 2025 Forward Delivery Bonds or the ability of the Underwriters to enforce contracts for the purchase of the Series 2025 Forward Delivery Bonds.

(v) There shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, financial or otherwise, which in the reasonable judgment of Jefferies (A) materially adversely affects the market price of the Series 2025 Forward Delivery Bonds or the ability of the Underwriters to enforce contracts for the purchase of the Series 2025 Forward Delivery Bonds or (B) causes a material disruption in the municipal bond market materially affecting the Underwriters' physical or technical ability to market the Series 2025 Forward Delivery Bonds (it being agreed to by the parties hereto that no such hostilities, calamity or crisis is occurring as of the date hereof which had a material effect upon the marketability of the Series 2025 Forward Delivery Bonds).

(vi) There shall be in force a general suspension of trading on the New York Stock Exchange that the effect of which on the financial markets of the United States, in Jefferies' reasonable judgment, is to materially and adversely affect the market price of the Series 2025 Forward Delivery Bonds or the ability of the Underwriters to enforce contracts for the purchase of the Series 2025 Forward Delivery Bonds.

(vii) Legislation shall be enacted or be proposed or actively considered for enactment, or a decision by a court of the United States shall be rendered, or a ruling or regulation by or on behalf of the SEC or other governmental agency having jurisdiction

over the subject matter shall be made, to the effect that the Series 2025 Forward Delivery Bonds or any comparable securities of the Authority, any obligations of the general character of the Series 2025 Forward Delivery Bonds and the Trust Agreement are not exempt from the registration, qualification or other requirements of the Securities Act, as amended or of the Trust Indenture Act as amended or otherwise, or would be in violation of any provision of the federal securities laws.

(viii) A stop order, ruling, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering, or sale of the Series 2025 Forward Delivery Bonds, including all the underlying obligations as contemplated hereby or by the Official Statement, or any document relating to the issuance, offering or sale of the Series 2025 Forward Delivery Bonds is subject to registration or qualification under, or would be in violation of, any provision of the federal securities laws on the Settlement Date, including the Securities Act, the Exchange Act, and the Trust Indenture Act.

(ix) A general banking moratorium shall have been declared by the United States, New York or the State authorities which, in the reasonable judgment of Jefferies, materially adversely affects the market for the Series 2025 Forward Delivery Bonds or the sale, at the contemplated offering prices, by Jefferies of the Series 2025 Forward Delivery Bonds.

(x) There shall be any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates), established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by executive order.

(xi) There shall have occurred, after the signing hereof, either a financial crisis or a default with respect to the debt obligations of the Authority, or proceedings under the bankruptcy laws of the United States or of the State shall have been instituted by the Authority, in either case the effect of which, in the reasonable judgment of Jefferies, is such as to materially and adversely affect the market price or the marketability of the Series 2025 Forward Delivery Bonds.

During the period of time between the date of execution of the Forward Delivery Bond Purchase Agreement on the Forward Delivery Sale Date and the Settlement Date (the "Delayed Delivery Period"), certain information contained in this Official Statement could change in a material respect. The Authority has agreed to amend or supplement this Official Statement with respect to the Series 2025 Forward Delivery Bonds with an updated Official Statement dated a date not more than 25 days nor less than 10 days prior to the Settlement Date (both dates inclusive).

Although the Authority is not aware, as of the date of this Official Statement, of any information that would lead it to believe that it will be unable to satisfy its obligations under the Forward Delivery Bond Purchase Agreement on the Settlement Date, no assurances can be made that, as of the Settlement Date: (a) there will have been no Change of Law; (b) the facts and circumstances that are material to one or more of the required legal opinions will not differ from the facts and circumstances as of the Initial Closing Date, or (c) that all necessary certifications

and representations can or will be delivered and made in connection with the proposed issuance and delivery of the Series 2025 Forward Delivery Bonds. As a consequence of any of the foregoing, one or more of the foregoing legal opinions with respect to the Series 2025 Forward Delivery Bonds may not be rendered or one or more of the Settlement Date conditions in the Forward Delivery Bond Purchase Agreement may not be met, with the possible result that the Settlement will not occur.

Additional Risks Related to the Delayed Delivery Period

DURING THE DELAYED DELIVERY PERIOD, CERTAIN INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT COULD CHANGE IN A MATERIAL RESPECT. ANY CHANGES IN SUCH INFORMATION WILL NOT PERMIT THE UNDERWRITERS TO TERMINATE THE FORWARD DELIVERY BOND PURCHASE AGREEMENT OR RELEASE THE PURCHASERS FROM THEIR COMMITMENTS TO PURCHASE THE SERIES 2025 FORWARD DELIVERY BONDS UNLESS THE CHANGE IS A CHANGE IN LAW OR A TERMINATION EVENT" IN ADDITION TO THE RISKS SET FORTH ABOVE, PURCHASERS OF THE SERIES 2025 FORWARD DELIVERY BONDS ARE SUBJECT TO CERTAIN ADDITIONAL RISKS, SOME OF WHICH ARE DESCRIBED BELOW, AND WHICH WILL NOT CONSTITUTE GROUNDS FOR PURCHASERS TO REFUSE TO ACCEPT DELIVERY OF AND PAY FOR THE SERIES 2025 FORWARD DELIVERY BONDS.

Ratings Risk. Issuance of the Series 2025 Forward Delivery Bonds and the Underwriters' obligations under the Forward Delivery Bond Purchase Agreement are subject to the Authority providing evidence that the ratings assigned to the Series 2025 Forward Delivery Bonds by S&P (as defined herein) or Kroll (as defined herein) have not been withdrawn, suspended or reduced below "AA" or "AA," respectively.

Secondary Market Risk. The Underwriters are not obligated to make a secondary market in the Series 2025 Forward Delivery Bonds and no assurances can be given that a secondary market will exist for the Series 2025 Forward Delivery Bonds during the Delayed Delivery Period. Purchasers of the Series 2025 Forward Delivery Bonds should assume that the Series 2025 Forward Delivery Bonds will be illiquid throughout the Delayed Delivery Period.

Market Value Risk. The market value of the Series 2025 Forward Delivery Bonds as of the Settlement Date may be affected by a variety of factors including, without limitation, general market conditions, the ratings then assigned to the Series 2025 Forward Delivery Bonds, the financial condition and business operations of the Authority, and federal, state, and local income tax and other applicable laws, including any legislative changes made to the same. The market value of the Series 2025 Forward Delivery Bonds as of the Settlement Date could therefore be more than or less than the purchase price agreed to be paid by the initial purchasers of the Series 2025 Forward Delivery Bonds and that difference could be substantial. The Underwriters will, nevertheless, be obligated to take delivery of and pay for the Series 2025 Forward Delivery Bonds if the conditions in the Forward Delivery Bond Purchase Agreement are satisfied on the Settlement Date and Jefferies does not exercise its right to cancel the obligation to purchase and accept delivery of the Series 2025 Forward Delivery Bonds under the Forward Delivery Bond Purchase Agreement prior to the Settlement Date. Neither the Authority nor the Underwriters make any

representation as to the expected market prices of the Series 2025 Forward Delivery Bonds as of the Settlement Date. Further, no assurance can be given that the introduction or enactment of any future legislation will not affect the market prices for the Series 2025 Forward Delivery Bonds as of the Settlement Date or thereafter or not have a materially adverse impact on any secondary market for the Series 2025 Forward Delivery Bonds.

Tax Treatment Risk. Subject to the satisfaction of the conditions in the Forward Delivery Bond Purchase Agreement on the Settlement Date, the Forward Delivery Bond Purchase Agreement obligates the Authority to deliver and the Underwriters to purchase and accept delivery of the Series 2025 Forward Delivery Bonds if the Authority delivers an opinion of Bond Counsel with respect to the Series 2025 Forward Delivery Bonds substantially in the form and to the effect as set forth in "APPENDIX G-2 – FORM OF OPINION OF BOND COUNSEL RELATING TO THE SERIES 2025 FORWARD DELIVERY BONDS." During the Delayed Delivery Period, new legislation, new court decisions, new regulations, or new rulings may be enacted, delivered, or promulgated, or existing law, including regulations adopted pursuant thereto, may be interpreted in a manner that might prevent Bond Counsel from rendering its opinion or otherwise affect the substance of such opinion, in which case the Underwriters would not be obligated to pay for and take delivery of the Series 2025 Forward Delivery Bonds. Notwithstanding that the enactment of new legislation, new court decisions, the promulgation of new regulations or rulings or reinterpretations or existing law might diminish the value of, or otherwise affect, the exclusion of interest on the Series 2025 Forward Delivery Bonds for purposes of federal income taxation, Bond Counsel may still be able to satisfy the opinion requirements for the delivery of the Series 2025 Forward Delivery Bonds. In such event, the Underwriters would be required to accept delivery of the Series 2025 Forward Delivery Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any changes in tax law and the consequences of such changes to such purchasers.

Acknowledgment of Purchasers

By submitting an order for the Series 2025 Forward Delivery Bonds, each purchaser of the Series 2025 Forward Delivery Bonds (the "Purchaser") shall be deemed to have committed to purchase its allotted share of the Series 2025 Forward Delivery Bonds (the "Purchased Series 2025 Forward Delivery Bonds").

By submission of its order, the Purchaser confirms that it has reviewed this Official Statement, has considered the risks associated with purchasing the Purchased Series 2025 Forward Delivery Bonds and is duly authorized to purchase the Purchased Series 2025 Forward Delivery Bonds. The Purchaser acknowledges that the Purchased Series 2025 Forward Delivery Bonds are being sold on a "forward" or "delayed delivery" basis, and the Purchaser will purchase and agree to accept delivery of such Purchased Series 2025 Forward Delivery Bonds from the Underwriters on the Settlement Date.

Upon issuance by the Authority of the Series 2025 Forward Delivery Bonds and purchase thereof by the Underwriters on the Settlement Date, the obligation of the Purchaser to take delivery of the Purchased Series 2025 Forward Delivery Bonds shall be unconditional unless the Forward Delivery Bond Purchase Agreement is terminated prior to the Settlement Date. Jefferies may terminate the Forward Delivery Bond Purchase Agreement upon the occurrence of a Change in

Law or a Termination Event. See "CERTAIN FORWARD DELIVERY CONSIDERATIONS, RISKS, AND ACKNOWLEDGEMENTS WITH RESPECT TO THE SERIES 2025 FORWARD DELIVERY BONDS – Settlement Date" above.

EXCEPT AS DESCRIBED ABOVE OR IN THE FORWARD DELIVERY BOND PURCHASE AGREEMENT, BY SUBMISSION OF ITS ORDER, THE PURCHASER WILL BE DEEMED TO ACKNOWLEDGE AND AGREE THAT IT WILL NOT BE ABLE TO WITHDRAW ITS ORDER AND WILL NOT OTHERWISE BE EXCUSED FROM PERFORMANCE OF ITS OBLIGATION TO TAKE UP AND PAY FOR THE PURCHASED SERIES 2025 FORWARD DELIVERY BONDS ON THE SETTLEMENT DATE BECAUSE OF MARKET OR CREDIT CHANGES. THE PURCHASER SHALL BE DEEMED TO ACKNOWLEDGE AND AGREE THAT IT WILL REMAIN OBLIGATED TO PURCHASE THE PURCHASED SERIES 2025 FORWARD DELIVERY BONDS IN ACCORDANCE WITH THE TERMS HEREOF EVEN IF THE PURCHASER DECIDES TO SELL SUCH PURCHASED SERIES 2025 FORWARD DELIVERY BONDS AFTER THE DATE OF THIS OFFICIAL STATEMENT.

FAILURE TO SATISFY THE SETTLEMENT CONDITIONS, INCLUDING FAILURE OF ANY PARTY TO DELIVER ANY OF THE DOCUMENTS IN THE FORM AND SUBSTANCE PROVIDED FOR IN THE FORWARD DELIVERY BOND PURCHASE AGREEMENT (UNLESS SUCH FAILURE IS WAIVED BY JEFFERIES), WILL MEAN THAT THE SERIES 2025 FORWARD DELIVERY BONDS WILL NOT BE ISSUED AND DELIVERED. JEFFERIES HAS THE RIGHT, BUT IS UNDER NO OBLIGATION, TO WAIVE ANY SUCH FAILURE.

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ESTIMATED SOURCES AND USES OF FUNDS

Series 2024 Bonds

The proceeds of the Series 2024 Bonds, together with other available funds of the Authority, are expected to be applied as follows:

Sources of Funds:

Par Amount	\$
Other Available Funds of the Authority ⁽¹⁾	
Net Original Issue Discount/Bond Premium	_____
Total Sources of Funds	\$ =====

Uses of Funds:

Deposit to Series 2024 Tender/Purchase Fund ⁽²⁾	\$
Costs of Issuance ⁽³⁾	
Total Uses of Funds	\$ =====

- ⁽¹⁾ Includes funds on deposit and transferred from certain funds and accounts relating to the Series 2015 Bonds under the Trust Agreement.
- ⁽²⁾ Upon the issuance and delivery of the Series 2024 Bonds and, among other things, the cancellation or defeasance of the Purchased 2015 Bonds, the Authority expects to release \$_____ from the Series 2015 Bond Reserve Account.
- ⁽³⁾ Includes, among other things, underwriters' discount; legal, financial, advisory, and other consultant fees; certain fees and expenses of the Dealer Manager and the Bond Registrar; rating agency fees; printing costs; and other miscellaneous fees and costs with respect to the Series 2024 Bonds.

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Series 2025 Forward Delivery Bonds

The proceeds of the Series 2025 Forward Delivery Bonds, together with other available funds of the Authority, are expected to be applied as follows:

Sources of Funds:

Par Amount	\$
Other Available Funds of the Authority ⁽¹⁾	
Net Original Issue Discount/Bond Premium	
Total Sources of Funds	<u>\$</u>

Uses of Funds:

Deposit to Escrow Fund ⁽²⁾⁽³⁾	\$
Costs of Issuance ⁽⁴⁾	
Total Uses of Funds	<u>\$</u>

- ⁽¹⁾ Includes funds on deposit and transferred from certain funds and accounts relating to the Series 2015 Bonds under the Trust Agreement.
- ⁽²⁾ See "PLAN OF REFUNDING – Series 2025 Forward Delivery Bonds; Refunding of the Refunded Series 2015 Bonds" herein.
- ⁽³⁾ Upon the issuance and delivery of the Series 2025 Forward Delivery Bonds and, among other things, the defeasance of all of the Refunded Series 2015 Bonds, the Authority expects to release \$_____ from the Series 2015 Bond Reserve Account.
- ⁽⁴⁾ Includes, among other things, underwriters' discount; legal, financial, advisory, and other consultant fees; certain fees of the Bond Registrar; rating agency fees; printing costs; and other miscellaneous fees and costs with respect to the Series 2025 Forward Delivery Bonds.

DESCRIPTION OF THE REFUNDING BONDS

General

The Refunding Bonds will be issued as fully registered bonds, without coupons, in Authorized Denominations and initially will be registered in the name of Cede & Co., as nominee of DTC. Purchases of beneficial ownership interests in the Refunding Bonds will be made in book-entry form only and purchasers of beneficial interests in the Refunding Bonds will not receive physical delivery of bond certificates. Payments of principal of, premium, if any, and interest on, any Refunding Bond will be made to Cede & Co., as nominee for DTC, as registered owner of the Refunding Bonds, by the Bond Registrar, to be subsequently disbursed to the Beneficial Owners of the Refunding Bonds. See "APPENDIX H – DTC AND THE BOOK-ENTRY ONLY SYSTEM" attached hereto.

The Series 2024 Bonds will bear interest at the rates set forth on the inside front cover page of this Official Statement and be payable semiannually on February 1 and August 1 of each year, commencing on February 1, 2025 until maturity of the Series 2024 Bonds. The Series 2025 Forward Delivery Bonds will bear interest at the rates set forth on the inside front cover page of this Official Statement and be payable semiannually on February 1 and August 1 of each year,

commencing on August 1, 2025 until maturity of the Series 2025 Forward Delivery Bonds. The Refunding Bonds shall mature on August 1 in the years and in the principal amounts, and shall bear interest at the rates set forth on the inside front cover page hereof.

No Optional Redemption

The Refunding Bonds are not subject to redemption prior to their respective maturities.

Registration; Transfer and Exchange

Principal of and premium, if any, on the Refunding Bonds will be paid to the person in whose name the Refunding Bonds are registered at the close of business on the regular record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date ("Defaulted Interest"), and (a) may be paid to the person in whose name the Refunding Bond is registered at the close of business on a Special Record Date (as defined in the Master Trust Agreement) for the payment of such Defaulted Interest to be fixed by the Bond Registrar, notice whereof being given to the Beneficial Owners not less than ten days prior to such Special Record Date, or (b) may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Refunding Bonds may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Master Trust Agreement. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

The transfer of any Refunding Bond may be registered only upon the books kept for the registration and registration of transfer of the Refunding Bonds upon presentation thereof to the Bond Registrar together with an assignment duly executed by the Beneficial Owner or his attorney or legal representative, or legal representative of his estate if the Beneficial Owner is deceased, in such form as shall be satisfactory to the Bond Registrar. No transfer of any Refunding Bond shall alter the ownership of such Refunding Bond for purposes of the Trust Agreement unless such transfer is registered with the Bond Registrar. Upon any such registration of transfer, the Authority shall, if necessary, execute and the Bond Registrar shall authenticate and deliver in exchange for such Refunding Bond a new Refunding Bond or Refunding Bonds, registered in the name of the transferee, of any denomination or denominations authorized by the Supplemental Agreement in the aggregate principal amount equal to the principal amount of such Refunding Bond surrendered or exchanged, of the same maturity and bearing interest at the same rate.

In all cases in which Refunding Bonds shall be exchanged or the transfer of Refunding Bonds shall be registered under the Trust Agreement, the Authority shall, if necessary, execute Refunding Bonds in accordance with the provisions of the Trust Agreement and the Bond Registrar shall authenticate and deliver such Refunding Bonds at the earliest practicable time. All Refunding Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar. No service charge shall be made for any registration, transfer or exchange of Refunding Bonds, but the Authority and the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Refunding Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE REFUNDING BONDS

Pledged Revenues; Trust Estate (LOGT)

The Refunding Bonds are payable solely from and secured by a pledge of and lien on the Trust Estate (LOGT), which primarily consists of (a) five cents of every six cents collected of the Local Option Gas Tax levied by the City pursuant to Section 336.025(1)(a), Florida Statutes, and remitted to the Authority pursuant to Section 4 of the 2014 Interlocal Agreement, commencing on September 1, 2016, and continuing through August 31, 2036 (the "Pledged Revenues") and (b) moneys in the funds and accounts established under the Trust Agreement, subject to the application thereof as provided in the Trust Agreement. See "LOCAL OPTION GAS TAX" and "ESTIMATED DEBT SERVICE REQUIREMENTS" herein and "APPENDIX A – COPY OF MASTER TRUST AGREEMENT," "APPENDIX B – COPY OF 2015 SUPPLEMENTAL AGREEMENT," "APPENDIX C-1 – FORM OF SECOND SUPPLEMENT," "APPENDIX C-2 – FORM OF THIRD SUPPLEMENT," and "APPENDIX D – COPY OF THE 2014 INTERLOCAL AGREEMENT" attached hereto.

The pledge of and lien on the Trust Estate (LOGT) securing the Refunding Bonds is on a parity with the pledge thereof and lien thereon securing the Outstanding Senior Lien Bonds and any additional Senior Lien Indebtedness hereafter issued pursuant to the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE REFUNDING BONDS - Issuance of Additional Bonds and Senior Lien Parity Debt" and "OUTSTANDING SENIOR LIEN INDEBTEDNESS" herein.

Application of Pledged Revenues

The Authority shall cause all Pledged Revenues to be received by the Authority pursuant to the 2014 Interlocal Agreement to be promptly transferred to the Trustee, for deposit by the Trustee into the Local Option Gas Tax Account of the Supplemental Revenue Fund. The Trustee shall deposit or cause to be deposited, from Pledged Revenues held in the Local Option Gas Tax Account of the Supplemental Revenue Fund, to the various subaccounts and accounts specified in the Second Supplement and the Third Supplement, in the amounts, the order of priority and at such times as provided in the Master Trust Agreement.

On the last Business Day of each month, commencing with the month in which the Trustee first receives Pledged Revenues, the Trustee shall withdraw all Pledged Revenues and other amounts held in the Local Option Gas Tax Account and apply the same in the following manner and order:

(a) taking into account any amounts in the applicable subaccount of the Senior Lien Capitalized Interest Account and any amounts in the Senior Lien Interest Account available for such purpose,

(i) for deposit in the appropriate subaccounts of the Interest Account of the Senior Lien Debt Service Fund, an amount equal to the amount of interest payable on the next Interest Payment Date for each Series of Senior Lien Bonds secured by such Pledged Revenues (if such Interest Payment Date is within seven months of such deposit) divided by the number of deposits to be made to such subaccounts with respect to interest on such

Senior Lien Bonds on or prior to the next Interest Payment Date for each such Series of Senior Lien Bonds;

(ii) for deposit in the appropriate subaccounts of the Interest Account of the Senior Lien Debt Service Fund, an amount equal to the amount of interest payable on the next Interest Payment Date for each issue of Senior Lien Parity Debt secured by such Pledged Revenues (if such Interest Payment Date is within seven months of such deposit) divided by the number of such deposits to be made to such subaccounts with respect to interest on such Senior Lien Parity Debt on or prior to the next Interest Payment Date for each such issue of Senior Lien Parity Debt; and

(iii) to the Persons entitled thereto, such additional amounts required to be paid by the Authority as may be specified in a Supplemental Agreement or Series Agreement with respect to a Series of Bonds, including without limitation, payments required in connection with Derivative Indebtedness;

provided, however, that if there shall not be sufficient Pledged Revenues to satisfy all such deposits and payments, such deposits and payments shall be made to the Trustee and to each appropriate Person designated in the underlying agreements and documents associated with such Series of Bonds ratably according to the amount so required to be deposited or paid;

(b) (i) for deposit in the appropriate subaccounts of the Principal Account and the Sinking Fund Account of the Senior Lien Debt Service Fund an amount equal to the amount of Principal payable on the next Principal Payment Date on each Series of Senior Lien Bonds secured by such Pledged Revenues (if such Principal Payment Date is within thirteen months of such deposit) divided by the number of deposits to be made to such subaccounts with respect to Principal on such Senior Lien Bonds on or prior to the next Principal Payment Date for each such Series of Senior Lien Bonds; and

(ii) for deposit in the appropriate subaccounts of the Principal Account of the Senior Lien Debt Service Fund an amount equal to the amount of Principal payable on the next Principal Payment Date for each issue of Senior Lien Parity Debt secured by such Pledged Revenues (if such Principal Payment Date is within thirteen months of such deposit) divided by the number of such deposits to be made to such Persons with respect to Principal on such Senior Lien Parity Debt on or prior to the next Principal Payment Date for each such issue of Senior Lien Parity Debt;

provided, however, that if there shall not be sufficient Pledged Revenues to satisfy all such deposits, such deposits shall be made ratably according to the amount so required to be deposited;

(c) if the amount in a Senior Lien Parity Reserve Account with respect to one or more Series of Senior Lien Bonds issued under the same Supplemental Agreement is less than the Senior Lien Parity Reserve Account Requirement, or the amount in any Senior Lien Special Reserve Account is less than the applicable Senior Lien Special Reserve Account Requirement,

(i) one-twelfth (1/12) of the amount required to make up any deficiency in a Senior Lien Parity Reserve Account as provided in the Trust Agreement for deposit in a Senior Lien Parity Reserve Account and

(ii) to the Trustee or other Person holding a Senior Lien Special Reserve Account, one-twelfth (1/12) of the amount required to make up any deficiencies in any Senior Lien Special Reserve Account as provided in the Supplemental Agreement or Parity Debt Resolution creating any Senior Lien Special Reserve Accounts for deposit in such Senior Lien Special Reserve Accounts;

provided, however, that if there shall not be sufficient Pledged Revenues to satisfy all such deposits and payments, such deposits and payments shall be made for deposit to a Senior Lien Parity Reserve Account and each Senior Lien Special Reserve Account ratably according to the amount so required to be deposited or paid.

Application of Money in the Series 2024 Subaccount of the Redemption Account. The Trustee shall apply money in the Series 2024 Subaccount of the Redemption Account to the purchase of Series 2024 Bonds as follows:

(a) Subject to the provisions of paragraph (b) below, the Trustee shall endeavor to purchase and cancel Series 2024 Bonds or portions thereof, regardless of whether such Bonds or portions thereof are then subject to redemption, at the direction of an Authorized Officer; provided, that the purchase price of each Series 2024 Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Beneficial Owner of such Series 2024 Bond under the provisions of the Series 2024 Subaccount of the Redemption Account. The Trustee shall pay the interest accrued on such Bonds or portions thereof to the date of settlement from the Series 2024 Subaccount of the Interest Account and the purchase price from the Series 2024 Subaccount of the Redemption Account, but no such purchase shall be made by the Trustee from money in the Series 2024 Subaccount of the Redemption Account within the period of 45 days immediately preceding any date on which such Series 2024 Bonds or portions thereof are to be redeemed.

(b) Money in the Series 2024 Subaccount of the Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Series 2024 Bonds then Outstanding in accordance with the latest Officer's Certificate filed with the Trustee designating the Series 2024 Bonds to be redeemed. In the event no such certificate is filed (i) the Trustee shall apply such money to the purchase of Series 2024 Bonds bearing the highest rate of interest, (ii) if Series 2024 Bonds of more than one maturity bear interest, the Trustee shall redeem such Series 2024 Bonds in the inverse order of maturities.

Upon the retirement of any Series 2024 Bonds by purchase, pursuant to the provisions of this Section, the Trustee shall file with the Authority a statement identifying such Series 2024 Bonds and setting forth the date of purchase, the amount of the purchase price of such Bonds and the amount paid as interest thereon. The expenses incurred by the Trustee in connection with the purchase of any such Series 2024 Bonds shall be paid by the Authority from the Local Option Gas Tax Account of the Supplemental Revenue Fund or from any other available moneys.

Application of Money in the Series 2025 Subaccount of the Redemption Account. The Trustee shall apply money in the Series 2025 Subaccount of the Redemption Account to the purchase of Series 2025 Forward Delivery Bonds as follows:

(a) Subject to the provisions of paragraph (c) below, the Trustee shall endeavor to purchase and cancel Series 2025 Forward Delivery Bonds or portions thereof, regardless of whether such Bonds or portions thereof are then subject to redemption, at the direction of an Authorized Officer; provided, that the purchase price of each Series 2025 Forward Delivery Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such Series 2025 Forward Delivery Bond under the provisions of the Series 2025 Subaccount of the Redemption Account. The Trustee shall pay the interest accrued on such Bonds or portions thereof to the date of settlement from the Series 2025 Subaccount of the Interest Account and the purchase price from the Series 2025 Subaccount of the Redemption Account, but no such purchase shall be made by the Trustee from money in the Series 2025 Subaccount of the Redemption Account within the period of 45 days immediately preceding any date on which such Series 2025 Forward Delivery Bonds or portions thereof are to be redeemed.

(b) Subject to the provisions of paragraph (c) below, the Trustee shall call for redemption on a date permitted by the Third Supplement such amount of Series 2025 Forward Delivery Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Series 2025 Subaccount of the Redemption Account as nearly as may be practicable; provided, however, that not less than an Authorized Denomination shall be called for redemption at any one time. The Trustee shall pay the accrued interest on the Series 2025 Forward Delivery Bonds or portions thereof to be redeemed to the date of redemption from the Series 2025 Subaccount of the Interest Account and the Redemption Price of such Bonds or portions thereof from the Series 2025 Subaccount of the Redemption Account. The Trustee shall withdraw from the Series 2025 Subaccount of the Redemption Account and set aside the respective amounts required to pay the Redemption Price of the Series 2025 Forward Delivery Bonds or portions thereof so called for redemption.

(c) Money in the Series 2025 Subaccount of the Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Series 2025 Forward Delivery Bonds then Outstanding in accordance with the latest Officer's Certificate filed with the Trustee designating the Series 2025 Forward Delivery Bonds to be redeemed. In the event no such certificate is filed (i) the Trustee shall apply such money to the purchase of Series 2025 Forward Delivery Bonds bearing the highest rate of interest, and (ii) if Series 2025 Forward Delivery Bonds of more than one maturity bear the same interest rate, the Trustee shall redeem such Series 2025 Forward Delivery Bonds in the inverse order of maturities.

Upon the retirement of any Series 2025 Forward Delivery Bonds by purchase, pursuant to the provisions of this Section, the Trustee upon request shall file with the Authority a statement identifying such Series 2025 Forward Delivery Bonds and setting forth the date of purchase, the amount of the purchase price of such Bonds and the amount paid as interest thereon. The expenses incurred by the Trustee in connection with the purchase of any such Series 2025 Forward Delivery Bonds shall be paid by the Authority from the Local Option Gas Tax Account of the Supplemental Revenue Fund or from any other available moneys.

Application of Money in the Rebate Account. Amounts on deposit in the Subaccounts of the Rebate Account established under the Trust Agreement (including the Series 2024 Subaccount and the Series 2025 Subaccount) shall be applied in accordance with the related Supplemental

Agreement. Amounts deposited in the Rebate Account shall not constitute part of the Trust Estate (LOGT).

See "APPENDIX A – COPY OF MASTER TRUST AGREEMENT," "APPENDIX B – COPY OF 2015 SUPPLEMENTAL AGREEMENT," "APPENDIX C-1 – FORM OF SECOND SUPPLEMENT," and "APPENDIX C-2 – FORM OF THIRD SUPPLEMENT" attached hereto.

No Debt Service Reserve Account

The Refunding Bonds will not be secured by a debt service reserve account.

Issuance of Additional Bonds and Senior Lien Parity Debt

No Additional Bonds or Senior Lien Parity Debt, payable on a parity with the Bonds then Outstanding pursuant to the Trust Agreement, shall be issued except upon the conditions and in the manner provided in the Trust Agreement. The Authority may issue Parity Debt (which is composed of both Senior Lien Parity Debt and Subordinate Lien Parity Debt) (a) for the purpose of financing all or any part of the Cost of the Initial Project or any Additional Project, (b) for the purpose of financing all or any part of completing payment of the Cost of the Initial Project or any Additional Project, and (c) for the purpose of refunding any Bonds, Parity Debt or any other Indebtedness of the Authority. No such Additional Bonds shall be issued unless the conditions set forth in the Master Trust Agreement and the following additional conditions are complied with:

(a) Except as otherwise provided in (d) below, there shall have been obtained and filed with the Authority a statement of the Chief Financial Officer: (i) stating that the books and records of the Authority relating to the Pledged Revenues have been examined by him; (ii) setting forth the amount of the Pledged Revenues which have been received by the Authority during any 12 consecutive months designated by the Authority within the 18 months immediately preceding the date of delivery of such Additional Bonds with respect to which such statement is made; and (iii) stating that the amount of the Pledged Revenues received during the aforementioned 12 month period equals at least 1.75 times the Maximum Long-Term Debt Service Requirement (as defined in the Master Trust Agreement) on all Bonds then Outstanding and such Additional Bonds with respect to which such statement is made, and 1.00 times all Reserve Alternative Instrument and Credit Facility costs due and owing during such period to all providers of a Reserve Alternative Instrument or Credit Facility, if any.

(b) In the event the Authority extends the pledge of the Trust Estate (LOGT) created pursuant to the Trust Agreement to include additional local option gas tax (including reinstatement of any local option gas tax) and such additional local option gas tax was not in effect during all or a portion of the applicable 12 consecutive month period described in Section (a) above, then for the purposes of determining whether there are sufficient Pledged Revenues to meet the coverage test specified in (a) above, the Chief Financial Officer shall adjust the amount of Pledged Revenues which were received during the applicable 12 consecutive month period to take into account the additional amount of Pledged Revenues such additional Pledged Revenues would have generated if it had been in effect for the entire 12 consecutive month period.

(c) Additional Bonds shall be deemed to have been issued pursuant to the Trust Agreement the same as the Outstanding Bonds, and all of the other covenants and other provisions of the Trust Agreement (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Beneficial Owners of all Bonds issued pursuant to the Trust Agreement.

(d) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of this section shall not apply, provided that the issuance of such Additional Bonds shall result in a reduction of aggregate debt service. The conditions of (a) above shall apply to Additional Bonds issued to refund Subordinate Lien Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

(e) The issuance of Additional Bonds shall be subject to any additional terms and conditions set forth in a Supplemental Agreement or Series Agreement authorizing such Additional Bonds.

See "APPENDIX A – COPY OF MASTER TRUST AGREEMENT," "APPENDIX B – COPY OF 2015 SUPPLEMENTAL AGREEMENT," "APPENDIX C-1 – FORM OF SECOND SUPPLEMENT," and "APPENDIX C-2 – FORM OF THIRD SUPPLEMENT" attached hereto for a more complete statement of the terms and conditions for the issuance of Senior Lien Indebtedness. See also, "OUTSTANDING SENIOR LIEN INDEBTEDNESS" herein.

Events of Default and Remedies

Each of the following events is an Event of Default under the Master Trust Agreement:

(a) payment of the principal of and the redemption premium, if any, on any of the Bonds, is not made when the same are due and payable, either at maturity or by redemption or otherwise;

(b) payment of the interest on any of the Bonds is not made when the same is due and payable;

(c) receipt by the Trustee of written notice from the Holder of any Parity Debt that any event of default has occurred and is continuing under such Parity Debt or Parity Debt Resolution, including the failure to pay when due and payable the principal of, premium, if any, and interest on such Parity Debt; and

(d) the Authority defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or the Master Trust Agreement, including any Supplemental Agreement, and such default continues for 60 days after receipt by the Authority of a written notice from the Trustee specifying such default and requesting that it be corrected; provided, that if prior to the expiration of such 60 day period the Authority institutes action reasonably designed to cure such default, no "Event of Default" shall be deemed to have occurred upon the expiration of such 60 day period for so long as the Authority pursues such curative action with reasonable diligence.

Upon the happening and continuance of any Event of Default specified in the Master Trust Agreement, then and in every such case the Trustee may, and upon the written request of the Owners or Holders of not less than 25% in aggregate principal amount of the Bonds and Parity Debt then Outstanding shall, proceed (subject to the provisions of the Master Trust Agreement) to protect and enforce its rights and the rights of the Owners or Holders of the Bonds and Parity Debt under applicable laws and under the Master Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, chosen by the Trustee, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Master Trust Agreement, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default becoming, and at any time remaining, due from the Authority for principal, interest or otherwise under any of the provisions of the Master Trust Agreement or of the Bonds and Parity Debt and unpaid, with interest on overdue payments of principal at the rate or rates of interest specified in such Bonds and Parity Debt, together with any and all costs and expenses of collection and of all proceedings under the Master Trust Agreement and under such Bonds and Parity Debt, without prejudice to any other right or remedy of the Trustee or of the Owners or Holders of the Bonds and Parity Debt (except to the extent provided in the Master Trust Agreement), and to recover and enforce any judgment or decree against the Authority, but solely as provided herein and in such Bonds and Parity Debt, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from moneys in the funds and accounts pledged to secure the Bonds and Parity Debt under the provisions of the Master Trust Agreement and any Supplemental Agreement, Parity Debt Resolution and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

If an Event of Default shall occur and be continuing, then, unless the same shall then be prohibited under applicable law, a court of competent jurisdiction may appoint a receiver, with full power to pay and to provide for the payment of principal of and interest on the Bonds and Parity Debt as the same shall become due, whether at maturity, pursuant to mandatory sinking fund redemption or otherwise, out of the funds and accounts available therefor, and the operating expenses of the Authority, to apply Supplemental Revenues in accordance with the provisions of the Master Trust Agreement and any Supplemental Agreement, Series Agreement or Parity Debt Resolution, and to take such action to the extent permitted by law to cause to be remedied any Event of Default which shall occur or shall have occurred and be continuing; and with such other powers, subject to the direction of said court, as are accorded to receivers in general equity cases and under the applicable provisions of the laws of Florida; provided, that the power of such receiver to make provisions for the payment of principal of and interest on Bonds and Parity Debt as aforesaid shall not be construed as including the power to pledge the general credit of the Authority to such payments. Any appointment of a receiver under the foregoing provision shall not, by itself, constitute a separate Event of Default.

No Acceleration

Notwithstanding anything in the Trust Agreement, in no event shall there be any acceleration of payment of principal of or interest on the Refunding Bonds as a result of the occurrence of any Event of Default under the Master Trust Agreement.

Interlocal Agreements

Prior to September 1, 2016, the Authority had received all six cents of the Local Option Gas Tax. In 2014, the Authority entered into the 2014 Interlocal Agreement with the City relating to, among other things, the distribution and use of the Local Option Gas Tax revenues. Pursuant to the 2014 Interlocal Agreement, commencing on September 1, 2016 and continuing through August 31, 2036, the City agreed to distribute to the Authority five cents of every six cents of the Local Option Gas Tax received from the Florida Department of Revenue (the "Department of Revenue"), while retaining one cent of the Local Option Gas Tax for the City's exclusive use. In 2021, the City Council approved, among other things, (a) extending the Local Option Gas Tax for a 10-year period beginning September 1, 2036 and continuing through August 31, 2046, (b) levying a five-cent local option gas tax for a period of 30 years commencing on January 1, 2022 (the "Five-Cent Local Option Gas Tax"), (c) levying a one-cent local option gas tax for a period of 30 years commencing on January 1, 2022 (the "9th-Cent Local Option Gas Tax"), and (d) an Interlocal Agreement, dated as of May 26, 2021, between the City and the Authority (the "2021 Interlocal Agreement"). **The provisions of the 2021 Interlocal Agreement had no effect on the allocation of the Local Option Gas Tax to the Authority through August 31, 2036 and the Pledged Revenues exclude any portion of the Five-Cent Local Option Gas Tax and the 9th-Cent Local Option Gas Tax allocated to the Authority pursuant to the 2021 Interlocal Agreement.**

The Authority issued the Series 2015 Bonds to provide funds, together with other available funds, to, among other things, finance or reimburse the Authority for a portion of the Costs associated with acquiring, constructing and equipping certain roadway and transit improvements (the "Initial Project") comprising portions of the JTA Project List as set forth in the Interlocal Agreement and Resolution 2014-21 of the Authority adopted on August 28, 2014 (the "Initial JTA Project List"). At the time of the issuance of the Series 2015 Bonds, the Authority did not plan to issue additional Parity Debt to fund the completion of the projects on the Initial JTA Project List. Subsequent to the issuance of the Series 2015 Bonds, the Authority determined that certain of the project costs for the Initial Project would exceed the original cost estimates in the Initial JTA Project List due to permitting, contracting and other changing conditions resulting from the six to eight year delay in the time that they were scheduled to be completed. Accordingly, in 2016, the Authority requested and received approval from the City Council of the City (the "City Council") of: (a) a revised project list which more accurately reflected the revised conditions for development and construction of certain projects included in the Initial JTA Project List (the "Revised JTA Project List") and (b) changes in the cost estimate of certain projects included in the Initial JTA Project List which exceed 20% of the original cost allocation. See "APPENDIX D – COPY OF THE 2014 INTERLOCAL AGREEMENT" attached hereto for a description of the projects included in the Initial JTA Project List.

The Revised JTA Project List cannot be revised or amended without the approval of the City Council. While project scopes may be modified without approval of City Council, City Council approval is required for project budgets that fluctuate (either positively or negatively) in the aggregate from the original cost allocations set forth above by 20% or more. Formal project cost estimates (to include all components of the project) shall be performed at 60%, 90% and 100% design completion points. Should an estimate fluctuate (either positively or negatively) in the aggregate from the original cost allocations set forth above by 20% or more, the Authority shall be required to obtain City Council approval for the change in budget costs prior to proceeding with that particular project or projects. See "LOCAL OPTION GAS TAX" herein and "APPENDIX D – COPY OF THE 2014 INTERLOCAL AGREEMENT" attached hereto. The 2021 Interlocal Agreement did not amend the Revised JTA Project List.

The Pledged Revenues are dedicated, in part, to the development, construction, operation and/or maintenance of the roadway projects included in the Revised JTA Project List. Pursuant to the 2014 Interlocal Agreement, commencing on September 1, 2016, the Authority may pledge any portion of the Pledged Revenues for repayment of debt service on bonds issued by the Authority for the purpose of funding projects on the Revised JTA Project List. The Authority's right to pledge the Local Option Gas Tax pursuant to the 2014 Interlocal Agreement was previously confirmed and validated under State law. The Court relied in part on a clarifying resolution adopted by the City Council.

In 2017, the City Council approved the appropriation of \$8,418,103 (the "Fair Share Funds") collected from fair share fund sector areas containing five roadway improvement projects included on the Revised JTA Project List and described in the hereinafter defined Agreement Regarding Fair Share Funds (collectively, the "JTA Fair Share Projects") for the purpose of, among other things, providing supplemental funding for the JTA Fair Share Projects, which would enable the Authority to maximize the funding of other projects included in the Revised JTA Project List from the Pledged Revenues. The Fair Share Funds shall only be used to fund the JTA Fair Share Projects and the Authority's use of the Fair Share Funds shall not exceed the allocated amounts for each JTA Fair Share Project as described in that certain Agreement Regarding Fair Share Funds, dated April 1, 2017, between the Authority and the City (the "Agreement Regarding Fair Share Funds"), and any Fair Share Funds remaining from a JTA Fair Share Project after such project is completed shall be used by the Authority to only fund other City approved roadway capacity improvement projects located within the same fair share sector area as the completed JTA Fair Share Project. **The Fair Share Funds have not been and will not be pledged for the payment of the principal of, premium, if any, or interest on, the Outstanding Senior Lien Bonds, the Series 2024 Bonds, or the Series 2025 Forward Delivery Bonds, when and if issued.**

In 2020, the Authority issued its Senior Lien Local Option Gas Tax Revenue Bonds, Series 2020 (the "Series 2020 Bonds") to provide funds to, among other things, pay certain additional Costs of the Initial Project.

The Authority has and will continue to monitor and revise, as needed, the estimated cost to complete each project it has committed to complete on the Revised JTA Project List based on prevailing conditions for development and construction of certain projects. The Authority, the City, and JEA, the municipal electric utility provider in Jacksonville, Florida, maintain a

cooperative relationship regarding the management of the projects on the Revised JTA Project List.

While the Authority is authorized to issue additional Parity Debt in accordance with the requirements of the Trust Agreement, the Authority does not currently intend to issue additional Parity Debt to fund the completion of the projects on the Revised JTA Project List. The Authority currently expects that all of the projects on the Revised JTA Project List will be completed before the end of calendar year 2024. See "SECURITY AND SOURCES OF PAYMENT FOR THE REFUNDING BONDS - Issuance of Additional Bonds and Senior Lien Parity Debt" herein.

Enforceability of Remedies

The remedies provided with respect to the Refunding Bonds under the Trust Agreement are in many respects dependent upon statutory, regulatory provisions (including the federal bankruptcy code) and judicial decisions which are often subject to discretion and delay and therefore may not be readily available or may be limited. The various legal opinions delivered or to be delivered concurrently with the delivery of the Refunding Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally. See "APPENDIX A – COPY OF MASTER TRUST AGREEMENT" attached hereto.

Covenants and Representations

The Authority has agreed to certain covenants and representations set forth in Article VII of the Master Trust Agreement. See "APPENDIX A – COPY OF MASTER TRUST AGREEMENT" attached hereto.

Special Limited Obligations

The Refunding Bonds and all obligations under the Trust Agreement are special limited obligations of the Authority payable solely from the Pledged Revenues, and, if applicable, any Supplemental Revenues or Series Revenues hereafter pledged to the payment of the Refunding Bonds and earnings on funds held in certain funds and accounts, as respectively provided in the Trust Agreement.

NEITHER THE STATE, THE CITY, NOR ANY POLITICAL SUBDIVISION OF THE STATE SHALL BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE REFUNDING BONDS AND THE FULL FAITH AND CREDIT OF THE STATE, THE CITY OR OF ANY POLITICAL SUBDIVISION OF THE STATE SHALL NOT BE DEEMED TO HAVE BEEN PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE REFUNDING BONDS. NO BENEFICIAL OWNER OF ANY OF THE REFUNDING BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE STATE, THE CITY OR ANY POLITICAL SUBDIVISION OF THE STATE, OR TAXATION IN ANY FORM OF REAL PROPERTY LOCATED THEREIN, OR THE APPLICATION OF ANY FUNDS, OTHER THAN FUNDS PLEDGED FOR THE PAYMENT OF THE REFUNDING BONDS. THE AUTHORITY HAS NO TAXING POWER. THE REFUNDING BONDS ARE NOT

SECURED BY A MORTGAGE ON OR SECURITY INTEREST IN ANY OF THE REAL OR PERSONAL PROPERTY CONSTITUTING PART OF THE INITIAL PROJECT.

LOCAL OPTION GAS TAX

General

The City is a consolidated government which extends throughout Duval County except that the cities of Atlantic Beach, Florida ("Atlantic Beach"), Neptune Beach, Florida ("Neptune Beach"), Jacksonville Beach, Florida ("Jacksonville Beach") and the Town of Baldwin, Florida ("Baldwin") retain their local governments for the performance of certain municipal functions. Thus, the City performs both county and municipal functions. Pursuant to Section 336.025(1)(a), Florida Statutes, the City has levied a local option gas tax of six cents on every gallon of motor and diesel fuel sold in Duval County (referred to herein as the "Local Option Gas Tax"). The Local Option Gas Tax is collected by vendors and remitted to the Department of Revenue which, in turn, remits the Local Option Gas Tax to the City, after deducting an administrative fee, as provided in the Act. Pursuant to the 2014 Interlocal Agreement, commencing on September 1, 2016, the City has agreed to remit five cents of every six cents to the Authority and the City will retain the remaining one cent of every six cents for the City's exclusive use. See "SECURITY AND SOURCES OF PAYMENT FOR THE REFUNDING BONDS – Interlocal Agreements" herein and "APPENDIX D – COPY OF THE 2014 INTERLOCAL AGREEMENT" attached hereto.

Collection and Distribution of Local Option Gas Tax

Collection. The Department of Revenue collects the Local Option Gas Tax in each county and deposits the proceeds into the State's Local Option Fuel Tax Trust Fund. The Department of Revenue is authorized to deduct from the Local Option Fuel Tax Trust Fund certain administrative costs (in an amount not to exceed two percent of total collections) incurred in collecting, administering, enforcing and distributing the proceeds of such tax to the counties.

Distribution. The net proceeds collected from a local option gas tax are distributed by the Department of Revenue to each eligible county and the eligible municipalities therein according to a distribution formula determined at the local level by interlocal agreement between the county and the municipalities within the county's boundaries representing a majority of the population of the incorporated area within the county.

The City has entered into an interlocal agreement with the municipalities of Atlantic Beach, Baldwin, Jacksonville Beach, and Neptune Beach providing that each of the local governments will receive a distribution proportion of the Local Option Gas Tax in the percentage amount calculated by dividing each party's latest annual population total, as calculated and certified annually by the State of Florida Department of Administration, by the latest annual population total of Duval County as likewise calculated and certified. Such percentage amounts will be revised annually as such population figures are revised.

The following table presents the distribution percentages for Duval County for the Fiscal Year ended September 30, 2023.

Duval County, Florida
Distribution Percentages of Local Option Gas Tax

Recipient	Distribution Percentage⁽¹⁾
City of Jacksonville	95.44%
Atlantic Beach	1.34
Baldwin	0.14
Jacksonville Beach	2.37
Neptune Beach	0.72
Total	100.00%

⁽¹⁾ Totals may not add due to rounding.

Source: Florida Department of Revenue (Local Option Fuel Taxes Revenue Estimates for the Local Fiscal Year Ending September 30, 2023).

Eligibility and Use of Local Option Gas Tax

Eligibility. In order to be eligible to receive a distribution of funds from the State's Local Option Fuel Tax Trust Fund, the County Municipalities must have:

- (a) Reported its finances for its most recently completed Fiscal Year to the State Department of Financial Services as required by Florida law;
- (b) Made provisions for annual post audits of financial accounts in accordance with provisions of law;
- (c) Levied, as shown on its most recent financial report, ad valorem taxes, exclusive of taxes levied for debt service or other special millages authorized by the voters, to produce the revenue equivalent to a millage rate of 3 mills on the dollar based upon 1973 taxable values or, in order to produce revenue equivalent to that which would otherwise be produced by such 3 mill ad valorem tax, to have received certain revenues from a county (in the case of a municipality), collected an occupational license tax, utility tax, or levied ad valorem tax, or received revenue from any combination of those four sources;
- (d) Certified that persons in its employ as law enforcement officers meet certain qualifications for employment and receive certain compensation;
- (e) Certified that persons in its employ as firefighters meet certain qualifications for employment and receive certain compensation;
- (f) Certified that each dependent special district that is budgeted separately from the general budget of such local government has met the provisions for annual post audit of its financial accounts in accordance with law; and
- (g) Certified to the Department of Revenue that it has complied with certain procedures regarding the establishment of the ad valorem tax millage of the local government as required by law.

Any funds otherwise undistributed because of ineligibility of a local government shall be distributed to the eligible governments within the applicable county in proportion to other monies distributed pursuant to Section 336.025, Florida Statutes.

Use. Generally, local governments may use monies received from the State's Local Option Fuel Tax Trust Fund only for transportation expenditures which are defined as:

- (a) Public transportation operation and maintenance;
- (b) Roadway and right-of-way maintenance and equipment and structures used primarily for the storage and maintenance of such equipment;
- (c) Roadway and right-of-way drainage;
- (d) Street lighting;
- (e) Traffic signs, traffic engineering, signalization and pavement markings;
- (f) Bridge maintenance and operation; and
- (g) Debt service and current expenditures for transportation capital projects in the foregoing program areas, including the construction and reconstruction of roads and sidewalks.

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Fuel Sales by Volume

The amount of Local Option Gas Tax revenues received by the City is dependent upon several factors, the primary of which is the amount of motor fuel sold in Duval County each year. The following table presents the volume of taxable gallons of motor fuel and diesel fuel sold in Duval County and the yearly percentage increase or decrease in volume, as applicable, during the State's fiscal years ended June 30, 2014 through 2023.

Duval County, Florida Volume of Taxable Gallons Sold

State Fiscal Year Ended June 30	Motor Fuel (Gallons)	Diesel Fuel (Gallons)	Total Gallons	Percentage Increase (Decrease)
2014	425,694,490	100,760,349	526,454,839	0.69%
2015	444,866,461	103,112,977	547,979,438	4.09
2016	464,338,952	110,373,697	574,712,649	4.88
2017	467,872,644	117,034,032	584,906,676	1.77
2018	476,030,477	121,366,593	597,397,070	2.14
2019	493,921,999	120,329,486	614,251,485	2.82
2020	465,139,153	124,334,610	589,473,763	(4.03)
2021	457,088,397	120,079,143	577,167,541	(2.09)
2022	481,868,148 ⁽¹⁾	124,841,581 ⁽¹⁾	606,709,728 ⁽¹⁾	5.12 ⁽¹⁾
2023	479,299,090	126,295,134	605,594,224	(0.18) ⁽¹⁾

⁽¹⁾ The Authority revised the information previously filed on EMMA for the fiscal year ended September 30, 2023 and presented in this table under: (a) the columns entitled "Motor Fuel (Gallons)," "Diesel Fuel (Gallons)," "Total Gallons," and "Percentage Increase (Decrease)" for Fiscal Year 2022 and (b) under the column entitled "Percentage Increase (Decrease)" for Fiscal Year 2023, to conform such information to the information retrieved by the Authority from the Department of Revenue in August 2024.

Source: Florida Department of Revenue (Florida Department of Revenue Certificate of Taxable Gallons 2014-2023 Fiscal Year).

For information regarding certain investment considerations relating to the Local Option Gas Tax, see "CERTAIN INVESTMENT CONSIDERATIONS" herein.

Pledged Revenues

Only the Trust Estate (LOGT), which includes the five cents of the six cents of the Local Option Gas Tax, has been pledged to and is the source of the repayment of the Outstanding Senior Lien Bonds and the Refunding Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE REFUNDING BONDS – Pledged Revenues; Trust Estate (LOGT)" herein.

The following table presents the Pledged Revenues and the annual percentage increase or decrease in the Pledged Revenues for Fiscal Years 2014 through 2023.

**Jacksonville Transportation Authority
Pledged Revenues**

Fiscal Year Ended September 30	Pledged Revenues⁽¹⁾⁽²⁾	Percentage Increase (Decrease)
2014	\$22,877,933	0.57%
2015	24,229,952	5.91
2016	25,209,733	4.04
2017	25,329,400 ⁽³⁾	0.47
2018	26,145,749 ⁽³⁾	3.22 ⁽³⁾
2019	26,836,369	2.64 ⁽³⁾
2020	25,160,498	(6.24) ⁽³⁾
2021	25,714,082	2.20
2022	26,381,542	2.60
2023	26,853,538	1.79

⁽¹⁾ Amounts are net of the Department of Revenue's administrative fee.

⁽²⁾ Excludes the Five-Cent Local Option Gas Tax and 9th-Cent Local Option Gas Tax received by the Authority pursuant to the 2021 Interlocal Agreement, which are not included in the Pledged Revenues.

⁽³⁾ The Authority revised the information previously included in the Official Statement relating to the Series 2020 Bonds and presented in this table under: (a) the column entitled "Pledged Revenues" for Fiscal Years 2017 and 2018; and (b) the column entitled "Percentage Increase (Decrease)" for Fiscal Years 2018 through 2019, to conform such information to the information retrieved by the Authority from the Department of Revenue in August 2024. The Authority revised the information previously filed on EMMA for Fiscal Year 2023 and presented in this table under the columns entitled "Percentage Increase (Decrease)" in Fiscal Years 2019 and 2020 to conform such information to the information retrieved by the Authority from the Department of Revenue in August 2024.

Source: Jacksonville Transportation Authority based on information retrieved from the Florida Department of Revenue relating to the Local Option Gas Tax.

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The following table presents the Pledged Revenues and the annual percentage increase or decrease in the Pledged Revenues, for the first 11 months of Fiscal Years 2023 and 2024.

First Eleven Months of Fiscal Year ended September 30	Pledged Revenues⁽¹⁾⁽²⁾	Percentage Increase (Decrease)
2023	\$24,443,312	-
2024	23,969,586	(1.94)%

⁽¹⁾ Amounts are net of the Department of Revenue's administrative fee.

⁽²⁾ Excludes the Five-Cent Local Option Gas Tax and 9th-Cent Local Option Gas Tax received by the Authority pursuant to the 2021 Interlocal Agreement, which are not included in the Pledged Revenues.

Source: Jacksonville Transportation Authority based on information retrieved from the Florida Department of Revenue relating to the Local Option Gas Tax.

For information regarding certain investment considerations relating to the Local Option Gas Tax, see "CERTAIN INVESTMENT CONSIDERATIONS" herein.

Historical Debt Service Coverage

The following table sets forth the Pledged Revenues, the annual debt service for the Outstanding Senior Lien Bonds, and the historical debt service coverage for the Outstanding Senior Lien Bonds for Fiscal Years 2019 through 2023. See "SECURITY AND SOURCES OF PAYMENT FOR THE REFUNDING BONDS – Pledged Revenues; Trust Estate (LOGT)" herein.

Jacksonville Transportation Authority Historical Debt Service Coverage

Fiscal Year Ended September 30	Pledged Revenues⁽¹⁾⁽²⁾⁽³⁾	Debt Service for the Outstanding Senior Lien Bonds⁽⁴⁾	Historical Debt Service Coverage for the Outstanding Senior Lien Bonds⁽⁴⁾
2019	\$26,836,369	\$ 7,806,250	3.4x
2020	25,160,498	7,805,250	3.2
2021	25,714,082	9,145,733	2.8
2022	26,381,542	11,214,250	2.4
2023	26,853,538	11,214,500	2.4

⁽¹⁾ Amounts are net of the Department of Revenues administrative fee.

⁽²⁾ Source: Jacksonville Transportation Authority based on information retrieved from the Florida Department of Revenue relating to the Local Option Gas Tax.

⁽³⁾ Excludes the Five-Cent Local Option Gas Tax and 9th-Cent Local Option Gas Tax received by the Authority pursuant to the 2021 Interlocal Agreement, which are not included in the Pledged Revenues.

⁽⁴⁾ Source: Public Resources Advisory Group, Inc.

JACKSONVILLE TRANSPORTATION AUTHORITY

General

The Authority was created and established as a body politic and corporate and an agency of the state pursuant to Chapter 349, Florida Statutes. The Authority is authorized under the Act

to develop, finance, construct, own, lease, purchase, relocate, equip and repair public transportation projects that are intended to address critical transportation needs or concerns in the Jacksonville, Duval County, metropolitan area.

The Authority provides regional transit services and roadway infrastructure connecting Northeast Florida and operates the area's bus system. As of July 31, 2024, the bus system had approximately 32 routes with vehicles traveling approximately 8 million revenue miles each year with approximately 368 bus operators and approximately 114 maintenance employees supporting an active fleet of approximately 197 vehicles. Through a contractor, the Authority manages the day-to-day operations, including reservations and trip schedules, of Connexion, the Authority's paratransit service, which is a shared-ride service that provides door-to-door transportation for the disabled, elderly and transportation disadvantaged in Duval County. In addition, the Authority operates the free 2.5 mile Skyway which is a fully automated transit system operating on an elevated dual guideway. Six two-car Skyway trains move patrons to eight stations on both sides of the St. Johns River in the central business district. The Authority also operates a stadium shuttle service that connects thousands of football fans from multiple suburban and downtown parking locations to TIAA Bank Field for the NFL Jacksonville Jaguars home games, the annual Florida-Georgia game and the annual Gator Bowl game. The Authority also operates the St. Johns River Ferry, a car and passenger ferry, which connects the north and south ends of Florida State Road A1A in Duval County, linking Mayport Village and Ft. George Island across the St. Johns River.

Board of Directors

The Authority's Board of Directors (the "Board") has seven members. Three members are appointed by the Governor and confirmed by the Senate; three members are appointed by the Mayor of the City and confirmed by the City Council; and the seventh member is the District Two Secretary of the Florida Department of Transportation ("FDOT"). Board members serve a four-year term and can be reappointed for an additional four years, with the exception of the FDOT Secretary who serves the length of his or her appointment in that position. The members of the Authority are not entitled to compensation, but are reimbursed for travel and other expenses actually incurred in their duties as provided by law.

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The current members of the Board, officers and terms of office are as follows:

Name	Position	Term Expires⁽¹⁾
Debbie Buckland	Chair	May 31, 2023 ⁽²⁾
G. Ray Driver, Jr.	Vice Chair	May 31, 2023 ⁽²⁾
Patricia Gillum Sams	Treasurer	May 31, 2027
Aundra Wallace	Secretary	May 31, 2026
Ari Jolly	Immediate Past Chair	May 31, 2023 ⁽³⁾
Megan Hayward	Member	May 31, 2027
Greg Evans, P.E.	Ex-Officio Board Member & FDOT District Two Secretary	N/A

⁽¹⁾ Board members hold office until reappointed or a successor has been appointed and qualified.

⁽²⁾ Awaiting potential reappointment.

⁽³⁾ Awaiting successor to be named.

Management and Employees

Management. The Authority is managed by a Chief Executive Officer who is appointed by the Board and oversees an authorized budgeted staff of 870 full-time and 37 part-time employees for Fiscal Year 2025. Biographical data concerning the Chief Executive Officer and certain other key officials of the Authority is set forth below.

Nathaniel P. Ford, Sr., Chief Executive Officer. Nathaniel P. Ford, Sr. was appointed the Chief Executive Officer of the Authority on December 3, 2013. Mr. Ford has more than 35 years of transportation industry experience and has run two of the largest transportation agencies in the country, the San Francisco Municipal Transportation Agency ("SFMTA") and the Metropolitan Atlanta Rapid Transit Authority ("MARTA"). He served as general manager and chief executive officer for five of his eight years at MARTA.

Mr. Ford is a champion of multimodal transportation, walkable neighborhoods, public-private partnerships ("P3") and transit-oriented development; and known for industry-leading insights and thought leadership on international transportation issues from trade and study missions around the world. Mr. Ford was the recipient of the 2020 American Public Transportation Association ("APTA") Outstanding Public Transportation Manager Award. Under Mr. Ford's leadership, the Authority was recognized as the winner of the 2016 APTA Outstanding Public Transportation System Achievement Award.

Mr. Ford has received numerous awards for his transformational programs and initiatives, including the White House Champion of Change. He was named "Ultimate CEO" by the Jacksonville Business Journal, inducted into the First Coast Business Hall of Fame and was honored with the 2019 "Thought Leader" Award by The Eno Center for Transportation." In the eight years Mr. Ford has been in Jacksonville, he was chairman of the City's 2015 "Step Out: Walk to Stop Diabetes" campaign and the 2016 recipient of the Jacksonville Urban League's Clanzel T. Brown Sr. Award. He was also recognized by the Jacksonville Council of the Blind at its 2016 annual White Cane Ball. Mr. Ford serves on the boards of several nonprofits, including as vice chair of the Board of Directors for Goodwill Industries. He is also a past member of the United Way Board of Directors and the Board of Trustees for Daniel Kids. Under Mr. Ford's leadership, Authority employees

have embraced community causes including the Clara White Mission to feed the homeless and Sulzbacher Village. The Authority has also started an internship program to prepare college students for careers in transportation.

Mr. Ford holds an Executive MBA from the Davis School of Business at Jacksonville University and a Bachelor of Applied Science degree in organizational leadership from Mercer University. He is a graduate of the Executive Development Consortium Program at Emory University, has completed executive training at the John F. Kennedy School of Government at Harvard University and recently became a published author.

Cleveland Ferguson III, Executive Vice President/Chief Administrative Officer (CAO). Mr. Ferguson is charged with improving Northeast Florida's economy, environment and quality of life through the Authority's administrative, technological and economic development initiatives. Some highlights include leading P3 teams to create transit-oriented development, reducing food deserts, and pioneering data science analytics usage through the Authority's public benefit corporations.

Mr. Ferguson has successfully represented the Authority at congressional hearings and the U.S. Department of Transportation on federal support for safety-sensitive operations, housing and transit, autonomous vehicle technology, workforce development initiatives, and enhancing analytics in public transportation. He provides subject matter expertise through industry panels at APTA and Florida Public Transportation Association ("FPTA"). His leadership has contributed to the Authority's recognition as a forward-leaning mid-size agency, including earning the 2016 APTA Outstanding Public Transportation System Achievement Award.

Among the Authority's recent awards under Mr. Ferguson's leadership contributed to the Authority receiving the 2024 National Weather Service StormReady Certification, U.S. Department of Homeland Security Transportation Security Administration's 2023 Gold Standard Award, the FPTA 2021 Innovation Award for its opioid intervention program, the Urban Land Institute's 2021 Judge's Choice Award, and 2023 and 2018 FPTA Gold Bus Safety Excellence Award.

He previously served as the Deputy CAO for the City of Jacksonville, Florida. There, he led the effort to expand the use of analytics through JaxScore, reform the delivery of citizen-based services and increase transparency in city operations. Successes include establishing the property asset management optimization process, innovations in procurement with online auctions, and developing the employee performance management system, JaxOps. He also coordinated the Renew Jax effort, which secured \$50 million in investments in infrastructure and community development projects.

When Mr. Ferguson was a tenured law professor, he led a summer abroad program in France to accreditation by the American Bar Association. His scholarship on contracts, regulatory policy and constitutional law has been translated into multiple languages, and courts and regulators have cited his writings. He has a distinguished record of board service in civic, nonprofit, legal, and international associations, including being a mayoral

appointee to the Jacksonville Economic Development Commission, Chairman of the Florida Legal Services Board of Directors, and Secretary of the Legal Affairs Committee of APTA.

Onyx Magazine recognized Mr. Ferguson as a 2023 "Man of Honor." He is a member of Leadership Broward Class XXIII, Leadership Jacksonville (2010), Leadership Florida Class XXXIII, the 2017 ENO Transit Senior Executive Program, The Florida Bar, and the U.S. Supreme Court Bar.

Mr. Ferguson received his Juris Doctor from Florida State University College of Law and a B.S. from Nova Southeastern University ("NSU"). He was conferred with a Doctor of Humane Letters by NSU in 2018. Additionally, he is currently pursuing his Ph.D. in Conflict Resolution and Analysis.

Greer J. Gillis, Senior Vice President/Chief Infrastructure & Development Officer. Greer Johnson Gillis is the Senior Vice President/Chief Infrastructure & Development Officer for the Authority. Ms. Gillis leads the Authority's construction and capital programs department, which oversees maintenance, facilities, and the system development and system planning divisions. Those duties include oversight in the completion of the new Jacksonville Regional Transportation Center at LaVilla, the Authority's new administrative headquarters, bus transfer facility and multimodal hub in Downtown Jacksonville. She also leads a vast and comprehensive infrastructure and roadbuilding initiative called JTAMobilityWorks.

Ms. Gillis comes to the Authority after serving as a District of Columbia Public Service Commissioner since 2018, which is an independent quasi-judicial body and regulatory agency responsible for regulating landline telephone, electricity, and gas utility companies operating within the District of Columbia. Commissioners are appointed to four-year terms by the Mayor of D.C., with the advice and consent of the D.C. Council. Prior to that, she served as Director of the District of Columbia Department of General Services, where she oversaw the leasing, construction, operations, maintenance, and security of facilities owned and operated by the District government.

She previously served as the Deputy Director for the District of Columbia Department of Transportation ("DDOT"), where she oversaw agency operations, major infrastructure and sustainability projects. She formerly was the Deputy Chief Engineer for DDOT, where she directed infrastructure projects pertaining to the Anacostia Waterfront Initiative program, Stormwater Management Branch, Safety Standards and Quality Control Division, ITS Division, and Citywide Special Projects.

Ms. Gillis holds a Bachelor of Science in Civil Engineering and a Master of Science in Civil Engineer with a concentration in Transportation, both from the Georgia Institute of Technology. She also is a licensed Professional Engineer in Washington, D.C. and Virginia.

Jeffrey H. Smith, Senior Vice President/Chief Operating Officer. Jeffrey H. Smith is the Senior Vice President/Chief Operating Officer for the Authority directing the

performance of passenger transportation services serving the Jacksonville, Florida metropolitan region and providing public transit service seven days a week to the communities of Duval, Nassau, Clay and St. John's Counties. He is responsible for the safety, productivity, and accountability of Transit Operations, including service planning, operations and maintenance of all vehicles related to Authority's transit system including fixed route, bus rapid transit, paratransit, microtransit and waterborne systems. Mr. Smith joined the Authority in 2021 with over thirty-five years of experience in the transportation industry. He was hired as the Assistant Vice President and Chief Transportation Officer. In 2023, Mr. Smith was promoted to Vice President of Transit Operations.

Before arriving in Jacksonville, Mr. Smith worked in the following capacities for the Chicago Transit Authority ("CTA"): Director of training and instruction, Director of Rail Operations, Director of Bus Operations, GM of Rail Operations, GM of Bus Operations and Senior Manager of Bus Operations.

Prior to working for the CTA, Mr. Smith was the President and CEO of Omega Transport Services, Inc. He is an expert in strategic planning, contract negotiations, management consulting, operations management, business needs assessment and proposal development.

Mr. Smith holds an MBA from Purdue University and the following certifications: Six Sigma Master Black Belt, Six Sigma Lean Belt, Six Sigma Green Belt, all from Villanova University, and Transit Rail and Transit Safety and Security, Transit Bus from the U.S. Department of Transportation.

Raj Srinath, Senior Vice President/Chief Financial Officer. Raj Srinath is the Senior Vice President/Chief Financial Officer for the Authority. Mr. Srinath is responsible for directing financial planning and analysis, accounting, budgeting, treasury, grants and revenue management for the organization. He also oversees the department of information technology, and the fixed assets program for the Authority.

Mr. Srinath has over 25 years of experience in the transit/transportation industry. Before joining the Authority, he served as the Chief Financial Officer at MARTA, where he was responsible for MARTA's strategic direction, operational and capital budgets, debt & investments programs, financial viability, and daily management of MARTA's Department of Finance. In addition to the Department of Finance, he managed the Federal and State Grants Programs, and the Department of Contracts, Procurement & Materials. He also advised the General Manager and the Board of Directors on fiscal management matters.

Prior to MARTA, Mr. Srinath served as Deputy General Manager/CFO at Santa Clara Valley Transportation Authority where he was responsible for all finance functions, real estate development, risk management, information technology, human resources, employee relations, grants, procurement, and contracts.

Mr. Srinath holds a Bachelor of Science degree in Engineering from Bangalore (India) and a Master's degree in Business Administration from Clarion University of Pennsylvania.

Employees. The administrative employees of the Authority participate in the Florida Retirement System defined benefit pension plan. More than half of the Authority's employees are covered under union contracts with: (a) the Amalgamated Transit Local Union No. 1197 ("ATU"), which covers bus operators; (b) the International Association of Machinists and Aerospace Workers Local Union No. 759 ("IAM"), which covers mechanics and utility employees; and (c) the American Federation of State, County and Municipal Employees ("AFSCME Florida"), which covers dispatchers. The Authority's union contracts with: (a) ATU expire on September 30, 2024; (b) IAM relating to the mechanics expire on December 1, 2025; (c) IAM relating to the utility employees expire on November 2, 2026; and (d) AFSCME Florida expire on May 20, 2025. The Authority negotiated a new contract with ATU with a term commencing on October 1, 2024 and expiring on September 30, 2028. In addition, the Authority currently plans to negotiate union contracts with IAM and AFSCME Florida. The Authority also contributes to pension plans for each of these unions. Each of these pension plans are adequately funded. See "APPENDIX E – AUDITED BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2023" attached hereto.

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OUTSTANDING SENIOR LIEN INDEBTEDNESS

Senior Lien Bonds

Prior to: (a) the issuance of the Series 2024 Bonds and the purchase of the Purchased Series 2015 Bonds and (b) the issuance of the Series 2025 Forward Delivery Bonds and the defeasance of all of the Refunded Series 2015 Bonds, the following table presents all of the Senior Lien Bonds issued and outstanding under the Trust Agreement (the "Outstanding Senior Lien Bonds").

Jacksonville Transportation Authority Outstanding Senior Lien Bonds

Name of Issue	Final Maturity (August 1)	Interest Rate	Outstanding Principal Amount
Series 2015 Bonds ⁽¹⁾⁽²⁾	2036	5.00%	\$69,185,000
Series 2020 Bonds	2036	5.00	30,195,000
Total			<u>\$99,380,000</u>

⁽¹⁾ The proceeds of the Series 2024 Bonds will be used by the Authority to provide funds, together with other available funds of the Authority, to, among other things, purchase and cancel or defease the Purchased Series 2015 Bonds in accordance with the Tender Offer subject to the terms and conditions in the Invitation. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

⁽²⁾ The proceeds of the Series 2025 Forward Delivery Bonds will be used by the Authority to provide funds, together with other available funds of the Authority, to, among other things, defease all of the Refunded Series 2015 Bonds. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Other than the Refunding Bonds, the Authority does not presently anticipate issuing any additional Senior Lien Bonds. However, the Authority may issue additional Senior Lien Bonds in connection with financing or refinancing opportunities that lower costs of borrowing and/or maximize savings in accordance with long-term planning objectives.

Senior Lien Parity Debt

Senior Lien Parity Debt includes all Indebtedness incurred by the Authority not evidenced by Senior Lien Bonds which is secured on a parity (as so designated in the Parity Debt Resolution) with the Senior Lien Bonds by a pledge, charge and lien upon the same Supplemental Revenues as one or more Series of Senior Lien Bonds, as provided in the Trust Agreement and applicable Supplemental Agreements. As of September 1, 2024, there was no outstanding Senior Lien Parity Debt. The Authority does not presently anticipate issuing any Senior Lien Parity Debt.

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ESTIMATED DEBT SERVICE REQUIREMENTS

The following table presents the annual debt service obligations of the Authority on the Outstanding Senior Lien Bonds prior to: (a) the issuance of the Series 2024 Bonds and the purchase of the Purchased Series 2015 Bonds with proceeds of the Series 2024 Bonds and (b) the issuance of the Series 2025 Forward Delivery Bonds and the defeasance of all of the Refunded Series 2015 Bonds. Upon the issuance and delivery of the Series 2024 Bonds, the following table will present the annual debt service obligations of the Authority on the Outstanding Senior Lien Bonds, including the Series 2024 Bonds, and the Refunded Series 2015 Bonds, and the total aggregate debt service for the Outstanding Senior Lien Bonds. Upon the issuance and delivery of the Series 2024 Bonds and the Series 2025 Forward Delivery Bonds, the following table will present the annual debt service obligations of the Authority on the Outstanding Senior Lien Bonds, including the Series 2024 Bonds and the 2025 Forward Delivery Bonds, and the total aggregate debt service for the Outstanding Senior Lien Bonds.

Year Ending September 30	Outstanding Senior Lien Bonds ⁽¹⁾⁽²⁾	Series 2024 Bonds ⁽¹⁾			Series 2025 Forward Delivery Bonds			Total Aggregate Debt Service for Outstanding Senior Lien Bonds ⁽¹⁾
		Principal	Interest	Total	Principal	Interest	Total	
2024	\$11,211,250							
2025	11,214,000							
2026	11,211,750							
2027	11,214,000							
2028	11,209,750							
2029	11,213,500							
2030	11,214,000							
2031	11,210,500							
2032	11,212,250							
2033	11,213,000							
2034	11,211,750							
2035	11,212,500							
2036	11,214,000							
	\$145,762,250							

⁽¹⁾ Numbers may not add up due to rounding.

⁽²⁾ Includes debt service on the outstanding Series 2015 Bonds. See "PLAN OF REFUNDING" and "OUTSTANDING SENIOR LIEN INDEBTEDNESS – Senior Lien Bonds" herein.

Source: Public Resources Advisory Group, Inc.

CERTAIN INVESTMENT CONSIDERATIONS

General

The information included under this section provides an overview of certain investment considerations, which may impact the Authority's receipt of the Pledged Revenues in amounts sufficient to pay the debt service on the Outstanding Senior Lien Bonds and the Refunding Bonds and speaks only as of the date of this Official Statement. The information included under this section is not meant to be a comprehensive or definitive list of the investment considerations which may impact the Authority's receipt of the Pledged Revenues in amounts sufficient to pay the debt service on the Outstanding Senior Lien Bonds and the Refunding Bonds, and the order in which such information is presented does not necessarily reflect the relative importance of such information. Potential investors are advised to consider the following investment considerations, among others, and to review the entire Official Statement, including the cover page, the inside front cover page, and the appendices attached hereto, to obtain information essential to the making of an informed investment decision. Additional factors, investment considerations and other uncertainties not presently known, or currently believed to be immaterial, may also ultimately materially and adversely affect, among other things, the Pledged Revenues or individual investors. There can be no assurance that other factors or investment considerations not discussed in this Official Statement are or will not become material in the future.

Passive Revenue Source

The Authority has no control over the amount of Pledged Revenues to be received by the Authority because (a) the amount of Pledged Revenues received by the Authority is based on fuel consumption in Duval County and the Authority has no ability to control such consumption or to increase the rate at which such fuel is taxed within Duval County, (b) the Authority has no control over the collection or distribution procedures related to the Local Option Gas Tax, and (c) the Authority has no control over the City's continued compliance with statutory requirements governing the Local Option Gas Tax. The City has been collecting the Local Option Gas Tax since 1986 and has a vested interest in continued compliance. See "LOCAL OPTION GAS TAX – Eligibility and Use of Local Option Gas Tax" and "SECURITY AND SOURCES OF PAYMENT FOR THE REFUNDING BONDS – Interlocal Agreements" herein. No assurance can be given that the Pledged Revenues will continue to be available in the amounts available historically. See "LOCAL OPTION GAS TAX – Pledged Revenues" herein.

Fuel Sales Subject to Fluctuation

The collection of taxes imposed on the purchase of motor fuel and diesel fuel is necessarily subject to fluctuations in spending which is affected by, among other things, general economic cycles and geopolitical issues, including factors related to the increase in fuel prices. The Pledged Revenues may increase or decrease based on increasing fuel prices brought about by inflation, as collections are vulnerable to adverse economic conditions, and the purchase of motor fuel may decrease as a result. The rate of collection of the Local Option Gas Tax may correspond generally to economic cycles, as well as patterns of usage of automobiles and truck transport, increased fuel efficiency standards, increased usage of vehicles employing alternate technologies (such as electric vehicles), alternative transportation and energy sources as may be developed, increases in

telecommuting, and changes in population, density, and tourism, among other factors. The Authority has no control over any such factors, and is unable to predict what economic factors, demands, changes in use or cycles of collection will occur while the Outstanding Senior Lien Bonds and the Refunding Bonds remain outstanding. A decrease in fuel consumption in Duval County, which would adversely affect the amount and/or availability of Pledged Revenues, could result from a variety of circumstances, including, without limitation, the price of fuel, oil shortages or embargos, geopolitical factors, increased use of alternative fuel sources, wars, pandemics, or natural disasters. No assurance can be given that the Pledged Revenues will continue to be available in the amounts available historically. See "LOCAL OPTION GAS TAX – Pledged Revenues" herein.

Distribution and Allocation of Local Option Gas Tax Subject to Change

The incorporation of any additional municipalities within Duval County during the term the Refunding Bonds are outstanding could affect the amount of Local Option Gas Tax distributed by the City to the Authority under the 2014 Interlocal Agreement. No additional municipalities have been incorporated in Duval County since 1968. Under certain circumstances, the City's allocation of the Local Option Gas Tax may be recalculated (including a reduction) pursuant to Section 336.025, Florida Statutes, and the interlocal agreements governing distributions within Duval County. No assurance can be given that the Pledged Revenues will continue to be available in the amounts available historically. See "LOCAL OPTION GAS TAX – Pledged Revenues" herein.

Ceiling on State Revenue Collections

Subsection 1(e), Article VII of the State Constitution places a limit on the rate of growth in taxes, fees, licenses, and charges for services imposed by the Florida Legislature on individuals, businesses, or agencies outside of state government (the "State Revenues"), restraining such growth to no more than the growth rate in State personal income over a specified period. In any year, the revenue limit is determined by multiplying the average annual growth rate in State personal income over the previous five years by the maximum amount of revenue permitted under the limitation in the previous year. State Revenues collected for any fiscal year in excess of the limitation are to be transferred to the Budget Stabilization Fund until such time that fund reaches its maximum balance (10% of general revenue collections in the previous fiscal year) and then are to be refunded to taxpayers as provided by general law. The Florida Legislature, by a two-thirds vote of the membership of each house, may increase the allowable State Revenues for any fiscal year. Such an increase must be in a separate bill containing no other subject and must set forth the dollar amount of the increase.

Cybersecurity

In recent years, many governmental entities have reported data breaches and other fraudulent activities/attacks, which have heightened awareness of data security. The techniques used to obtain unauthorized access to, or to disable or degrade, electronic networks, computers, systems and solutions are rapidly evolving and have become increasingly complex and sophisticated. Such incidents are likely to continue and the Authority is unable to predict the direct or indirect impact of these future attacks and activities on the Authority. The Authority has taken

steps to protect its digital infrastructure, including deployment of a digital security program in 2019, which aligns to the NIST Cybersecurity Framework (CSF), and as part of these protections the Authority has cybersecurity awareness training, disaster recovery and incident response planning, vulnerability and patch management, IT risk management, in addition to vendor security reviews.

Climate Change

The State is susceptible to the effects of extreme weather events and natural disasters, including floods, droughts, and hurricanes, which could result in negative economic impacts to communities such as Duval County. The occurrence of such extreme weather events could damage local infrastructure resulting in, among other things, a reduction in motor fuel purchases and a decline in tourism. No assurance can be given that the Pledged Revenues will continue to be available in the amounts available historically. See "LOCAL OPTION GAS TAX – Pledged Revenues" herein.

Economic, Political, and Social Conditions

Prospective investors are encouraged to evaluate current and prospective economic, political, and social conditions as part of making an informed investment decision. Changes in economic, political, and social conditions on a local, state, federal, or international level may adversely affect investment risk generally. Such conditional changes may include, but are not limited to, the reduction or elimination of previously available State or federal revenues, fluctuations in business production, consumer prices, or financial markets, unemployment rates, technological advancements, shortages or surpluses in natural resources or energy supplies, changes in law, social unrest, fluctuations in the crime rate, political conflict, and acts of war or terrorism. No assurance can be given that the Pledged Revenues will continue to be available in the amounts available historically. See "LOCAL OPTION GAS TAX – Pledged Revenues" herein.

Future Changes in Laws

From time to time, legislative proposals are introduced or are pending which could have an effect on the Authority's revenues, management, operations and finances. At this time, the Authority is not aware of any pending or proposed legislation which would have a material adverse effect on the financial condition of the Authority, the Authority's receipt of the Pledged Revenues or the Trust Estate (LOGT) pledged to the repayment of the Refunding Bonds. No assurance can be given that the Pledged Revenues will continue to be available in the amounts available historically. See "LOCAL OPTION GAS TAX – Pledged Revenues" herein.

Enforceability of Remedies

See "SECURITY AND SOURCES OF PAYMENT FOR THE REFUNDING BONDS – Enforceability of Remedies" herein.

Special Limited Obligations

See "SECURITY AND SOURCES OF PAYMENT FOR THE REFUNDING BONDS – Special Limited Obligations" herein.

LITIGATION

There is no litigation now pending or, to the knowledge of the Authority, threatened against the Authority which restrains or enjoins the issuance or delivery of the Refunding Bonds or the use of the proceeds of the Refunding Bonds or which questions or contests the validity of the Refunding Bonds or the proceedings and authority under which they are to be issued, executed and delivered.

DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES

Section 517.051, Florida Statutes, and the regulations promulgated thereunder require that the Authority make full and fair disclosure of any of its bonds or its other obligations that have been in default as to payment of principal or interest at any time after December 31, 1975. The Authority has not been, since December 31, 1975, in default as to payment of principal or interest on any of such bonds or other obligations.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Refunding Bonds, including accruing original issue discount, is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax, which is imposed on taxpayers other than corporations. Failure by the Authority to comply subsequently to the issuance of the Refunding Bonds with certain requirements of the Code regarding the use, expenditure and investment of the proceeds of the Refunding Bonds and the timely payment of certain investment earnings to the Treasury of the United States may cause interest on the Refunding Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance. The Authority has covenanted in the Trust Agreement to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Refunding Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

The Code contains a number of provisions that apply to the Refunding Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the Refunding Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Refunding Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Refunding Bonds being included in gross income for federal income tax purposes retroactive to their date of issuance.

Original Issue Discount

The initial offering prices of the Refunding Bonds maturing on August 1, ____ (the "Refunding Discount Bonds") are less than the respective stated principal amounts thereof. Under the Code, the excess of (a) the stated principal amount of the Refunding Discount Bonds over (b) the initial offering price to the public, excluding bond houses and brokers, at which price a substantial amount of such Refunding Discount Bonds of the same maturity was sold, is "original issue discount." Original issue discount on the Refunding Discount Bonds constitutes interest which is excluded from gross income for federal income tax purposes to the same extent as stated interest thereon. Original issue discount accrues actuarially over the term of a Refunding Discount Bond at a constant interest rate. A purchaser who acquires a Refunding Discount Bond in the initial offering at a price equal to the initial offering price to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the sum of the stated interest paid during the period and the original issue discount accruing during the period such purchaser holds such Refunding Discount Bond, and such purchaser will increase its adjusted basis in such Refunding Discount Bond by the amount of such accruing original issue discount for the purposes of determining taxable gain or loss on the sale or other disposition of such Refunding Discount Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Refunding Discount Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Prospective purchasers of Refunding Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon the sale or other disposition of Refunding Discount Bonds and with respect to the state and local tax consequences of owning and disposing of Refunding Discount Bonds.

Collateral Tax Consequences

Except as described under the heading "Opinion of Bond Counsel," above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Refunding Bonds. Prospective purchasers of Refunding Bonds should be aware that the ownership of Refunding Bonds may result in other collateral federal tax consequences. For example, ownership of the Refunding Bonds may result in collateral tax consequences to various types of corporations relating to: (a) denial of interest deduction to purchase or carry such Refunding Bonds, (b) the branch profits tax, and (c) the inclusion of interest on the Refunding Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Refunding Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE REFUNDING BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Amortizable Bond Premium

The excess of the purchase price paid for a Refunding Bond over the amount payable at maturity generally constitutes amortizable bond premium. Accordingly, Refunding Bonds maturing on ____, ____, ____, and ____ that are purchased at the initial offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amounts of such Refunding Bonds (the "Refunding Premium Bonds") have amortizable bond premium. Amortizable bond premium on federally tax-exempt bonds, such as the Refunding Bonds, is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis to the maturity date of the Refunding Premium Bonds.

For purposes of determining gain or loss on the sale or other disposition of a Refunding Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Refunding Premium Bond annually by the amount of amortizable bond premium for the taxable year. Amortizable bond premium may be taken into account as a reduction in the amount of federally tax-exempt income for purposes of determining various other collateral tax consequences of owning such Refunding Premium Bonds. Owners of the Refunding Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Refunding Premium Bonds.

During recent years, legislative proposals have been introduced in Congress which, if enacted into law, would alter certain federal tax consequences resulting from the ownership of federally tax-exempt obligations such as the Refunding Bonds. In some cases, these proposals have contained provisions that would have imposed these consequences on a retroactive basis. During the pendency of such legislative proposals the market value of federally tax-exempt bonds, including the Refunding Bonds, could have been adversely affected, whether or not they were ultimately enacted into law. No assurance can be given that legislative proposals of this nature will not be introduced or enacted in the future that would or might apply to, or have an adverse effect upon, the Refunding Bonds.

Other State and Local Tax Matters

INTEREST ON THE REFUNDING BONDS MAY BE SUBJECT TO STATE OR LOCAL INCOME TAXATION UNDER APPLICABLE STATE OR LOCAL LAWS IN OTHER JURISDICTIONS. PURCHASERS OF THE REFUNDING BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE INCOME TAX STATUS OF INTEREST ON THE REFUNDING BONDS IN THEIR PARTICULAR STATE OR LOCAL JURISDICTIONS.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with paragraph (b)(5) of the Rule, simultaneously with the issuance of the Refunding Bonds, the Authority will enter into the Continuing Disclosure Agreements for the benefit of the Holders of the Series 2024 Bonds and the Series 2025 Forward Delivery Bonds, substantially in the forms attached hereto as

"APPENDIX F-1 – FORM OF CONTINUING DISCLOSURE AGREEMENT RELATING TO THE SERIES 2024 BONDS" and "APPENDIX F-2 – FORM OF CONTINUING DISCLOSURE AGREEMENT RELATING TO THE SERIES 2025 FORWARD DELIVERY BONDS," respectively. The Authority, as an "obligated person" under the Rule, will undertake in the Continuing Disclosure Agreements to provide: (a) certain financial information and operating data relating to the Local Option Gas Tax and the Series 2024 Bonds and the Series 2025 Forward Delivery Bonds, as applicable, in each year (the "Annual Filing") and (b) notice of the occurrence of certain enumerated events (each a "Listed Event Notice"). The Annual Filing and each Listed Event Notice, if applicable, will be filed by the Dissemination Agent, on behalf of the Authority, on EMMA. The specific nature and timing of filing the Annual Filing and each Listed Event Notice, and other details of the Authority's undertakings are more fully described in "APPENDIX F-1 – FORM OF CONTINUING DISCLOSURE AGREEMENT RELATING TO THE SERIES 2024 BONDS" and "APPENDIX F-2 – FORM OF CONTINUING DISCLOSURE AGREEMENT RELATING TO THE SERIES 2025 FORWARD DELIVERY BONDS" attached hereto.

Notwithstanding any other provision of the Trust Agreement, failure of the Authority to comply with the Continuing Disclosure Agreements shall not be considered an Event of Default under the Trust Agreement. To the extent permitted by law, the sole and exclusive remedy of any holder of the Refunding Bonds for the enforcement of the provisions of the Continuing Disclosure Agreements shall be an action seeking mandamus or specific performance by court order to cause the Authority to comply with its obligations under the Continuing Disclosure Agreements.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, validity, sale and delivery of the Refunding Bonds are subject to the approving opinions of Nelson Mullins Riley & Scarborough LLP, Orlando, Florida, in its capacity as bond counsel ("Bond Counsel"), whose approving opinions (in substantially the forms attached hereto as APPENDIX G-1 and APPENDIX G-2) will be delivered concurrently with the issuance of the Series 2024 Bonds and the Series 2025 Forward Delivery Bonds, respectively.

The legal opinions will speak only as of their dates and subsequent distribution of such opinions by recirculation of this Official Statement or otherwise will not create any implication that subsequent to the dates of the legal opinions Bond Counsel has affirmed its opinions.

The proposed text of the legal opinions of Bond Counsel are attached hereto as "APPENDIX G-1 – FORM OF OPINION OF BOND COUNSEL RELATING TO THE SERIES 2024 BONDS" and "APPENDIX G-2 – FORM OF OPINION OF BOND COUNSEL RELATING TO THE SERIES 2025 FORWARD DELIVERY BONDS." The actual legal opinions to be delivered may vary from the text of APPENDIX G-1 AND APPENDIX G-2, if necessary, to reflect facts and law on the dates of delivery of the respective Series 2024 Bonds and Series 2025 Forward Delivery Bonds.

Certain legal matters in connection with the Refunding Bonds will be passed upon for the Authority by Nelson Mullins Riley & Scarborough LLP, Orlando, Florida, in its capacity as

general counsel to the Authority ("Authority's Counsel"). Greenberg Traurig, P.A., Orlando, Florida ("Disclosure Counsel"), has served as disclosure counsel in connection with the Refunding Bonds. Certain legal matters in connection with the Refunding Bonds will be passed upon for the Underwriters by Foley & Lardner LLP, Orlando, Florida.

The legal opinions to be delivered concurrently with the delivery of the Refunding Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the attorneys providing such opinion do not become insurers or guarantors of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

VERIFICATION OF CERTAIN CALCULATIONS

Robert Thomas CPA, LLC, as verification agent (the "Verification Agent"), will deliver to the Authority, on or before the issuance of the Series 2025 Forward Delivery Bonds, its verification report indicating that it has verified, in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants, the arithmetical accuracy of the computation of the adequacy of the amounts to be deposited in the Escrow Fund to be held by the Escrow Agent to pay, at maturity, all principal of, and accrued interest for each maturity of the Refunded Series 2015 Bonds, as applicable and as provided in the Escrow Agreement.

The verification performed by the Verification Agent will be solely based upon assumptions and information provided to the Verification Agent by the Underwriters and the Municipal Advisor on behalf of the Authority. The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based, and accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions or the achievability of the forecasted outcome.

FINANCIAL STATEMENTS

The Authority's basic financial statements and supplemental information as of and for the year ended September 30, 2023, which are composed of the basic financial statements, the related notes to the financial statements, required supplemental information (unaudited) and compliance information, among other information (the "2023 Audited Financial Statements") have been audited by Cherry Bekaert LLP, independent auditors (the "Auditors"). The report of the Auditors (the "Auditors' Report"), together with the 2023 Audited Financial Statements, the management's discussion and analysis, and certain other information are attached hereto as "APPENDIX E – AUDITED BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2023." The Auditors have not been engaged to perform and have not performed, since the date of the Auditors' Report, any procedures on the 2023 Audited Financial Statements addressed in the Auditors' Report. In addition, the Auditors have not performed any procedures relating to this Official Statement.

MUNICIPAL ADVISOR

The Authority has retained Public Resources Advisory Group, Inc., St, Petersburg, Florida, an independent registered Municipal Advisor (the "Municipal Advisor") in connection with the Authority's financing plans and with respect to the authorization and issuance of the Refunding Bonds. The Municipal Advisor, with the exception of the sections entitled "ESTIMATED DEBT SERVICE REQUIREMENTS," and "LOCAL OPTION GAS TAX – Historical Debt Service Coverage" herein, has not been engaged and is not obligated to undertake, and has not undertaken to make, independent verification of the accuracy or completeness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

RATINGS

S&P Global Ratings ("S&P") and Kroll Bond Rating Agency, LLC ("Kroll" and together with S&P, the "Rating Agencies") have assigned their municipal long-term ratings of "AA" and "AA," respectively to the Series 2024 Bonds.

S&P and Kroll have assigned their municipal long-term ratings of "AA" and "AA," respectively to the Series 2025 Forward Delivery Bonds.

The ratings, including any related outlook with respect to potential changes in such ratings, reflect only the respective views of the Rating Agencies, and an explanation of the significance of such ratings may be obtained from the Rating Agencies furnishing the ratings. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that such ratings will remain unchanged for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings or other actions by the Rating Agencies or either of them, may have an adverse effect on the liquidity and/or market price of the affected Refunding Bonds. The Authority has not undertaken any responsibility to oppose any such revision, suspension or withdrawal.

UNDERWRITING

Series 2024 Bonds

Jefferies, on behalf of itself and the other Underwriters, have agreed jointly and severally, pursuant to a Bond Purchase Agreement with the Authority (the "Bond Purchase Agreement") to purchase the Series 2024 Bonds at a price equal to \$_____ (representing the par amount of the Series 2024 Bonds of \$_____, plus/minus a net original issue discount/bond premium of \$_____, and less an underwriters' discount of \$_____). The Bond Purchase Agreement provides that the obligations of the Underwriters to purchase and accept delivery of the Series 2024 Bonds are subject to various conditions of the Bond Purchase Agreement, but the Underwriters will be obligated to purchase all of the Series 2024 Bonds, if any are purchased.

The prices and other terms with respect to the offering and sale of the Series 2024 Bonds may be changed from time to time by the Underwriters after such Series 2024 Bonds are released for sale, and the Series 2024 Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Series 2024 Bonds into investment accounts.

See "DISCLOSURE OF CERTAIN RELATIONSHIPS AND MULTIPLE ROLES" herein.

Series 2025 Forward Delivery Bonds

Jefferies, on behalf of itself and the other Underwriters, have agreed jointly and severally, pursuant to a Forward Delivery Bond Purchase Agreement with the Authority (the "Forward Delivery Bond Purchase Agreement") to purchase the Series 2025 Forward Delivery Bonds at a price equal to \$_____ (representing the par amount of the Series 2025 Forward Delivery Bonds of \$_____, plus/minus a net original issue discount/bond premium of \$_____, and less an underwriters' discount of \$_____). The Forward Delivery Bond Purchase Agreement provides that the obligations of the Underwriters to purchase and accept delivery of the Series 2025 Forward Delivery Bonds are subject to various conditions of the Forward Delivery Bond Purchase Agreement, but the Underwriters will be obligated to purchase all of the Series 2025 Forward Delivery Bonds, if any are purchased. See "CERTAIN FORWARD DELIVERY CONSIDERATIONS, RISKS, AND ACKNOWLEDGEMENTS WITH RESPECT TO THE SERIES 2025 FORWARD DELIVERY BONDS" herein.

The prices and other terms with respect to the offering and sale of the Series 2025 Forward Delivery Bonds may be changed from time to time by the Underwriters after such Series 2025 Forward Delivery Bonds are released for sale, and the Series 2025 Forward Delivery Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Series 2025 Forward Delivery Bonds into investment accounts.

See "DISCLOSURE OF CERTAIN RELATIONSHIPS AND MULTIPLE ROLES" herein.

DISCLOSURE OF CERTAIN RELATIONSHIPS AND MULTIPLE ROLES

Jefferies is serving as one of the Underwriters of the Refunding Bonds, and is also serving as Dealer Manager in connection with the Tender Offer. A portion of the proceeds from the Series 2024 Bonds will be used by the Authority to purchase the Purchased Series 2015 Bonds subject to the terms and conditions set forth in the Invitation with the assistance of the Dealer Manager. The Authority has agreed to pay the Dealer Manager a customary fee for its services and to reimburse the Dealer Manager for its reasonable expenses incurred in connection with the Tender Offer. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Greenberg Traurig, P.A., Disclosure Counsel, has represented in the past, currently represents, and expects to represent in the future, certain of the Underwriters in matters unrelated to the Refunding Bonds.

The following information has been provided by certain of the Underwriters for inclusion in this Official Statement:

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their respective affiliates may have certain creditor and/or other rights against the Authority and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities, and instruments.

CONTINGENCY OF FEES

Payment of the fees of Bond Counsel, Authority's Counsel, Disclosure Counsel, the Municipal Advisor, the Dealer Manager and the payment of a discount to the Underwriters and the fees of counsel to the Underwriters are each contingent upon the issuance and sale of the Refunding Bonds. Payment of the fees of the Authority's independent auditors are not contingent upon the issuance and sale of the Refunding Bonds.

FORWARD-LOOKING STATEMENTS

Any statements made in this Official Statement, including in the appendices attached hereto, involving estimates, forecasts or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates, forecasts or matters of opinion will be realized.

Use of the words "shall" or "will" in this Official Statement or in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

The statements contained in this Official Statement, including in the appendices attached hereto, that are not purely historical, are "forward looking statements." Such statements generally are identifiable by the terminology used, such as "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "expect," "estimate," "budget" or other similar words. Readers should not place undue reliance on forward looking statements. All forward-looking

statements included or incorporated by reference in this Official Statement are based on information available on the date hereof and the Authority does not assume any obligation to update any such forward looking statements. It is important to note that the actual results could differ materially from those in such forward-looking statements.

The forward looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Authority. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement, including in the appendices attached hereto, will prove to be accurate.

MISCELLANEOUS

This Official Statement includes descriptions of the terms of the Refunding Bonds and summaries of certain provisions of the Trust Agreement. Such descriptions do not purport to be complete and all such descriptions and references thereto are qualified in their entirety by references to each such document. The appendices appended to this Official Statement are integral parts hereof and should be read together with all other parts of this Official Statement.

This Official Statement is not to be construed as a contract with the purchasers of the Refunding Bonds. The references, excerpts and summaries of all documents referred to in this Official Statement do not purport to be complete statements of the provisions of such documents, and potential investors should refer to all such documents for full and complete statements of all matters relating to the Refunding Bonds, the security for the payment of the Refunding Bonds and the rights and obligations of the owners of the Refunding Bonds. The information set forth in this Official Statement has been obtained from the Authority and other sources, which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by the Authority, and is not to be construed as a representation of the Authority or the Underwriters. The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made shall under any circumstances create any implication that there has been no change in the matters referred to in this Official Statement since its date.

AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement, and its distribution and use by the Underwriters in connection with the original public offer, sale and distribution of the Refunding Bonds by the Underwriters, have been duly authorized and approved by the Authority.

**JACKSONVILLE TRANSPORTATION
AUTHORITY**

By: _____
Debbie Buckland
Chair

By: _____
Nathaniel P. Ford Sr.
Chief Executive Officer

By: _____
Raj Srinath
Senior Vice President/Chief Financial Officer

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APPENDIX A

COPY OF MASTER TRUST AGREEMENT

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MASTER TRUST AGREEMENT

Dated as of January 1, 2015

Between

JACKSONVILLE TRANSPORTATION AUTHORITY

and

REGIONS BANK
Trustee

Authorizing and Securing

Jacksonville Transportation Authority
Revenue Bonds

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EXHIBIT A DESCRIPTION OF INITIAL PROJECT

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MASTER TRUST AGREEMENT

This MASTER TRUST AGREEMENT (this "Trust Agreement"), dated as of January 1, 2015, between JACKSONVILLE TRANSPORTATION AUTHORITY, a body politic and corporate and an agency of the State (the "Issuer"), and REGIONS BANK, a state banking corporation duly organized and existing under the laws of the State of Alabama and having a designated corporate trust office in Jacksonville, Florida, which is authorized under such laws to exercise trust powers (the "Trustee");

WITNESSETH:

WHEREAS, the Issuer is a body politic and corporate and an agency of the State of Florida (the "State") duly organized and existing under the Constitution, Chapter 349, Florida Statutes and other applicable laws of the State (collectively, the "Act"); and

WHEREAS, the Issuer and is authorized under the Act to issue revenue bonds for the purpose of developing, financing, constructing, owning, leasing, purchasing, relocating, equipping, and repairing, public transportation projects that are intended to address critical transportation needs or concerns in the Jacksonville, Duval County, metropolitan area; and

WHEREAS, pursuant to the Act, the Issuer is entering into this Trust Agreement for the purposes of authorizing the issuance of Bonds (hereinafter defined) and Parity Debt (hereinafter defined), and securing the payment thereof by pledging and assigning its rights, title and interest in and to Supplemental Revenues (hereinafter defined) to the Trustee in the manner and subject to the priorities set forth herein; and

WHEREAS, the Issuer desires initially to issue Senior Lien Bonds, secured by Supplemental Revenues consisting of local option gas tax revenues, pursuant to the Act and this Trust Agreement, as supplemented, and to apply the proceeds thereof, together with other available funds, to pay the Costs (hereinafter defined) of the Initial Project (hereinafter defined); and

WHEREAS, pursuant to the Act, the Issuer is authorized to do or cause to be done all the acts and things herein provided or required to be done as hereinafter covenanted; and

WHEREAS, all acts, conditions and things required by the Act, to happen, exist and be performed precedent to and in connection with the execution and delivery of this Trust Agreement have happened, exist and have been performed as so required to make this Trust Agreement a valid and binding trust agreement securing the Bonds and Parity Debt in accordance with its terms; and

WHEREAS, the Trustee has accepted the trusts created by this Trust Agreement and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH that in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the issuance of the Bonds and the incurrence of Parity Debt as provided herein, and also for and in consideration of the sum of One Dollar in hand paid by the Trustee at or before the

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given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set-over and pledged is to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners and Holders, from time to time, of Bonds and Parity Debt, as follows:

ARTICLE I
DEFINITIONS; FINDINGS AND DETERMINATIONS

SECTION 1.01 MEANING OF WORDS AND TERMS. In addition to words and terms elsewhere defined in this Trust Agreement and unless otherwise defined in a Supplemental Agreement with respect to one or more Series of Bonds, the following words and terms as used in this Trust Agreement shall have the following meanings, unless some other meaning is plainly intended:

"Act" means, collectively, the Constitution, the Jacksonville Transportation Authority Law, Chapter 349, Florida Statutes, as amended and other applicable provisions of State Law.

"Additional Project" means any capital project or other purpose permitted under the Act and authorized by the Issuer Board pursuant to a Supplemental Agreement, Series Agreement and/or Parity Debt Resolution.

"Annual Budget" means the Issuer's budget for a Fiscal Year adopted pursuant to the terms hereof.

"Authorized Officer" means the Chairman, Vice Chairman, Secretary, Chief Executive Officer, Chief Financial Officer, and Director of Legal Services of the Issuer, and any other person authorized by resolution of the Issuer Board to perform the duties imposed on an Authorized Officer by this Trust Agreement whose name and specimen signature is filed with the Trustee for such purpose pursuant to an Officer's Certificate.

"Available Revenues" shall mean any and all revenues, rates, fees, rentals, and other charges received or collected by the Issuer, that (a) the Issuer is authorized under the Act to collect or receive, and (b) are legally available to be pledged by the Issuer to secure one or more Series of Bonds and/or Parity Debt under this Trust Agreement and any Supplemental Agreement or Parity Debt Resolution. Available Revenues shall not constitute Pledged Revenues until they are specifically included in a Trust Estate established pursuant to a Supplemental Agreement or Parity Debt Resolution with respect to one or more Series of Bonds and/or Parity Debt.

"Balloon Long-Term Indebtedness" means fixed or variable rate Long-Term Indebtedness 25% or more of the principal payments of which are due in a single twelve-month period, which portion of the principal is not required by the documents pursuant to which such Indebtedness is incurred to be amortized by redemption or prepayment prior to the expiration of such period.

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execution and delivery of this Trust Agreement, and for other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which Bonds and Parity Debt are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners or Holders (each as hereinafter defined) thereof, and to secure the payment of all Bonds at any time issued and Outstanding (hereinafter defined) under this Trust Agreement and to further secure payment of any Parity Debt authorized under this Trust Agreement, and to secure the performance and observance of all the covenants, agreements and conditions, express or implied, therein and herein contained, the Issuer has executed and delivered this Trust Agreement, and by this Trust Agreement has, subject to the terms hereof, given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set over, and pledged, and does hereby give, grant, bargain, alien, remise, release, convey, transfer, assign, confirm, set over, and pledge unto the Trustee, and its successor or successors in trust, the Trust Estate (as herein defined) established for such Bonds and Parity Debt pursuant to a Supplemental Agreement;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successor or successors in trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the benefit, security and protection of all and singular the present and future Owners of the Bonds issued or to be issued under and secured by this Trust Agreement and the Holders of any Parity Debt authorized under and secured by this Trust Agreement, without preference, priority or distinction as to lien or otherwise, except as may otherwise be provided for herein and in a Supplemental Agreement, of: (a) any one Senior Lien Bond or Senior Lien Parity Debt secured by a particular source of Supplemental Revenues over any other Senior Lien Bond or Senior Lien Parity Debt issued under the same Supplemental Agreement, or (b) any Subordinate Lien Bond or Subordinate Lien Parity Debt secured on a subordinate basis by a particular source of Supplemental Revenues over any other Subordinate Lien Bond or Subordinate Lien Parity Debt issued under the same Supplemental Agreement, by reason of priority in their issue, sale, delivery date or otherwise, all as provided herein and in applicable Supplemental Agreements;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or provide for the payment, pursuant to the provisions of this Trust Agreement and Supplemental Agreements, of the principal of all Bonds and Parity Debt, and the interest and any redemption premium due or to become due thereon, at the times and in the manner mentioned therein and in this Trust Agreement, according to the true intent and meaning hereof and thereof, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof and perform all of its other obligations hereunder, then, upon such performance and payments, this Trust Agreement and the rights hereby granted shall cease, determine and become void, as provided in Article XII hereof; otherwise this Trust Agreement to be and remain in full force and effect.

THIS TRUST AGREEMENT FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder and any Parity Debt authorized and secured hereunder are to be issued, authenticated, delivered and dealt with, and all said property hereby

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"Bankruptcy Related Event" means (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of a Person, or any of its debts, or of a substantial part of the assets of such Person, under any Insolvency Law, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for such Person for a substantial part of the assets of such Person, and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or (b) such Person shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for such Person or for a substantial part of the assets of such Person, or (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, or (v) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, or (vi) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (v), inclusive, of this clause (b), or (vii) take any action for the purpose of effecting any of the foregoing; or (c) (i) all or a substantial part of a Trust Estate shall be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of any liens or security interest thereon securing the Senior Lien Indebtedness, or (ii) all or a substantial part of a Trust Estate shall be transferred pursuant to a sale or disposition in lieu of foreclosure.

"Bond" or "Bonds" means, collectively, the Senior Lien Bonds and the Subordinate Lien Bonds.

"Bond Insurance Policy" means a municipal bond insurance policy or similar arrangement obtained or established in connection with the issuance of any Bonds or other Parity Debt.

"Bond Insurer" means the Person providing a Bond Insurance Policy.

"Bond Registrar" means, with respect to any Series of Bonds, the Bond Registrar at the time serving as such hereunder or under the Supplemental Agreement relating to such Series, whether the original or a successor Bond Registrar.

"Business Day" means any day other than a Saturday, a Sunday or a day on which offices of the United States Government or the State are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York, in Jacksonville, Florida or in the city where the principal or designated office of the Trustee is located.

"Capital Appreciation Bonds" means Bonds the interest on which is compounded at the rates and on the dates set forth in a Supplemental Agreement and is payable upon redemption or on the maturity date of such Bonds; provided, however, that nothing in this Trust Agreement

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shall prohibit the Issuer from designating in the appropriate Supplemental Agreement or Series Agreement any such Bonds by a name other than Capital Appreciation Bonds.

"Capital Improvements Budget" for any Fiscal Year means the budget for capital improvements adopted by the Issuer as described in Section 7.04 hereof.

"Capitalized Interest Account" means the respective accounts in the Senior Lien Debt Service Fund and the Subordinate Lien Debt Service Fund created and so designated by Section 5.01 or by Supplemental Agreement.

"Chief Executive Officer" means the person appointed or employed by the Issuer to perform the duties imposed on the Chief Executive Officer by this Trust Agreement.

"Chief Financial Officer" means the person appointed or employed by the Issuer to perform the duties imposed on the Chief Financial Officer by this Trust Agreement.

"City" means the City of Jacksonville, Florida.

"Completion Date" means the date of acquisition or completion of the Initial Project and any Additional Project, or of any phase or segment of the foregoing, as the case may be, as certified by the Issuer pursuant to Section 4.07.

"Completion Indebtedness" means any Long-Term Indebtedness incurred for the purpose of financing the completion of any Additional Project for which Long-Term Indebtedness has theretofore been incurred in accordance with the provisions hereof, to the extent necessary to complete such Additional Project, in the manner and scope contemplated at the time that such Long-Term Indebtedness theretofore incurred was originally incurred, and, to the extent the same shall be applicable, in accordance with the general plans and specifications for such Additional Project, as originally prepared with only such changes as have been made in conformance with the documents pursuant to which such Long-Term Indebtedness theretofore incurred was originally incurred; provided, however, that such Long-Term Indebtedness shall not exceed 5% of the aggregate principal amount of the Long-Term Indebtedness originally incurred by the Issuer to finance the Costs of any Additional Project.

"Compounded Amount" means with respect to Capital Appreciation Bonds of any Series, the amount set forth in a Supplemental Agreement as the amount representing the initial public offering price, plus the accumulated and compounded interest on such Capital Appreciation Bonds.

"Costs" as applied to the Initial Project or any Additional Project, means, without intending thereby to limit or restrict any proper definition of such word under the provisions of the Act or this Trust Agreement, all items of cost which are set forth in Section 4.03.

"Credit Facility" means a line of credit, letter of credit, standby bond purchase agreement or similar liquidity or credit facility permitted by the Act (but excluding a Bond Insurance Policy) and established or obtained in connection with the incurrence of any Indebtedness.

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pay to the counterparty or provider in connection with such Indebtedness a variable rate (the "Synthetic Variable Rate") and the counterparty or provider shall pay to the Issuer a fixed rate on a notional amount equal to all or a portion of the Outstanding principal amount of such Indebtedness.

"Director of Legal Services" means the person appointed or employed by the Issuer to perform the duties imposed on the Director of Legal Services by this Trust Agreement.

"Eminent Domain" means the eminent domain or condemnation power by which all or any part of the Initial Project or Additional Projects may be taken for another public use or any agreement that is reached in lieu of proceedings to exercise such power.

"Event of Default" means each of those events of default set forth in Section 8.02.

"Fiscal Year" means the period commencing on the first day of October of any year and ending on the last day of September of the following year.

"Fitch" means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer by notice to the Trustee.

"General Engineering Consultant" means any engineer or firm of engineers independent of the Issuer of favorable reputation for skill and experience in performing the duties for which such consultant is required to be employed pursuant to the provisions of this Trust Agreement.

"Government Obligations" means direct obligations of, or obligations the principal of and the interest on which are fully and unconditionally guaranteed by, the United States of America in either certificated or book-entry form, including (a) stripped Government Obligations stripped by the United States Treasury itself and (b) interest only portions of obligations issued by the Resolution Funding Corporation.

"Grant Anticipation Notes" means any grant anticipation notes issued by the Issuer in compliance with the provisions of Section 2.12.

"Holder" means the holder or owner of Senior Lien Parity Debt or Subordinate Lien Parity Debt.

"Indebtedness" means all obligations incurred or assumed by the Issuer in connection with the development, design, financing, acquisition, construction and equipping, ownership or operation of the Initial Project or Additional Projects:

(a) for payments of principal and interest with respect to borrowed money, including any obligation to repay a Credit Provider for moneys drawn to pay and retire or purchase Indebtedness and including the continuing obligation to pay principal and interest with respect to any Indebtedness pursuant to the subrogation provisions of a Bond Insurance Policy following the payment to the Owner or Holder of such

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"Credit Provider" means the Person providing a Credit Facility. If and to the extent permitted by law, the Issuer may be a Credit Provider for the sole purpose of providing liquidity support for Indebtedness.

"Current Interest Bonds" means Bonds the interest on which is payable on the Interest Payment Dates provided therefor in any Supplemental Agreement or Series Agreement.

"Default" means any Event of Default and any event that, after notice or lapse of time or both, would become an Event of Default.

"Defaulted Interest" means Defaulted Interest as defined in Section 2.02.

"Defeasance Obligations" means noncallable (a) Government Obligations and (b) Defeased Municipal Obligations.

"Defeased Municipal Obligations" means obligations of state or local government municipal bond issuers which are rated the highest rating category by S&P, Fitch or Moody's, respectively, provision for the payment of the principal of, premium, if any, and interest on which shall have been made by deposit with a trustee or escrow agent of Government Obligations, the maturing principal of and interest on which, when due and payable, shall provide sufficient money to pay the principal of, premium, if any, and interest on such obligations of state or local government municipal bond issuers. References in this definition to state or local government bond issuers shall mean the State of Florida and Florida local government bond issuers, and, to the extent permitted by law, states other than the State of Florida and local government bond issuers other than Florida local government bond issuers.

"Depository" means one or more banks or trust companies or other institutions, including the Trustee, duly authorized by State law to engage in the banking business and act as depository for public funds and designated by the Issuer as a depository of moneys under this Trust Agreement.

"Derivative Indebtedness" means the portion of any Indebtedness meeting the requirements set forth in clauses (a) and (b) below:

(a) in connection with such Indebtedness, the Issuer shall have entered into a derivative agreement (i.e., an interest rate swap, cap, collar, floor, forward, option, put, call or other agreement, arrangement or security however denominated, entered into in order to hedge interest rate fluctuations on all or a portion of any Indebtedness or to provide debt management by changing payments to be made by the Issuer with respect to all or a portion of any Indebtedness) in respect of all or a portion of such Indebtedness, and

(b) (i) if such Indebtedness bears interest at a variable rate, such Indebtedness provides that the Issuer shall pay to the counterparty or provider in connection with such Indebtedness the fixed rate (the "Synthetic Fixed Rate") and such counterparty or provider shall pay to the Issuer a variable rate on a notional amount equal to all or a portion of the Outstanding principal amount of such Indebtedness or (ii) if such Indebtedness bears interest at a fixed rate, such Indebtedness provides that the Issuer shall

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Indebtedness of the insured principal and interest from amounts paid by the Bond Insurer under such Bond Insurance Policy; and

(b) for payments under leases which are required to be capitalized in accordance with generally accepted accounting principles and under installment or lease purchase or conditional sale contracts;

provided, however, that (i) Indebtedness shall include only such obligations as are secured by Available Revenues, (ii) any obligation to pay a Credit Provider for moneys drawn to purchase, but not pay and retire, Indebtedness shall constitute Indebtedness only to the extent such payments are in excess of any scheduled payments of principal and interest required to be made to such Credit Provider as an Owner or Holder of such Indebtedness.

"Initial Project" means, collectively, those projects that the Issuer has authorized and agreed to undertake pursuant to the Interlocal Agreement and Resolution 2014-21 of the Issuer, adopted by the Issuer Board on August 28, 2014, and described in Exhibit A attached to this Trust Agreement.

"Insolvency Laws" means the United States Bankruptcy Code, 11 U.S.C. §101 et seq., as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership or similar law now or hereafter in effect.

"Insurance and Condemnation Award Fund" means the fund created and designated the "Jacksonville Transportation Authority Insurance and Condemnation Award Fund" by Section 5.01.

"Insurance Consultant" means any Person or firm independent of the Issuer having a favorable reputation for skill and experience in dealing with the insurance requirements of road, highway and transportation projects similar to the projects that the Issuer is authorized to undertake pursuant to the Act, and in performing the duties to be imposed upon the Insurance Consultant by this Trust Agreement.

"Interest Account" means the respective accounts in the Senior Lien Debt Service Fund and the Subordinate Lien Debt Service Fund created and so designated by Section 5.01 or by Supplemental Agreement.

"Interest Payment Date" means, with respect to any Series of Bonds, each of the interest payment dates provided for in the Supplemental Agreement relating to such Series, and with respect to any Parity Debt, each of the interest payment dates provided for in the Parity Debt Resolution relating to such Parity Debt.

"Interlocal Agreement" means that certain Interlocal Agreement between City of Jacksonville and Jacksonville Transportation Authority for Local Option Gas Tax, Sales Tax and Constitutional Gas Tax Allocations 2016-2036, dated July 29, 2014, as the same may be amended and supplemented in accordance with its terms.

"Investment Obligations" means any of the following:

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation);
- (2) Obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America, including:
 - U.S. Treasury obligations (including State and Local Government Series)
 - All direct or fully guaranteed obligations
 - Farmers Home Administration obligations
 - General Services Administration obligations
 - Guaranteed Title XI financing
 - Government National Mortgage Association (GNMA) obligations;
- (3) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
 - Export-Import Bank
 - Rural Economic Community Development Administration
 - U.S. Maritime Administration
 - Small Business Administration
 - U.S. Department of Housing & Urban Development (PHAs)
 - Federal Housing Administration
 - Federal Financing Bank;
- (4) Direct Obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
 - Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
 - Obligations of this Resolution Funding Corporation (REFCORP)
 - Senior debt obligations of the Federal Home Loan Bank System
 - Senior debt obligations of other government sponsored agencies approved by the Insurer;
- (5) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" by S&P and maturing not more than 360 calendar days after the date of purchase (ratings on holding companies are not considered as the rating on the bank);
- (6) Commercial paper which is rated at the time of purchase "P-1" by Moody's and "A-1" by S&P, respectively, and which matures not more than 270 calendar days after the date of purchase;
- (7) (A) Investments in a money market fund rated "AAAm" by S&P; or (B) a deposit account offered by the initial Trustee known as the Regions Trust Cash Swap (RTCS) rated "BBB" by S&P; or (C) other investment products offered by the Trustee;

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the Issuer could reasonably expect to borrow the same by incurring Indebtedness with the same term as assumed above; provided, however, that if the date of calculation is within twelve (12) calendar months of the actual final maturity date of such Indebtedness, the full amount of principal payable at maturity shall be included in such calculation, unless a binding commitment by an institutional lender or municipal underwriting firm exists, which binding commitment may contain typical and customary conditions, to provide financing to refinance such Indebtedness and such commitment provides for the refinancing of such Indebtedness on terms which would, if such commitment were implemented, constitute Long-Term Indebtedness, then in such case the payment terms contained in such commitment shall be utilized for purposes of calculating the Long-Term Debt Service Requirement with respect to such Balloon Long-Term Indebtedness;

(b) with respect to Long-Term Indebtedness which is Variable Rate Indebtedness, the interest on such Indebtedness shall be calculated at the rate determined by the Issuer which is equal to the average of the actual interest rates which were in effect (weighted according to the length of the period during which each such interest rate was in effect) for the most recent twelve (12) month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a twelve (12) month period), except that with respect to new Variable Rate Indebtedness proposed to be incurred, the interest rate for such Variable Rate Indebtedness shall be equal to the running average of the SIFMA Municipal Index for the most recent fifty-two (52) weeks immediately preceding the date of calculation for which such information is available; provided however, that if the Issuer has also incurred Derivative Indebtedness in connection with Variable Rate Indebtedness in order to synthetically convert the rate on the Variable Rate Indebtedness to a fixed rate of interest, then the provisions of paragraph (d) below will apply.

(c) with respect to any Credit Facility, (i) to the extent that such Credit Facility has not been used or drawn upon, the principal and interest relating to such Credit Facility shall not be included in the Long-Term Debt Service Requirement and (ii) to the extent that the Issuer has reimbursed a Credit Provider for a drawing on a Credit Facility to pay principal or interest on Indebtedness that is already included in the Long-Term Debt Service Requirement, only the portion of the reimbursement payment that is in excess of the payment of principal and interest paid from the drawing shall be included in the Long-Term Debt Service Requirement; and

(d) interest payable in connection with Derivative Indebtedness shall be calculated as follows unless otherwise specified in the applicable Supplemental Agreement or Series Agreement or Parity Debt Resolution:

(i) for any historical computation of the Long-Term Debt Service Requirement:

(A) if such Derivative Indebtedness bears interest at a variable rate, the amount derived by adding (1) the amount of interest paid by the Issuer on such Derivative Indebtedness at such variable rate (calculated at provided in subparagraph (b) above) and (2) the amount paid by the Issuer

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- (8) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and
 - (A) which are related, based on irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or
 - (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by an independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;
- (9) Municipal obligations rated "Aaa/AAA" or general obligations of states with a rating of "A2/A" or higher by both Moody's and S&P; and
- (10) the Local Government Surplus Funds Trust Fund created and established pursuant to Chapter 218, Part IV, Florida Statutes, as amended.

"Issuer" means Jacksonville Transportation Authority, a body politic and corporate and an agency of the State, and any successor thereto.

"Issuer Board" means the governing board of the Issuer, as constituted and identified pursuant to the Act.

"Long-Term Debt Service Requirement" means, for any period of twelve (12) consecutive calendar months for which such determination is made, the aggregate of the required deposits to be made in respect of Principal and interest (whether or not separately stated) on Outstanding Long-Term Indebtedness during such period, also taking into account:

- (a) with respect to Balloon Long-Term Indebtedness, the amount of principal which would be payable in such period if such principal were amortized from the date of incurrence thereof over a period of twenty (20) years (or the actual number of years over which such Balloon Long-Term Indebtedness is being amortized, if greater than twenty (20) years, but in no event greater than forty (40) years) on a level debt service basis at an interest rate equal to the current market rate for an obligation with such assumed amortization as set forth in an opinion of an independent financial advisor knowledgeable in financing of transportation projects delivered to the Trustee as the interest rate at which

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to the provider or counterparty relating to such Derivative Indebtedness at the Synthetic Fixed Rate, and subtracting (3) the amount received by the Issuer from the provider of such Derivative Indebtedness at the variable rate specified in the documents evidencing the Derivative Indebtedness (calculated as provided in subparagraph (b) above); and

(B) if such Derivative Indebtedness bears interest at a fixed rate, the amount derived by adding (1) the amount of interest paid by the Issuer on such Derivative Indebtedness at such fixed rate and (2) the amount paid by the Issuer to the counterparty or provider in connection with such Derivative Indebtedness at the Synthetic Variable Rate (calculated at provided in subparagraph (b) above) and subtracting (3) the amount received by the Issuer from the counterparty or provider in connection with such Derivative Indebtedness at the fixed rate specified in the documents related to the Derivative Indebtedness; and

(ii) for any projected computation of the Long-Term Debt Service Requirement:

(A) if such Derivative Indebtedness bears interest at a variable rate, at the Synthetic Fixed Rate; and

(B) if such Derivative Indebtedness bears interest at a fixed rate, at the Synthetic Variable Rate (calculated as provided in subparagraph (b) above); provided, however, that notwithstanding the foregoing, (a) accrued and capitalized interest shall be excluded from the determination of Long-Term Debt Service Requirement to the extent the same is provided from the proceeds of the Long-Term Indebtedness or otherwise provided so as to be available for deposit into an account for capitalized interest or similar account not later than the date of delivery of and payment for such Long-Term Indebtedness; (b) the aggregate amount of payments made with respect to principal or interest on Outstanding Long-Term Indebtedness shall not include principal or interest payable from investment earnings on the Senior Lien Debt Service Fund, the Subordinate Lien Debt Service Fund, any Senior Lien Special Reserve Account, any Subordinate Lien Special Reserve Account or any other fund or account established by the Issuer that are required to be used to pay the principal of or interest on Indebtedness; and (c) the aggregate of the payments to be made with respect to principal and interest on Outstanding Long-Term Indebtedness shall not include principal or interest payable from Qualified Escrow Funds; and

(e) the deposits required to be made for any period in respect of interest on any Outstanding Senior Lien Bonds, Subordinate Lien Bonds or Parity Debt issued or incurred hereunder shall be reduced by the amount of funds set aside in the Capitalized Interest Account to pay interest on such Bonds or Parity Debt and of any investment earnings on the Funds and Accounts created in the Debt Service Fund.

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"Long-Term Indebtedness" means all Indebtedness for any of the following:

- (a) money borrowed for an original term, or renewable at the option of the Issuer for a period from the date originally incurred, of longer than one year;
- (b) leases which are required to be capitalized in accordance with generally accepted accounting principles having an original term, or renewable at the option of the Issuer for a period from the date originally incurred, of longer than one year; and
- (c) installment purchase, installment financing or conditional sale contracts having an original term in excess of one year.

Long-Term Indebtedness shall include Short-Term Indebtedness if a Credit Facility exists to provide financing to retire such Short-Term Indebtedness and such Credit Facility provides for the repayment of principal on terms which would, if such commitment were implemented, constitute Long-Term Indebtedness. Long-Term Indebtedness shall also include the current portion of Long-Term Indebtedness. Long-Term Indebtedness shall only include the obligations described in (a), (b) and (c) to the extent that such obligations are Indebtedness, as herein defined.

"Maximum Long-Term Debt Service Requirement" means the highest Long-Term Debt Service Requirement for the present and any succeeding Fiscal Year.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer by notice to the Trustee.

"Net Eminent Domain Proceeds" means the gross proceeds paid to the Issuer as a final award for the taking by Eminent Domain of any of the Initial Project or Additional Projects, less payment of attorneys' and other fees and expenses properly incurred in the collection of such gross proceeds.

"Net Insurance Proceeds" means the gross proceeds paid to the Issuer as a result of any casualty insurance policy, if any, with respect to the Initial Project or Additional Project, or as a result of any liability insurance policy, if any, less payment of attorneys' and other fees and expenses properly incurred in the collection of such gross proceeds.

"Officer's Certificate" means a certificate signed by an Authorized Officer.

"Outstanding," when used with reference to Bonds means, as of a particular date, all Bonds theretofore authenticated and delivered under this Trust Agreement, except:

- (a) Bonds theretofore canceled by the Bond Registrar or delivered to the Bond Registrar for cancellation;
- (b) Bonds deemed to be no longer Outstanding pursuant to Section 3.04;

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provision of a Credit Facility for such Senior Lien Indebtedness. If any Subordinate Lien Indebtedness is to be the subject of a Credit Facility providing for repayments for draws under the Credit Facility on a parity basis with such Subordinate Lien Indebtedness, then the term Parity Debt Resolution shall include any reimbursement agreement or similar repayment agreement executed and delivered by the Issuer in connection with the provision of a Credit Facility for such Subordinate Lien Indebtedness.

"Person" includes corporations, firms, associations, partnerships, joint ventures, joint stock companies, trusts, unincorporated organizations, and public bodies, as well as natural persons.

"Pledged Revenues" means Available Revenues the Issuer has pledged as Supplemental Revenues or Series Revenues to one or more Series of Bonds and/or Parity Debt pursuant to a Supplemental Agreement or a Series Agreement, respectively. The particular Available Revenues pledged by the Issuer as part of the Trust Estate to secure the repayment of one or more Series of Bonds and/or Parity Debt shall be at the discretion of the Issuer, subject to the requirements of this Trust Agreement and any Supplemental Agreements or Series Agreements which include such Supplemental Revenues as part of the Trust Estate for such Supplemental Agreements or Series Agreements.

"Predecessor Bonds" of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond; and, for purposes of this definition, any Bond authenticated and delivered under Section 2.10 in lieu of a lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

"Principal" means (a) with respect to any Capital Appreciation Bond, the Compounded Amount thereof (the difference between the stated amount to be paid at maturity and the Compounded Amount being deemed unearned interest) except as used in connection with the authorization and issuance of Bonds and with the order of priority of payments of Bonds after an Event of Default, in which case "Principal" means the initial public offering price of a Capital Appreciation Bond and the difference between the Compounded Amount and the initial public offering price shall be deemed to be interest and (b) with respect to any Current Interest Bond, the principal amount of such Bond or Indebtedness payable at maturity or in satisfaction of a Sinking Fund Requirement, if applicable.

"Principal Account" means the respective accounts in the Senior Lien Debt Service Fund and the Subordinate Lien Debt Service Fund created and so designated by Section 5.01 or by Supplemental Agreement.

"Principal Payment Date" means any date established by any Supplemental Agreement or Parity Debt Resolution for the payment of principal of Bonds or Parity Debt, respectively, whether at maturity or pursuant to an amortization requirement or otherwise.

"Put Indebtedness" means fixed or variable rate Long-Term Indebtedness 25% or more of the principal of which may, at the option of the Owner or Holder thereof, be tendered to the Issuer, the Trustee, a Depository or a paying agent or other fiduciary, or an agent of any of the foregoing, for payment or purchase at one time.

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- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Trust Agreement;
- (d) Bonds deemed to have been paid in accordance with Article XII; and
- (e) Bonds constituting Put Indebtedness deemed to have been purchased in accordance with the provisions of the applicable Supplemental Agreement in lieu of which other Bonds have been delivered under such Supplemental Agreement.

When used with reference to Parity Debt, "Outstanding" means, as of a particular date, all Parity Debt except:

- (a) Parity Debt theretofore canceled by the Issuer;
- (b) Parity Debt for the payment or redemption of which money, Defeasance Obligations, or a combination of both, in an amount sufficient to pay on the date when such Parity Debt is to be paid or redeemed the principal amount of or Redemption Price of, and the interest accruing to such date on, the Parity Debt to be paid or redeemed, has been deposited with an escrow agent in trust for the Holders of such Parity Debt; Defeasance Obligations shall be deemed to be sufficient to pay or redeem Parity Debt on a specified date if the principal and the interest on such Defeasance Obligations, when due, together with any money left uninvested, will be sufficient to pay on such date the principal amount of or Redemption Price of, and the interest accruing on, such Parity Debt to such date;
- (c) Parity Debt in exchange for or in lieu of which other Parity Debt has been delivered under the documentation authorizing the issuance of such Parity Debt;
- (d) Parity Debt deemed to have been paid in accordance with the defeasance or like provisions of the Parity Debt Resolution providing for the issuance of the Parity Debt; and
- (e) Parity Debt constituting Put Indebtedness deemed to have been purchased in accordance with the provisions of the applicable Parity Debt Resolution in lieu of which other Parity Debt has been incurred under the Parity Debt Resolution.

"Owner" means a Person in whose name a Bond is registered in the registration books provided for in Section 2.05.

"Parity Debt" means, collectively, Senior Lien Parity Debt and Subordinate Lien Parity Debt.

"Parity Debt Resolution" means the resolution (or trust agreement) and any other documentation adopted or executed and delivered by the Issuer providing for the incurrence of Parity Debt. If any Senior Lien Indebtedness is to be the subject of a Credit Facility providing for repayments for draws under the Credit Facility on a parity basis with such Senior Lien Indebtedness, then the term Parity Debt Resolution shall include any reimbursement agreement or similar repayment agreement executed and delivered by the Issuer in connection with the

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"Qualified Escrow Funds" means amounts deposited in a segregated escrow fund or other similar fund or account in connection with the issuance of Long-Term Indebtedness which fund or account is required by the documents establishing such fund or account to be applied toward the Issuer's payment obligations with respect to principal or interest on (a) the Long-Term Indebtedness which is incurred under the documents establishing such fund or account or (b) Long-Term Indebtedness which is incurred prior to the establishment of such fund or account.

"Redemption Account" means the respective accounts in the Senior Lien Debt Service Fund and the Subordinate Lien Debt Service Fund created and so designated by Section 5.01 or by Supplemental Agreement.

"Redemption Price" means, with respect to any Indebtedness or portion thereof, the principal amount or Compounded Amount of such Indebtedness, as applicable, or portion called for redemption plus the applicable premium, if any, payable upon redemption thereof.

"Regular Record Date" means, with respect to any Series of Bonds, the regular record date, if any, provided for in the Supplemental Agreement relating to such Series.

"Reserve Alternative Instrument" means an unconditional insurance policy or surety bond or irrevocable letter of credit or guaranty deposited in a Senior Lien Parity Reserve Account, a Senior Lien Special Reserve Account, a Subordinate Lien Parity Reserve Account or a Subordinate Lien Special Reserve Account in lieu of or in partial substitution for the deposit of cash and Investment Obligations in satisfaction of all or a portion of the Senior Lien Parity Reserve Account Requirement, a Senior Lien Special Reserve Account Requirement, the Subordinate Lien Parity Reserve Account Requirement or a Subordinate Lien Special Reserve Account Requirement. The Reserve Alternative Instrument shall be payable (upon the giving of notice as required thereunder) to remedy any deficiency in the appropriate subaccounts in the Interest Account, the Principal Account and the Sinking Fund Account of the Senior Lien Debt Service Fund or the Subordinate Lien Debt Service Fund, as the case may be, in order to provide for the timely payment of interest and principal (whether at maturity or pursuant to Sinking Fund Requirements therefor). Except as may be provided in a Senior Lien Resolution providing for a Senior Lien Special Reserve Account or in a Subordinate Lien Resolution providing for a Subordinate Lien Special Reserve Account, the provider of a Reserve Alternative Instrument shall be, on the date of issuance of such Reserve Alternative Instrument, (a) an insurer that has been assigned either (A) one of the two highest policyholder ratings accorded insurers by A.M. Best & Co. or any comparable service or (B) for Bonds insured by the provider of the Reserve Alternative Instrument, a rating by Fitch, Moody's or S&P in one of the three highest rating categories (without regard to gradations within such categories) as of the date that the Reserve Alternative Instrument is originally issued or (b) a commercial bank, insurance company or other financial institution the bonds payable or guaranteed by which have been assigned a rating by either Fitch, Moody's or S&P in one of the three highest rating categories (without regard to gradations within such categories) as of the effective date of the guarantee.

"Revenue Bond Anticipation Notes" means any revenue bond anticipation notes issued by the Issuer in compliance with the provisions of Section 2.11.

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"S&P" means Standard & Poor's Ratings Services, a business of Standard & Poor's Financial Services LLC, and its successors and assigns, and if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency. "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer by notice to the Trustee.

"Secretary" means the persons appointed or employed by the Issuer to perform the duties imposed on the Secretary by this Trust Agreement.

"Securities Depository" means the Depository Trust Company or any other recognized securities depository selected by the Issuer, which maintains a book-entry system in respect of a Series of Bonds, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

"Securities Depository Nominee" means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by the Bond Registrar the Bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system.

"Senior Lien Bonds" means any Bonds issued under the provisions of Section 2.08, designated by the Issuer as being Senior Lien Bonds and secured on parity with each other from a Trust Estate that includes the same Supplemental Revenues.

"Senior Lien Debt Service Fund" means the fund created and designated the "Jacksonville Transportation Authority Senior Lien Debt Service Fund" by Section 5.01.

"Senior Lien Indebtedness" means, collectively, the Senior Lien Bonds and Senior Lien Parity Debt.

"Senior Lien Parity Debt" means all Indebtedness incurred by the Issuer not evidenced by Senior Lien Bonds which is secured on a parity (as so designated in the Parity Debt Resolution) with the Senior Lien Bonds by a pledge, charge and lien upon the same Supplemental Revenues as one or more Series of Senior Lien Bonds, as provided in this Trust Agreement and applicable Supplemental Agreements.

"Senior Lien Parity Reserve Account" means the account in the Senior Lien Debt Service Fund described in Section 5.01, and created and so designated by Supplemental Agreement. A Senior Lien Parity Reserve Account may support multiple Series of Senior Lien Bonds issued under the same Supplemental Agreement.

"Senior Lien Parity Reserve Account Requirement" means, initially at the time of issuance of the Series 2015 Bonds, the least of (i) the Maximum Long-Term Debt Service Requirement for all Senior Lien Bonds and Senior Lien Parity Debt secured by a Senior Lien Parity Reserve Account, (ii) 125% of the average annual Long-Term Debt Service Requirement for all Senior Lien Bonds and Senior Lien Parity Debt secured by a Senior Lien Parity Reserve Account, (iii) 10% of the stated principal amount of all Senior Lien Bonds and Senior Lien Parity Debt secured by a Senior Lien Parity Reserve Account or (iv) such lesser amount as may

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"Series Project Account" means an account in a Supplemental Project Fund described in Section 4.01 hereof, and created and so designated by Supplemental Agreement or Series Agreement.

"Series Revenues" means Pledged Revenues that are included by the Issuer as part of a Trust Estate securing one or more, but not all, Series of Bonds issued under a Supplemental Agreement and any applicable Parity Debt.

"Short-Term Indebtedness" means all Indebtedness incurred for borrowed money other than the current portion of Long-Term Indebtedness for any of the following:

- (a) money borrowed for an original term, or renewable at the option of the borrower for a period from the date originally incurred, of one year or less;
- (b) leases which are capitalized in accordance with generally accepted accounting principles having an original term, or renewable at the option of the lessee for a period from the date originally incurred, of one year or less; and
- (c) installment purchase, installment financing or conditional sale contracts having an original term of one year or less.

"SIFMA Municipal Index" means The Securities Industry and Financial Markets Association Municipal Swap Index or such other weekly, high-grade index composed of seven-day, tax-exempt multi-modal notes produced by Municipal Market Data, Inc., or its successor, or as otherwise designated by The Securities Industry and Financial Markets Association; provided, however, that if such index is no longer produced by Municipal Market Data, Inc. or its successor, then "SIFMA Municipal Index" means such other reasonably comparable index selected by the Issuer.

"Sinking Fund Account" means the respective accounts in the Senior Lien Debt Service Fund and the Subordinate Lien Debt Service Fund created and so designated by the provisions of Section 5.01 or by Supplemental Agreement.

"Sinking Fund Requirement" means, with respect to any Series of Bonds, the Sinking Fund Requirement provided in the Supplemental Agreement relating to such Series.

"Special Record Date" means a date fixed by the Trustee for determining the Owners of Bonds for the payment of Defaulted Interest pursuant to Section 2.02.

"State" means the State of Florida.

"Subordinate Lien Bonds" means any Bonds issued under the provisions of Section 2.08, designated by the Issuer as being Subordinate Lien Bonds and secured on parity with each other from a Trust Estate that includes the same Supplemental Revenues.

"Subordinate Lien Debt Service Fund" means the fund created and designated the "Jacksonville Transportation Authority Subordinate Lien Debt Service Fund" by Section 5.01.

"Subordinate Lien Indebtedness" means, collectively, the Subordinate Lien Bonds and Subordinate Lien Parity Debt.

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be provided by Supplemental Agreement; provided, however, that if any Series of Senior Lien Bonds or Senior Lien Parity Debt secured by a Senior Lien Parity Reserve Account has original issue discount or premium that exceeds 2% of the stated redemption price at maturity plus any original issue premium attributable exclusively to underwriter's compensation, the initial offering prices to the public, as determined by the Issuer, shall be used in lieu of the stated principal amount for purposes of the 10% limitation. Thereafter, a Senior Lien Parity Reserve Account shall be adjusted annually on the first day of each Fiscal Year to equal the maximum Long-Term Debt Service Requirement for the Senior Lien Bonds and Senior Lien Parity Debt secured by a Senior Lien Parity Reserve Account for the current Fiscal Year and the next succeeding four Fiscal Years, as determined by the Issuer, to the extent such amount exceeds the amount then on deposit in a Senior Lien Parity Reserve Account. The Senior Lien Parity Reserve Account Requirement may be composed of cash, Investment Obligations or Reserve Alternative Instruments, or any combination of the foregoing, as the Issuer may determine.

"Senior Lien Resolution" means any Supplemental Agreement for Senior Lien Bonds or Parity Debt Resolution for Senior Lien Parity Debt, or both, as the case may be, authorizing the issuance of a Series of Senior Lien Bonds or the incurrence of Senior Lien Parity Debt.

"Senior Lien Special Reserve Account" means a special debt service reserve account, if any, created by a Senior Lien Resolution or related Series Agreement as a debt service reserve account only for the particular Senior Lien Indebtedness authorized thereby.

"Senior Lien Special Reserve Account Requirement" means the amount required to be placed or maintained in a Senior Lien Special Reserve Account as may be required by the Senior Lien Resolution creating such account. The Senior Lien Special Reserve Account Requirement may be composed of cash, Investment Obligations or Reserve Alternative Instruments or any combination of the foregoing, as the Issuer may determine.

"Serial Bonds" means Bonds of any Series that are stated to mature in annual installments, as may be further designated in a Supplemental Agreement or Series Agreement.

"Series," whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series.

"Series 2015 Bonds" means the Issuer's Local Option Gas Tax Senior Lien Revenue Bonds, Series 2015, to be issued in one or more Series pursuant to this Trust Agreement and a Supplemental Agreement. If for any reason, the year in which the proposed Series 2015 Bonds are issued is not 2015, then the description of the Series 2015 Bonds may be modified to match the year in which the Series 2015 Bonds are actually issued.

"Series Agreement" means a trust agreement, together with an order or resolution of the Issuer Board authorizing a particular Series of Bonds which will be secured by Pledged Revenues that have already been included as part of the Trust Estate established under a Supplemental Agreement for a previously issued Series of Bonds. Any Series of Bonds issued under a Series Agreement shall be issued in compliance with the requirements of this Trust Agreement and the applicable Supplemental Agreement.

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"Subordinate Lien Parity Debt" means Indebtedness incurred by the Issuer and not evidenced by Subordinate Lien Bonds which is secured on parity (as so designated in the Parity Debt Resolution) with the Subordinate Lien Bonds by a subordinate pledge, charge and lien upon the same Supplemental Revenues as one or more Series of Subordinate Lien Bonds, as provided in this Trust Agreement and applicable Supplemental Agreements.

"Subordinate Lien Parity Reserve Account" means an account in the Subordinate Lien Debt Service Fund created and so designated by Section 5.01 or by Supplemental Agreement. A Subordinate Lien Parity Reserve Account may support multiple Series of Subordinate Lien Bonds issued under the same Supplemental Agreement.

"Subordinate Lien Parity Reserve Account Requirement" means the amount required to be placed or maintained in a Subordinate Lien Parity Reserve Account as may be required by the Subordinate Lien Resolution first providing for the funding of the Subordinate Lien Parity Reserve Account. The Subordinate Lien Parity Reserve Account Requirement may be composed of cash, Investment Obligations or Reserve Alternative Instruments, or any combination of the foregoing, as the Issuer may determine.

"Subordinate Lien Resolution" means any Supplemental Agreement for Subordinate Lien Bonds or Parity Debt Resolution for Subordinate Lien Parity Debt, or both, as the case may be, authorizing the issuance of a Series of Subordinate Lien Bonds or the incurrence of Subordinate Lien Parity Debt.

"Subordinate Lien Special Reserve Account" means a special debt service reserve account, if any, created by a Subordinate Lien Resolution as a debt service reserve account only for the particular Subordinate Lien Indebtedness authorized thereby.

"Subordinate Lien Special Reserve Account Requirement" means the amount required to be placed or maintained in a Subordinate Lien Special Reserve Account as may be required by the Subordinate Lien Resolution creating such account. The Subordinate Lien Special Reserve Account Requirement may be composed of cash, Investment Obligations or Reserve Alternative Instruments or any combination of the foregoing, as the Issuer may determine.

"Supplemental Agreement" means a trust agreement, including an order or resolution of the Issuer Board, which authorizes the issuance of one or more Series of Bonds and which establishes a Trust Estate that includes the first use by the Issuer of a Supplemental Revenues source as security for a Series of Bonds. All Series of Bonds secured by a common Trust Estate (and common Pledged Revenue source) shall be issued in accordance with the requirements of the Supplemental Agreement establishing such Trust Estate. A Supplemental Agreement may serve as a Series Agreement for the initial Series of Bonds to be issued under a Supplemental Agreement.

"Supplemental Project Fund" means the fund described in Section 4.01 and created pursuant to a Supplemental Agreement.

"Supplemental Revenue Fund" means the fund created and designated the "Supplemental Revenue Fund" by Section 5.01.

"Supplemental Revenues" means Pledged Revenues of the Issuer that are pledged as part of a Trust Estate securing all Series of Bonds issued under a Supplemental Agreement, and any applicable Parity Debt. With respect to the Series 2015 Bonds, Supplemental Revenues shall include the local option gas tax revenues described in the Interlocal Agreement.

"Term Bonds" means Bonds of any Series, other than Serial Bonds, that are designated as such in the Supplemental Agreement or Series Agreement for such Series.

"Trust Agreement" means this Trust Agreement and any supplements and amendments hereto permitted hereby; provided, however, that the Trust Agreement shall not include any Supplemental Agreement executed and delivered by the Issuer and the Trustee with respect to a particular Series of Bonds solely for the purposes and to the extent provided in Section 11.05.

"Trust Estate" has the meaning set forth in Section 5.12 hereof. The Trust Estate established in one Supplemental Agreement shall be different from the Trust Estate established in other Supplemental Agreements; provided however, that Supplemental Revenues securing one or more Series of Bonds issued under an existing Supplemental Agreement may be included as Supplemental Revenues or Series Revenues under subsequent Supplemental Agreements, if (a) at the time such Supplemental Revenues are deposited and applied by the Issuer under the subsequent Supplemental Agreement, such Supplemental Revenues constitute discretionary revenues of the Issuer, and (b) the deposit and application of such Supplemental Revenues under the subsequent Supplemental Agreement is expressly subordinate and inferior to the deposit and application of such Supplemental Revenues under the existing Supplemental Agreement.

"Trustee" means the Trustee serving as such under this Trust Agreement, whether original or successor.

"Variable Rate Indebtedness" means any portion of Indebtedness the interest rate on which is not established at the time of incurrence at a fixed or constant rate (excluding step coupon bonds), which shall be designated as such pursuant to a Supplemental Agreement or Series Agreement or Parity Debt Resolution.

SECTION 1.02 FINDINGS AND DETERMINATIONS. The Issuer does hereby find and determine as follows:

(a) Pursuant to the Act, the Issuer is authorized to plan, develop, finance, construct, own, lease, purchase, operate, maintain, relocate, equip, repair, and manage various types of public transportation projects for the purpose of addressing the critical transportation needs or concerns in the Jacksonville, Duval County, metropolitan area.

(b) Pursuant to the Act, the Issuer is authorized to borrow money and make and issue negotiable notes, revenue bonds, refunding bonds, and other evidences of indebtedness or obligations, either in temporary or definitive form, for the purpose of funding or refunding, at or prior to maturity, any bonds theretofore issued by the Issuer and for the purposes of financing capital projects that the Issuer is authorized to undertake.

ARTICLE II DETAILS OF BONDS

Unless otherwise provided by Supplemental Agreement or Series Agreement with respect to one or more Series of Bonds issued under such Supplemental Agreement, the following terms and provisions shall apply to all Bonds issued under this Trust Agreement:

SECTION 2.01 LIMITATION ON ISSUANCE OF BONDS. The principal of, the interest on and the redemption premium, if any, on all Bonds issued under the provisions of this Trust Agreement and a Supplemental Agreement shall be payable solely from the moneys and assets pledged by the respective Supplemental Agreement for their payment. All covenants, agreements and provisions of this Trust Agreement shall be for the benefit and security of all present and future Owners of Bonds and Holders of Parity Debt without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided or as provided in any Supplemental Agreement, Series Agreement or Parity Debt Resolution.

SECTION 2.02 DETAILS OF BONDS. Bonds authorized hereunder may be issued in one or more Series that may be delivered from time to time. The Issuer shall by Supplemental Agreement or Series Agreement authorize such Series and shall specify therein, to the extent appropriate, (a) the authorized principal amount of each such Series, (b) the Initial Project or Additional Project to be financed or refinanced from the Bonds or other indebtedness to be refunded or refinanced with the proceeds thereof, including costs of issuance; (c) whether such Bonds shall constitute Senior Lien Bonds or Subordinate Lien Bonds, (d) the creation or funding of a debt service reserve fund for such Series, if any; (e) the date and terms of maturity or maturities of the Bonds of such Series, or the dates of payment of the Bonds on the demand of the Owners; (f) the interest rate or rates of the Bonds of such Series, which may include variable, adjustable, convertible or other rates, original issue discount, Capital Appreciation Bonds, municipal multipliers or other deferred interest arrangements and zero interest rate Bonds; provided, that the interest cost of such Series shall never exceed for such Series the maximum interest rate, if any, permitted by law in effect at the time such Series is issued; (g) the Interest Payment Dates for such Series of Bonds; (h) the denominations, numbering, lettering and series designation of such Series of Bonds; (i) the Bond Registrar or paying agents and place or places of payment of such Bonds; (j) the redemption dates and Redemption Prices for such Series of Bonds and any terms of redemption not inconsistent with the provisions of this Trust Agreement, which may include mandatory redemption at the election of the Owners thereof to the extent permitted by law; (k) the terms of any optional or mandatory tender requirement, if any, for such Series of Bonds; (l) the use to be made of proceeds of such Series of Bonds, including, without limitation, deposits required to be made into the appropriate account or subaccount of a Supplemental Project Fund, the Senior Lien Debt Service Fund, the Subordinate Lien Debt Service Fund, a Senior Lien Parity Reserve Account, any Senior Lien Special Reserve Account, a Subordinate Lien Parity Reserve Account or any Subordinate Lien Special Reserve Account; and (m) any other terms or provisions applicable to the Series of Bonds not inconsistent with the provisions of this Trust Agreement or the Act. All of the foregoing may be added by Supplemental Agreements or Series Agreements adopted at any time or from time to time prior to the issuance of such Series of Bonds.

(c) The Issuer and the City have entered into the Interlocal Agreement pursuant to which the City and the Issuer agreed that: (i) the Issuer will undertake the acquisition, construction and equipping of the Initial Project, and (ii) the Issuer will issue the Series 2015 Bonds to fund the cost of the Initial Project.

(d) Pursuant to the Act, the Issuer is permitted to enter into deeds of trust, indentures, or other agreements with a corporate trustee or trustees, which shall act as fiscal agent for the Issuer, and may, as security for such indebtedness and may, under such agreements, assign and pledge all or any of the Available Revenues, including all or any portion of local option taxes or county gasoline tax funds received by the Issuer thereunder.

(e) The Issuer has determined to enter into this Trust Agreement in order to provide a comprehensive and consistent structure for its Bonds and Parity Debt, and to provide for the issuance of Bonds and the authorization of Parity Debt for the purpose of financing and refinancing various capital improvements authorized under the Act, which it may determine to undertake and finance from time to time in its discretion.

SECTION 1.03 RULES OF CONSTRUCTION. (a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number.

(b) References herein to particular articles or sections are references to articles or sections of this Trust Agreement unless some other reference is indicated.

(c) References herein to specific sections or chapters of the laws and Statutes of Florida or to specific legislative acts are intended to be references to these sections, chapters or acts as amended and as they may be amended from time to time by the Florida Legislature, or any successor statute.

The issuance of the Series 2015 Bonds as one or more Series of Senior Lien Bonds for the purpose of financing the Initial Project and secured by a Trust Estate including the local option gas taxes designated for such purpose pursuant to the Interlocal Agreement is hereby authorized. The terms and details of the Series 2015 Bonds shall be set forth in a Supplemental Agreement to be entered into with respect to the Series 2015 Bonds.

Each Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated upon an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) authenticated prior to the first Interest Payment Date, in which event it shall bear interest from its date or such later date as is specified in the Supplemental Agreement providing for its issuance; provided, however, that if at the time of authentication of any Bond interest is in default, such Bond shall bear interest from the date to which interest has been paid.

Unless provided to the contrary in a Supplemental Agreement or Series Agreement, and as permitted by law, the principal of and the interest and premium, if any, on the Bonds shall be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. The payment of interest on each Bond shall be made (a) by the Bond Registrar on each Interest Payment Date to the person appearing on the registration books of the Bond Registrar as the registered owner thereof as of the Regular Record Date by check mailed to the registered owner at his address as it appears on such registration books, or (b) by such additional or alternative means as is provided in any Supplemental Agreement or Series Agreement providing for the issuance of such Bond. Unless otherwise provided in a Supplement Agreement or Series Agreement, payment of the principal of all Bonds shall be made upon the presentation and surrender of such Bonds at the designated corporate trust office of the Bond Registrar as the same become due and payable (whether at maturity, by redemption or otherwise).

Any interest on any Bond of any Series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Owner on the relevant Regular Record Date solely by virtue of such Owner having been such Owner; and such Defaulted Interest may be paid by the Issuer, at its election in each case, as provided in Subsection A or B below:

A. The Issuer may elect to make payment of any Defaulted Interest on the Bonds of any Series to the persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuer shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time, the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Subsection provided. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be

not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, such expense to be paid solely from Supplemental Revenues, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Owner at his address as it appears in the registration books maintained under Section 2.06 not less than ten (10) days prior to such Special Record Date. The Trustee may, in its discretion, in the name and at the expense of the Issuer, such expense to be paid solely from Supplemental Revenues, cause a similar notice to be published at least once in (i) a financial journal distributed in the Borough of Manhattan, City and State of New York, and (ii) a newspaper of general circulation in the City, but such publication shall not be a condition precedent to the establishment of such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following subsection B below.

B. The Issuer may make payment of any Defaulted Interest on the Bonds of any Series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the Issuer to the Trustee of the proposed payment pursuant to this Subsection, such method of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Bond delivered under this Trust Agreement upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date, and neither gain nor loss in interest shall result from such transfer, exchange or substitution.

SECTION 2.03 EXECUTION AND FORM OF BONDS. The Bonds shall be signed by, or bear the facsimile signatures of, the Chairman or the Vice Chairman of the Issuer Board and the Secretary or such other officers of the Issuer as may be designated by the Issuer Board and the official seal of the Issuer shall be impressed, or a facsimile thereof imprinted, on the Bonds. In case any officer whose signature or a facsimile of whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature or such facsimile nevertheless shall be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond are the proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers.

The definitive Bonds are issuable as permitted or required by the respective Supplemental Agreement or Series Agreement providing for the issuance of Bonds of any Series. Bonds may be issued under a book-entry system and held by a Securities Depository. All Bonds may have

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imposed other than by the Issuer that may be imposed in connection with any transfer or exchange of Bonds. Unless otherwise required by the applicable Supplemental Agreement, neither the Issuer nor the Bond Registrar shall be required (a) to issue, transfer or exchange Bonds during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (b) to transfer or exchange any Bond so selected for redemption in whole or in part.

SECTION 2.06 OWNERSHIP OF BONDS. The Issuer, the Trustee, the Bond Registrar and any agent of the Issuer, the Trustee or the Bond Registrar, may treat the person in whose name any Bond is registered, including, without limitation, any Securities Depository Nominee, as the Owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest on such Bond, and for all other purposes whatsoever, whether or not such Bond be overdue, and, to the extent permitted by law, neither the Issuer, the Trustee, the Bond Registrar nor any such agent shall be affected by notice to the contrary. The Issuer may by Supplemental Agreement or Series Agreement modify this provision to specify that the Owner of a Series of Bonds for the purposes of such Supplemental Agreement or Series Agreement shall be the beneficial owner(s) of such Bonds.

SECTION 2.07 AUTHENTICATION OF BONDS. Only such Bonds as have endorsed thereon a certificate of authentication substantially in the form set forth in the Supplemental Agreement or Series Agreement pursuant to which such Bonds are issued, duly executed as provided in the Supplemental Agreement, shall be entitled to any benefit or security under this Trust Agreement. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Bond has been duly executed and dated as provided in the Supplemental Agreement, and such certificate upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Trust Agreement. The certificate of authentication on any Bond shall be deemed to have been duly executed and dated if signed by an authorized officer of the party authorized under the Supplemental Agreement but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds or any Series thereof that may be issued hereunder at any one time.

SECTION 2.08 TERMS AND CONDITIONS FOR ISSUANCE OF BONDS. Before any Bonds shall be issued, the Issuer shall authorize, execute and deliver a Supplemental Agreement or Series Agreement authorizing the issuance of such Bonds, fixing the amount and the details thereof as provided in Section 2.02 and describing in brief and general terms the purpose for issuing such Bonds. Bonds may be issued for the purpose of providing funds for paying, together with any other available funds,

- (a) all or any part of the Costs of the Initial Project or any Additional Project;
- (b) all or any part of completing payment of the Costs of the Initial Project or any Additional Project; and
- (c) the cost (including financing costs) of refunding any Bonds, Parity Debt or any other Indebtedness of the Issuer.

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endorsed thereon such legends or text as may be necessary or appropriate to conform to the applicable rules and regulations of any governmental authority or any securities exchange on which the Bonds may be listed or to any requirement of law with respect thereto.

SECTION 2.04 EXCHANGE OF BONDS. Bonds, upon surrender thereof at the designated corporate trust office of the Bond Registrar, together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as shall be satisfactory to the Bond Registrar, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity, of any denomination or denominations authorized by the Supplemental Agreement pursuant to which such Bonds were issued, bearing interest at the same rate and in the same form as the Bonds surrendered for exchange. The Issuer shall make provision for the exchange of Bonds at the designated corporate trust office of the Bond Registrar.

SECTION 2.05 TRANSFER AND REGISTRATION OF TRANSFER OF BONDS. Unless provided to the contrary in a Supplemental Agreement or Series Agreement, and as permitted by law, the Bond Registrar shall keep books for the registration and the registration of transfer of the Series of Bonds as to which it is Bond Registrar as provided in this Trust Agreement. The registration books shall be available at all reasonable times for inspection by the Issuer, any Owner of such Bonds and may be copied by either of the foregoing and their agents or representatives.

The Bond Registrar shall evidence acceptance of the duties, responsibilities and obligations of the Bond Registrar under this Trust Agreement and the applicable Supplemental Agreement by the execution of the certificate of authentication on the related Series of Bonds.

The transfer of any Bond may be registered only upon the books kept for the registration and registration of transfer of Bonds upon presentation thereof to the Bond Registrar together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as shall be satisfactory to the Bond Registrar. No transfer of any Bond shall alter the ownership of such Bond for purposes of this Trust Agreement unless such transfer is registered with the Bond Registrar. Upon any such registration of transfer, the Issuer shall, if necessary, execute and the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by the Supplemental Agreement pursuant to which such Bond was issued, in the aggregate principal amount equal to the principal amount of such Bond surrendered or exchanged, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Issuer shall, if necessary, execute Bonds in accordance with the provisions of this Trust Agreement and the Bond Registrar shall authenticate and deliver such Bonds at the earliest practicable time. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar. No service charge shall be made for any registration, transfer or exchange of Bonds, but the Issuer and the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge

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The Supplemental Agreement or Series Agreement for Senior Lien Bonds may determine to use a Senior Lien Parity Reserve Account or to establish a Senior Lien Special Reserve Account for such Series of Bonds and fix the provisions with respect thereto, or not to establish any debt service reserve account. Unless named otherwise in the Supplemental Agreement or Series Agreement, the Senior Lien Bonds of each Series shall be designated "Senior Lien _____ Revenue Bonds, Series _____" (inserting the Supplemental Revenue source and year such Bonds are issued and any other distinctive letter, number or description), shall be stated to mature, subject to the right of prior redemption as therein set forth, on the date or dates specified therein, in such year or years not later than forty (40) years from their date, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered and shall have such redemption provisions (subject to the provisions of Article III), all as provided in the Supplemental Agreement or Series Agreement.

The Supplemental Agreement or Series Agreement for Subordinate Lien Bonds may determine to use a Subordinate Lien Parity Reserve Account or to establish a Subordinate Lien Special Reserve Account for such Series of Bonds and fix the provisions with respect thereto or not to establish any debt service reserve account. Unless named otherwise in the Supplemental Agreement or Series Agreement, the Subordinate Lien Bonds of each Series shall be designated "Subordinate Lien _____ Revenue Bonds, Series _____" (inserting the Supplemental Revenue source and the year such Bonds are issued and any other distinctive letter, number or description), shall be stated to mature, subject to the right of prior redemption as therein set forth, on the date or dates specified therein, in such year or years not later than forty (40) years from their date, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered and shall have such redemption provisions (subject to the provisions of Article III), all as provided in the Supplemental Agreement or Series Agreement.

The Bonds shall be executed substantially in the form and in the manner hereinabove set forth and shall be deposited with the Bond Registrar for authentication, but before the Bonds shall be authenticated and delivered to the purchasers thereof, there shall be filed with the Trustee the following:

- (i) an executed copy of this Trust Agreement;
- (ii) an executed copy of the Supplemental Agreement or Series Agreement adopted or executed and delivered by the Issuer for the particular Series of Bonds;
- (iii) a copy, certified by the Secretary, of the resolution of the Issuer (which resolution may be incorporated in the Supplemental Agreement or Series Agreement for the particular Series of Bonds), approving or delegating the award of the Bonds and directing the authentication and delivery of such Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth plus the accrued interest thereon; and
- (iv) such other documents as are required to be delivered to the Trustee pursuant to a Supplemental Agreement or Series Agreement.

When the documents mentioned in subsections (i) to (iv), inclusive, of this Section shall have been filed with the Trustee and when the Bonds shall have been executed and authenticated

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as required by this Trust Agreement or a Supplemental Agreement, the Trustee shall deliver the Bonds at one time to or upon the order of the purchasers named in the resolution mentioned in subsection (iii) of this Section, but only upon payment to the Trustee of the purchase price of the Bonds and the accrued interest, if any, thereon to the date of delivery. The Trustee shall be entitled to rely upon the resolutions and documents mentioned in subsections (i) to (iv) of this Section as to all matters stated therein.

The proceeds (including accrued interest, if any) of the Bonds shall be applied by the Trustee simultaneously with the delivery of the Bonds as provided in the Supplemental Agreement or Series Agreement.

SECTION 2.09 TEMPORARY BONDS. Until the definitive Bonds of any Series are ready for delivery, there may be executed, and upon direction of the Issuer, the Bond Registrar shall deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, except as to identifying numbers, printed, engraved, lithographed or typewritten temporary Bonds in denominations permitted by the applicable Supplemental Agreement for the definitive Bonds, substantially of the tenor hereinabove set forth, with such appropriate omissions, insertions and variations as may be required. The Issuer shall cause the definitive Bonds to be prepared and to be executed and delivered to the Bond Registrar, and the Bond Registrar, upon presentation to it of any temporary Bond, shall cancel the same or cause the same to be canceled and shall authenticate and deliver, in exchange therefor, at the place designated by the Owner, without expense to the Owner, a definitive Bond or Bonds of the same Series and in the same aggregate principal amount, maturing on the same date and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall be entitled to the same benefit of this Trust Agreement, as the definitive Bonds to be issued and authenticated hereunder, including the privilege of registration if so provided. Until definitive Bonds are ready for exchange, interest on temporary Bonds shall be paid when due and notation of such payment shall be endorsed thereon.

SECTION 2.10 MUTILATED, DESTROYED, LOST OR STOLEN BONDS. The Issuer shall cause to be executed, and the Bond Registrar shall authenticate and deliver a new Bond of like date, number and tenor in exchange and substitution for and upon the cancellation of any mutilated Bond, or in lieu of and in substitution for any destroyed, lost or stolen Bond, and the Owner shall pay the reasonable expenses and charges of the Issuer in connection therewith. Prior to the delivery of a substitute Bond, the Owner of any Bond which was destroyed, lost or stolen shall file with the Bond Registrar evidence satisfactory to it of the destruction, loss or theft of such Bond and of the Owner's ownership thereof and shall furnish to the Issuer and to the Bond Registrar such security or indemnity as may be required by them to save each of them harmless from all risks, however remote.

Every Bond issued pursuant to the provisions of this Section in exchange or substitution for any Bond which is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Bonds are found at any time or are enforceable by anyone, and shall be entitled to all the benefits and security hereof equally and proportionately with any and all other Bonds of the same Series duly issued under this Trust Agreement.

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SECTION 2.12 GRANT ANTICIPATION NOTES. Grant Anticipation Notes may be issued by the Issuer from time to time for any purpose for which Bonds may be issued under Section 2.08 in anticipation of the receipt of moneys from firm grant commitments for such purpose from the State or the United States or any agencies of either. Grant Anticipation Notes shall constitute Subordinate Lien Indebtedness and, except to the extent otherwise expressly provided in this Trust Agreement, shall be issued in compliance, to the extent applicable, with the provisions of Section 2.08 setting forth certain terms and conditions for the issuance of Bonds.

Grant Anticipation Notes may be issued provided the following conditions are met:

- (a) The Issuer shall adopt a resolution authorizing the issuance of the Grant Anticipation Notes and setting forth the amount and details thereof.
- (b) The Grant Anticipation Notes shall be issued pursuant to the provisions of the Act.
- (c) The interest on and the principal of the Grant Anticipation Notes may be made payable from Supplemental Revenues in the manner provided in Section 5.03 for Subordinate Lien Indebtedness or from the proceeds of the grant, other Grant Anticipation Notes, Senior Lien Indebtedness or other Subordinate Lien Indebtedness or any other legally available source.
- (d) The maximum aggregate principal amount of the Grant Anticipation Notes at any time Outstanding shall not exceed the maximum amount of the corresponding grant or grants.
- (e) A copy of the resolution of the Issuer authorizing the issuance of the Grant Anticipation Notes and the specific payment terms thereof, including information regarding the owner or holder thereof, shall be filed with the Trustee.

SECTION 2.13 PARITY DEBT. Senior Lien Parity Debt and Subordinate Lien Parity Debt may be incurred by the Issuer from time to time for any purpose for which Bonds may be issued under Section 2.08. Except to the extent otherwise expressly provided in this Trust Agreement, a Supplemental Agreement or a Series Agreement, Parity Debt shall be incurred in compliance, to the extent applicable, with the provisions of Section 2.08 setting forth certain terms and conditions for the issuance of Bonds.

Parity Debt may be incurred provided the following conditions are met:

- (a) The Issuer Board shall adopt a Parity Debt Resolution authorizing the incurrence of any such Parity Debt and setting forth the amount and details thereof.
- (b) Any such Parity Debt shall be incurred pursuant to the provisions of the Act.
- (c) Any conditions to the issuance of Parity Debt that are set forth in any Supplemental Agreement applicable to such Parity Debt are satisfied on or before the date of issuance of the Parity Debt.

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SECTION 2.11 REVENUE BOND ANTICIPATION NOTES. Revenue Bond Anticipation Notes may be issued by the Issuer from time to time for any purpose for which Bonds may be issued under Section 2.08. Revenue Bond Anticipation Notes may be issued as Senior Lien Indebtedness or Subordinate Lien Indebtedness and, except to the extent otherwise expressly provided in this Trust Agreement, shall be issued in compliance, to the extent applicable, with the provisions of Section 2.08 setting forth certain terms and conditions for the issuance of such Bonds.

Revenue Bond Anticipation Notes may be issued provided the following conditions are met:

- (a) The Issuer Board shall adopt a resolution authorizing the issuance of such Revenue Bond Anticipation Notes and setting forth the amount and details thereof, which resolution shall designate such Revenue Bond Anticipation Notes as Senior Lien Indebtedness or Subordinate Lien Indebtedness. The maximum aggregate principal amount of Revenue Bond Anticipation Notes of an issue at any one time Outstanding shall not exceed the aggregate principal amount of Senior Lien Indebtedness or Subordinate Lien Indebtedness allowed by subsection (d) of this Section.
- (b) The Revenue Bond Anticipation Notes shall be issued pursuant to the provisions of the Act.
- (c) The interest on and the principal of any such Revenue Bond Anticipation Notes may be made payable from Supplemental Revenues in the manner provided in Section 5.03 for Senior Lien Indebtedness or Subordinate Lien Indebtedness, as the case may be, or from the proceeds of other Revenue Bond Anticipation Notes, other Senior Lien Indebtedness or other Subordinate Lien Indebtedness or any other legally available source.

(d) Prior to or simultaneously with the delivery of and payment for any such Revenue Bond Anticipation Notes then proposed to be issued, there shall be filed with the Trustee a copy of the resolution of the Issuer authorizing the issuance of the Revenue Bond Anticipation Notes and the specific payment terms thereof, including information regarding the owner or holder thereof, based on the assumptions hereinafter mentioned in this paragraph. The principal amount of such Senior Lien Indebtedness or Subordinate Lien Indebtedness shall be deemed to be equal to the principal amount of such Revenue Bond Anticipation Notes being issued, and the Issuer shall be entitled to assume that such Senior Lien Indebtedness or Subordinate Lien Indebtedness will mature at such times and in such principal amounts as if such principal were amortized from the date of incurrence thereof over a period of forty (40) years on a level debt service basis and bear such interest rates as it may in its best judgment determine. The Issuer shall be entitled to make such other assumptions as may be necessary in respect of matters that cannot be otherwise ascertained at such time in order to determine whether or not the assumed Senior Lien Indebtedness or Subordinate Lien Indebtedness could be incurred at such time.

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(d) A copy of the Parity Debt Resolution of the Issuer authorizing the issuance of the Parity Debt and the specific payment terms thereof, including information regarding the Holder thereof, shall be filed with the Trustee.

SECTION 2.14 ADDITIONAL RESTRICTIONS. A Senior Lien Resolution, Subordinate Lien Resolution and Supplemental Agreement or Series Agreement may establish restrictions and covenants, in addition to those established in this Trust Agreement.

**ARTICLE III
REDEMPTION**

Unless otherwise provided by Supplemental Agreement or Series Agreement with respect to one or more Series of Bonds issued under such Supplemental Agreement, the following terms and provisions shall apply to all Bonds issued under this Trust Agreement:

SECTION 3.01 REDEMPTION GENERALLY. The Bonds of any Series issued under this Trust Agreement may be made subject to redemption, at such times and prices, as may be provided by the Supplemental Agreement or Series Agreement authorizing the issuance of such Series of Bonds. The selection of Bonds or portions thereof to be redeemed and the requirements for notice of redemption shall be set forth in the Supplemental Agreement or Series Agreement for each Series of Bonds.

SECTION 3.02 EFFECT OF CALLING FOR REDEMPTION. On or before the date upon which Bonds are to be redeemed, the Issuer shall deposit with the Trustee or Bond Registrar money or Defeasance Obligations, or a combination of both, that will be sufficient to pay on the redemption date the Redemption Price of and interest accruing on the Bonds to be redeemed on such redemption date.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the Redemption Price provided therefor, plus accrued interest to such date, and if moneys sufficient to pay the Redemption Price of the Bonds or portions thereof to be redeemed plus accrued interest thereon to the date of redemption are held by the Trustee or Bond Registrar in trust for the Owners of Bonds to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue; such Bonds or portions thereof shall cease to be entitled to any benefits or security under the applicable Supplemental Agreement or to be deemed Outstanding; and the Owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the Redemption Price thereof, plus accrued interest to the date of redemption.

Bonds and portions of Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption on any one or more dates as determined by the Issuer have been given to the Trustee or Bond Registrar in form satisfactory to it shall not thereafter be deemed to be Outstanding under the applicable Supplemental Agreement and shall cease to be entitled to the security of or any rights under the applicable Supplemental Agreement, and the Owners shall have no rights in respect of the same other than to receive payment of the principal or Redemption Price thereof and accrued interest thereon, to be given notice of redemption in the manner provided in the applicable Supplemental Agreement or Series Agreement, and to the extent hereinafter provided, to receive Bonds for any unredeemed portions of Bonds if money or Defeasance Obligations (that have maturity dates or redemption dates which, at the option of the holder of such Defeasance Obligations, shall not be later than the date or dates on which moneys will be required to effect such payment or redemption), or a combination of both, sufficient to pay the principal or Redemption Price of such Bonds or portions thereof, together with accrued interest thereon to the date upon which such Bonds are to be paid or redeemed, are held in separate accounts by the Trustee or Bond Registrar in trust for the Owners of such Bonds.

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**ARTICLE IV
SUPPLEMENTAL PROJECT FUND**

Unless otherwise provided by Supplemental Agreement or Series Agreement with respect to one or more Series of Bonds issued under such Supplemental Agreement, the following terms and provisions shall apply to all Bonds issued under this Trust Agreement:

SECTION 4.01 PROJECT FUND; INITIAL DEPOSITS TO PROJECT FUND. A special fund may be established with the Trustee pursuant to a Supplemental Agreement and designated the "_____ Revenues Transportation Project Fund" (inserting the Supplemental Revenue source)(a "Supplemental Project Fund") and within a Supplemental Project Fund, there may be established one or more special accounts designated the "Series _____ Bonds Project Account" (inserting the year such Bonds are issued and any other distinctive letter, number or description) (a "Series Project Account").

Unless otherwise provided in a Supplemental Agreement or Series Agreement, the proceeds of any Series of Bonds to be used for providing any Additional Project shall be deposited upon the delivery of such Series of Bonds into a separate Series Project Account to be created by the Supplemental Agreement or Series Agreement providing for the issuance of the Bonds financing such Additional Project.

Unless otherwise provided in a Supplemental Agreement or Series Agreement, the money in a Series Project Account shall be held by the Trustee in trust and, pending application to the payment of the refinancing of, the reimbursement for or the Costs of the Initial Project or the Cost of any Additional Project, as the case may be, or transfer as provided herein or in the Supplemental Agreement or Series Agreement, shall, to the extent permitted by law, be subject to a lien and charge in favor of the Owners of Bonds issued and Outstanding under the applicable Supplemental Agreement or Series Agreement and shall be held for the security of such Owners. Alternatively, the Issuer may elect pursuant to a Supplemental Agreement or Series Agreement, to establish and maintain a Supplemental Project Fund or Series Project Account to be held and administered by the Issuer.

With respect to the Series 2015 Bonds, the Issuer shall, pursuant to a Supplemental Agreement for the Series 2015 Bonds, establish a "Local Option Gas Tax Revenues Transportation Project Fund" as a Supplemental Project Fund and within such Fund, a special account to be designated the "Series 2015 Bonds Project Account" as a Series Project Account for the Initial Project.

SECTION 4.02 PAYMENTS FROM SUPPLEMENTAL PROJECT FUND AND SERIES PROJECT ACCOUNT. The Issuer shall set forth the particular provisions and restrictions on funds paid from a Supplemental Project Fund or Series Project Account in the applicable Supplemental Agreement or Series Agreement establishing such Supplemental Project Fund or Series Project Account.

SECTION 4.03 COSTS OF INITIAL PROJECT AND ADDITIONAL PROJECTS. For the purpose of this Trust Agreement, the Costs of the Initial Project or any Additional Project, as the case may be, shall include such costs as are eligible costs within the

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Any Supplemental Agreement or Series Agreement may provide that any notice of redemption, except a notice of redemption in respect of a Sinking Fund Requirement, may state that the redemption to be effected is conditioned upon the receipt by the Trustee or Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed, and that if such moneys are not so received, such notice shall be of no force or effect and such Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys or Defeasance Obligations sufficient to pay the Redemption Price and interest on such Bonds are not received by the Trustee or Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Trustee or Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. The Supplemental Agreement or Series Agreement may also provide for the giving of notice of insufficient money prior to the redemption date and such other provisions as the Issuer may determine.

SECTION 3.03 REDEMPTION OF A PORTION OF BONDS. If less than all of an Outstanding Bond is selected for redemption, the Owner thereof or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption, and the redemption premium, if any, on such principal amount, and the Issuer shall, if necessary, execute and the Bond Registrar shall authenticate and deliver to or upon the order of such Owner or his attorney or legal representative, without charge, for the unredeemed portion of the principal amount of the Bond so surrendered, a new Bond of the same Series and maturity, bearing interest at the same rate and of any denomination or denominations authorized by Supplemental Agreement or Series Agreement for such Bond.

SECTION 3.04 CANCELLATION. Bonds presented and surrendered in accordance with the provisions of this Article shall be canceled upon the surrender thereof.

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purview of the Act, and, without intending to limit or restrict any proper definition of such Costs, shall include the following:

- (a) obligations incurred for labor, materials, services provided by contractors, builders, professionals and materialmen in connection with the design, construction, acquisition, and equipping of the Initial Project or Additional Projects, machinery and equipment, for the restoration of property damaged or destroyed in connection with such construction and acquisition, for the demolition, removal or relocation of any structures and for the clearing of lands;
- (b) interest accruing upon any Bonds prior to the commencement of and during construction or for any additional period as may be authorized by law and provided in the Supplemental Agreement authorizing the issuance of such Bonds;
- (c) the cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding to acquire by Eminent Domain, such land, structures and improvements, property, property rights, rights-of-way, franchises, easements and other interests in lands as may be deemed necessary or convenient in connection with such construction or operation of a capital improvement project;
- (d) expenses of administration properly chargeable to such construction or acquisition, legal, trustee, architectural, engineering, environmental, surveying and geotechnical expenses and fees, cost of audits and of preparing and issuing the Bonds, fees and expenses of consultants, financing charges, premiums of insurance in connection with construction, bond insurance premiums, the cost of funding any debt service reserve account requirements, and all other items of expense not elsewhere in this Section specified that are incident to the financing, construction or acquisition of the Initial Project or any Additional Projects and the placing of the same in operation;
- (e) reimbursement of any obligation or expense incurred by the Issuer for any of the foregoing purposes prior to the date of delivery of the Bonds, including reimbursement to any Persons for advances made to the Issuer, and also including the cost of materials, supplies or equipment furnished by the Issuer in connection with the construction of the Initial Project or any Additional Project and paid for by the Issuer out of funds other than money in a Supplemental Project Fund; and
- (f) any other fee, cost, expense or payment associated with the Initial Project or Additional Projects, as shall be permitted by the Act or applicable law.

SECTION 4.04 AUTHORIZATION OF REQUISITIONS FROM SUPPLEMENTAL PROJECT FUND AND SERIES PROJECT ACCOUNT. To the extent that the Issuer determines to establish a Supplemental Project Fund and/or Series Project Account with the Trustee or other Depository, the Issuer shall, by Supplemental Agreement or Series Agreement, establish a requisition process for payments from a Supplemental Project Fund and/or Series Project Account. Upon receipt of any such requisition signed by an Authorized Officer, the Trustee or other Depository, as the case may be, shall pay the obligations

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set forth in such requisition out of money in the applicable Supplemental Project Fund and/or Series Project Account, and each such obligation shall be paid by check or wire transfer.

SECTION 4.05 RELIANCE UPON REQUISITIONS. Any and all requisitions, opinions and notices received by the Trustee as conditions of payment from a Supplemental Project Fund and/or Series Project Account may be relied upon by the Trustee. Such requisitions, opinions and notices shall be retained by the Trustee for so long as the Bonds are Outstanding and shall be subject at all reasonable times to examination by the Issuer and the Owners of Bonds then Outstanding.

SECTION 4.06 PROGRESS REPORTS. In connection with the issuance of a Series of Bonds for the construction of the Initial Project or an Additional Project, the Issuer may, pursuant to a Supplemental Agreement or the Series Agreement or the agreements and documents associated with the issuance of such Series of Bonds, agree to prepare or cause to be prepared a progress report in connection with such construction. Such report may, without intending to limit or restrict its contents, include the following:

- (a) the date on which the Initial Project or such Additional Project, as the case may be, is expected to be opened for traffic unless such Project has been opened for traffic prior to the date of such report;
- (b) the date on which the construction of the Initial Project or such Additional Project, as the case may be, is expected to be substantially completed; and
- (c) the amount of funds required for a specified period (e.g., quarterly, semiannually) during the remaining estimated period of construction to pay the Costs of the Initial Project or Additional Project, as the case may be, exclusive of construction contingencies, and accompanied by a progress schedule for such construction, and further including, as to construction, comparisons between actual times elapsed and the actual costs and the original estimates of such time and costs.

SECTION 4.07 COMPLETION OF INITIAL PROJECT OR ANY ADDITIONAL PROJECT AND DISPOSITION OF PROJECT FUND BALANCE. Upon the Completion Date for the Initial Project or any Additional Project, or any phase or segment thereof, as evidenced by a certificate of the Issuer or its consultant, the Issuer (for Supplemental Project Funds or Series Project Accounts held by the Issuer) or the Trustee (for Supplemental Project Funds or Series Project Accounts held by the Trustee), shall withdraw all money then remaining in the relevant account or subaccount in a Supplemental Project Fund or Series Project Account in excess of the amount then needed for completion of the remainder of the Initial Project or Additional Project and apply the same, subject to Section 6.04, for any capital improvement of the Issuer (or for which the Issuer is authorized to undertake pursuant to the Act) which, in the opinion of nationally recognized bond counsel, is permitted by the Act and shall not adversely affect the tax status of interest on the Bonds of the applicable Series. In the event that the Issuer does not receive an opinion of nationally recognized bond counsel as required by the preceding sentence, the Issuer or the Trustee shall transfer the money in excess of the amount then needed for completion of the Initial Project or Additional Project to the applicable

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ARTICLE V REVENUES AND FUNDS

Unless otherwise provided by Supplemental Agreement or Series Agreement with respect to one or more Series of Bonds issued under such Supplemental Agreement, the following terms and provisions shall apply to all Bonds issued under this Trust Agreement:

SECTION 5.01 ESTABLISHMENT OF FUNDS. In addition to a Supplemental Project Fund, there are hereby authorized to be established with the Trustee the following funds and accounts:

- (a) A Supplemental Revenue Fund, in which there shall be established pursuant to a Supplemental Agreement individual accounts for each particular source of Supplemental Revenue, and within such Supplemental Revenue Fund, there may be established pursuant to a Supplemental Agreement or Series Agreement one or more Series Revenue Accounts;
- (b) A Senior Lien Debt Service Fund, in which there are established six special accounts to be known as the Capitalized Interest Account, the Interest Account, the Principal Account, the Sinking Fund Account, the Redemption Account and a Senior Lien Parity Reserve Account, and within each Account, individual subaccounts may be established pursuant to a Supplemental Agreement or Series Agreement or a Parity Debt Resolution;
- (c) A Subordinate Lien Debt Service Fund, in which there are established six special accounts to be known as the Capitalized Interest Account, the Interest Account, the Principal Account, the Sinking Fund Account, the Redemption Account and the Subordinate Lien Parity Reserve Account, and within each Account, individual subaccounts may be established pursuant to a Supplemental Agreement or Series Agreement or a Parity Debt Resolution;
- (d) Insurance and Condemnation Award Fund and within such Fund, individual accounts may be established pursuant to a Supplemental Agreement or Series Agreement.

A Senior Lien Resolution may provide for the creation of a Senior Lien Special Reserve Account for the Senior Lien Indebtedness authorized by such Senior Lien Resolution that is secured by the same source of Supplemental Revenues, and for the deposit of moneys to and withdrawal of moneys from such Account. A Senior Lien Special Reserve Account created for any Series of Bonds shall be held and maintained by the Trustee; provided, however, that if a Series of Bonds is placed with the purchaser thereof and not publicly offered, then such purchaser or a Depository may hold the Senior Lien Special Reserve Account created for such Senior Lien Indebtedness as provided for in the Senior Lien Resolution authorizing such Senior Lien Indebtedness.

A Subordinate Lien Resolution may provide for the creation of a Subordinate Lien Special Reserve Account for the Subordinate Lien Indebtedness authorized by such Subordinate Lien Resolution that is secured by the same source of Supplemental Revenues, and for the

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subaccount or account of the Senior Lien Debt Service Fund or the Subordinate Lien Debt Service Fund for such Series of Bonds.

SECTION 4.08 APPLICATION OF PROCEEDS OF SERIES 2015 BONDS. With respect to the Series 2015 Bonds and the Initial Project, there shall be deposited by the Trustee in a Series Project Account established under a Supplemental Agreement for the Initial Project (i) the proceeds of the Series 2015 Bonds to be used for payment of the Costs of the Initial Project, (ii) the proceeds of any Completion Indebtedness related to the Initial Project, if any, in each case upon receipt, and (iii) any other amounts provided to the Trustee by the Issuer for deposit into the Series Project Account established for the Series 2015 Bonds, all as shall be provided for in a Supplemental Agreement for the Series 2015 Bonds. If the proceeds of the Series 2015 Bonds and investment earnings thereon, are not sufficient to provide for completion of the Initial Project, the Issuer shall take appropriate action to issue Completion Indebtedness unless the Issuer identifies and provides another source of funding to complete the Initial Project.

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deposit of moneys to and withdrawal of moneys from such Account. A Subordinate Lien Special Reserve Account created for any Series of Bonds shall be held and maintained by the Trustee; provided, however, that if a Series of Bonds is placed with the purchaser thereof and not publicly offered, then such purchaser or a Depository may hold the Subordinate Lien Special Reserve Account created for such Subordinate Lien Indebtedness as provided for in the Subordinate Lien Resolution authorizing such Subordinate Lien Indebtedness.

A Senior Lien Resolution may also provide for the creation of such other funds, accounts, and subaccounts as the Issuer may determine, for the Senior Lien Indebtedness authorized by such Senior Lien Resolution. A Subordinate Lien Resolution may also provide for the creation of such other funds, accounts and subaccounts, as the Issuer may determine, for the Subordinate Lien Indebtedness authorized by such Subordinate Lien Resolution.

The money in all of the funds, accounts and subaccounts established with and held by the Trustee pursuant to this Article shall be held in trust and applied as hereinafter provided and, pending such application, the money in such funds, accounts and subaccounts therein shall be subject to a pledge, charge and lien in favor of the Owners and Holders of the respective Series of Bonds and Parity Debt issued and Outstanding that are secured by the Supplemental Revenues securing such Bonds or Parity Debt and for the further security of such Owners and Holders, except as otherwise provided herein or in any Supplemental Agreement.

Each Supplemental Agreement shall provide, to the extent applicable, for the creation of a separate subaccount within the Capitalized Interest Account, the Interest Account, the Principal Account, the Redemption Account and the Sinking Fund Account of the Senior Lien Debt Service Fund or the Subordinate Lien Debt Service Fund, as the case may be, with respect to each Series of Bonds, which subaccounts shall bear the designation of such Series of Bonds.

A Supplemental Agreement for Senior Lien Bonds may provide that such Senior Lien Bonds authorized thereby may be additionally secured by a Senior Lien Parity Reserve Account or a Senior Lien Special Reserve Account or it may provide that there shall not be any debt service reserve fund in respect of such Series of Bonds. If a Series of Senior Lien Bonds is secured by a Senior Lien Special Reserve Account or is not secured by any debt service reserve fund, such Series of Senior Lien Bonds shall have no claim on a Senior Lien Parity Reserve Account or any other Senior Lien Special Reserve Account.

A Supplemental Agreement for Subordinate Lien Bonds may provide that such Subordinate Lien Bonds authorized thereby may be additionally secured by a Subordinate Lien Parity Reserve Account or a Subordinate Lien Special Reserve Account or it may provide that there shall not be any debt service reserve fund in respect of such Series of Bonds. If a Series of Subordinate Lien Bonds is secured by a Subordinate Lien Special Reserve Account or is not secured by any debt service reserve fund, such Series of Subordinate Lien Bonds shall have no claim on a Subordinate Lien Parity Reserve Account or any other Subordinate Lien Special Reserve Account.

Each Parity Debt Resolution for Senior Lien Parity Debt may provide for the creation of such funds and accounts as it may determine. A Parity Debt Resolution for Senior Lien Parity Debt may provide that the Senior Lien Parity Debt authorized thereby may be additionally

secured by a Senior Lien Parity Reserve Account or a Senior Lien Special Reserve Account or it may provide that there shall not be any debt service reserve account in respect of such Senior Lien Parity Debt. If Senior Lien Parity Debt is secured by a Senior Lien Special Reserve Account or is not secured by any debt service reserve account, such Senior Lien Parity Debt shall have no claim on a Senior Lien Parity Reserve Account.

Each Parity Debt Resolution for Subordinate Lien Parity Debt may provide for the creation of such funds and accounts as it may determine. A Parity Debt Resolution for Subordinate Lien Parity Debt may provide that the Subordinate Lien Parity Debt authorized thereby may be additionally secured by a Subordinate Lien Parity Reserve Account or a Subordinate Lien Special Reserve Account or it may provide that there shall not be any debt service reserve account in respect of such Subordinate Lien Parity Debt. If Subordinate Lien Parity Debt is secured by a Subordinate Lien Special Reserve Account or is not secured by any debt service reserve account, such Subordinate Lien Parity Debt shall have no claim on the Subordinate Lien Parity Reserve Account.

The Issuer shall provide to the Trustee a certified or otherwise authentic copy of each Parity Debt Resolution adopted or entered into by the Issuer and shall otherwise provide the Trustee with such information and documents as the Trustee shall request to assure that the Trustee is advised of the payments to be made pursuant to such Parity Debt Resolutions as provided in Section 5.03, or by Supplemental Agreement or Series Agreement.

SECTION 5.02 FUNDS RECEIVED BY THE ISSUER. Except as otherwise expressly provided for herein or in a Supplemental Agreement, the Issuer shall deposit or cause to be deposited all Supplemental Revenues when received in the Supplemental Revenue Fund.

SECTION 5.03 APPLICATION OF MONEY IN SUPPLEMENTAL REVENUE FUND AND ACCOUNTS THEREIN. Unless otherwise specified in the Supplemental Agreement or Series Agreement with respect to a Series of Bonds, on the last Business Day of each month, commencing with the month in which the Trustee first receives Supplemental Revenues, the Trustee shall withdraw all Supplemental Revenues and other amounts held in the Supplemental Revenue Fund and the Accounts and Subaccounts therein and apply the same in the following manner and order:

(a) taking into account any amounts in the applicable subaccount of the Senior Lien Capitalized Interest Account and any amounts in the Senior Lien Interest Account available for such purpose,

(1) for deposit in the appropriate subaccounts of the Interest Account of the Senior Lien Debt Service Fund, an amount equal to the amount of interest payable on the next Interest Payment Date for each Series of Senior Lien Bonds secured by such Supplemental Revenues (if such Interest Payment Date is within seven months of such deposit) divided by the number of deposits to be made to such subaccounts with respect to interest on such Senior Lien Bonds on or prior to the next Interest Payment Date for each such Series of Senior Lien Bonds;

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(1) one-twelfth (1/12) of the amount required to make up any deficiency in a Senior Lien Parity Reserve Account as provided in Section 5.07 for deposit in a Senior Lien Parity Reserve Account and

(2) to the Trustee or other Person holding a Senior Lien Special Reserve Account, one-twelfth (1/12) of the amount required to make up any deficiencies in any Senior Lien Special Reserve Account as provided in the Supplemental Agreement or Parity Debt Resolution creating any Senior Lien Special Reserve Accounts for deposit in such Senior Lien Special Reserve Accounts;

provided, however, that if there shall not be sufficient Supplemental Revenues to satisfy all such deposits and payments, such deposits and payments shall be made for deposit to a Senior Lien Parity Reserve Account and each Senior Lien Special Reserve Account ratably according to the amount so required to be deposited or paid;

(d) taking into account any amounts on deposit in the Subordinate Lien Capitalized Interest Account and any amounts in the Subordinate Lien Interest Account available for such purpose,

(1) for deposit in the appropriate subaccounts of the Interest Account of the Subordinate Lien Debt Service Fund, an amount equal to the amount of interest payable on the next Interest Payment Date for each Series of Subordinate Lien Bonds secured on a subordinate basis by such Supplemental Revenues (if such Interest Payment Date is within seven months of such deposit) divided by the number of deposits to be made to such subaccounts with respect to interest on such Subordinate Lien Bonds on or prior to the next Interest Payment Date for each such Series of Subordinate Lien Bonds;

(2) for deposit in the appropriate subaccounts of the Interest Account of the Subordinate Lien Debt Service Fund, an amount equal to the amount of interest payable on the next Interest Payment Date for each issue of Subordinate Lien Parity Debt secured on a subordinate basis by such Supplemental Revenues (if such Interest Payment Date is within seven months of such deposit) divided by the number of such deposits to be made to such subaccounts with respect to interest on such Subordinate Lien Parity Debt on or prior to the next Interest Payment Date for each such issue of Subordinate Lien Parity Debt; and

(3) to the Persons entitled thereto, such additional amounts required to be paid by the Issuer as may be specified in a Supplemental Agreement, or Series Agreement with respect to a Series of Bonds, including without limitation, payments required in connection with Derivative Indebtedness;

provided, however, that if there shall not be sufficient Supplemental Revenues to satisfy all such deposits and payments, such deposits and payments shall be made to the Trustee and to each appropriate Person designated in such Subordinate Lien Parity Debt Resolutions and related documents and agreements, ratably according to the amount so required to be deposited or paid;

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(2) for deposit in the appropriate subaccounts of the Interest Account of the Senior Lien Debt Service Fund, an amount equal to the amount of interest payable on the next Interest Payment Date for each issue of Senior Lien Parity Debt secured by such Supplemental Revenues (if such Interest Payment Date is within seven months of such deposit) divided by the number of such deposits to be made to such subaccounts with respect to interest on such Senior Lien Parity Debt on or prior to the next Interest Payment Date for each such issue of Senior Lien Parity Debt; and

(3) to the Persons entitled thereto, such additional amounts required to be paid by the Issuer as may be specified in a Supplemental Agreement or Series Agreement with respect to a Series of Bonds, including without limitation, payments required in connection with Derivative Indebtedness;

provided, however, that if there shall not be sufficient Supplemental Revenues to satisfy all such deposits and payments, such deposits and payments shall be made to the Trustee and to each appropriate Person designated in the underlying agreements and documents associated with such Series of Bonds ratably according to the amount so required to be deposited or paid;

(b) (1) for deposit in the appropriate subaccounts of the Principal Account and the Sinking Fund Account of the Senior Lien Debt Service Fund, an amount equal to the amount of Principal payable on the next Principal Payment Date for each Series of Senior Lien Bonds secured by such Supplemental Revenues (if such Principal Payment Date is within thirteen months of such deposit) divided by the number of deposits to be made to such subaccounts with respect to Principal on such Senior Lien Bonds on or prior to the next Principal Payment Date for each such Series of Senior Lien Bonds; and

(2) for deposit in the appropriate subaccounts of the Principal Account of the Senior Lien Debt Service Fund, an amount equal to the amount of principal payable on the next Principal Payment Date for each issue of Senior Lien Parity Debt secured by such Supplemental Revenues (if such Principal Payment Date is within thirteen months of such deposit) divided by the number of such deposits to be made to such subaccounts with respect to principal on such Senior Lien Parity Debt on or prior to the next Principal Payment Date for each such issue of Senior Lien Parity Debt;

provided, however, that if there shall not be sufficient Supplemental Revenues to satisfy all such deposits, such deposits shall be made ratably according to the amount so required to be deposited;

(c) if the amount in a Senior Lien Parity Reserve Account with respect to one or more Series of Senior Lien Bonds issued under the same Supplemental Agreement is less than the Senior Lien Parity Reserve Account Requirement, or the amount in any Senior Lien Special Reserve Account is less than the applicable Senior Lien Special Reserve Account Requirement,

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(e) (1) for deposit in the appropriate subaccounts of the Principal Account and the Sinking Fund Account of the Subordinate Lien Debt Service Fund, an amount equal to the amount of Principal payable on the next Principal Payment Date for each Series of Subordinate Lien Bonds secured on a subordinate basis by such Supplemental Revenues (if such Principal Payment Date is within thirteen months of such deposit) divided by the number of deposits to be made to such subaccounts with respect to Principal on such Subordinate Lien Bonds on or prior to the next Principal Payment Date for each such Series of Subordinate Lien Bonds; and

(2) for deposit in the appropriate subaccounts of the Principal Account of the Subordinate Lien Debt Service Fund, an amount equal to the amount of principal payable on the next Principal Payment Date for each issue of Subordinate Lien Parity Debt secured on a subordinate basis by such Supplemental Revenues (if such Principal Payment Date is within thirteen months of such deposit) divided by the number of such deposits to be made with respect to principal on such Subordinate Lien Parity Debt on or prior to the next Principal Payment Date for each such issue of Subordinate Lien Parity Debt;

provided, however, that if there shall not be sufficient Supplemental Revenues to satisfy all such deposits, such deposits shall be made ratably according to the amount so required to be deposited or paid;

(f) on a pro-rata basis

(1) if the amount in a Subordinate Lien Parity Reserve Account with respect to one or more Series of Subordinate Lien Bonds issued under the same Supplemental Agreement is less than the Subordinate Lien Parity Reserve Account Requirement or the amount in any Subordinate Lien Special Reserve Account is less than the applicable Subordinate Lien Special Reserve Account Requirement,

(A) one-twelfth (1/12) of the amount required to make up any deficiency in a Subordinate Lien Parity Reserve Accounts provided in the Supplemental Agreement or Parity Debt Resolution providing for the initial funding of a Subordinate Lien Parity Reserve Account for deposit in a Subordinate Lien Parity Reserve Account; and

(B) to the Trustee or other Person holding a Subordinate Lien Special Reserve Account, one-twelfth (1/12) of the amount required to make up any deficiencies in any Subordinate Lien Special Reserve Account as provided in the Supplemental Agreement or Parity Debt Resolution creating any Subordinate Lien Special Reserve Accounts for deposit in such Subordinate Lien Special Reserve Accounts;

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provided, however, that if there shall not be sufficient Supplemental Revenues to satisfy all such deposits and payments, such deposits and payments shall be made for deposit to a Subordinate Lien Parity Reserve Account and each Subordinate Lien Special Reserve Account ratably according to the amount so required to be deposited or paid;

(g) after all deposits are made in accordance with subsections (a) through (f) above for a particular Fiscal Year, any remaining moneys shall be disbursed to the Issuer for use by the Issuer in accordance with (1) federal and State laws (including the Act), applicable to such Supplemental Revenues; and (2) a direction by the Issuer Board.

The Issuer shall provide to the Trustee such certifications, documentation, agreements and other information as may be necessary for the Trustee to determine the amounts required to be deposited or paid as provided above in this Section.

There shall be credited against the amounts required to be deposited or paid as provided in subsections (a) and (d) above, any amounts transferred or to be transferred from the Capitalized Interest Account of the Senior Lien Debt Service Fund or the Subordinate Lien Debt Service Fund or otherwise set aside for payment of interest on Bonds or Parity Debt, all as may be provided in a Supplemental Agreement or a Parity Debt Resolution.

On or before the 45th day next preceding any date on which Serial Bonds are to mature or Term Bonds are to be redeemed pursuant to Sinking Fund Requirements therefor or are to mature, the Issuer may satisfy all or a portion of its obligation to make the payments required by subsections (a)(1) and (b)(1) or by subsections (e)(1) and (f)(1) of this Section by delivering to the Trustee Serial Bonds maturing or Term Bonds maturing or required to be redeemed on such date. The price paid to purchase any such Bond, including accrued interest to the date of purchase, shall not exceed the principal or Redemption Price plus accrued interest to the date of purchase. Upon such delivery, the Issuer shall receive a credit against amounts required to be deposited into the Interest Account, the Principal Account or Sinking Fund Account, as the case may be, on account of such Bonds with respect to all interest payments for the remainder of the Fiscal Year and in the amount of 100% of the principal amount of any such Serial Bonds or Term Bonds so delivered.

On or before the 45th day next preceding any date on which Parity Debt is to mature or is to be redeemed pursuant to an amortization requirement, the Issuer may satisfy all or a portion of its obligation to make the payments required by subsections (a)(2) and (b)(2) or by subsections (e)(2) and (f)(2) of this Section by delivering to the Trustee Parity Debt maturing or required to be so redeemed on such date. The price paid to purchase any such Parity Debt, including accrued interest to the date of purchase, shall not exceed the principal or Redemption Price plus accrued interest to the date of purchase. Upon such delivery, the Issuer shall receive a credit against amounts required to be deposited or paid with respect to interest or principal on account of such Parity Debt with respect to all interest payments for the remainder of the Fiscal Year and in the amount of 100% of the principal amount of any such Parity Debt so delivered.

SECTION 5.04 APPLICATION OF MONEY IN INTEREST ACCOUNTS AND CAPITALIZED INTEREST ACCOUNTS. Not later than noon on each Interest

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If on any date there is money in the Principal Account (or Subaccounts) of the Senior Lien Debt Service Fund and no Serial Bonds are then Outstanding, or if on any Principal Payment Date money remains therein after the payment of the principal of Serial Bonds then due, the Trustee shall withdraw such money therefrom and shall apply the same in the following order: (a) deposit into the Sinking Fund Account (or Subaccounts) of the Senior Lien Debt Service Fund the amount then required to be paid thereby by the Issuer pursuant to Section 5.03, (b) deposit, if and to the extent determined by the Issuer, into a Senior Lien Parity Reserve Account or any Senior Lien Special Reserve Account such amounts as may be determined by the Issuer in order to make the amounts on deposit therein equal to the Senior Lien Parity Reserve Account Requirement or the Senior Lien Special Reserve Account Requirement, as the case may be, and (c) otherwise make the deposits required by Section 5.03.

If on any date there is money in the Principal Account (or any Subaccount) of the Subordinate Lien Debt Service Fund and no Serial Bonds are then Outstanding, or if on any Principal Payment Date money remains therein after the payment of the principal of Serial Bonds then due, the Trustee shall withdraw such money therefrom and shall apply the same in the following order: (a) deposit into the Sinking Fund Account (or Subaccounts) of the Subordinate Lien Debt Service Fund the amount then required to be paid thereby by the Issuer pursuant to Section 5.03, (b) deposit, if and to the extent determined by the Issuer, into a Subordinate Lien Parity Reserve Account or any Subordinate Lien Special Reserve Account such amounts as may be determined by the Issuer in order to make the amounts on deposit therein equal to the Subordinate Lien Parity Reserve Account Requirement or the Subordinate Lien Special Reserve Account Requirement, as the case may be, and (c) otherwise make the deposits required by Section 5.03.

If the Issuer fails to deposit with the Trustee the amounts required to be deposited in the applicable subaccounts of the respective Principal Accounts as provided in Section 5.03, or if the balance in the applicable subaccount of the respective Principal Accounts on the Business Day next preceding a Principal Payment Date is insufficient to pay the Principal coming due on such Principal Payment Date, the Trustee shall notify the Issuer of the amount of the deficiency and request the Issuer to immediately cure such deficiency (it being acknowledged that the Issuer is only required to provide funds from available Supplemental Revenues). Upon failure of the Issuer to cure such deficiency and in any event not later than such Principal Payment Date, the Trustee shall transfer an amount sufficient to cure the same, drawing only upon funds (a) in the case of Senior Lien Indebtedness issued under the same Supplemental Agreement and further secured by a common Senior Lien Parity Reserve Account, from such Senior Lien Parity Reserve Account, (b) in the case of Senior Lien Indebtedness secured by a Senior Lien Special Reserve Account, from such Senior Lien Special Reserve Account, if any, securing such Senior Lien Indebtedness, (c) in the case of Subordinate Lien Indebtedness issued under the same Supplemental Agreement and further secured by a common Subordinate Lien Parity Reserve Account, from the Subordinate Lien Parity Reserve Account, and (d) in the case of Subordinate Lien Indebtedness secured by a Subordinate Lien Special Reserve Account, from such Subordinate Lien Special Reserve Account, if any, securing such Subordinate Lien Indebtedness.

SECTION 5.06 APPLICATION OF MONEY IN SINKING FUND ACCOUNT. Money held for the credit of the subaccounts in the Sinking Fund Account shall be

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Payment Date, date for the payment of Defaulted Interest or date upon which Bonds are to be redeemed, or on such other date as may be specified in the applicable Supplemental Agreement or Parity Debt Resolution, the Trustee shall withdraw (a) from the applicable subaccount in the respective Interest Accounts and wire transfer to the Bond Registrar, in federal reserve or other immediately available funds, the amounts required for paying interest on the respective Bonds on such Interest Payment Date, and (b) from the applicable subaccount in the respective Interest Accounts and disburse the amounts required for paying interest on the respective Parity Debt on such Interest Payment Date in accordance with the terms of such Parity Debt or the related Parity Debt Resolution. The Bond Registrar shall remit or otherwise set aside the amount due and payable to the Owners as provided in the Supplemental Agreements.

Unless otherwise provided by a Supplemental Agreement, on the date of issuance of any Series of Bonds, an Authorized Officer shall deliver to the Trustee a schedule of transfers to be made from the applicable subaccount in the respective Capitalized Interest Accounts to the applicable subaccount of the respective Interest Accounts. The Trustee shall make such transfers as required by the schedule of an Authorized Officer.

If the Issuer fails to deposit with the Trustee the amounts required to be deposited in the applicable subaccount of the respective Interest Accounts as provided in Section 5.03, or if the balance in the applicable subaccount of the respective Interest Accounts on the Business Day next preceding an Interest Payment Date is insufficient to pay interest coming due on such Interest Payment Date, the Trustee shall notify the Issuer of the amount of the deficiency and request the Issuer to immediately cure such deficiency (it being acknowledged that the Issuer is only required to provide funds from available Supplemental Revenues). Upon failure of the Issuer to cure such deficiency, and in any event not later than such Interest Payment Date, the Trustee shall transfer an amount sufficient to cure the same, drawing only upon funds (a) in the case of Senior Lien Indebtedness secured by a Senior Lien Parity Reserve Account, from a Senior Lien Parity Reserve Account, (b) in the case of Senior Lien Indebtedness secured by a Senior Lien Special Reserve Account, from such Senior Lien Special Reserve Account, if any, securing such Senior Lien Indebtedness, (c) in the case of Subordinate Lien Indebtedness secured by the Subordinate Lien Parity Reserve Account, from the Subordinate Lien Parity Reserve Account, and (d) in the case of Subordinate Lien Indebtedness secured by a Subordinate Lien Special Reserve Account, from such Subordinate Lien Special Reserve Account, if any, securing such Subordinate Lien Bonds.

SECTION 5.05 APPLICATION OF MONEY IN PRINCIPAL ACCOUNT. Not later than noon on each Principal Payment Date, the Trustee shall withdraw (a) from the applicable subaccount in the respective Principal Accounts and wire transfer to the Bond Registrar, in federal reserve or other immediately available funds, the amount necessary to pay the Principal of the respective Bonds at their respective maturities and (b) from the applicable subaccount in the respective Principal Account and disburse the required payments of principal of the respective Parity Debt on such Principal Payment Date in accordance with the terms of such Parity Debt or the related Parity Debt Resolution. The Bond Registrar shall remit or otherwise set aside the amount due and payable to the Owners as provided in the Supplemental Agreements.

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applied to the retirement, purchase, redemption or payment of Term Bonds in the manner provided in the applicable Supplemental Agreement.

If the Issuer fails to deposit with the Trustee the amounts required to be deposited in the applicable subaccounts of the respective Sinking Fund Accounts as provided in Section 5.03, or if the balance in the applicable subaccount of the respective Sinking Fund Accounts on the Business Day next preceding a Principal Payment Date is insufficient to pay the Principal coming due on the Bonds on such Principal Payment Date, the Trustee shall notify the Issuer of the amount of the deficiency and request the Issuer to immediately cure such deficiency (it being acknowledged that the Issuer is only required to provide funds from available Supplemental Revenues). Upon failure of the Issuer to cure such deficiency and in any event not later than such Principal Payment Date, the Trustee shall transfer an amount sufficient to cure the same, drawing only upon funds (a) in the case of Senior Lien Indebtedness issued under the same Supplemental Agreement and further secured by a common Senior Lien Parity Reserve Account, from such Senior Lien Parity Reserve Account, (b) in the case of Senior Lien Indebtedness secured by a Senior Lien Special Reserve Account, from such Senior Lien Special Reserve Account, if any, securing such Senior Lien Indebtedness, (c) in the case of Subordinate Lien Indebtedness issued under the same Supplemental Agreement and further secured by a common Subordinate Lien Parity Reserve Account, from the Subordinate Lien Parity Reserve Account, and (d) in the case of Subordinate Lien Indebtedness secured by a Subordinate Lien Special Reserve Account, from such Subordinate Lien Special Reserve Account, if any, securing such Subordinate Lien Indebtedness.

SECTION 5.07 DEPOSIT AND APPLICATION OF MONEY IN A SENIOR LIEN PARITY RESERVE ACCOUNT, ANY SENIOR LIEN SPECIAL RESERVE ACCOUNT, SUBORDINATE LIEN PARITY RESERVE ACCOUNT AND ANY SUBORDINATE LIEN SPECIAL RESERVE ACCOUNT; DETERMINATION OF DEFICIENCIES. (a) If a Senior Lien Resolution provides that the Senior Lien Indebtedness incurred thereunder is to be secured by a Senior Lien Parity Reserve Account, the Issuer must fund, from the proceeds of such Senior Lien Indebtedness or from any other available sources, concurrently with the delivery of and payment for such Senior Lien Indebtedness, a Senior Lien Parity Reserve Account in an amount equal to the Senior Lien Parity Reserve Account Requirement. If a Senior Lien Resolution provides that the Senior Lien Indebtedness incurred thereunder is to be secured by a Senior Lien Special Reserve Account, the Issuer must fund, from the proceeds of such Senior Lien Indebtedness or from any other available sources, at the time or times and in the manner specified in the applicable Senior Lien Resolution, such Senior Lien Special Reserve Account in an amount equal to the Senior Lien Special Reserve Account Requirement for such Senior Lien Indebtedness.

If a Subordinate Lien Resolution provides that the Subordinate Lien Indebtedness incurred thereunder is to be secured by the Subordinate Lien Parity Reserve Account, the Issuer must fund, from the proceeds of such Subordinate Lien Indebtedness or from any other available sources, concurrently with the delivery of and payment for such Subordinate Lien Indebtedness, a Subordinate Lien Parity Reserve Account in an amount equal to the Subordinate Lien Parity Reserve Account Requirement. If a Subordinate Lien Resolution provides that the Subordinate Lien Indebtedness incurred thereunder is to be secured by a Subordinate Lien Special Reserve Account, the Issuer must fund, from the proceeds of such Subordinate Lien Indebtedness or from

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any other available sources, at the time or times and in the manner specified in the applicable Subordinate Lien Resolution, such Subordinate Lien Special Reserve Account in an amount equal to the Subordinate Lien Special Reserve Account Requirement for such Subordinate Lien Indebtedness.

(b) The Trustee shall use amounts in a Senior Lien Parity Reserve Account to make transfers, or use moneys provided under a Reserve Alternative Instrument to make deposits, in the order specified in Section 5.03, in respect of all Senior Lien Indebtedness secured by a Senior Lien Parity Reserve Account, to the appropriate subaccounts of the Interest Account, the Principal Account and the Sinking Fund Account of the Senior Lien Debt Service Fund to remedy any deficiency therein as of any Interest Payment Date or Principal Payment Date (or any earlier date as set forth in a Senior Lien Resolution), or to pay the interest on or the principal of or amortization requirements in respect of any Senior Lien Parity Debt secured by a Senior Lien Parity Reserve Account when due, whenever and to the extent the money on deposit for such purposes is insufficient. The Trustee shall use amounts in a Subordinate Lien Parity Reserve Account to make transfers, or use moneys provided under a Reserve Alternative Instrument to make deposits, in the order specified in Section 5.03, in respect of all Subordinate Lien Indebtedness secured by the Subordinate Lien Parity Reserve Account, to the appropriate subaccounts of the Interest Account, the Principal Account and the Sinking Fund Account of the Subordinate Lien Debt Service Fund to remedy any deficiency therein as of any Interest Payment Date or Principal Payment Date (or any earlier date as set forth in a Subordinate Lien Resolution), or to pay the interest on or the principal of or amortization requirements in respect of any Subordinate Lien Parity Debt secured by a Subordinate Lien Parity Reserve Account when due, whenever and to the extent the money on deposit for such purposes is insufficient. Moneys or Investment Obligations on deposit in a Senior Lien Parity Reserve Account, the Subordinate Lien Parity Reserve Account, any Senior Lien Special Reserve Account or any Subordinate Lien Special Reserve Account shall be used to satisfy deficiencies prior to any draw on a Reserve Alternative Instrument.

(c) The Trustee shall use amounts in any Senior Lien Special Reserve Account held by it to make transfers or use moneys provided under a Reserve Alternative Instrument to make deposits, in the order specified in Section 5.03, in respect of the particular Senior Lien Indebtedness secured by such Senior Lien Special Reserve Account, to the appropriate subaccounts of the Interest Account, the Principal Account and the Sinking Fund Account of the Senior Lien Debt Service Fund to remedy any deficiency therein as of any Interest Payment Date or Principal Payment Date (or any earlier date as set forth in a Senior Lien Resolution) or to pay the interest on or the principal of or amortization requirement in respect thereof on Senior Lien Parity Debt secured by such Senior Lien Special Reserve Account when due, whenever and to the extent the money on deposit for such purposes is insufficient. The Trustee shall use amounts in any Subordinate Lien Special Reserve Account held by it to make transfers or use moneys provided under a Reserve Alternative Instrument to make deposits, in the order specified in Section 5.03, in respect of the particular Subordinate Lien Indebtedness secured by such Subordinate Lien Special Reserve Account, to the appropriate subaccounts of the Interest Account, the Principal Account and the Sinking Fund Account of the Subordinate Lien Debt Service Fund to remedy any deficiency therein as of any Interest Payment Date or Principal Payment Date (or any earlier date as set forth in a Subordinate Lien Resolution) or to pay the interest on or the principal of or amortization requirement in respect thereof on Subordinate Lien

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respective Interest Account (or subaccount) and the purchase price from the applicable subaccount of the respective Redemption Account, but no such purchase shall be made by the Trustee from money in the applicable subaccount of the respective Redemption Account within the period of forty-five (45) days immediately preceding any date on which such Bonds or portions thereof are to be redeemed except from moneys other than the moneys set aside in the applicable subaccount of the respective Redemption Account for the redemption of Bonds.

(b) Subject to the provisions of subsection (c) of this Section, the Trustee shall call for redemption on a date permitted by the applicable Supplemental Agreement such amount of Bonds or portions thereof as, with the redemption premium, if any, will exhaust the moneys then held in the applicable subaccount of the respective Redemption Account as nearly as may be; provided, however, that not less than Five Thousand Dollars (\$5,000) principal amount of Bonds shall be called for redemption at any one time. The Trustee shall pay the accrued interest on the Bonds or portions thereof to be redeemed to the date of redemption from the applicable subaccount of the respective Interest Account or any other available funds of the Issuer and the Redemption Price of such Bonds or portions thereof from the applicable subaccount of the respective Redemption Account. On or before the redemption date, the Trustee shall withdraw from the applicable subaccounts of the respective Redemption Account and the Interest Account, as applicable, and transfer to the Bond Registrar the respective amounts required to pay the Redemption Price and accrued interest to the redemption date of the Bonds or portions thereof so called for redemption.

(c) Money in the respective Redemption Accounts may be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Bonds of any one or more Series then Outstanding in accordance with the latest Officer's Certificate filed with the Trustee (i) designating one or more Series of Bonds to be purchased or redeemed, (ii) if more than one Series of Bonds is so designated, setting forth the aggregate principal amount of Bonds of each Series to be purchased or redeemed, and (iii) unless the Supplemental Agreement relating to the Bonds to be redeemed specifies the order of redemption, designating the Bonds to be redeemed within each Series, and if such Bonds are Term Bonds, the years in which future Sinking Fund Requirements are to be reduced as a result of such redemption and the amount of such reduction in each such year. In the event no such certificate is filed and unless the Supplemental Agreement relating to the Bonds to be redeemed specifies otherwise, (A) the Trustee shall apply such money to the purchase of one or more Series of Bonds bearing the highest rate of interest, (B) if Bonds of more than one maturity bear the same interest rate, the Trustee will redeem such Bonds in the inverse order of maturities, and (C) if the Bonds bearing the highest rate of interest are Term Bonds, the Trustee will reduce Sinking Fund Requirements for such Term Bonds in inverse order of the scheduled redemption of such Term Bonds. All Bonds shall be redeemed as provided in the applicable Supplemental Agreement.

Money held for the credit of the applicable subaccounts in the respective Redemption Accounts shall be applied to the purchase or redemption of Bonds in the manner provided herein and in the applicable Supplemental Agreement.

SECTION 5.09 ESCHEAT. All money that the Trustee shall have withdrawn from the Senior Lien Debt Service Fund or the Subordinate Lien Debt Service Fund or shall have received from any other source and set aside or delivered to the Bond Registrar for the purpose

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Parity Debt secured by such Subordinate Lien Special Reserve Account when due, whenever and to the extent the money on deposit for such purposes is insufficient.

(d) Any deficiency in a Senior Lien Parity Reserve Account, the Subordinate Lien Parity Reserve Account, any Senior Lien Special Reserve Account and any Subordinate Lien Special Reserve Account resulting from the withdrawal of moneys therein shall be made up over the twelve-month period immediately following the month in which such withdrawal is made by monthly deposits of one-twelfth (1/12) of the amount of such deficiency, such deposits to be made pursuant to Section 5.03(c) or Section 5.03(f), as applicable. Any deficiency resulting from a draw on a Reserve Alternative Instrument shall be made up as provided in such Reserve Alternative Instrument or documentation relating thereto, but any such deficiency must be made up by not later than the final date when such deficiency would have been required to be made up if there had been a withdrawal of moneys from the Senior Lien Parity Reserve Account, the Subordinate Lien Parity Reserve Account, any Senior Lien Special Reserve Account or any Subordinate Lien Special Reserve Account rather than a draw on a Reserve Alternative Instrument. Deficiencies may be satisfied through the deposit of additional moneys or the providing of an additional, or increase in a, Reserve Alternative Instrument.

(e) Unless a Reserve Alternative Instrument shall be in effect, if on any date of valuation pursuant to Section 6.03, the amount on deposit in the Senior Lien Parity Reserve Account is less than 90% of the Senior Lien Parity Reserve Account Requirement, the Issuer shall deposit into the Senior Lien Parity Reserve Account monthly one-twelfth (1/12) of the amount required as of such date to bring the amount then on deposit in the Senior Lien Parity Reserve Account up to the Senior Lien Parity Reserve Account Requirement. Any such deficiency may be satisfied through the deposit of additional moneys or the providing of an additional, or increase in a, Reserve Alternative Instrument. Any deficiency in the Subordinate Lien Parity Reserve Account or any Senior Lien Special Reserve Account or any Subordinate Lien Special Reserve Account resulting from a valuation of the Investment Obligations therein pursuant to Section 6.03 shall be made up as provided in the relevant Senior Lien Resolution or Subordinate Lien Resolution.

SECTION 5.08 APPLICATION OF MONEY IN THE REDEMPTION ACCOUNT. The Trustee shall apply money in the applicable subaccounts in the respective Redemption Accounts of the Senior Lien Debt Service Fund and the Subordinate Lien Debt Service Fund, as the case may be, for the purchase or redemption of Senior Lien Bonds or Subordinate Lien Bonds, as applicable, as follows:

(a) Subject to the provisions of subsection (c) of this Section, and if instructed to do so in writing by an Authorized Officer, the Trustee shall endeavor to purchase and cancel Bonds or portions thereof, whether or not such Bonds or portions thereof are then subject to redemption, at the written direction of an Authorized Officer; provided, that the purchase price of each Bond, plus accrued interest to the date of purchase, shall not exceed the Redemption Price that would be payable on the next redemption date to the Owners of such Bonds under the provisions of the applicable Supplemental Agreement plus accrued interest to the redemption date if such Bond or such portion thereof were called for redemption on such redemption date from the money in the applicable subaccount of the Redemption Account. The Trustee shall pay the interest accrued on such Bonds or portions thereof to the date of settlement from the applicable subaccount of the

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of paying any of the Bonds hereby secured, either at maturity or by purchase or call for redemption, shall be held in trust for the respective Owners. Any money that is so set aside and that remains unclaimed by the Owners for a period of five (5) years after the date on which such Bonds have become payable shall be treated as abandoned property, and the Trustee or the Bond Registrar shall report and remit this property to the State, and thereafter the Owners shall look only to the State escheat fund for payment and then only to the extent of the amounts so received, without any interest thereon, and the Trustee, the Bond Registrar and the Issuer shall have no responsibility with respect to such money.

SECTION 5.10 CANCELLATION OF BONDS. Upon receipt of the same, the Bond Registrar shall cancel all Bonds paid, redeemed or purchased by the Trustee or purchased by the Issuer and delivered to the Bond Registrar, and all Bonds delivered to the Bond Registrar in exchange for other Bonds or delivered to the Bond Registrar upon the transfer of any Bond if a new Bond is delivered upon such transfer. The Bond Registrar shall certify to the Issuer upon request the details of all Bonds so canceled. All Bonds canceled under any of the provisions of this Trust Agreement either shall be delivered to the Issuer or destroyed by the Bond Registrar, as the Issuer directs. Upon destruction of any Bonds, the Bond Registrar upon request shall execute a certificate in duplicate, describing the Bonds so destroyed; and one executed certificate shall be filed with the Issuer and the other executed certificate shall be retained by the Bond Registrar.

SECTION 5.11 DISPOSITION OF FUND BALANCES. After provision is made for the payment of all Outstanding Senior Indebtedness and Subordinate Lien Indebtedness, including the interest thereon, and all other obligations, expenses and charges required to be paid under or in connection with this Trust Agreement, and receipt by the Trustee of an Officer's Certificate to the effect that there are no other indentures, resolutions, bond orders, Supplemental Agreements, Series Agreements, Parity Debt Resolutions, Subordinate Lien Resolutions or other agreements that impose a continuing lien on the balances hereinafter mentioned, the Trustee shall pay all amounts in any fund, account or subaccount then held by it under this Trust Agreement to the Issuer. If a continuing lien has been imposed on such balance by another resolution, bond order, any other agreement, by court order or decree, or by law, the Trustee shall pay such balance to such person as is entitled to receive the same by law or under the terms of such resolution, bond order, agreement, court order, or decree.

SECTION 5.12 SECURITY. As security for the payment of the principal of and interest on all Indebtedness issued under the same Supplemental Agreement or Series Agreement or Parity Debt Resolution, including any payments due under any related documents, but in each case solely as provided herein and in the applicable Supplemental Agreement(s) or Series Agreement(s), or Parity Debt Resolution(s) the Issuer may grant to the Trustee pursuant to a Supplemental Agreement or Series Agreement or Parity Debt Resolution, for the benefit of the Owners and Holders of such Indebtedness, a pledge, charge and lien upon (a) the money and Investment Obligations in the applicable Account of a Supplemental Project Fund (as provided in Section 4.01 above), the applicable Accounts of the Senior Lien Debt Service Fund, the Subordinate Lien Debt Service Fund and the Insurance and Condemnation Award Fund established under a Supplemental Agreement, except that a Senior Lien Parity Reserve Account (or subaccounts therein) shall be held solely for the benefit of the Senior Lien Parity Debt secured thereby notwithstanding the last paragraph of Section 2.13 hereof, and a Subordinate

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Lien Parity Reserve Account (or subaccounts therein) shall be held solely for the benefit of the Subordinate Lien Parity Debt secured thereby, and except any fund or account created by a Supplemental Agreement or Parity Debt Resolution to the extent the same expressly excludes such fund or account, (b) the Supplemental Revenues applicable to such Indebtedness, (c) unless otherwise provided in a Supplemental Agreement or Parity Debt Resolution, the rights to the amounts payable to the Issuer under any Credit Facility, and (d) the rights to amounts payable to the Issuer or the Trustee pursuant to any document or agreement entered into in connection with Indebtedness issued under such Supplemental Agreement or Series Agreement or Parity Debt Resolution, (collectively, the "Trust Estate").

The pledge, charge and lien upon the Trust Estate shall be effective and operate immediately, without any recording or filing of any financing statement or other notice, and the Trustee shall have the right to collect and receive the Supplemental Revenues in accordance with the provisions hereof at all times during the period from and after the date of delivery of the Series 2015 Bonds issued hereunder and under an applicable Supplemental Agreement, until all Bonds, Parity Debt, and related payments by the Issuer in connection therewith have been fully paid and discharged, including, without limitation, at all times after the institution and during the pendency of bankruptcy or similar proceedings.

The pledge, charge and lien upon the applicable Trust Estate shall be (1) first, for the security for the payment of the Owners or Holders of Senior Lien Bonds and Senior Lien Parity Debt, respectively, secured by such Supplemental Revenues, including the interest thereon, and (2) second, for the security for the payment of the Subordinate Lien Bonds and Subordinate Lien Parity Debt secured on a subordinate basis by such Supplemental Revenues, including the interest thereon, for which such pledge, charge and lien upon the Trust Estate is junior and subordinate to the pledge charge and lien upon the Trust Estate securing the Senior Lien Bonds and the Senior Lien Parity Debt.

The Trust Estate established in one Supplemental Agreement shall be different from the Trust Estate established in other Supplemental Agreements; provided however, that Supplemental Revenues securing one or more Series of Bonds issued under an existing Supplemental Agreement may be included as Supplemental Revenues or Series Revenues under subsequent Supplemental Agreements, if (a) at the time such Supplemental Revenues are deposited and applied by the Issuer under the subsequent Supplemental Agreement, such Supplemental Revenues constitute discretionary revenues of the Issuer, and (b) the deposit and application of such Supplemental Revenues under the subsequent Supplemental Agreement is expressly subordinate and inferior to the deposit and application of such Supplemental Revenues under the existing Supplemental Agreement. In addition, upon the Issuer designating and including particular Supplemental Revenues as part of the Trust Estate securing the repayment of one or more Series of Bonds or Parity Debt, then any Series of Bonds or Parity Debt which are subsequently issued and secured in whole or in part by the same Supplemental Revenue must be issued in compliance with this Trust Agreement and with the Supplemental Agreement or Series Agreements for any Series of Bonds and the Parity Debt Resolution for any Parity Debt that are secured by the same Supplemental Revenues.

SECTION 5.13 USE OF AVAILABLE FUNDS. Nothing in this Trust Agreement shall be construed to prevent the Issuer from (a) depositing amounts in any fund or account

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Notwithstanding the forgoing, no Investment Obligations pertaining to any Series in any fund, account or subaccount shall mature on a date beyond the latest maturity date of the respective Series of Bonds Outstanding at the time such Investment Obligations are deposited. For purposes of this Section, the maturity date of any repurchase agreement shall be deemed to be the stated maturity date of such agreement and not the maturity dates of the underlying obligations.

An Authorized Officer or his designee shall give to the Trustee or any Depository written directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Article; and the Trustee or such Depository shall then invest such money as so directed. The Trustee or any Depository may request additional direction or authorization from the Authorized Officer or his designee in writing with respect to the proposed investment of money under the provisions of this Trust Agreement. Upon receipt of such directions, the Trustee or any Depository shall invest such money in accordance with such directions. If no such directions are given, then any uninvested funds shall be invested by the Trustee in Investment Obligations described in paragraph (B) of the definition thereof in Section 1.01 having the shortest maturity available, but in no event exceeding a maturity of thirty (30) days from the date of investment in the case of funds held in a Supplemental Project Fund, and the date funds are required to be used to pay debt service on Bonds in the case of funds held in the Senior Lien Debt Service Fund or the Subordinate Lien Debt Service Fund. The Trustee or any Depository shall have no liability for investments made in accordance with this Section.

Investment Obligations acquired with money in or credited to any fund, account or subaccount established under this Trust Agreement shall be deemed at all times to be part of such fund, account or subaccount. Any loss realized upon the disposition or maturity of such Investment Obligations shall be charged against such funds, accounts or subaccounts. The interest accruing on any such Investment Obligations and any profit realized upon the disposition or maturity of such Investment Obligations shall be credited to the particular fund, account or subaccount to which such Investment Obligation relates (and, if such account is part of the Trust Estate, shall be subject to the pledge of the Trust Estate in accordance with Section 5.12) except as follows:

Any investment earnings received on amounts deposited in the applicable account of the Senior Lien Debt Service Fund (including the Senior Lien Parity Reserve Account, to the extent that the amount on deposit in the Senior Lien Parity Reserve Account is equal to the Senior Lien Parity Reserve Account Requirement), shall be transferred to the applicable subaccount of the Interest Account of the Senior Lien Debt Service Fund. Any investment earnings received on amounts deposited in the Subordinate Lien Parity Reserve Account, to the extent that the amount on deposit in the Subordinate Lien Parity Reserve Account is equal to the Subordinate Lien Parity Reserve Account Requirement, shall be transferred to the applicable subaccount of the Interest Account of the Subordinate Lien Debt Service Fund. Any investment earnings on any Senior Lien Special Reserve Account or Subordinate Lien Special Reserve Account shall be transferred or deposited in the manner specified in the Supplemental Agreement or Parity Debt Resolution establishing such Account.

Any such interest accruing and any such profit realized shall not be credited or transferred to any other fund, account or subaccount unless there shall be no deficiency in the

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created under, or subaccount created pursuant to, the provisions of this Trust Agreement, any Supplemental Agreement or any Parity Debt Resolution, (b) paying the principal of, premium, if any, and interest on Senior Lien Indebtedness or Subordinate Lien Indebtedness, or (c) making any payment required by any Derivative Indebtedness from any moneys available to the Issuer for such purpose, except to the extent the Issuer is prohibited from making such deposit by this Trust Agreement, a Supplemental Agreement or Series Agreement, as supplemented, any Senior Lien Resolution, any Subordinate Lien Resolution or otherwise.

ARTICLE VI DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS, INVESTMENT OF FUNDS AND COVENANT AS TO ARBITRAGE

Unless otherwise provided by Supplemental Agreement or Series Agreement with respect to one or more Series of Bonds issued under such Supplemental Agreement, the following terms and provisions shall apply to all Bonds issued under this Trust Agreement:

SECTION 6.01 SECURITY FOR DEPOSITS. Any and all money received by the Issuer under the provisions of this Trust Agreement or a Supplemental Agreement or Series Agreement shall be deposited as received with the Trustee and all money so deposited with the Trustee and applied by the Trustee in accordance with the terms of this Trust Agreement shall be trust funds under the terms hereof, and, to the extent permitted by law in the case of a Supplemental Project Fund, shall not be subject to any lien or attachment by any creditor of the Issuer. All money received or deposited with the Trustee shall be credited to the particular fund, account or subaccount to which such money belongs.

SECTION 6.02 INVESTMENT OF MONEY. Money held for the credit of all funds, accounts and subaccounts shall be continuously invested and reinvested by the Trustee or the Depositories, whichever is applicable, in Investment Obligations or held as cash to the extent investment or reinvestment in Investment Obligations is not practicable. Except as hereinafter provided in this Section with respect to the disposition of investment income, the particular investments to be made and other related matters in respect of investments may, as to each Series of Bonds, be provided in the applicable Supplemental Agreement.

Except as hereinafter provided in this Section with respect to the Senior Lien Parity Reserve Account, the Subordinate Lien Parity Reserve Account, any Senior Lien Special Reserve Account or any Subordinate Lien Special Reserve Account, Investment Obligations shall mature or be redeemable at the option of the holder thereof not later than the respective dates when the money held for the credit of such funds, accounts and subaccounts will be required for the purposes intended.

Investment Obligations in the Senior Lien Parity Reserve Account, the Subordinate Lien Parity Reserve Account, any Senior Lien Special Reserve Account or any Subordinate Lien Special Reserve Account shall (a) mature or (b) be redeemable at the option of the holder of such Investment Obligation so that all such Investment Obligations shall have an average life of not more than ten (10) years after the date of such investment.

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respective fund, account or subaccount. If there shall be a deficiency in any fund, account or subaccount, any such interest or profit shall remain in such fund, account or subaccount until such deficiency has been made up.

Any such interest accruing and any such profit realized that is required to be transferred to any other fund, account or subaccount shall be transferred upon the receipt thereof by the Depositories or the Trustee, as the case may be, pursuant to the provisions of this Trust Agreement or an applicable Supplemental Agreement.

The Trustee and any Depository shall sell or reduce to cash a sufficient amount of such Investment Obligations whenever it is necessary to do so to provide money to make any payment from any such fund, account or subaccount in accordance with the provisions of this Trust Agreement. The Trustee and Depositories shall not be liable or responsible for any loss resulting from any such action.

Whenever a transfer of money between two or more of the funds, accounts or subaccounts established under this Trust Agreement is permitted or required, such transfer may be made as a whole or in part by transfer of one or more Investment Obligations at a value determined at the time of such transfer in accordance with this Article; provided that the Investment Obligations transferred are those in which money of the receiving fund, account or subaccount could be invested at the date of such transfer.

For purposes of making any investment hereunder, the Trustee or any Depository may consolidate money held by it in any fund, account or subaccount with money in any other fund, account or subaccount. Transfers from any fund, account or subaccount to the credit of any other fund, account or subaccount provided for in this Trust Agreement may be effectuated on the books and records of the Trustee, the Issuer or any Depository without any actual transfer of funds or liquidation of investments. Investment Obligations purchased with consolidated funds shall be allocated to each fund, account or subaccount on a pro rata basis in accordance with the initial amount so invested from each such fund, account or subaccount.

Unless otherwise directed by the Issuer, Investment Obligations may be purchased by the Trustee or any Depository through its own investment division or other bank facilities established for such purpose.

SECTION 6.03 VALUATION. For the purpose of determining the amount on deposit in any fund, account or subaccount, Investment Obligations in which money in such fund, account or subaccount is invested shall be valued by the Trustee or the Depository, as the case may be, (a) at face value if such Investment Obligations mature within twelve (12) months from the date of valuation thereof and (b) if such Investment Obligations mature more than twelve (12) months after the date of valuation thereof, at the price at which such Investment Obligations are redeemable by the holder at its option, if so redeemable, or, if not so redeemable, at the lesser of (i) the cost of such Investment Obligations minus the amortization of any premium or plus the amortization of any discount thereon and (ii) the market value of such Investment Obligations.

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All Investment Obligations in all of the funds, accounts and subaccounts created hereunder shall be valued as of the last day of each Fiscal Year. When a valuation is made, the Trustee or Depository, as the case may be, shall report the result of such valuation to the Issuer within thirty (30) days after such valuation. In addition, Investment Obligations shall be valued at any time requested by the Issuer on reasonable notice to the Trustee or the Depository, as the case may be, (which period of notice may be waived or reduced); provided, however, that the Trustee or the Depository, as the case may be, shall not be required to value Investment Obligations more than once in any calendar month.

Whenever, following a valuation on the last day of each Fiscal Year as described above, the value of the cash and Investment Obligations in the Senior Lien Parity Reserve Account held by the Trustee, plus accrued interest to the date of valuation, is less than 90% of the applicable Senior Lien Parity Reserve Account Requirement, the Trustee shall determine, based on such valuation, the amount by which the Senior Lien Parity Reserve Account Requirement exceeds the balance in such Senior Lien Parity Reserve Account and shall immediately give the Issuer notice of such deficiency and the amount necessary to cure the same in accordance with Section 5.07.

Whenever the value of the cash and Investment Obligations in the Senior Lien Parity Reserve Account held by the Trustee, plus accrued interest to the date of valuation, is greater than the Senior Lien Parity Reserve Account Requirement, the Trustee shall determine, based on such valuation, the amount by which the balance in such Senior Lien Parity Reserve Account exceeds the Senior Lien Parity Reserve Account Requirement, and the Issuer shall be entitled to transfer such excess to the credit of the applicable subaccount(s) of the Interest Account of the Senior Lien Debt Service Fund or to pay interest on Senior Lien Bonds or Senior Lien Parity Debt secured by the Senior Lien Parity Reserve Account in the manner directed by the Issuer in an Officer's Certificate filed with the Trustee; provided, however, that nothing herein shall require the Issuer to liquidate or sell any Investment Obligation held in the Senior Lien Parity Reserve Account for purposes of making such transfer.

Whenever, following a valuation on the last day of each Fiscal Year as described above, the value of the cash and Investment Obligations in the Subordinate Lien Parity Reserve Account held by the Trustee, plus accrued interest to the date of valuation, is less than 90% of the applicable Subordinate Lien Parity Reserve Account Requirement, the Trustee shall determine, based on such valuation, the amount by which the Subordinate Lien Parity Reserve Account Requirement exceeds the balance in such Subordinate Lien Parity Reserve Account and shall immediately give the Issuer notice of such deficiency and the amount necessary to cure the same in accordance with Section 5.07.

Whenever the value of the cash and Investment Obligations in the Subordinate Lien Parity Reserve Account held by the Trustee, plus accrued interest to the date of valuation, is greater than the Subordinate Lien Parity Reserve Account Requirement, the Trustee shall determine, based on such valuation, the amount by which the balance in the Subordinate Lien Parity Reserve Account exceeds the Subordinate Lien Parity Reserve Account Requirement, and the Issuer shall be entitled to transfer such excess to the credit of the applicable subaccount(s) of the Interest Account of the Subordinate Lien Debt Service Fund or to pay interest on Subordinate Lien Bonds or Subordinate Lien Parity Debt secured by the Subordinate Lien Parity Reserve

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ARTICLE VII GENERAL COVENANTS AND REPRESENTATIONS

Unless otherwise provided by Supplemental Agreement or Series Agreement with respect to one or more Series of Bonds issued under such Supplemental Agreement, the following terms and provisions shall apply to all Bonds issued under this Trust Agreement. The Issuer may provide additional covenants and representations that will apply to any Series of Bonds issued under a particular Supplemental Agreement or Series Agreement to which they are added.

SECTION 7.01 PAYMENT OF PRINCIPAL, INTEREST, PREMIUM AND OTHER AMOUNTS. The Issuer shall cause to be paid, when due, the principal of (whether at maturity, by redemption or otherwise) and the premium, if any, and interest on the Bonds and Parity Debt at the places, on the dates and in the manner provided herein and in the Bonds and Parity Debt and the documentation authorizing and securing such Bonds and Parity Debt.

The Bonds and Parity Debt are special obligations of the Issuer payable solely from the Supplemental Revenues, the Issuer's right to receive the same, and money, Investment Obligations and Reserve Alternative Instruments held in the applicable funds, accounts and subaccounts created hereunder and under the applicable Supplemental Agreements for each such Series of Bonds and the income from Investment Obligations in such funds, accounts and subaccounts. The Bonds and Parity Debt shall be secured as provided in Section 5.12. The Bonds and Parity Debt shall not be deemed to be a debt, liability or obligation of the State, the City of Jacksonville, Florida, or of any other public body in the State, including the Issuer, but shall be payable solely from the Supplemental Revenues and other income or assets pledged under this Trust Agreement and related Supplemental Agreements. The Issuer shall not be obligated to pay the principal of, premium, if any, or interest on the Bonds and Parity Debt except from the Supplemental Revenues securing such Bonds and Parity Debt, and other income or assets pledged under this Trust Agreement and related Supplemental Agreements, and neither the faith and credit nor the taxing power of the State, the City of Jacksonville, Florida, or of any other public body in the State, including the Issuer, is pledged for the payment of the principal of, premium, if any, or interest on the Bonds and Parity Debt.

SECTION 7.02 ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE INITIAL PROJECT AND ADDITIONAL PROJECTS. The Issuer shall acquire, construct and equip the Initial Project and any Additional Project for which Bonds are issued or for which money repayable from the proceeds of Bonds are advanced by the Issuer for such purpose. The Issuer covenants to acquire, construct, equip and complete the Initial Project and any Additional Project in conformity with applicable law and all other requirements of all governmental authorities having jurisdiction thereover, and that the Issuer will complete the acquisition, construction and equipping of the Initial Project and any Additional Project with all expedition practicable.

The Issuer shall require each person, firm or corporation with whom it may contract for such construction to (a) furnish a payment and performance bond in the full amount of any contract or (b) deposit with the Issuer marketable securities that are eligible as security for the deposit of trust funds as provided in Section 6.01 in the full amount of any contract. The proceeds of any such payment or performance bond or securities shall be deposited in the

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Account in the manner directed by the Issuer in an Officer's Certificate filed with the Trustee; provided, however, that nothing herein shall require the Issuer to liquidate or sell any Investment Obligation held in the Subordinate Lien Parity Reserve Account for purposes of making such transfer.

SECTION 6.04 COVENANT AS TO ARBITRAGE. The Issuer covenants that so long as any of the Bonds remain Outstanding, money on deposit in any fund, account or subaccount maintained in connection with the Bonds, regardless of whether such money was derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner that would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations promulgated from time to time thereunder, except for moneys on deposit in such funds, accounts or subaccounts with respect to any Series of Bonds not intended to be tax-exempt under the provisions of the Code. The Issuer further covenants and agrees to comply with the requirements of Section 148 of the Code and applicable regulations promulgated from time to time thereunder with respect to any Series of Bonds the interest income on which is intended to be tax-exempt under the provisions of the Code.

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applicable account or subaccount of a Supplemental Project Fund and applied toward the completion of the Initial Project or Additional Project, as applicable in connection with which such payment or performance bond or securities are furnished. The Issuer shall diligently exercise its rights for the enforcement of any such payment and performance bond.

SECTION 7.03 MAINTENANCE OF EXISTENCE. The Issuer shall take all actions within its power to maintain its existence as a political subdivision of the State.

SECTION 7.04 BUDGETS.

(a) The Issuer adopts an Annual Budget for each Fiscal Year. To the extent possible, the Issuer will include in its Annual Budget (a) the amount of Supplemental Revenues budgeted for deposit in the applicable Series Revenue Account of the Supplemental Revenue Fund during such year and (b) the amounts to be deposited or paid under Section 5.03, or such similar funds and accounts established under a Supplemental Agreement or Series Agreement or Parity Debt Resolution.

(b) The Issuer also adopts a Capital Improvements Budget for each Fiscal Year. To the extent possible, the Issuer will include the following in its Capital Improvements Budget, in addition to such other matters as the Issuer may determine to include, (a) the amounts, if any, anticipated to be expended during such Fiscal Year from moneys, if any, deposited to the credit of a Supplemental Project Fund and the Series Project Accounts established thereunder, and (b) the amount estimated by the Issuer to be necessary for the renovation, extension, improvement, enlargement, renewal or replacement of the Initial Project or any Additional Projects, whether the same are to be commenced, continued or completed during such Fiscal Year or thereafter. The Capital Improvements Budget may be part of the Annual Budget.

SECTION 7.05 RECORDS, ACCOUNTS AND AUDITS. The Issuer shall keep the funds, accounts, subaccounts, money and investments established hereunder or under a Supplemental Agreement separate from all other funds, accounts, money and investments, if any, of the Issuer and shall keep accurate records and accounts of all items of costs and of all expenditures and of the Supplemental Revenues collected and the application of such Supplemental Revenues. Such records and accounts shall be open to the inspection of the Trustee.

The Issuer shall cause its accountant to prepare and deliver to the Issuer within such date as shall be specified in a Supplemental Agreement, Series Agreement or other agreement to be entered into in connection with the issuance of a Series of Bonds, an audit of the Issuer's books and accounts. Reports of each such audit shall be filed with the Trustee no later than June 30 of each year, and copies of each such report shall be mailed by the Issuer to any person requesting the same in writing and shall be made available for inspection at the office of the Chief Financial Officer. Each such audit report shall be accompanied by an opinion of the accountant stating that the examination of the financial statements was conducted in accordance with generally accepted auditing standards and stating whether such financial statements present fairly the financial position of the Issuer and the results of its operations and a statement of cash flows for the period covered by such audit report in conformity with generally accepted accounting principles applied on a consistent basis.

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If for any reason beyond its control, the Issuer is unable to obtain the foregoing opinion as to compliance with generally accepted accounting principles, the Issuer shall be deemed to be in compliance with this Section if it is taking all reasonable and feasible action to obtain such opinion in subsequent Fiscal Years, and if, in lieu of a statement as to compliance and conformity, such opinion states the reasons for such noncompliance or non-conformity.

SECTION 7.06 INSURANCE. (a) The Issuer covenants that it will maintain or cause to be maintained a practical insurance program, with reasonable terms, conditions, provisions and costs, which the Issuer determines (i) will afford adequate protection against loss caused by damage or destruction of its assets and (ii) will provide the Issuer reasonable protection from liability for bodily injury and property damage resulting from construction activities or operations. All insurance policies shall be carried by a responsible insurance company or companies, whose claims paying ability is rated at least "A" by S&P, authorized and qualified to assume the risks thereof, or by the Florida Office of Insurance Regulation. The Issuer may also participate in self-insurance programs (except with respect to use and occupancy insurance) so long as the types and levels of such self-insurance programs are determined in writing by an Insurance Consultant to be adequate coverage for the Issuer.

(b) Any insurance coverage pursuant to this Section may be subject to such deductible limitations as the Issuer shall deem appropriate, or may be pursuant to a program whereby the Issuer self-insures against certain losses up to a stated loss amount, and retains excess coverage from an insurer meeting the requirements of this Section.

(c) All such policies shall be for the benefit of the Issuer, shall be made payable to the Issuer and shall remain with the Issuer, and the Issuer shall have the sole right to receive the proceeds of such insurance and to collect and receipt for claims thereunder.

(d) Notwithstanding any of the foregoing provisions of this Section, with respect to any contract, lease or other agreement entered into by the Issuer, the Issuer may provide for policies which are payable to the parties of such contract, lease or other agreement as their interests may appear and may provide that the proceeds be applied in such manner as the Issuer, in its opinion, believes to be in the best interest of the Issuer. The Issuer may require evidence of the existence of such policies and notice of cancellation in lieu of the possession of such policies.

SECTION 7.07 COMPLIANCE WITH APPLICABLE LAW. So long as any Bond or Parity Debt is Outstanding, the Issuer shall comply or cause there to be compliance with all applicable laws, orders, rules, regulations and requirements of any municipal or other governmental authority relating to the construction, use and/or operation, as applicable of the Initial Project and any Additional Projects. Nothing contained in this Section shall prevent the Issuer from contesting in good faith the applicability or validity of any law, ordinance, order, rules regulation, or requirement so long as its failure to comply with the same during the period of such contest will not materially impair the operations or applicable Pledged Revenue collection capabilities of the Issuer.

SECTION 7.08 EMPLOYMENT OF CONSULTANTS. For the purpose of performing and carrying out the duties imposed upon an Insurance Consultant under this Trust Agreement, the Issuer shall from time to time employ an Insurance Consultant. A signed copy of

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ARTICLE VIII REMEDIES

Unless otherwise provided by Supplemental Agreement or Series Agreement with respect to one or more Series of Bonds issued under such Supplemental Agreement, the following terms and provisions shall apply to all Bonds issued under this Trust Agreement:

SECTION 8.01 EXTENSION OF INTEREST PAYMENT. If the time for the payment of the interest on any Bond or Parity Debt is extended, whether or not such extension is by or with the consent of the Issuer, such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Trust Agreement and in such case the Owner of the Bond or the Holder of the Parity Debt for which the time for payment of interest was extended shall be entitled only to the payment in full of the principal of all Bonds and Parity Debt then Outstanding and of interest for which the time for payment shall not have been extended. The time for the payment of the interest on any Bond or Parity Debt shall not be extended in respect of any Bond or Parity Debt covered by a Bond Insurance Policy or Credit Facility without the consent of the Bond Insurer or the Credit Provider.

SECTION 8.02 EVENTS OF DEFAULT. Each of the following events is hereby declared an Event of Default:

(a) payment of the principal of and the redemption premium, if any, on any of the Bonds, is not made when the same are due and payable, either at maturity or by redemption or otherwise;

(b) payment of the interest on any of the Bonds is not made when the same is due and payable;

(c) receipt by the Trustee of written notice from the Holder of any Parity Debt of the failure to pay when due and payable the principal of, premium, if any, and interest on such Parity Debt;

(d) the Issuer defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or Parity Debt, or this Trust Agreement, including any Supplemental Agreement, or any Parity Debt Resolution and such default continues for sixty (60) days after receipt by, with respect to the Bonds, the Issuer of a written notice from the Trustee, and with respect to Parity Debt, the Issuer and the Trustee of a written notice from the Holder of the Parity Debt, specifying such default and requesting that it be corrected by the Issuer, provided that if prior to the expiration of such 60-day period the Issuer institutes action reasonably designed to cure such default, no "Event of Default" shall be deemed to have occurred upon the expiration of such 60-day period for so long as the Issuer pursues such curative action with reasonable diligence; provided further, however, that if such default is not cured on or before 270 days after receipt by the Issuer of such notice, then an "Event of Default" shall be deemed to have occurred upon the expiration of such 270 day period unless the Owners or Holders of more than fifty percent (50%) of such Bonds or Parity Debt, respectively, shall have consented to a longer cure period.

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any reports of any Insurance Consultant shall be filed with the Issuer. For the purpose of causing to be performed and carried out the duties imposed on the General Engineering Consultant under this Trust Agreement, the Issuer will employ one or more such consultants having a favorable repute for skill and experience for such work.

SECTION 7.09 FURTHER INSTRUMENTS AND ACTIONS. The Issuer shall, from time to time, execute and deliver such further instruments or take such further actions as may be required to carry out the purposes of this Trust Agreement.

SECTION 7.10 USE OF SUPPLEMENTAL REVENUES, SERIES REVENUES. The Issuer covenants and agrees that, so long as any of the Bonds or Parity Debt secured hereby are Outstanding, any Supplemental Revenues or Series Revenues shall be deposited and applied as provided in this Trust Agreement and applicable Supplemental Agreements and Series Agreements. Upon satisfying its deposit and application obligations with respect to any Supplemental Revenues or Series Revenues under any applicable Supplemental Agreement or Series Agreement, respectively, the Issuer shall be permitted to use and apply such Supplemental Revenues or Series Revenues for any lawful purpose.

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SECTION 8.03 NO ACCELERATION OF MATURITIES. Notwithstanding anything in this Trust Agreement or in any Supplemental Agreement or Parity Debt Resolution to the contrary, in no event shall there be any acceleration of payment of principal of or interest on any Bonds or Parity Debt as a result of the occurrence of any Event of Default under Section 8.02 or otherwise.

SECTION 8.04 REMEDIES. Upon the happening and continuance of any Event of Default specified in Section 8.02, then and in every such case the Trustee may, and upon the written request of the Owners or Holders of not less than 25% in aggregate principal amount of the Bonds and Parity Debt then Outstanding shall, proceed (subject to the provisions of Section 9.02) to protect and enforce its rights and the rights of the Owners or Holders of the Bonds and Parity Debt under applicable laws and under this Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, chosen by the Trustee, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under this Trust Agreement, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default becoming, and at any time remaining, due from the Issuer for principal, interest or otherwise under any of the provisions of this Trust Agreement or of the Bonds and Parity Debt and unpaid, with interest on overdue payments of principal at the rate or rates of interest specified in such Bonds and Parity Debt, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds and Parity Debt, without prejudice to any other right or remedy of the Trustee or of the Owners or Holders of the Bonds and Parity Debt (except to the extent provided in this Trust Agreement), and to recover and enforce any judgment or decree against the Issuer, but solely as provided herein and in such Bonds and Parity Debt, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from moneys in the funds and accounts pledged to secure the Bonds and Parity Debt under the provisions of this Trust Agreement and any Supplemental Agreement, Parity Debt Resolution and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

If an Event of Default shall occur and be continuing, then, unless the same shall then be prohibited under applicable law, a court of competent jurisdiction may appoint a receiver, with full power to pay and to provide for the payment of principal of and interest on the Bonds and Parity Debt as the same shall become due, whether at maturity, pursuant to mandatory sinking fund redemption or otherwise, out of the funds and accounts available therefor, and the operating expenses of the Issuer, to apply Supplemental Revenues in accordance with the provisions of this Trust Agreement and any Supplemental Agreement, Series Agreement or Parity Debt Resolution, and to take such action to the extent permitted by law to cause to be remedied any Event of Default which shall occur or shall have occurred and be continuing, and with such other powers, subject to the direction of said court, as are accorded to receivers in general equity cases and under the applicable provisions of the laws of Florida; provided, that the power of such receiver to make provisions for the payment of principal of and interest on Bonds and Parity Debt as aforesaid shall not be construed as including the power to pledge the general credit of the

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Issuer to such payments. Any appointment of a receiver under the foregoing provision shall not, by itself, constitute a separate Event of Default under Section 8.02.

SECTION 8.05 PRO RATA APPLICATION OF FUNDS. (a) Anything in this Trust Agreement to the contrary notwithstanding, if at any time the money in the applicable accounts and subaccounts of the Interest Account, the Principal Account and the Sinking Fund Account of Senior Lien Debt Service Fund is not sufficient to pay the interest on or the principal of such Senior Lien Indebtedness as the same become due and payable, such money, together with any money then available or thereafter becoming available for such purposes (except for such money that has already been deposited in subaccounts of the Interest Account, Principal Account or Sinking Fund Account for a particular Series of Senior Lien Bonds or Senior Lien Parity Debt pursuant to the provisions of Section 5.03), whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied, after payment of amounts actually due the Trustee, including reasonable fees and expenses of the Trustee in exercising its rights and remedies hereunder:

(i) to the payment to the persons entitled thereto of all installments of interest on such Senior Lien Indebtedness then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Senior Lien Indebtedness;

(ii) to the payment to the persons entitled thereto of the unpaid principal of any such Senior Lien Indebtedness that shall have become due and payable (other than Senior Lien Indebtedness deemed to have been paid pursuant to the provisions of Section 12.01 of this Trust Agreement), in the order of their due dates, with interest on the overdue principal at a rate equal to the rate on such Senior Lien Indebtedness, and, if the amount available shall not be sufficient to pay in full all of the amounts due on such Senior Lien Indebtedness on any date, together with such interest, then to the payment ratably according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference; and

(iii) to the payment of the interest on and the principal of such Senior Lien Indebtedness, to the purchase and retirement of such Senior Lien Indebtedness, and to the redemption of such Senior Lien Indebtedness, all in accordance with the provisions of this Trust Agreement and related Supplemental Agreements.

(b) Anything in this Trust Agreement to the contrary notwithstanding, if at any time the money in the applicable subaccounts of the Interest Account, the Principal Account and the Sinking Fund Account of the Subordinate Lien Debt Service Fund is not sufficient to pay the interest on or the principal of such Subordinate Lien Indebtedness as the same become due and payable, such money, together with any money then available or thereafter becoming available for such purposes (except for such money that has already been deposited in subaccounts of the Interest Account, Principal Account or Sinking Fund Account for a particular Series of Subordinate Lien Bond or Subordinate Lien Parity Debt pursuant to the provisions of Section

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any Event of Default is discontinued or abandoned for any reason, then and in every such case, the Issuer, the Trustee and the Owners and the Holders of Bonds and Parity Debt shall be restored to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceedings had been taken.

SECTION 8.07 CONTROL OF PROCEEDINGS; RIGHTS OF BOND INSURERS AND CREDIT PROVIDERS. (a) Anything in this Trust Agreement to the contrary notwithstanding, the Owners or Holders of a majority in aggregate principal amount of Bonds and Parity Debt at any time Outstanding under a Supplemental Agreement shall have the right, subject to the provisions of Section 9.02, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder; provided that such direction shall be in accordance with law and the provisions of this Trust Agreement.

(b) A Bond Insurer or Credit Provider, as applicable, is entitled to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, in lieu of the Owners or Holders of the Bonds or Parity Debt secured by such Bond Insurer's Bond Insurance Policy or such Credit Provider's Credit Facility, so long as such Bond Insurer or Credit Provider is not in default on its payment obligations and no Bankruptcy-Related Event with respect to such Bond Insurer or Credit Provider has occurred and is continuing.

SECTION 8.08 RESTRICTIONS UPON ACTION. Except as provided in Section 8.13, no Owner or Holder of Bonds or Parity Debt shall have any right to institute any suit, action or proceeding in equity or at law on any Bonds or Parity Debt or for the execution of any trust hereunder or for any other remedy hereunder unless such Owner or Holder of Bonds or Parity Debt previously shall have (a) given to the Trustee written notice of the Event of Default on account of which suit, action or proceeding is to be instituted, (b) requested the Trustee to take action after the right to exercise such powers or right of action, as the case may be, shall have accrued, (c) afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceedings in its or their name, and (d) offered to the Trustee reasonable security and satisfactory indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Trust Agreement or to any other remedy hereunder.

Notwithstanding the foregoing provisions of this Section and without complying therewith, the Owners or Holders of not less than 25% in aggregate principal amount of Bonds and Parity Debt then Outstanding may institute any such suit, action or proceeding in their own names for the benefit of all Owners or Holders of Bonds and Parity Debt. It is understood and intended that, except as otherwise above provided, no one or more Owners or Holders of Bonds or Parity Debt shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security of this Trust Agreement or to enforce any right hereunder except in the manner provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Owners and Holders of Bonds and Parity Debt and that any individual rights of action or other right given to one or more

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5.03), whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied, after payment of the amounts actually due the Trustee, including reasonable fees and expenses of the Trustee in exercising its rights and remedies hereunder:

(i) to the payment to the persons entitled thereto of all installments of interest on such Subordinate Lien Indebtedness then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Subordinate Lien Indebtedness;

(ii) to the payment to the persons entitled thereto of the unpaid principal of any such Subordinate Lien Indebtedness that shall have become due and payable (other than Subordinate Lien Indebtedness deemed to have been paid pursuant to the provisions of Section 12.01 of this Trust Agreement), in the order of their due dates, with interest on the overdue principal at a rate equal to the rate on such Subordinate Lien Indebtedness, and, if the amount available shall not be sufficient to pay in full all of the amounts due on such Subordinate Lien Indebtedness on any date, together with such interest, then to the payment ratably according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference; and

(iii) to the payment of the interest on and the principal of such Subordinate Lien Indebtedness, to the purchase and retirement of such Subordinate Lien Indebtedness, and to the redemption of such Subordinate Lien Indebtedness, all in accordance with the provisions of this Trust Agreement and related Supplemental Agreements.

(c) Whenever money is to be applied by the Trustee pursuant to the provisions of this Section 8.05, (i) such money shall be applied by the Trustee at such times and from time to time as the Trustee in its sole discretion shall determine, having due regard for the amount of money available for such application and the likelihood of additional money becoming available for such application in the future, (ii) setting aside such money as provided herein in trust for the proper purpose shall constitute proper application by the Trustee, and (iii) the Trustee shall incur no liability whatsoever to the Issuer, to any Owner or Holder or to any other person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Trust Agreement as may be applicable at the time of application by the Trustee. Whenever the Trustee exercises such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to the Owner of any Bond until such Bond, or the Holder of any Parity Debt until such Parity Debt, is surrendered to the Trustee for appropriate endorsement or for cancellation if fully paid.

SECTION 8.06 EFFECT OF DISCONTINUANCE OF PROCEEDINGS. If any proceeding taken by the Trustee or Owners or Holders of Bonds or Parity Debt on account of

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of such Owners or Holders by law are restricted by this Trust Agreement to the rights and remedies herein provided.

SECTION 8.09 ENFORCEMENT OF RIGHTS OF ACTION. All rights of action (including the right to file proof of claim) under this Trust Agreement or under any Bonds and Parity Debt may be enforced by the Trustee without the possession of any Bonds or Parity Debt or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners or Holders of Bonds or Parity Debt, and any recovery of judgment shall be for the equal benefit of the Owners or Holders of Bonds and Parity Debt, subject to the provisions of this Trust Agreement.

SECTION 8.10 NO REMEDY EXCLUSIVE. No remedy herein conferred upon or reserved to the Trustee or to the Owners or Holders of Bonds and Parity Debt is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

SECTION 8.11 DELAY NOT A WAIVER. No delay or omission by the Trustee or of any Owner or Holder of Bonds or Parity Debt in the exercise of any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein, and every power or remedy given by this Trust Agreement to the Trustee and to the Owners or Holders of Bonds or Parity Debt may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the Owners or Holder of not less than a majority in principal amount of the Bonds and Parity Debt then Outstanding shall, waive any Event of Default which in its opinion has been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Trust Agreement or before the completion of the enforcement of any other remedies under this Trust Agreement, but no such waiver shall extend to or affect any other existing or subsequent Event of Default or impair any rights or remedies consequent thereon.

SECTION 8.12 NOTICE OF DEFAULT. The Trustee shall mail to (a) all Owners of Bonds at their addresses as they appear on the registration books and (b) all Holders of Parity Debt who shall have filed their name with the Trustee for such purpose, written notice of the occurrence of any Event of Default within thirty (30) days after the Trustee has notice of the same pursuant to the provisions of Section 9.08 that any such Event of Default shall have occurred; provided, however that, except upon the happening of an Event of Default specified in clauses (a), (b) and (c) of Section 8.02 of this Trust Agreement, the Trustee may withhold such notice to the Owners and Holders if in its opinion such withholding is in the interest of such Owners and Holders. The Trustee shall not be subject to any liability to any such Owner and Holder by reason of its failure to mail any such notice.

SECTION 8.13 RIGHT TO ENFORCE PAYMENT OF BONDS UNIMPAIRED. Nothing in this Article shall affect or impair the right of any Owner or Holder of Bonds or Parity Debt to enforce the payment of the principal of and interest on his Bond or

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Parity Debt or the obligation of the Issuer to pay the principal of and interest on each Bond or Parity Debt to the Owner or Holder thereof at the time and place specified in said Bond and Parity Debt.

ARTICLE IX THE TRUSTEE AND BOND REGISTRARS

Unless otherwise provided by Supplemental Agreement or Series Agreement with respect to one or more Series of Bonds issued under such Supplemental Agreement, the following terms and provisions shall apply to all Bonds issued under this Trust Agreement:

SECTION 9.01 ACCEPTANCE OF TRUSTS. The Trustee by execution hereof accepts and agrees to fulfill the trusts imposed upon it by this Trust Agreement, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Trust Agreement, to all of which the Issuer, the Trustee and the respective Owners of the Bonds and any Holders of Parity Debt hereby acknowledge and agree. Prior to the occurrence of any Event of Default and after the curing of all such Events of Default that may have occurred, the Trustee shall perform such duties and only such duties of the Trustee as are specifically set forth in this Trust Agreement. Upon the occurrence and during the continuation of any Event of Default, the Trustee shall use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

No provision of this Trust Agreement shall be construed to relieve the Trustee from liability for its own negligence or willful misconduct, except that:

(a) prior to any such Event of Default hereunder, and after the curing of any Event of Default that may have occurred:

(i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Trust Agreement, and the Trustee shall not be liable except for the performance of such duties and obligations of the Trustee as are specifically set forth in this Trust Agreement, and no implied covenants or obligations shall be read into this Trust Agreement against the Trustee and no permissive right of the Trustee under this Trust Agreement shall impose any duty on the Trustee to take such action, and

(ii) in the absence of willful misconduct on its part, the Trustee may conclusively rely, as to the accuracy of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to it conforming to the requirements of this Trust Agreement, but in the case of any such certificate or opinion by which any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not on its face it conforms to the requirements of this Trust Agreement; and

(b) at all times, regardless of whether or not any such Event of Default shall exist:

(i) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts, and

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(ii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners and Holders of not less than 25% or a majority, as this Trust Agreement shall require, in aggregate principal amount of the Bonds and Parity Debt then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any power conferred upon the Trustee under this Trust Agreement.

None of the provisions contained in this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

SECTION 9.02 INDEMNIFICATION OF TRUSTEE AS CONDITION FOR REMEDIAL ACTION. The Trustee shall be under no obligation to institute any suit or to take any remedial proceeding (including, but not limited to, the appointment of a receiver) or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability. The Trustee nevertheless may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Issuer, at the request of the Trustee, shall reimburse the Trustee from Supplemental Revenues for all costs, expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Issuer shall fail to make such reimbursement, the Trustee may reimburse itself from any money in its possession under the provisions of this Trust Agreement and shall be entitled to a preference therefor over any Indebtedness Outstanding.

SECTION 9.03 LIMITATIONS ON OBLIGATIONS AND RESPONSIBILITIES OF TRUSTEE. The Trustee shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Issuer, or to report, or make or file claims or proof of loss for, any loss or damage insured against or that may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. Except as to the acceptance of the trusts under this Trust Agreement, the Trustee shall have no responsibility in respect of the validity or sufficiency of this Trust Agreement, or in respect of the validity of Bonds and Parity Debt or the due issuance or execution and delivery thereof. The Trustee shall be under no obligation to see that any duties herein imposed upon the Issuer, any Bond Registrar, any consultant, any Depository or any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

SECTION 9.04 TRUSTEE NOT LIABLE FOR FAILURE OF ISSUER TO ACT. The Trustee shall not be liable or responsible because of the failure of the Issuer or of any of their employees or agents to make any collections or deposits or to perform any act herein required of the Issuer or because of the loss of any money arising through the insolvency or the act or default or omission of any Depository. The Trustee shall not be responsible for the

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application of any of the proceeds of Bonds or any other money deposited with it and invested, paid out, withdrawn or transferred hereunder if such application, investment, payment, withdrawal or transfer shall be made in accordance with the provisions of this Trust Agreement. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

SECTION 9.05 COMPENSATION AND INDEMNIFICATION OF TRUSTEE AND BOND REGISTRAR. Subject to the provisions of any contract between the Issuer and the Trustee or any Bond Registrar relating to the compensation of the Trustee or such Bond Registrar, the Issuer shall pay to the Trustee and each Bond Registrar from Supplemental Revenues reasonable compensation for all services performed by them hereunder and also all their reasonable expenses, charges and other disbursements and those of their attorneys, agents and employees incurred in and about the administration and the performance of their powers and losses, expenses or other and, to the extent permitted by law, shall indemnify and save the Trustee and each Bond Registrar harmless against any liabilities that they may incur through negligence or bad faith on their part arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses (including reasonable attorneys' fees) of defending itself against any claim of liability. If the Issuer shall fail to cause any payment required by this Section to be made, the Trustee and each Bond Registrar may make such payment from any money in its possession under the provisions of this Trust Agreement and shall be entitled to a preference therefor over any Bonds and Parity Debt Outstanding hereunder. The Issuer covenants that it shall promptly deposit or cause to be deposited to the credit of the respective fund or account the amount withdrawn therefrom by the Trustee to make any such payment.

The obligations of the Issuer under this section shall survive the termination of this Trust Agreement and the resignation and removal of the Trustee.

SECTION 9.06 MONTHLY STATEMENTS FROM TRUSTEE. It shall be the duty of the Trustee, on or before the 15th day of each month, to file with the Issuer a statement setting forth in respect of the preceding calendar month:

(a) the amount withdrawn or transferred by it and the amount deposited with it on account of each fund, account or subaccount held by it under the provisions of this Trust Agreement or any Supplemental Agreement,

(b) the amount on deposit with it at the end of such month in each such fund, account or subaccount,

(c) a brief description of all obligations held by it as an investment of money in each such fund, account or subaccount,

(d) the amount applied to the payment, purchase or redemption of Bonds and Parity Debt under the provisions of Article V and a description of the Bonds and Parity Debt or portions thereof so paid, purchased or redeemed, and

(e) any other information that the Issuer may reasonably request.

All records and files pertaining to Bonds and Parity Debt in the custody of the Trustee not otherwise restricted or excluded from disclosure by the terms of this Trust Agreement, including,

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without limitation, Section 10.02, shall be open at all reasonable times to the inspection of the Issuer and its agents and representatives.

SECTION 9.07 TRUSTEE MAY RELY ON CERTIFICATES; PROJECTIONS. (a) If at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee, and in any case in which this Trust Agreement provides for permitting or taking any action, the Trustee may rely upon any certificate required or permitted to be filed with it under the provisions of this Trust Agreement, and any such certificate shall be evidence of such fact and protect the Trustee in any action that it may or may not take or in respect of anything it may or may not do, in absence of willful misconduct, by reason of the supposed existence of such fact. Except as otherwise provided in this Trust Agreement, any request, notice, certificate or other instrument from the Issuer to the Trustee shall be deemed to have been signed by the proper party or parties if signed by any Authorized Officer, and the Trustee may accept and rely upon a certificate signed by any Authorized Officer as to any action taken by the Issuer.

(b) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, note, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(c) Any request, direction, order or demand of the Issuer mentioned herein shall be sufficiently evidenced by an Officer's Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Issuer Board may be evidenced to the Trustee by a copy thereof certified by the Secretary.

(d) The Trustee may consult with counsel and the advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reasonable reliance upon such advice.

(e) The Trustee shall not be liable for any action taken or omitted by it within the discretion or rights or powers conferred upon it by this Trust Agreement.

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and shall not be liable for the actions of agents and attorneys appointed with due care.

(g) The Trustee shall not be responsible or liable for punitive, special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) not caused by its gross negligence or willful misconduct irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of actions.

(h) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty.

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appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 9.15.

SECTION 9.13 RESIGNATION OF TRUSTEE. Subject to the provisions of Section 9.12, the Trustee may resign and thereby become discharged from the trusts hereby created, by notice in writing given to the Issuer, and mailed, postage prepaid, to each Owner and Holder of Bonds and Parity Debt not less than sixty (60) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee hereunder if such new Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof.

SECTION 9.14 REMOVAL OF TRUSTEE. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, (i) executed by the Owners and Holders of not less than a majority in aggregate principal amount of Bonds and Parity Debt then Outstanding and filed with the Issuer, or (ii) executed by an Authorized Officer, so long as no Event of Default shall have occurred and be continuing, in either case not less than sixty (60) days before such removal is to take effect as stated in said instrument of instruments. A photographic copy of any order, instrument or instruments filed with the Issuer under the provisions of this paragraph, duly certified by the Issuer Secretary as having been received by the Issuer, shall be delivered promptly by the Issuer Secretary to the Trustee.

The Trustee may also be removed at any time for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Trust Agreement with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Issuer or the Owners and Holders of not less than 25% in aggregate principal amount of Bonds and Parity Debt then Outstanding.

SECTION 9.15 APPOINTMENT OF SUCCESSOR TRUSTEE. If at any time hereafter the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as Trustee shall be taken over by any governmental official, agency, department or board, the positions of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any reason, the Issuer shall appoint a Trustee to fill such vacancy. A successor Trustee shall not be required if the Trustee shall sell or assign substantially all of its trust business and the vendee or assignee shall continue in the trust business, or if a transfer of the trust department of the Trustee is required by operation of law, provided that such vendee, assignee or transferee is (i) a bank or trust company within or without the State which is duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, (ii) of good standing, and (iii) having a combined capital, surplus and undivided profits aggregating not less than One Hundred Million Dollars (\$100,000,000). The Issuer shall mail notice of any such appointment made by it, postage prepaid, to all Owners and Holders of Bonds and Parity Debt.

At any time within sixty (60) days after any such vacancy shall have occurred, the Owners and Holders of not less than 25% in principal amount of Bonds and Parity Debt then Outstanding, by an instrument or concurrent instruments in writing, executed by such Owners and Holders and filed with the Issuer, may nominate a successor Trustee, which the Issuer shall appoint and which shall supersede any Trustee theretofore appointed by the Issuer. Photographic

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(i) All the rights, protections, immunities and indemnities granted to the Trustee hereunder shall apply, to the extent applicable, to the Trustee in any other capacity hereunder, including as Bond Registrar and Depository.

SECTION 9.08 NOTICE OF DEFAULT. Except upon the happening of any Event of Default specified in subsections (a), (b), or (c) of Section 8.02, the Trustee shall not be obliged to take notice or be deemed to have notice of any Event of Default under this Trust Agreement unless specifically notified in writing of such Event of Default by the Issuer or the Owners and Holders of not less than 25% in aggregate principal amount of Bonds and Parity Debt then Outstanding.

SECTION 9.09 TRUSTEE NOT RESPONSIBLE FOR RECITALS. The recitals, statements and representations contained herein and in the Bonds shall be taken and construed as made by and on the part of the Issuer and not by the Trustee, and the Trustee assumes and shall be under no responsibility for the correctness of the same.

SECTION 9.10 TRUSTEE PROTECTED IN RELYING ON CERTAIN DOCUMENTS. The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in absence of willful misconduct, reasonably and in accordance with the terms of this Trust Agreement, any Supplemental Agreements, any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, or upon the written opinion of any attorney, engineer or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Trustee shall not be under any obligation to see to the recording or filing of this Trust Agreement or otherwise to the giving to any person of notice of the provisions hereof. Delivery of any reports, information and documents from any General Engineering Consultant or Insurance Consultant to the Trustee pursuant to this Trust Agreement is for informational purposes only, and the Trustee's receipt thereof shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants under this Trust Agreement (as to which the Trustee is entitled to certificates).

SECTION 9.11 TRUSTEE MAY PAY TAXES AND ASSESSMENTS. In case the Issuer shall fail to pay or cause to be paid any lawful tax, assessment or governmental charge or other charge upon any part of the Issuer to the extent, if any, that the Issuer may be deemed by the Trustee liable for same, the Trustee may pay such tax, assessment or governmental charge, without prejudice, however, to any rights of the Trustee or the Owners or Holders of Bonds and Parity Debt arising in consequence of such failure; and any amount at any time so paid under this Section shall be repaid upon demand by the Trustee by the Issuer, but the Trustee shall be under no obligation to make any such payment from sources provided in this Trust Agreement unless it shall have available or be provided with adequate funds for the purpose of such payment.

SECTION 9.12 RESIGNATION AND REMOVAL OF TRUSTEE SUBJECT TO APPOINTMENT OF SUCCESSOR. No resignation or removal of the Trustee and no

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copies, duly certified by the Issuer Secretary as having been received by the Issuer, of each such instrument shall be delivered promptly by the Issuer Secretary to the predecessor Trustee and to the Trustee so appointed by such Owners and Holders.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, any Owner or Holder of Bonds or Parity Debt or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any successor Trustee hereafter appointed shall be (i) a bank or trust company within or without the State which is duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, (ii) of good standing and (iii) having a combined capital, surplus and undivided profits aggregating not less than One Hundred Million Dollars (\$100,000,000).

SECTION 9.16 VESTING OF DUTIES IN SUCCESSOR TRUSTEE. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Issuer, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor; but such predecessor shall nevertheless, on the written request of its successor or of the Issuer and upon payment of the expenses, charges and other disbursements of such predecessor that are payable pursuant to the provisions of Section 9.05, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities and powers of such predecessor hereunder; and every predecessor Trustee shall deliver all property and money held by it hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the Issuer.

SECTION 9.17 REMOVAL AND RESIGNATION OF BOND REGISTRAR. A Bond Registrar may be removed at anytime, with or without cause, by the Issuer upon forty-five (45) days' written notice by the Issuer to such Bond Registrar. A copy of such written notice shall be delivered promptly by the Issuer to the Trustee. Upon receipt of such notice, the Trustee shall cause notice of such removal to be mailed, postage prepaid, to the Owners not less than thirty (30) days before such removal is to take effect. All costs in connection with such notice shall be borne by the Issuer.

A Bond Registrar may resign and thereby become discharged from the duties, obligations and responsibilities of Bond Registrar under this Trust Agreement and the applicable Supplemental Agreement, by written notice delivered to the Issuer and the Trustee. Upon receipt of such notice the Trustee shall cause notice of such resignation to be mailed, postage prepaid, to the Owners not less than sixty (60) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Bond Registrar hereunder if such new Bond Registrar shall be appointed before the time limited by such notice and shall then accept the duties, obligations and responsibilities of Bond Registrar under this

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Trust Agreement and the applicable Supplemental Agreement. If at any time thereafter a Bond Registrar shall resign, be removed, be dissolved or otherwise become incapable of acting, or the entity acting as Bond Registrar shall be taken over by any governmental official, agency, department or board, the position of Bond Registrar shall thereupon become vacant. If the position of Bond Registrar shall become vacant for any reason, the Issuer shall appoint a Bond Registrar to fill such vacancy. A successor Bond Registrar shall not be required if a Bond Registrar shall sell or assign substantially all of its business and the vendee or assignee shall be qualified in the sole judgment of the Issuer to carry out the duties, obligations and responsibilities of Bond Registrar under this Trust Agreement. The Issuer shall promptly deliver written notice of any such appointment by it to the Trustee and mail such notice, postage prepaid, to all Owners of the applicable Bonds.

SECTION 9.18 CO-TRUSTEE. At any time, but subject to compliance with all applicable regulations, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the trust estate may at the time be located, the Issuer and the Trustee shall have power to appoint an additional institution or individual as a co-trustee or separate trustee, and upon the request of the Trustee or the Owners and Holders of not less than 10% in aggregate principal amount of Bonds and Parity Debt then Outstanding the Issuer shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint such institution or individual to act as co-trustee jointly with the Trustee or as a separate trustee of all or any part of the trust estate, and to vest in such person or institution, in such capacity, such title to the trust estate, or any part thereof, and such rights, powers, duties, trusts or obligations as the Issuer and the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section.

If the Issuer shall not have made such appointment within 30 days after the receipt by it of a request so to do, or in case an Event of Default shall have occurred and be continuing, the Trustee alone shall have the power to make such appointment.

The Trustee and the Issuer shall execute, acknowledge and deliver all such instruments as may be reasonably required by any such co-trustee or separate trustee for more fully confirming such title, rights, powers, trusts, duties and obligations to such co-trustee or separate trustee.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) Bonds shall be authenticated and delivered, if applicable, and all rights, powers, trusts, duties and obligations by this Trust Agreement conferred upon the Trustee in respect of the custody, control or management of money, papers, securities and other personal property shall be exercised solely by the Trustee;

(b) all rights, powers, trusts, duties and obligations conferred or imposed upon the Trustee by this Trust Agreement shall be conferred or imposed upon or exercised or performed by the Trustee, or by the Trustee and such co-trustee, or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under the law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform

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**ARTICLE X
EXECUTION OF INSTRUMENTS BY OWNERS AND
HOLDERS, PROOF OF OWNERSHIP OF BONDS OR
SENIOR LIEN PARITY DEBT, AND DETERMINATION OF
CONCURRENCE OF OWNERS**

Unless otherwise provided by Supplemental Agreement or Series Agreement with respect to one or more Series of Bonds issued under such Supplemental Agreement, the following terms and provisions shall apply to all Bonds issued under this Trust Agreement:

SECTION 10.01 EXECUTION OF INSTRUMENTS. Any request, direction, consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by any Owners or Holders of Bonds or Parity Debt may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners or Holders or their attorneys or legal representatives or legal representative of his estate if the Owner or Holder is deceased. Proof of the execution of any such instrument and of the ownership of Bonds and Parity Debt shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee and the Issuer with regard to any action taken by either under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification, by any officer in any jurisdiction who by the laws thereof has power to take affidavits within such jurisdictions, to the effect that such instrument was subscribed and sworn to before him or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual, such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

(b) The ownership of Bonds shall be proved by the registration books kept under the provisions of Section 2.05. The ownership or holding of Parity Debt shall be proved as provided in the related Parity Debt Resolution, as the case may be.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of any Owner or Holder of Bonds or Parity Debt shall bind every future Owner or Holder of the same Bonds or Parity Debt in respect of anything done by the Trustee in pursuance of such request or consent.

Notwithstanding any of the foregoing provisions of this Section, the Trustee shall not be required to recognize any person as an Owner or Holder of Bonds or Parity Debt or to take any action at such an Owner's or Holder's request unless such Bonds or Parity Debt shall be deposited with it.

SECTION 10.02 PRESERVATION OF INFORMATION; COMMUNICATIONS. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Owners received by the Trustee from the Bond Registrar.

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such act or acts, in which event such act or acts shall be performed by such co-trustee or separate trustee;

(c) any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking or the refraining from taking of such action by such co-trustee or separate trustee;

(d) any co-trustee or separate trustee to the extent permitted by law may delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise;

(e) the Trustee at any time by an instrument in writing with the concurrence of the Issuer may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section and in case an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of or remove any such co-trustee or separate trustee without the concurrence of the Issuer, and upon the request of the Trustee, the Issuer shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section;

(f) no Trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder;

(g) any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by the Owners and Holders of Bonds and Parity Debt and delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee; and

(h) any money, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

Upon the acceptance in writing of such appointment, any such co-trustee or separate trustee shall be vested with such title to the trust estate or any part thereof, and with such rights, powers, duties, trusts or obligations as shall be specified in the instrument of appointment jointly with the Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone) subject to all the terms of this Trust Agreement. Every such acceptance shall be filed with the Trustee and the Issuer.

In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, the title to the trust estate and all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner herein provided.

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(b) If an Owner which is a Securities Depository Nominee or three or more Owners which are not Securities Depository Nominees (hereinafter collectively referred to as "applicants") apply in writing to the Trustee and furnish reasonable proof that each such applicant has owned a Bond for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Owners with respect to their rights under this Trust Agreement or under the Bonds, the Trustee may, at its election, either (i) afford such applicants access to the information preserved at the time by the Trustee in accordance with subsection (a) of this Section, or (ii) inform such applicants as to the approximate number of Owners whose names and addresses appear in the information preserved at the time by the Trustee in accordance with subsection (a) of this Section, and as to the approximate cost of mailing to such Owners the form of communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Owner whose name and address appears in the information preserved at the time by the Trustee in accordance with subsection (a) of this Section a copy of the form of communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing.

(c) Every Owner, by receiving and holding one or more Bonds, agrees with the Issuer and the Trustee that neither the Issuer nor the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Owners in accordance with subsection (b) of this Section, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under such subsection.

**ARTICLE XI
SUPPLEMENTAL TRUST AGREEMENTS**

Unless otherwise provided by Supplemental Agreement or Series Agreement with respect to one or more Series of Bonds issued under such Supplemental Agreement, the following terms and provisions shall apply to all Bonds issued under this Trust Agreement:

SECTION 11.01 SUPPLEMENTAL TRUST AGREEMENT WITHOUT CONSENT. The Issuer and the Trustee may, from time to time and at any time, execute and deliver supplemental trust agreements hereto (which supplemental trust agreements shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Trust Agreement, an applicable Supplemental Agreement or an applicable Series Agreement and, as evidenced by an opinion of counsel delivered to the Trustee, shall not materially and adversely affect the interest of the Owners and Holders:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Trust Agreement, or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Trust Agreement, or

(b) to grant or to confer upon the Trustee, for the benefit of the Owners or Holders, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners, the Holders or the Trustee, or

(c) to add to the provisions of this Trust Agreement, a Supplemental Agreement or a Series Agreement other conditions, limitations and restrictions thereafter to be observed, or

(d) to add to the covenants and agreements of the Issuer in this Trust Agreement, a Supplemental Agreement or a Series Agreement other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer, or

(e) to permit the qualification of this Trust Agreement, a Supplemental Agreement or a Series Agreement under any federal statute now or hereafter in effect or under any state blue sky law, and, in connection therewith, if the Issuer so determines, to add to this Trust Agreement, a Supplemental Agreement or a Series Agreement such other terms, conditions and provisions as may be permitted or required by such federal statute or blue sky law.

At least thirty (30) days prior to the execution and delivery of any supplemental trust agreement for any of the purposes of this Section, the Trustee shall cause a notice of the proposed execution and delivery of such supplemental trust agreement to be mailed, postage prepaid, to all Owners of Bonds and Holders of Parity Debt. Such notice shall briefly set forth in the nature of the proposed supplemental trust agreement and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners of Bonds and Holders of Parity Debt. A failure on the part of the Trustee to mail the notice required by this Section shall not affect the validity of such supplemental trust agreement.

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Subordinate Lien Indebtedness then Outstanding, as the case may be, shall not be required as provided in the preceding paragraph.

If at any time the Issuer and the Trustee determines that it is necessary or desirable to execute and deliver any supplemental trust agreement for any of the purposes of this Section, the Trustee shall cause notice of the proposed supplemental trust agreement to be mailed, postage prepaid, to all Owners of Bonds affected thereby at their addresses as they appear on the registration books and to all Holders of Parity Debt affected thereby in accordance with the related Parity Debt Resolution as of the date of mailing such notice. Such notice shall briefly set forth the nature of the proposed supplemental trust agreement and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all such Owners and Holders of Bonds and Parity Debt. The Trustee shall not, however, be subject to any liability to any Owner or Holder of Bonds or Parity Debt by reason of its failure to cause the notice required by this Section to be mailed, and any such failure to cause the notice required by this Section to be mailed and any such failure shall not affect the validity of such supplemental trust agreement when consented to and approved as provided in this Section.

Whenever, at any time within three (3) years after the date of the mailing of such notice, the Issuer delivers to the Trustee an instrument or instruments in writing purporting to be executed by the Owners or Holders of not less than a majority in aggregate principal amount of Senior Lien Indebtedness and Subordinate Lien Indebtedness then Outstanding that are affected by a proposed supplemental trust agreement, which instrument or instruments shall refer to the proposed supplemental trust agreement described in such notice and shall specifically consent to and approve the execution and delivery thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer and the Trustee may execute and deliver such supplemental trust agreement in substantially such form, without liability or responsibility to any Owner or Holder of any Senior Lien Indebtedness or Subordinate Lien Indebtedness whether or not such Owner or Holder shall have consented thereto.

If the Owners or Holders of not less than a majority in aggregate principal amount of any Senior Lien Indebtedness or Subordinate Lien Indebtedness then Outstanding at the time of the execution and delivery of such supplemental trust agreement and that are affected, as defined in Section 11.03, by a proposed supplemental trust agreement have consented to and approved the execution and delivery thereof as herein provided, to the extent permitted by law, no Owner or Holder of any such Senior Lien Indebtedness or such Subordinate Lien Indebtedness shall have any right to object to the execution and delivery of such supplemental trust agreement, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the execution and delivery thereof, or to enjoin or restrain the Issuer and the Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

Except as otherwise expressly provided in this Section 11.02, so long as a Bond Insurer or Credit Provider has not defaulted on its payment obligations under any outstanding Bond Insurance Policy or Credit Facility, as applicable, and no Bankruptcy-Related Event has occurred and is continuing with respect to such Bond Insurer or Credit Provider, as applicable, such Bond Insurer or Credit Provider may provide the consent of the Owners or Holders of all Bonds or

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SECTION 11.02 SUPPLEMENTAL TRUST AGREEMENT WITH

CONSENT. Subject to the terms and provisions contained in this Section, and not otherwise, the Owners and Holders of not less than a majority in aggregate principal amount of Senior Lien Indebtedness then Outstanding that are affected by the proposed supplemental trust agreement, and the Owners and Holders of not less than a majority in aggregate principal amount of the Subordinate Lien Indebtedness then Outstanding and affected by the proposed supplemental trust agreement shall have the right, from time to time, anything contained in this Trust Agreement, a Supplemental Agreement or a Series Agreement to the contrary notwithstanding, to consent to and approve the execution and delivery of such supplemental trust agreements as are deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement, a Supplemental Agreement or a Series Agreement or in any supplemental trust agreement; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any such Senior Lien Indebtedness or such Subordinate Lien Indebtedness without the consent of the Owner or Holder of such Senior Lien Indebtedness or Subordinate Lien Indebtedness, (b) a reduction in the principal amount of any such Senior Lien Indebtedness or Subordinate Lien Indebtedness or the redemption premium or the rate of interest on any such Senior Lien Indebtedness or Subordinate Lien Indebtedness without the consent of the Owner or Holder of such Senior Lien Indebtedness or Subordinate Lien Indebtedness then Outstanding, (c) the creation of a pledge, charge and lien upon the Supplemental Revenues other than the pledge, charge and lien created by this Trust Agreement, a Supplemental Agreement or a Series Agreement or related supplemental trust agreements without the consent of all of the Owners and Holders of such Senior Lien Indebtedness or such Subordinate Lien Indebtedness then Outstanding, (d) a preference or priority of any such Senior Lien Indebtedness or such Subordinate Lien Indebtedness over any other Senior Lien Indebtedness or Subordinate Lien Indebtedness secured under the same Supplemental Agreement, except as expressly provided by this Trust Agreement, a Supplemental Agreement or a Series Agreement, without the consent of all of the Owners and Holders of such Senior Lien Indebtedness or such Subordinate Lien Indebtedness then Outstanding, or (e) a reduction in the aggregate principal amount of the Senior Lien Indebtedness or Subordinate Lien Indebtedness secured under the same Supplemental Agreement required for consent to such supplemental trust agreement without the consent of all of the Owners and Holders of such Senior Lien Indebtedness or such Subordinate Lien Indebtedness then Outstanding. For purposes of clauses (a) through (e) of this paragraph, notwithstanding any provisions herein or in any Supplemental Agreement, Series Agreement or Parity Debt Resolution to the contrary, a Bond Insurer or Credit Provider shall not be deemed to be the Owner or Holder of Senior Lien Indebtedness or Subordinate Lien Indebtedness Outstanding.

Nothing herein contained, however, shall be construed as making necessary the approval by Owners or Holders of Senior Lien Indebtedness or Subordinate Lien Indebtedness of the execution and delivery of any supplemental trust agreement as authorized in Section 11.01. Furthermore, notwithstanding for the foregoing provisions of this Section, to the extent that the Holders or Owners of Senior Lien Indebtedness or Subordinate Lien Indebtedness, as the case may be, are not "affected" by the proposed supplemental trust agreement as provided in Section 11.03 (by virtue of the fact that the proposed supplemental trust agreement does not affect their respective Supplemental Revenues, or otherwise), the consent of such Owners and Holders of not less than a majority in aggregate principal amount of such Senior Lien Indebtedness and such

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Parity Debt secured by such Bond Insurance Policy or Credit Facility in lieu of obtaining the consent of such Owners or Holders.

SECTION 11.03 SENIOR LIEN INDEBTEDNESS AND SUBORDINATE LIEN INDEBTEDNESS AFFECTED. For purposes of this Trust Agreement, Senior Lien Indebtedness and Subordinate Lien Indebtedness shall be deemed to be "affected" by a supplemental trust agreement if the same adversely affects or diminishes the rights of the Owners or Holders of such Senior Lien Indebtedness and Subordinate Lien Indebtedness against the Issuer or the rights of such Owners or Holders in the security for such Senior Lien Indebtedness and Subordinate Lien Indebtedness. The Trustee shall receive a written opinion of legal counsel, stating whether any Senior Lien Indebtedness and Subordinate Lien Indebtedness would be affected by any supplemental trust agreement, and any such determination shall be conclusive upon the Owners and Holders of all Senior Lien Indebtedness and Subordinate Lien Indebtedness, whether theretofore or thereafter issued or incurred. The Trustee shall not be liable for any such determination made in good faith.

SECTION 11.04 SUPPLEMENTAL TRUST AGREEMENTS PART OF TRUST AGREEMENT. Any supplemental trust agreement executed and delivered in accordance with the provisions of this Article shall thereafter form a part of this Trust Agreement, a Supplemental Agreement or a Series Agreement, and this Trust Agreement, a Supplemental Agreement or a Series Agreement shall be and be deemed to be modified and amended in accordance therewith. Thereafter the respective rights, duties and obligations under the Trust Agreement, a Supplemental Agreement or a Series Agreement of the Issuer, the Trustee and all Owners of Bonds and Holders of Parity Debt then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Trust Agreement, a Supplemental Agreement or a Series Agreement as so modified and amended. If any supplemental trust agreement is executed and delivered, Bonds issued thereafter and Parity Debt incurred thereafter may contain an express reference to such supplemental trust agreement, if deemed necessary or desirable by the Issuer.

SECTION 11.05 NOT A SUPPLEMENTAL TRUST AGREEMENT. For purpose of this Article, a Supplemental Agreement, Series Agreement or Parity Debt Resolution that relates only to a particular Series of Bonds issued hereunder or Parity Debt incurred under a Parity Debt Resolution and that does not purport to alter or amend the rights or security of any Owners of any Bonds of any other Series issued hereunder, or under a Supplemental Agreement or a Series Agreement, or any Holder of any other Parity Debt incurred hereunder shall not be deemed or considered to be a "supplemental trust agreement" for purposes of this Article.

SECTION 11.06 TRUSTEE AUTHORIZED TO ENTER IN TO SUPPLEMENTAL TRUST AGREEMENTS. (a) The Trustee is hereby authorized to join in the execution of any supplemental trust agreement, to make any further appropriate agreements and stipulations which may be therein contained, but the Trustee shall not be obligated to enter into any such supplemental trust agreement that adversely affects the Trustee's own rights, duties or immunities under this Trust Agreement or otherwise.

(b) The Trustee may receive an opinion of counsel as conclusive evidence that any such supplemental trust agreement complies with the provisions of this Article XI.

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**ARTICLE XII
DEFEASANCE**

Unless otherwise provided by Supplemental Agreement or Series Agreement with respect to one or more Series of Bonds issued under such Supplemental Agreement, the following terms and provisions shall apply to all Bonds issued under this Trust Agreement:

SECTION 12.01 RELEASE OF TRUST AGREEMENT. When:

(a) the Bonds and Parity Debt secured hereby shall have become due and payable in accordance with their terms or otherwise as provided in this Trust Agreement, and the whole amount of the principal and the interest and premium, if any, and other amounts so due and payable thereon shall be paid; and

(b) if the Bonds and Parity Debt shall not have become due and payable in accordance with their terms, the Trustee or any Bond Registrar shall hold, sufficient (i) money or (ii) Defeasance Obligations or a combination of (i) and (ii) of this clause (b), the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest and redemption premium, if any, on all Bonds and Parity Debt then Outstanding to the maturity date or dates of such Bonds and Parity Debt or to the date or dates specified for the redemption thereof, as verified by a verification agent selected by the Issuer; and

(c) if Bonds or Parity Debt are to be called for redemption or prepayment, irrevocable notice to call the Bonds or Parity Debt for redemption or prepayment shall have been given by the Issuer; and

(d) sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder and under the Parity Debt Resolution by the Issuer, then and in that case the right, title and interest of the Trustee in the funds, accounts and subaccounts mentioned in this Trust Agreement shall thereupon cease, determine and become void and, upon being furnished with an opinion, in form and substance satisfactory to the Trustee, of counsel acceptable by the Trustee, to the effect that all conditions precedent to the release of this Trust Agreement have been satisfied, the Trustee shall release this Trust Agreement and shall execute such documents to evidence such release as may be required by such counsel, and the Trustee shall turn over to the Issuer any surplus in, and all balances remaining in, all funds, accounts and subaccounts other than money held for the redemption or payment of Bonds or Parity Debt. Otherwise, this Trust Agreement shall be, continue and remain in full force and effect; provided, however, that in the event Defeasance Obligations shall be deposited with and held by the Trustee or the Bond Registrar as hereinabove provided, (i) in addition to the requirements set forth in Article III, the Issuer, within thirty (30) days after such Defeasance Obligations shall have been deposited with the Trustee, shall cause a notice to be mailed, postage prepaid, to all Owners and to all Holders of Bonds and Parity Debt, setting forth (a) the date or dates, if any, designated for the redemption of the Bonds or Parity Debt, (b) a description of the Defeasance Obligations so held by the Trustee, and (c) that this Trust Agreement has been released in accordance with the

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**ARTICLE XIII
MISCELLANEOUS PROVISIONS**

Unless otherwise provided by Supplemental Agreement or Series Agreement with respect to one or more Series of Bonds issued under such Supplemental Agreement, the following terms and provisions shall apply to all Bonds issued under this Trust Agreement:

SECTION 13.01 SUCCESSORSHIP OF ISSUER. In the event the Issuer for any reason shall be dissolved or its legal existence shall otherwise be terminated, all of the covenants, stipulations, obligations and agreements contained in this Trust Agreement by or on behalf of or for the benefit of the Issuer shall bind or inure to the benefit of the successor or Issuer from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the term "Issuer" as used in this Trust Agreement shall include such successor or successors.

SECTION 13.02 SUCCESSORSHIP OF DEPOSITORY AND BOND REGISTRAR. Any bank or trust company with or into which a Depository or Bond Registrar may be merged or consolidated, or to which the assets and business of such Depository or Bond Registrar may be sold, shall be deemed the successor of such Depository or Bond Registrar for the purposes of this Trust Agreement. If the position of any Depository shall become vacant for any reason or the position of Bond Registrar shall become vacant for any reason not provided for by Section 9.17, the Issuer shall appoint a bank or trust company to fill such vacancy within 30 days thereafter; provided, however, that if the Issuer shall fail to appoint such Depository or Bond Registrar within such period, the Trustee may make such appointment; provided, however, that the Trustee shall not be liable for the failure to make such appointment.

SECTION 13.03 MANNER OF GIVING NOTICE. All notices, demands, directions and requests to be given to or made hereunder by the Issuer or the Trustee shall be given or made in writing and shall be deemed to be properly given or made if sent by United States first class mail, postage prepaid, addressed as follows:

- (a) As to the Issuer--
Jacksonville Transportation Authority
121 W. Forsyth Street, Suite 200
Jacksonville, Florida 32202
Attention: Chief Financial Officer
- (b) As to the Trustee--
Regions Bank
10245 Centurion Parkway, 2nd Floor
Jacksonville, Florida 32256
Attention: Corporate Trust Department

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provisions of this Section, and (ii) (a) the Trustee shall nevertheless retain such rights, powers and privileges under this Trust Agreement as may be necessary and convenient in respect of the Bonds and Parity Debt for the payment of the principal, interest and any premium for which such Defeasance Obligations have been deposited and (b) each Bond Registrar shall retain such rights, powers and privileges under this Trust Agreement as may be necessary and convenient for the registration, transfer and exchange of Bonds; provided, however, that failure to mail such notice to any Owner or to the Owners, or to any Holder or to the Holders, or any defect in such notice so mailed, shall not affect the validity of the release of this Trust Agreement.

All money and Defeasance Obligations held by the Trustee or any Bond Registrar pursuant to this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith.

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Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by electronic mail or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed by reasonable means.

Any of such addresses may be changed at any time upon written notice of such change sent by United States first class mail, postage prepaid, to the other parties by the party effecting the change.

All documents received by the Trustee under the provisions of this Trust Agreement, or photographic copies thereof, shall be retained in its possession until this Trust Agreement shall be released under the provisions of Section 12.01, subject at all reasonable times to the inspection of the Issuer, any Owner, any Holder and the agents and representatives thereof.

SECTION 13.04 SUBSTITUTE MAILING. If, because of the temporary or permanent suspension of postal service, the Issuer or the Trustee shall be unable to mail any notice required to be given by the provisions of this Trust Agreement, the Issuer or the Trustee shall give notice in such other manner as in the judgment of the Issuer or the Trustee shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Trust Agreement be deemed to be in compliance with the requirement for the mailing thereof.

SECTION 13.05 PARTIES, BOND REGISTRAR, OWNERS AND HOLDERS ALONE HAVE RIGHTS UNDER TRUST AGREEMENT. Except as herein or in a Supplemental Agreement otherwise expressly provided, nothing in this Trust Agreement, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Trustee, each Bond Registrar, the Issuer, the Owners of Bonds, the Holders of Parity Debt, each Bond Insurer and each Credit Provider, any right, remedy or claim, legal or equitable, under or by reason of this Trust Agreement or any provision being intended to be and being for the sole and exclusive benefit of the Trustee, the Issuer, each Bond Registrar, the Owners of Bonds, the Holders of Parity Debt, each Bond Insurer and each Credit Provider.

SECTION 13.06 EFFECT OF PARTIAL INVALIDITY. In case any one or more of the provisions of this Trust Agreement, any Supplemental Agreement or any Parity Debt Resolution, or any Bonds or any Parity Debt, shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Trust Agreement or such other documents or instruments, but this Trust Agreement and such other documents or instruments shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in this Trust Agreement such other documents or instruments shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Issuer to the full extent permitted by law.

SECTION 13.07 EFFECT OF COVENANTS; GOVERNING LAW. All covenants, stipulations, obligations and agreements of the Issuer contained in this Trust Agreement, any Supplemental Agreement or any Parity Debt Resolution shall be deemed to be

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covenants, stipulations, obligations and agreements of the Issuer to the full extent permitted by the Constitution and laws of the State. This Trust Agreement is executed and delivered with the intent that the laws of the State shall govern its construction.

SECTION 13.08 NO RECOURSE AGAINST MEMBERS, OFFICERS OR EMPLOYEES OF ISSUER . No recourse under, or upon, any statement, obligation, covenant or agreement contained in this Trust Agreement, or in any Bond or Parity Debt hereby secured, or in any document or certification whatsoever, or under any judgment obtained against the Issuer, or by the enforcement of any assessment, or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any member, officer or employee of the Issuer, either directly or through the Issuer for the payment for or to, the Issuer or any receiver of the Issuer, or for, or to, any Owner of Bonds or Holder of Parity Debt or otherwise, of any sum that may be due and unpaid upon any such Bond or Parity Debt. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member, officer or employee to respond by reason of any act or omission on his or her part or otherwise, for the payment for, or to, the Issuer or any receiver of the Issuer, or for or to, any Owner of Bonds or Holder of Parity Debt or otherwise, of any sum that may remain due and unpaid upon the Bonds or any Parity Debt hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the adoption of this Trust Agreement and the issuance of Bonds and the incurrence of Parity Debt.

SECTION 13.09 DEALING IN BONDS OR PARITY DEBT. The Trustee and any Bond Registrar, and their directors, officers, employees or agents, and any officer, employee or agent of the Issuer, may in good faith, buy, sell, own, hold and deal in any Bonds or Parity Debt and may join in any action which any Owner or Holder thereof may be entitled to take with like effects as if such Trustee were not the Trustee and such bank or trust company were not the Bond Registrar under this Trust Agreement or as if such officer, employee or agent of the Issuer did not serve in such capacity.

SECTION 13.10 HEADINGS. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Trust Agreement, nor shall they affect its meaning, construction or effect.

SECTION 13.11 FURTHER AUTHORITY. The officers of the Issuer, attorneys, engineers and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by this Trust Agreement for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and this Trust Agreement.

SECTION 13.12 PAYMENT DUE ON HOLIDAYS. If the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Trust Agreement is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Trust Agreement.

SECTION 13.13 TREATMENT OF DERIVATIVE INDEBTEDNESS. Anything in this Trust Agreement to the contrary notwithstanding and unless otherwise provided in a Supplemental Agreement or Series Agreement, the counterparty under any Derivative Indebtedness shall have no rights under this Trust Agreement to direct the method and place of conducting any remedial proceedings to be taken by the Trustee hereunder and shall have no voting rights with respect thereto or for any other purpose under this Trust Agreement, but shall only have the right to enforce those specific rights granted to such counterparties under this Trust Agreement, as the same may be supplemented or amended by Supplemental Agreement or Series Agreement.

SECTION 13.14 MULTIPLE COUNTERPARTS. This Trust Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Trust Agreement to be executed in their respective names by their respective duly authorized representatives all as of the date first written above.

JACKSONVILLE TRANSPORTATION
AUTHORITY

By: 
Scott L. McCaleb, Chairman

Attest:


Kevin J. Holzendorf
Secretary of the Issuer Board

REGIONS BANK, as Trustee

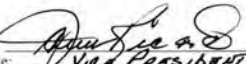
By: 
Title: Vice President

EXHIBIT A
DESCRIPTION OF INITIAL PROJECT

Project List - 5/14/14

LOST Projects	Scope	Est. Cost to Complete
1 Old St. Augustine/Greenland Intersection	3 lane urban with closed drainage collection system, bike lanes and sidewalks	\$ 600,000
2 Fernan Blvd (Atlantic to McCormick)	Reconstruct 4 lane to 6 lane divided urban with roadside ditches, bike lanes, and sidewalks	\$ 16,700,000
3 Southside Atlantic Intersection (Design Only)	Conceptual intersection improvements at the Southside/Atlantic intersection	\$ 2,000,000
4 Panamora Road Extension (Panamora to Youngerman Circle)	Reconstruct 4 lane, 2 lane sections with curb & gutter, sidewalks, and bike lanes on both sides	\$ 5,000,000
5 Fernan Road (Atlantic to Woodruffwood)	Reconstruct to 3 lanes north of Amelisse & 3 lanes north of Ashley Middle with bike lanes, sidewalks, and curb & gutter on both sides	\$ 13,100,000
6 County Wide Corridor Mobility Improvements	Mobility and transit accessibility enhancements within US-90 all transit corridors	\$ 15,000,000
A. Arlington Expressway (Palmyra to Matthews Bridge)	Improvements may include (but not limited to):	
B. Beach Blvd. (P-95 to Joyceville Blvd.)	Transit shelters	
C. Beach Blvd. (Joyceville to County Line to US-17) and Park St. (US-17 to 95)	Transit shelters	
D. Church Avenue (P-295 to 195)	Lighting	
E. Edgewood Ave. (Cassidy Ave. to W. Main St.)	Transit enhancements	
F. Lem Turner Road (Hammonton to 74th)	Handicapping	
G. Main Street (State to Ocean Road)	Handicap parking	
H. Moncrief/Martin/Beth Street (Main to Myrtle)	Transit transportation systems	
I. New King Road (US-1 to 95 to 95th)		
J. Normandy Court/Lenox (Normandy - 195 to Cassatt)	Corridor enhancements coordinated through community engagement	
K. Cassatt (Edgewood to Blenheim) and Lenox (Normandy to Cassatt)		
L. Phinney/McCormick (P-95 to Southside Blvd.)		
M. University Blvd. (University - St. Augustine to Ft. Caroline) and Merrill Road (University to Towncenter)		
N. Mangrove Rd. & Krumme Cove Rd.		
7 Harding Blvd. Intersection Improvements (Design Only)	At-grade intersection improvements at Collins Road, 10th Street, and Cedar Hills Boulevard	\$ 1,700,000
8 Local Transit Hub	Complete Phase II of South Transit Hub, including park & ride transfer facility and connector road to Subaid	\$ 2,800,000
9 Nita Drive (P-395 (South of Eye Road) north to Bunker Lane)	Reconstruct to 3 lane / 3 lane section with bike lanes, sidewalks, and transit improvements and signage	\$ 8,850,000
10 Insetown Intersections (S Bvd / Touchton/Morgan Gate) (Design Only)	General intersection improvements at Touchton Blvd., Morgan Rd and Gate Parkway	\$ 2,900,000
11 Collins Road (Harding to Westport)	Reconstruct 2 lane to 4 lane divided urban roadway with street drainage system, bike lanes and sidewalks	\$ 5,300,000
12 Collins Road (Harding to Pine Verde)	Reconstruct 2 lane to 4 lane section with sidewalks, bike lanes, sidewalks, and curb & gutter on both sides	\$ 13,000,000
13 San Pablo Road (Beach to Alicante)	3 lane urban section with closed drainage collection system, bike lanes and sidewalks	\$ 10,900,000
14 McDuff & 5th Street Phase II	Widen from 2 to 3 lane urban with closed drainage system, bike lanes and sidewalks	\$ 2,100,000
	Subtotal	\$ 100,550,000
15 County Wide Transit Hubs	Improvements to Regency Hub, New Beaches Express Park and Ride lot	\$ 4,000,000
16 Hankley Road (Old St. Augustine to San Jose)	3 lane urban with closed drainage collection system, bike lanes, and sidewalks	\$ 8,400,000
17 Collins Road (Westport to Rampart)	Reconstruct 2 lane to 4 lane divided urban roadway with closed drainage system, bike lanes and sidewalks	\$ 6,000,000
18 Clark Road	Reconstruct of Clark Road to Broward Road	\$ 500,000
19 Collins Road (Chandler to Old Madisonburg)	Reconstruct 2 lane to 4 lane divided urban roadway with closed drainage system, bike lanes and sidewalks	\$ 4,100,000
20 Fernan Blvd/Lane (JTB to Glen Kerwin)	3 lane divided urban roadway with roadside ditches, bike lanes and sidewalks	\$ 4,500,000
21 Sampson Road (See Phase I-295)	Intersection improvements, realignment and widening	\$ 12,800,000
	Total - All Projects	\$ 147,750,000

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APPENDIX B

COPY OF 2015 SUPPLEMENTAL AGREEMENT

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SUPPLEMENTAL TRUST AGREEMENT

This **SUPPLEMENTAL TRUST AGREEMENT** (Local Option Gas Tax Revenues), dated as of January 1, 2015 (this "Supplemental Agreement (LOGT)"), between **JACKSONVILLE TRANSPORTATION AUTHORITY**, a body politic and corporate and an agency of the State (the "Issuer"), and **REGIONS BANK**, a state banking corporation duly organized and existing under the laws of the State of Alabama and having a designated corporate trust office in Jacksonville, Florida, which is authorized under such laws to exercise trust powers (the "Trustee"),

WITNESSETH:

WHEREAS, the Issuer and the Trustee have heretofore entered into the Master Trust Agreement, dated as of January 1, 2015 (the "Master Trust Agreement"), providing for the issuance or incurrence thereunder of Senior Lien Bonds, Senior Lien Parity Debt, Subordinate Lien Bonds and Subordinate Lien Parity Debt (as such terms are defined in the Master Trust Agreement), all in accordance with the terms of the Master Trust Agreement, in order to provide funds to finance or refinance, together with other available funds, the cost of acquisition, construction, installation and equipping of the Initial Project and Additional Projects (each, as defined in the Master Trust Agreement), funding related reserves and paying other costs related thereto; and

WHEREAS, the Issuer has adopted a resolution authorizing the issuance of the Series 2015 Bonds (defined herein) to provide funds, together with other available funds, to (a) pay certain Costs of the Initial Project (as such terms are defined in the Master Trust Agreement), (b) provide funds to pay capitalized interest on the Series 2015 Bonds until December 1, 2016, (c) fund the Series 2015 Bonds Reserve Account (defined herein) in the amount equal to the Series 2015 Bonds Reserve Account Requirement (defined herein), and (d) pay the costs incurred in connection with the issuance of the Series 2015 Bonds, and the Issuer has determined to enter into this Supplemental Trust Agreement (LOGT) in order to provide for the issuance of the Series 2015 Bonds and set forth the details thereof; and

WHEREAS, the Issuer and the City (as defined in the Master Trust Agreement) have entered into the Interlocal Agreement (as defined in the Master Trust Agreement), pursuant to which the Pledged Revenues (LOGT) (defined herein) will be remitted to the Issuer in furtherance of this Supplemental Agreement (LOGT), including without limitation, the payment of the principal of, interest on, and premium, if any, on the Series 2015 Bonds; and

WHEREAS, this Supplemental Agreement (LOGT) shall constitute a "Supplemental Agreement" and a "Series Agreement" for the purposes of the Master Trust Agreement;

NOW, THEREFORE, THIS SUPPLEMENTAL AGREEMENT (LOGT) WITNESSETH that in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the issuance of the Bonds (as defined in the Master Trust Agreement) as provided herein (including the Series 2015 Bonds), and also for and in consideration of the sum of One Dollar in hand paid by the Trustee at or before the execution and delivery of this Supplemental Agreement (LOGT), and for other good and valuable

consideration, the receipt and sufficiency whereof is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which Bonds are to be issued under this Supplemental Agreement (LOGT), authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners (as defined in the Master Trust Agreement) thereof, and to secure the payment of all Bonds at any time issued and Outstanding (as defined in the Master Trust Agreement) under this Supplemental Agreement (LOGT) and to further secure payment of any Parity Debt (as defined in the Master Trust Agreement) secured by the Pledged Revenues (LOGT), and to secure the performance and observance of all the covenants, agreements and conditions, express or implied, therein and herein contained, the Issuer has executed and delivered this Supplemental Agreement (LOGT), and by this Supplemental Agreement (LOGT) has, subject to the terms hereof, given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set over, and pledged, and does hereby give, grant, bargain, alien, remise, release, convey, transfer, assign, confirm, set over, and pledge unto the Trustee, and its successor or successors in trust, the Trust Estate (LOGT) (as herein defined) established for the Bonds issued pursuant to this Supplemental Agreement (LOGT);

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successor or successors in trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the benefit, security and protection of all and singular the present and future Owners of the Bonds issued or to be issued under and secured by this Supplemental Agreement (LOGT) and the Owners of any Bonds or the Holders of any Parity Debt secured by the Trust Estate (LOGT), without preference, priority or distinction as to lien or otherwise, except as may otherwise be provided for herein and in a Series Agreement, of: (a) any one Senior Lien Bond or Senior Lien Parity Debt secured by the Trust Estate (LOGT) over any other Senior Lien Bond or Senior Lien Parity Debt secured by the Trust Estate (LOGT), or (b) any Subordinate Lien Bond or Subordinate Lien Parity Debt secured on a subordinate basis by the Trust Estate (LOGT) over any other Subordinate Lien Bond or Subordinate Lien Parity Debt secured on a subordinate basis by the Trust Estate (LOGT), by reason of priority in their issue, sale, delivery date or otherwise, all as provided in the Master Trust Agreement and this Supplemental Agreement (LOGT);

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or provide for the payment, pursuant to the provisions of this Supplemental Agreement (LOGT), of the principal of all Bonds and Parity Debt, and the interest and any redemption premium due or to become due thereon, at the times and in the manner mentioned therein and in this Supplemental Agreement (LOGT), according to the true intent and meaning hereof and thereof, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions thereof and hereof and perform all of its other obligations thereunder and hereunder, then, upon such performance and payments, this Supplemental Agreement (LOGT) and the rights hereby granted shall cease, determine and become void, as provided herein; otherwise this Supplemental Agreement (LOGT) shall be and remain in full force and effect.

THIS SUPPLEMENTAL AGREEMENT (LOGT) FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder and any Parity Debt secured

hereunder are to be issued, authenticated, delivered and dealt with, and all said property hereby given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set over and pledged is to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of such Bonds and the Holders of such Parity Debt secured under this Supplemental Agreement, as follows:

ARTICLE I DEFINITIONS

SECTION 1.01 MEANING OF WORDS AND TERMS. Unless otherwise required by the context, words and terms used herein which are defined in the Master Trust Agreement shall have the meanings assigned to them therein, and the following words and terms shall have the following meanings:

"Additional Bonds" means any additional Bonds issued under and pursuant to the terms of Section 5.02 of this Supplemental Agreement (LOGT) and the Supplemental Agreement or Series Agreement authorizing such Bonds.

"Authorized Denominations" means, with respect to the Series 2015 Bonds, \$5,000 and any integral multiple thereof.

"Beneficial Owner" means the actual, beneficial owner of the Bonds issued and Outstanding under this Supplemental Agreement.

"Bond Registrar" means Regions Bank, Jacksonville, Florida, as designated by Section 2.01 hereof.

"Bond Year" means the period commencing on August 1 of any year and ending on September 30 of the following year, provided that the first Bond Year shall begin on the date of issuance of the Series 2015 Bonds.

"Closing" means the delivery of and payment for the Series 2015 Bonds or any Additional Bonds.

"Fiscal Agent" shall mean the Person serving as Fiscal Agent pursuant to the Interlocal Agreement.

"Interest Payment Date" means each February 1 and August 1, commencing August 1, 2015.

"Local Option Gas Tax Account" means the account created and so designated by Section 4.01 hereof.

"Local Option Gas Tax Revenues Transportation Project Fund" means the fund created and so designated by Section 4.01 hereof.

"Pledged Revenues (LOGT)" shall mean five cents of every six cents collected of the local option gas tax levied by the City pursuant to Section 336.025(1)(a), Florida Statutes, and remitted to the Issuer pursuant to Section 4 of the Interlocal Agreement beginning September 1, 2016 and continuing through August 31, 2036. The Pledged Revenues (LOGT) shall constitute Supplemental Revenues for the purposes of this Supplemental Agreement (LOGT) and shall be applied in accordance with this Supplemental Agreement.

"Rebate Amount" shall have the meaning set forth in Section 5.08 hereof.

"Rebate Account (LOGT)" means the account created and so designated by Section 4.01 hereof.

"Regular Record Date" means the 15th day of the month preceding any Interest Payment Date, whether or not a Business Day.

"Series 2015 Bonds" means the Jacksonville Transportation Authority Senior Lien Local Option Gas Tax Revenue Bonds, Series 2015, issued pursuant to the Master Trust Agreement and this Supplemental Agreement (LOGT). The Series 2015 Bonds are "Senior Lien Bonds" and "Current Interest Bonds," as such terms are defined in the Master Trust Agreement.

"Series 2015 Bonds Cost of Issuance Account" means the account created and so designated by Section 4.01 hereof.

"Series 2015 Bonds Project Account" means the account created and so designated by Section 4.01 hereof.

"Series 2015 Bonds Reserve Account" means the Senior Lien Special Reserve Account for the Series 2015 Bonds created and so designated by Section 4.01 hereof.

"Series 2015 Bonds Reserve Account Requirement" means, with respect to the Series 2015 Bonds, \$7,808,500 (subject to adjustment from time to time as provided in the Master Trust Agreement and this Supplemental Agreement (LOGT)).

"Series 2015 Subaccount of the Capitalized Interest Account" means the subaccount created and so designated by Section 4.01 hereof.

"Series 2015 Subaccount of the Interest Account" means the subaccount created and so designated by Section 4.01 hereof.

"Series 2015 Subaccount of the Principal Account" means the subaccount created and so designated by Section 4.01 hereof.

"Series 2015 Subaccount of the Rebate Account (LOGT)" means the subaccount created and so designated by Section 4.01 hereof.

"Series 2015 Subaccount of the Redemption Account" means the subaccount created and so designated by Section 4.01 hereof.

"Series 2015 Subaccount of the Sinking Fund Account" means the subaccount created and so designated by Section 4.01 hereof.

"Trust Estate (LOGT)" means the Pledged Revenues (LOGT) deposited into the Local Option Gas Tax Account of the Supplemental Revenue Fund and the amounts deposited into the Subaccounts and Accounts established under Section 4.01(a), (b), (c) and (d) hereof.

SECTION 1.02 RULES OF CONSTRUCTION. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number. References herein to particular articles or sections are references to articles or sections of this Supplemental Agreement (LOGT) unless some other reference is indicated.

**ARTICLE II
AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND
REGISTRATION OF THE SERIES 2015 BONDS**

SECTION 2.01 AUTHORIZATION AND ISSUANCE OF THE SERIES 2015 BONDS. For the purpose of providing funds, together with any other available funds, to (a) pay certain Costs of the Initial Project, (b) provide funds to pay capitalized interest on the Series 2015 Bonds until December 1, 2016, (c) fund the Series 2015 Bonds Reserve Account in the amount equal to the Series 2015 Bonds Reserve Account Requirement, and (d) pay the costs incurred in connection with the issuance of the Series 2015 Bonds, there shall be issued, under and pursuant to the Constitution and the laws of the State, including the Act, the Master Trust Agreement and this Supplemental Agreement (LOGT), a Series of Current Interest Bonds of the Issuer designated "Senior Lien Local Option Gas Tax Revenue Bonds, Series 2015 " in the aggregate principal amount of \$97,485,000.

Regions Bank, with a designated office located in Jacksonville, Florida, is hereby appointed Trustee, Depository and Bond Registrar for the Series 2015 Bonds under this Supplemental Agreement (LOGT).

SECTION 2.02 FORM OF SERIES 2015 BONDS. The definitive Series 2015 Bonds are issuable in fully registered form in Authorized Denominations, shall be lettered "R-" and shall be numbered from 1 consecutively upward. The definitive Series 2015 Bonds shall be substantially in the form set forth in Exhibit A attached hereto, with such appropriate variations, omissions and insertions as are permitted or required by the Master Trust Agreement and this Supplemental Agreement (LOGT).

SECTION 2.03 DETAILS OF SERIES 2015 BONDS. (a) The Series 2015 Bonds shall be dated the date of delivery thereof, shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months) until payment of such interest to the maturity thereof or upon earlier redemption, being payable semiannually on each February 1 and August 1, beginning August 1, 2015 and shall be stated to mature on August 1 (subject to the right of prior redemption), as follows:

Year of Maturity (August 1.)	Principal Amount	Interest Rate
2017	\$3,055,000	3.000%
2018	3,150,000	4.000%
2019	3,275,000	4.000%
2020	3,405,000	5.000%
2021	3,575,000	5.000%
2022	3,755,000	5.000%
2023	3,945,000	5.000%
2024	4,140,000	5.000%
2025	4,345,000	5.000%
2026	4,565,000	5.000%
2027	4,790,000	5.000%
2028	5,030,000	5.000%
2029	5,285,000	5.000%
2030	5,550,000	5.000%
2031	5,825,000	5.000%
2032	6,115,000	5.000%
2033	6,420,000	5.000%
2034	6,745,000	5.000%
2035	7,080,000	5.000%
2036	7,435,000	5.000%

(b) The Series 2015 Bonds shall be issued by means of a book-entry system with no physical distribution of bond certificates to be made except as hereinafter provided. One bond certificate with respect to each date on which the Series 2015 Bonds are stated to mature, in the aggregate principal amount of the Series 2015 Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), will be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2015 Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of and any redemption premium on each Series 2015 Bond and interest with respect thereto shall be payable to Cede & Co. or any other person appearing on the registration books of the Issuer as the registered Owner of such Series 2015 Bond or its registered assigns or legal representatives. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to Beneficial Owners of the Series 2015 Bonds by participants of DTC will be the responsibility of such participants and other nominees of such Beneficial Owners. The Issuer, the Bond Registrar and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as Securities Depository for the Series 2015 Bonds or (b) the Issuer determines that continuation of the book-entry system of

evidence and transfer of ownership of the Series 2015 Bonds would adversely affect the interests of the Beneficial Owners of the Series 2015 Bonds, the Issuer will discontinue the book-entry system with DTC. If the Issuer identifies another qualified Securities Depository to replace DTC, the Issuer will make arrangements with DTC and such other Securities Depository to effect such replacement and deliver replacement bonds registered in the name of such other Securities Depository or its Securities Depository Nominee in exchange for the outstanding Series 2015 Bonds, and the references to DTC or Cede & Co. in this Supplemental Agreement (LOGT) shall thereupon be deemed to mean such other Securities Depository or its Securities Depository Nominee. If the Issuer fails to identify another qualified Securities Depository to replace DTC, the Issuer will deliver replacement bonds in the form of fully registered certificates in the denomination of \$5,000 or any whole multiple thereof in exchange for the outstanding Series 2015 Bonds as required by DTC.

SECTION 2.04 TERMS AND CONDITIONS FOR ISSUANCE OF THE SERIES 2015 BONDS. The Series 2015 Bonds shall be executed substantially in the form set forth in Exhibit A attached hereto and in the manner herein set forth and shall be deposited with the Bond Registrar for authentication and delivery to the purchasers thereof, but only upon the deposit with the Trustee of the purchase price of the Series 2015 Bonds.

Simultaneously with the Closing and the deposit of the proceeds of the Series 2015 Bonds with the Trustee, the Trustee shall apply the proceeds in the amount of \$117,566,704.58 (representing \$97,485,000, the aggregate principal amount of the Series 2015 Bonds, plus original issue premium on the Series 2015 Bonds of \$20,243,765.90 and less an underwriters' discount of \$162,061.32), as directed by the Issuer in an Officer's Certificate filed with the Trustee simultaneously with the issuance of the Series 2015 Bonds.

SECTION 2.05 SERIES 2015 BONDS SECURED BY SERIES 2015 BONDS RESERVE ACCOUNT. The Series 2015 Bonds shall be secured by the Series 2015 Bonds Reserve Account and the proceeds therein shall be applied in accordance with the terms and provisions of the Master Trust Agreement solely for the benefit of the Series 2015 Bonds.

**ARTICLE III
REDEMPTION OF SERIES 2015 BONDS**

SECTION 3.01 REDEMPTION OF SERIES 2015 BONDS. (a) The Series 2015 Bonds shall not be subject to prior redemption except as provided in this Article III and in Article III of the Master Trust Agreement.

(b) The Series 2015 Bonds are subject to redemption prior to their respective maturities, at the option of the Issuer, from any moneys that may be available for such purpose, either in whole or in part on any date on or after August 1, 2025, at 100% of the principal amount of Series 2015 Bonds to be redeemed, plus accrued interest to the redemption date.

SECTION 3.02 SELECTION OF SERIES 2015 BONDS FOR REDEMPTION. The Series 2015 Bonds shall be redeemed only in Authorized Denominations. If less than all the Series 2015 Bonds are called for redemption, the Series 2015 Bonds to be so redeemed shall be called for redemption in the manner set forth in an Officer's Certificate filed with the Trustee.

If less than all of the Series 2015 Bonds of any one maturity are to be called for redemption, the Bond Registrar shall select the Series 2015 Bonds to be redeemed by lot, each Authorized Denomination being counted as one Series 2015 Bond for this purpose; provided, however, that so long as the only Owner of the Series 2015 Bonds is a Securities Depository Nominee, such selection shall be made by the Securities Depository.

SECTION 3.03 REDEMPTION NOTICE. At least forty-five (45) days prior to the redemption date of any Series 2015 Bonds to be optionally redeemed, the Issuer shall notify the Trustee and the Bond Registrar (if not the Trustee) of its intention to redeem such Series 2015 Bonds. The Issuer, the Bond Registrar (if not the Trustee) and the Trustee may mutually agree to a shorter time period for such notice to the Trustee and the Bond Registrar. At least thirty (30) days but not more than sixty (60) days prior to the redemption date of any Series 2015 Bonds to be redeemed, whether such redemption be in whole or in part, the Bond Registrar shall cause a notice of any such redemption to be mailed, first class, postage prepaid, to all Owners of Series 2015 Bonds to be redeemed in whole or in part, provided that notice to any Securities Depository shall be sent by registered or certified mail or other method agreed to by such Securities Depository and provided further that failure to mail any such notice to any Owner or any defect in such notice shall not affect the validity of the proceedings for such redemption as to the Series 2015 Bonds of any other Owner to whom notice was properly given.

Each such notice shall set forth the designation, date and Series of the Series 2015 Bonds, the CUSIP numbers of the Series 2015 Bonds to be redeemed, the date fixed for redemption, the Redemption Price to be paid, the address and phone number of the Trustee and Bond Registrar (if different Persons), the date of the Redemption Notice, the maturities of the Series 2015 Bonds to be redeemed and, if less than all of the Series 2015 Bonds of any one maturity then Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2015 Bonds to be redeemed and, in the case of Series 2015 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2015 Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption

date, upon surrender of such Series 2015 Bond, a new Series 2015 Bond in principal amount equal to the unredeemed portion of such Series 2015 Bond will be issued.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Trustee or Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Series 2015 Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Series 2015 Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest on such Series 2015 Bonds are not received by the Trustee or Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

**ARTICLE IV
FUNDS, ACCOUNTS, SUBACCOUNTS, REVENUES AND FUNDS**

SECTION 4.01 ESTABLISHMENT OF FUNDS, ACCOUNTS AND SUBACCOUNTS WITH RESPECT TO THE SERIES 2015 BONDS. The following Funds, Accounts and Subaccounts are hereby established in connection with this Supplemental Agreement (LOGT) and the Series 2015 Bonds:

- (a) the Local Option Gas Tax Revenues Transportation Project Fund, and therein with respect to the Series 2015 Bonds, the Series 2015 Bonds Project Account;
- (b) within the Supplemental Revenue Fund, the Local Option Gas Tax Account;
- (c) within the Senior Lien Debt Service Fund:
 - (i) the Series 2015 Subaccount of the Capitalized Interest Account;
 - (ii) the Series 2015 Subaccount of the Interest Account;
 - (iii) the Series 2015 Subaccount of the Principal Account; and
 - (iv) the Series 2015 Subaccount of the Redemption Account;
- (d) the Series 2015 Bonds Reserve Account, as a Senior Lien Special Reserve Account solely for the Series 2015 Bonds in accordance with Section 5.07 of the Master Trust Agreement;
- (e) the Rebate Account (LOGT), and within such Account, the Series 2015 Subaccount; and
- (f) the Series 2015 Bonds Cost of Issuance Account

The Fund and Accounts and Subaccount referenced in (a) and (e) above shall be established with and held by the Issuer pursuant to this Supplemental Agreement (LOGT), and the Accounts and Subaccounts referenced in (b), (c), (d) and (f) above shall be established with and held by the Trustee pursuant to the Master Trust Agreement and this Supplemental Agreement (LOGT).

SECTION 4.02 APPLICATION OF PLEDGED REVENUES (LOGT); SERIES 2015 SUBACCOUNT OF THE CAPITALIZED INTEREST ACCOUNT; SERIES 2015 BONDS PROJECT ACCOUNT. (a) The Issuer shall cause all Pledged Revenues (LOGT) to be received by the Issuer pursuant to the Interlocal Agreement to be promptly transferred to the Trustee, for deposit by the Trustee into the Local Option Gas Tax Account of the Supplemental Revenue Fund. The Trustee shall deposit or cause to be deposited, from Pledged Revenues (LOGT) held in the Local Option Gas Tax Account of the Supplemental Revenue Fund, to the various Subaccounts and the Account specified in Section 4.01(c) and (d) above, and to Persons entitled thereto as specified in Section 5.03 of the Master Trust

Agreement, in the amounts, the order of priority and at such times as provided by Section 5.03 of the Master Trust Agreement.

(b) Simultaneously with the Closing for the Series 2015 Bonds, the Issuer has caused to be deposited to the Series 2015 Subaccount of the Capitalized Interest Account, proceeds of the Series 2015 Bonds in the amount of \$8,732,699.45. On each Interest Payment Date for the Series 2015 Bonds, commencing August 1, 2015, and continuing through December 1, 2016, the Trustee shall apply such funds in the Series 2015 Subaccount of the Capitalized Interest Account for payment of interest due on the Series 2015 Bonds on such Interest Payment Date. On December 1, 2016, the Trustee shall transfer the balance of any funds remaining in the Series 2015 Subaccount of the Capitalized Interest Account to the Series 2015 Subaccount of the Interest Account (to be applied to pay interest on the Series 2015 Bonds on February 1, 2017).

(c) Simultaneously with the Closing for the Series 2015 Bonds, the Issuer has caused to be deposited to the Series 2015 Bonds Project Account of the Local Option Gas Tax Revenues Transportation Project Fund, proceeds of the Series 2015 Bonds in the amount of \$100,550,000.00, to the Series 2015 Bonds Cost of Issuance Account, proceeds of the Series 2015 Bonds in the amount of \$475,505.13 and to the Series 2015 Bonds Reserve Account proceeds of the Series 2015 Bonds in the amount of \$7,808,500.00. Amounts on deposit in the Series 2015 Bonds Project Account shall be disbursed by the Issuer solely for the purpose of paying the Costs of the Initial Project (as described in Section 4.03 of the Master Trust Agreement). Upon completion of the Initial Project, excess amounts remaining on deposit in the Series 2015 Bonds Project Account, if any, shall be applied in accordance with Section 4.07 of the Master Trust Agreement. Amounts on deposit in Series 2015 Bonds Cost of Issuance Account will be disbursed in accordance with Section 4.07 hereof. Excess amounts remaining on deposit in the Series 2015 Bonds Cost of Issuance Account shall be transferred to the Series 2015 Subaccount of the Interest Account and applied in accordance with Section 5.04 of the Master Trust Agreement. Amounts on deposit in the Series 2015 Bonds Reserve Account will be applied in accordance with Section 5.07 of the Master Trust Agreement.

SECTION 4.03 [RESERVED].

SECTION 4.04 APPLICATION OF MONEY IN THE SERIES 2015 SUBACCOUNT OF THE REDEMPTION ACCOUNT. The Trustee shall apply money in the Series 2015 Subaccount of the Redemption Account to the purchase or redemption of Series 2015 Bonds as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the Trustee shall endeavor to purchase and cancel Series 2015 Bonds or portions thereof, regardless of whether such Bonds or portions thereof are then subject to redemption, at the direction of an Authorized Officer; provided that the purchase price of each Series 2015 Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such Series 2015 Bond under the provisions of the Series 2015 Subaccount of the Redemption Account. The Trustee shall pay the interest accrued on such Bonds or portions thereof to the date of settlement from the Series 2015 Subaccount of the Interest Account and the purchase price from the Series 2015 Subaccount of the Redemption Account, but no such purchase shall be made by the Trustee from money in the Series 2015 Subaccount of the Redemption Account within the period of

forty-five (45) days immediately preceding any date on which such Series 2015 Bonds or portions thereof are to be redeemed.

(b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call for redemption on a date permitted by this Supplemental Agreement (LOGT) such amount of Series 2015 Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Series 2015 Subaccount of the Redemption Account as nearly as may be practicable; provided, however, that not less an Authorized Denomination shall be called for redemption at any one time. The Trustee shall pay the accrued interest on the Series 2015 Bonds or portions thereof to be redeemed to the date of redemption from the Series 2015 Subaccount of the Interest Account and the Redemption Price of such Bonds or portions thereof from the Series 2015 Subaccount of the Redemption Account. The Trustee shall withdraw from the Series 2015 Subaccount of the Redemption Account and set aside the respective amounts required to pay the Redemption Price of the Series 2015 Bonds or portions thereof so called for redemption.

(c) Money in the Series 2015 Subaccount of the Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Series 2015 Bonds then Outstanding in accordance with the latest Officer's Certificate filed with the Trustee designating the Series 2015 Bonds to be redeemed. In the event no such certificate is filed (i) the Trustee shall apply such money to the purchase of Series 2015 Bonds bearing the highest rate of interest, and (ii) if Series 2015 Bonds of more than one maturity bear the same interest rate, the Trustee shall redeem such Series 2015 Bonds in the inverse order of maturities.

Upon the retirement of any Series 2015 Bonds by purchase or redemption, pursuant to the provisions of this Section, the Trustee upon request shall file with the Issuer a statement identifying such Series 2015 Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Bonds and the amount paid as interest thereon. The expenses incurred by the Trustee in connection with the purchase or redemption of any such Series 2015 Bonds shall be paid by the Issuer from the Local Option Gas Tax Account of the Supplemental Revenue Fund or from any other available moneys.

SECTION 4.05 PAYMENT OF PRINCIPAL, INTEREST AND PREMIUM AND PLEDGE OF PLEDGED REVENUES (LOGT). The Issuer covenants that it will promptly pay the principal of, and the interest on every Series 2015 Bond issued under the provisions of this Supplemental Agreement (LOGT) at the places, on the dates and in the manner provided herein and in said Series 2015 Bonds, and any premium required for the retirement of said Series 2015 Bonds by purchase or redemption, according to the true intent and meaning thereof. The Issuer further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Supplemental Agreement (LOGT) and the Master Trust Agreement, or in any Series 2015 Bond executed, authenticated and delivered hereunder or in any proceedings of the Issuer pertaining thereto. The Issuer represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Series 2015 Bonds authorized hereby and to pledge the Pledged Revenues (LOGT) in the manner and to the extent herein, in the Interlocal Agreement and in the Master Trust Agreement set forth; that all action on its part for the issuance of the Series 2015 Bonds has been duly and effectively taken; and that such Series 2015 Bonds in the hands of the Owners

thereof are and will be valid and binding special obligations of the Issuer payable according to their terms.

SECTION 4.06 APPLICATION OF MONEY IN THE REBATE ACCOUNT (LOGT). Amounts on deposit in the Subaccounts of the Rebate Account (LOGT) established hereunder (including the Series 2015 Subaccount) shall be applied as described in Section 5.08 hereof. Amounts deposited into the Rebate Account (LOGT) and the subaccounts therein shall not constitute part of the Trust Estate (LOGT).

SECTION 4.07 APPLICATION OF MONEY IN THE SERIES 2015 BONDS COST OF ISSUANCE ACCOUNT. Amounts on deposit in the Series 2015 Bonds Cost of Issuance Account shall be applied by the Trustee to pay certain costs of issuance in accordance with the written direction of the Issuer.

ARTICLE V COVENANTS

SECTION 5.01 SUBORDINATE LIEN INDEBTEDNESS. The Issuer will not issue any other Bonds, Indebtedness or other obligations under this Supplemental Agreement or a Parity Debt Resolution, except under the conditions and in the manner provided herein. The Issuer may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of the Trust Estate (LOGT) and which may be secured by a pledge of the Trust Estate (LOGT); provided, however, that such pledge shall be, and shall be expressed to be, junior, inferior and subordinate in all respects to the pledge of the Trust Estate (LOGT) created by this Supplemental Agreement (LOGT) in favor of the Series 2015 Bonds. The Issuer shall have the right to covenant with the Owners from time to time of any Subordinate Lien Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued pursuant to Section 5.02 hereof. The Issuer agrees to pay promptly any Subordinate Lien Indebtedness as the same shall become due.

SECTION 5.02 ISSUANCE OF ADDITIONAL BONDS. No Additional Bonds or Senior Lien Parity Debt, payable on a parity with the Bonds then Outstanding pursuant to this Supplemental Agreement (LOGT), shall be issued except upon the conditions and in the manner herein provided. The Issuer may issue one or more Series of Additional Bonds for any one or more of the purposes described in Section 2.08 of the Master Trust Agreement which is hereby incorporated by reference into the body of this Supplemental Agreement (LOGT) as if set forth herein. No such Additional Bonds shall be issued unless the conditions set forth in Section 2.08 of the Master Trust Agreement and the following additional conditions are complied with:

(a) Except as otherwise provided in Section 5.02(d) hereof, there shall have been obtained and filed with the Issuer a statement of the Chief Financial Officer: (1) stating that the books and records of the Issuer relating to the Pledged Revenues (LOGT) have been examined by him; (2) setting forth the amount of the Pledged Revenues (LOGT) which have been received by the Issuer during any twelve (12) consecutive months designated by the Issuer within the eighteen (18) months immediately preceding the date of delivery of such Additional Bonds with respect to which such statement is made; and (3) stating that the amount of the Pledged Revenues

(LOGT) received during the aforementioned twelve (12) month period equals at least 1.75 times the Maximum Long-Term Debt Service Requirement (as defined in the Master Trust Agreement) on all Bonds then Outstanding and such Additional Bonds with respect to which such statement is made, and 1.00 times all Reserve Alternative Instrument and Credit Facility costs due and owing during such period to all providers of a Reserve Alternative Instrument or Credit Facility, if any.

(b) In the event the Issuer extends the pledge of the Trust Estate (LOGT) created pursuant to this Supplemental Agreement (LOGT) to include additional local option gas tax (including reinstatement of any local option gas tax) and such additional local option gas tax was not in effect during all or a portion of the applicable twelve (12) consecutive month period described in Section 5.02(a) hereof, then for the purposes of determining whether there are sufficient Pledged Revenues (LOGT) to meet the coverage test specified in Section 5.02(a) hereof, the Chief Financial Officer shall adjust the amount of Pledged Revenues (LOGT) which were received during the applicable twelve (12) consecutive month period to take into account the additional amount of Pledged Revenues (LOGT) such additional Pledged Revenues (LOGT) would have generated if it had been in effect for the entire twelve (12) consecutive month period.

(c) Additional Bonds shall be deemed to have been issued pursuant to this Supplemental Agreement (LOGT) the same as the Outstanding Bonds, and all of the other covenants and other provisions of this Supplemental Agreement (LOGT) (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Owners of all Bonds issued pursuant to this Supplemental Agreement (LOGT).

(d) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of Section 5.02 hereof shall not apply; provided that the issuance of such Additional Bonds shall result in a reduction of aggregate debt service. The conditions of Section 5.02(a) hereof shall apply to Additional Bonds issued to refund Subordinate Lien Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

(e) The issuance of Additional Bonds shall be subject to any additional terms and conditions set forth in the Supplemental Agreement or Series Agreement.

SECTION 5.03 BOND ANTICIPATION NOTES. The Issuer may issue notes in anticipation of the issuance of Bonds which shall have such terms and details and be secured in such manner, not inconsistent with this Supplemental Agreement (LOGT), as shall be provided in the Supplemental Agreement or Series Agreement authorizing such notes.

SECTION 5.04 NO IMPAIRMENT. The pledging of the Trust Estate (LOGT) in the manner provided herein shall not be subject to repeal or impairment by any subsequent resolution, trust agreement, interlocal agreement, or other proceedings of the Issuer.

SECTION 5.05 COLLECTION OF PLEDGED REVENUES (LOGT). The Issuer covenants to do all things necessary on its part to maintain its eligibility to participate in the remittance of Pledged Revenues (LOGT) from the City in accordance with the Interlocal Agreement. The Issuer will proceed diligently to perform legally and effectively all steps

required on its part to receive such Pledged Revenues (LOGT) and shall exercise all legally available remedies to enforce its receipt of such Pledged Revenues (LOGT) now or hereafter available under State law.

SECTION 5.06 COVENANTS WITH CREDIT BANKS AND INSURERS.

The Issuer may make such covenants as it may, in its sole discretion, determine to be appropriate with any provider of a Bond Insurance Policy, Credit Facility or Reserve Alternative Instrument or other financial institution that shall agree to insure or to provide for Bonds of any one or more Series credit or liquidity support that shall enhance the security or the value of such Bonds. Such covenants may be set forth in the applicable Series Agreement or in a supplement to this Supplemental Agreement (LOGT) and shall be binding on the Issuer, the Bond Registrar, and all the Owners of Bonds the same as if such covenants were set forth in full in this Supplemental Agreement (LOGT).

SECTION 5.07 INTERLOCAL AGREEMENTS. The Issuer shall not agree to any amendments to the Interlocal Agreement or enter into any new interlocal agreements, the effect of which would be to reduce the Pledged Revenues (LOGT) to be remitted to the Issuer thereunder.

SECTION 5.08 TAX COVENANTS. The Issuer covenants to do and perform all acts and things permitted by law in order to assure that interest paid on the Series 2015 Bonds that is intended to be excludable from the gross income of their Owners for federal income taxes on the date of their issuance shall continue to be so excludable. Specifically, without intending to limit in any way the generality of the foregoing, the Issuer covenants and agrees, with respect to each Series of Bonds issued hereunder (other than taxable Bonds):

(a) to pay or cause to be paid to the United States of America from the Pledged Revenues (LOGT) and any other legally available funds, at the time required pursuant to Section 148(f) of the Code, the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds issued under this Supplemental Agreement (including the Series 2015 Bonds), plus any income attributable to such excess, or any penalty in lieu of rebate, pursuant to the Code (the "Rebate Amount");

(b) to maintain and retain or cause to be maintained and retained all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code;

(c) to refrain from using proceeds from the Bonds issued under this Supplemental Agreement (including the Series 2015 Bonds), other than with respect to Bonds issued on the basis that they shall constitute private activity bonds, as defined by the Code, in a manner that might cause the Bonds, or any of them, to be classified as private activity bonds under Section 141(a) of the Code; and

(d) to refrain from taking any action that would cause the Bonds, or any of them, to become arbitrage bonds under Section 148 of the Code.

The Issuer understands that the foregoing covenants impose continuing obligations, which will exist throughout the term of each Series of the Bonds issued under this Supplemental Agreement (except taxable Bonds issued hereunder), to comply with the requirements of the Code. Notwithstanding any other provision of this Supplemental Agreement, the obligation of the Issuer to pay the Rebate Amount to the United States of America and to comply with the other requirements of this Section 5.08 shall survive the defeasance or payment in full of the Bonds.

As required by the Code, the Issuer shall deposit or direct another to deposit into the Rebate Account (LOGT) (or appropriate Subaccount therein, including the Series 2015 Subaccount), from investment earnings or moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the Issuer an amount equal to the Rebate Amount. Such moneys deposited in the Rebate Account (LOGT) (or appropriate Subaccount therein, including the Series 2015 Subaccount) shall be used only for the payment of the Rebate Amount to the United States as required by subsection 5.08(a) above. In complying with the foregoing, the Issuer may rely upon any instructions or opinions from a nationally recognized bond counsel or its rebate consultant.

Notwithstanding anything in this Supplemental Agreement to the contrary, to the extent moneys on deposit in the Rebate Account (LOGT) (or appropriate Subaccount therein, including the Series 2015 Subaccount) are insufficient for the purpose of paying the Rebate Amount, and other funds of the Issuer are not available to pay the Rebate Amount, then the Rebate Amount shall be paid first from Pledged Revenues (LOGT) and, to the extent the Pledged Revenues (LOGT) are insufficient to pay the Rebate Amount, then from moneys on deposit in any of the funds and accounts held by the Issuer, or otherwise legally available for such purpose. After making the required determination or calculation of the Rebate Amount or causing the same to be made, the Issuer may, to the extent permitted by the Code, withdraw funds which may be on deposit in the appropriate Subaccount of the Rebate Account (LOGT) in an amount not to exceed an amount which would maintain a balance in such account sufficient to pay the then current cumulative Rebate Amount, and use such funds for any other purpose authorized by law.

The Rebate Account (LOGT) (or appropriate Subaccount therein, including the Series 2015 Subaccount) into which the Rebate Amount (LOGT) shall be periodically deposited shall be held separate and apart from all other funds and accounts of the Issuer and shall not be subject to a lien in favor of the Owners of the Bonds issued under this Supplemental Agreement, but only to secure payment of the Rebate Amount, and the moneys in the Rebate Account (LOGT) (or appropriate Subaccount therein, including the Series 2015 Subaccount) shall be available for use only as herein provided.

The Issuer shall not be required to continue to comply with the requirements of this Section 5.08 in the event that the Issuer receives an opinion of nationally recognized bond counsel that: (1) such compliance is no longer required in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds issued under this Supplemental Agreement, or (2) compliance with some other requirement will comply with the provisions of the Code in respect of arbitrage rebate.

ARTICLE VI SUPPLEMENTAL TRUST AGREEMENTS

SECTION 6.01 SUPPLEMENTAL TRUST AGREEMENTS WITHOUT CONSENT OF BENEFICIAL OWNERS. The Issuer may, from time to time and at any time, execute and deliver such Trust Agreements supplemental hereto (which supplemental Trust Agreements shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Supplemental Agreement (LOGT) and, as evidenced by an opinion of counsel delivered to the Trustee, shall not materially and adversely affect the interest of the Beneficial Owners:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Supplemental Agreement (LOGT) or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Supplemental Agreement (LOGT);

(b) to grant or to confer upon the Trustee for the benefit of the Beneficial Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Beneficial Owners or the Trustee;

(c) to add to the covenants and agreements of the Issuer in this Supplemental Agreement (LOGT) other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer;

(d) to permit the qualification of this Supplemental Agreement (LOGT) under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the Issuer so determines, to add to this Supplemental Agreement (LOGT) or any supplemental Trust Agreement such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law; or

(e) to provide for the issuance of Series 2015 Bonds in bearer form.

At least thirty (30) days prior to the execution and delivery of any supplemental Trust Agreement for any of the purposes described in (a) through (e) of this Section, the Trustee shall (at the Issuer's expense) send notice of the proposed supplemental Trust Agreement by mail, first-class, postage prepaid, to all Owners (not Beneficial Owners) of the Series 2015 Bonds. Such notice shall briefly set forth the nature of the proposed supplemental Trust Agreement and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners and all Beneficial Owners of the Series 2015 Bonds. A failure on the part of the Trustee to mail the notice required by this Section shall not affect the validity of such supplemental Trust Agreement.

In addition, no consent of the Beneficial Owners or notice to the Owners shall be required in connection with the execution and delivery of a Supplemental Agreement or Series Agreement for the purpose of issuing Additional Bonds secured in whole or in part by Pledged Revenues (LOGT); provided that the requirements of the Master Trust Agreement and this Supplemental

Agreement (LOGT) with respect to the issuance of Additional Bonds have been satisfied prior to the issuance of such Additional Bonds.

SECTION 6.02 MODIFICATION OF THIS SUPPLEMENTAL AGREEMENT (LOGT) WITH CONSENT OF BENEFICIAL OWNERS. Subject to the terms and provisions contained in this Section, and not otherwise, the Beneficial Owners of not less than a majority in aggregate principal amount of the Series 2015 Bonds then Outstanding that will be affected, as defined in Section 6.03 hereof, by a proposed supplemental Trust Agreement shall have the right, from time to time, anything contained in this Supplemental Agreement (LOGT) to the contrary notwithstanding, to consent to and approve the execution and delivery by the Issuer and the Trustee of such supplemental Trust Agreement as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Supplemental Agreement (LOGT) or in any supplemental Trust Agreement; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Series 2015 Bond without the consent of the Beneficial Owner of such Series 2015 Bond, (b) a reduction in the principal amount of any Series 2015 Bond or the redemption premium or the rate of interest thereon without the consent of the Beneficial Owner of such Series 2015 Bond, (c) the creation of a pledge, charge and lien upon the Pledged Revenues (LOGT) other than the pledge, charge and lien created and otherwise permitted by this Supplemental Agreement (LOGT) without the consent of all Beneficial Owners of the Series 2015 Bonds then Outstanding, (d) a preference or priority of any Series 2015 Bond over any other Series 2015 Bond without the consent of all Beneficial Owners of the Series 2015 Bonds then Outstanding, or (e) a reduction in the aggregate principal amount of Series 2015 Bonds required for consent to such supplemental Trust Agreement without the consent of all Beneficial Owners of the Series 2015 Bonds then Outstanding. Nothing herein contained, however, shall be construed as making necessary the approval by the Beneficial Owners of the execution and delivery of any supplemental Trust Agreement as authorized in Section 6.01 hereof.

The Trustee shall, at the expense of the Issuer (to be paid from the Local Option Gas Tax Account of the Supplemental Revenue Fund or from any other available moneys), send notice of the proposed supplemental Trust Agreement by mail, first-class, postage prepaid, to all Owners (not Beneficial Owners) of the Series 2015 Bonds as of the date such notice is mailed. Such notice shall briefly set forth the nature of the proposed supplemental Trust Agreement and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners and all Beneficial Owners. The Trustee shall not, however, be subject to any liability to any Owner or any Beneficial Owner by reason of its failure to mail the notice required by this Section, and any such failure shall not affect the validity of such supplemental Trust Agreement when approved and consented to as provided in this Section.

Whenever, at any time within three (3) years after the date of the mailing of such notice, the Issuer shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the Beneficial Owners of not less than a majority in aggregate principal amount of Series 2015 Bonds then Outstanding that are affected, as defined in Section 6.03 hereof, by a proposed supplemental Trust Agreement, which instrument or instruments shall refer to the proposed supplemental Trust Agreement described in such notice and shall specifically consent

to and approve the execution and delivery thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer and the Trustee may execute and deliver such supplemental Trust Agreement in substantially such form, without liability or responsibility to any Owner or Beneficial Owner, whether or not such Owner or Beneficial Owner shall have consented thereto.

If the Beneficial Owners of not less than a majority in aggregate principal amount of the Series 2015 Bonds Outstanding at the time of the execution and delivery of such supplemental Trust Agreement and that are affected, as defined in Section 6.03 hereof, by a proposed Trust Agreement have consented to and approved the execution and delivery thereof as herein provided, to the extent permitted by law, no Owner or Beneficial Owner shall have any right to object to the execution and delivery of such supplemental Trust Agreement, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the execution and delivery thereof, or enjoin or restrain the Issuer or the Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

Upon the execution and delivery of any supplemental Trust Agreement pursuant to the provisions of this Section or Section 6.01 hereof, this Supplemental Agreement (LOGT) shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Supplemental Agreement (LOGT) of the Issuer, the Trustee, all Owners and all Beneficial Owners shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Supplemental Agreement (LOGT), as so modified and amended.

SECTION 6.03 SERIES 2015 BONDS AFFECTED. For purposes of this Supplemental Agreement (LOGT), Series 2015 Bonds shall be deemed to be "affected" by a supplemental Trust Agreement if the same adversely affects or diminishes the rights of Beneficial Owners against the Issuer or the rights of the Beneficial Owners in the security for such Series 2015 Bonds. The Trustee shall receive a written opinion of legal counsel stating whether any Series 2015 Bonds would be affected by any supplemental Trust Agreement, and any such determination shall be conclusive upon the Beneficial Owners of all Series 2015 Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

SECTION 6.04 EXCLUSION OF SERIES 2015 BONDS. Series 2015 Bonds owned or held by or for the account of the Issuer shall not be deemed Outstanding Bonds for the purpose of any consent or other action or any calculation of Outstanding Series 2015 Bonds provided for in this Article, and the Issuer as Owner of such Series 2015 Bonds shall not be entitled to consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the Issuer shall furnish the Trustee an Officer's Certificate, upon which the Trustee may conclusively rely, describing all Series 2015 Bonds so to be excluded.

SECTION 6.05 RESPONSIBILITIES OF TRUSTEE AND ISSUER UNDER THIS ARTICLE. The Issuer shall be entitled to exercise its discretion in determining whether or not any proposed supplemental Trust Agreement or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the Issuer, the rights

and interests of the Beneficial Owners, and the rights, obligations and interests of the Trustee. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of counsel acceptable to it, who may be bond counsel for the Issuer, as conclusive evidence that any such proposed supplemental Trust Agreement does or does not comply with the provisions of this Supplemental Agreement (LOGT), and that it is or is not proper for it, under the provisions of this Article, to execute and deliver such supplemental Trust Agreement. The Trustee is hereby authorized to join in the execution of any supplemental Trust Agreement, to make any further appropriate agreements and stipulations which may be therein contained, but the Trustee shall not be obligated to enter into any such supplemental Trust Agreement that adversely affects the Trustee's own rights, duties or immunities under this Supplemental Trust Agreement (LOGT) or otherwise.

ARTICLE VII MISCELLANEOUS PROVISIONS

SECTION 7.01 MANNER OF GIVING NOTICE. All notices, demands, directions and requests to be given to or made hereunder by the Issuer, the Trustee or the Bond Registrar shall be given or made in writing and shall be deemed to be properly given or made if sent by United States first class mail, postage prepaid, addressed as follows:

- (a) As to the Issuer--

Jacksonville Transportation Authority
121 W. Forsyth Street, Suite 200
Jacksonville, Florida 32202
Attention: Chief Financial Officer

- (b) As to the Trustee or Bond Registrar --

Regions Bank
10245 Centurion Parkway, 2nd Floor
Jacksonville, Florida 32256
Attention: Corporate Trust Department

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by electronic mail or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed by reasonable means.

Any of such addresses may be changed at any time upon written notice of such change sent by United States mail, postage prepaid, to the other parties by the party effecting the change.

SECTION 7.02 SUBSTITUTE MAILING. If, because of the temporary or permanent suspension of postal service, the Issuer, the Trustee or the Bond Registrar shall be unable to mail any notice required to be given by the provisions of this Supplemental Agreement (LOGT), such party shall give notice in such other manner as in the judgment of such party shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Supplemental Agreement (LOGT) be deemed to be in compliance with the requirement for the mailing thereof.

SECTION 7.03 ISSUER, TRUSTEE, BOND REGISTRAR, OWNER AND BENEFICIAL OWNERS ALONE HAVE RIGHTS UNDER THIS SUPPLEMENTAL AGREEMENT (LOGT). Except as herein otherwise expressly provided, nothing in this Supplemental Agreement (LOGT), express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Issuer, the Trustee, the Bond Registrar, the Owners and the Beneficial Owners, any right, remedy or claim, legal or equitable, under or by reason of this Supplemental Agreement (LOGT) or any provision being intended to be and being for the sole and exclusive benefit of the Issuer, the Trustee, the Bond Registrar, the Owners and the Beneficial Owners.

SECTION 7.04 EFFECT OF PARTIAL INVALIDITY. In case any one or more of the provisions of this Supplemental Agreement (LOGT) or the Series 2015 Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Supplemental Agreement (LOGT) or the Series 2015 Bonds, but this Supplemental Agreement (LOGT) and the Series 2015 Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in this Supplemental Agreement (LOGT) or the Series 2015 Bonds shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Issuer to the full extent permitted by law.

SECTION 7.05 EFFECT OF COVENANTS; GOVERNING LAW. All covenants, stipulations, obligations and agreements of the Issuer contained in this Supplemental Agreement (LOGT) shall be deemed to be covenants, stipulations, obligations and agreements of the Issuer to the full extent permitted by the Constitution and laws of the State of Florida. The laws of the State of Florida shall govern this Supplemental Agreement (LOGT).

SECTION 7.06 HEADINGS. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Supplemental Agreement (LOGT), nor shall they affect its meaning, construction or effect.

SECTION 7.07 FURTHER AUTHORITY. The officers of the Issuer, attorneys, engineers and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by this Supplemental Agreement (LOGT) for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2015 Bonds and this Supplemental Agreement (LOGT).

SECTION 7.08 PAYMENT DUE ON HOLIDAYS. If the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Supplemental Agreement (LOGT) is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Supplemental Agreement (LOGT).

SECTION 7.09 MULTIPLE COUNTERPARTS. This Supplemental Agreement (LOGT) may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Supplemental Agreement (LOGT) to be executed in their respective names by their respective duly authorized representatives all as of the date first written above.

**JACKSONVILLE TRANSPORTATION
AUTHORITY**

By: 
Scott L. McCaleb, Chairman

Attest:


Kevin J. Holzendorf
Secretary of the Issuer Board

REGIONS BANK, as Trustee


By: 
Title: Vice Presidents

EXHIBIT A
FORM OF SERIES 2015 BONDS

R- _____ \$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA

JACKSONVILLE TRANSPORTATION AUTHORITY
SENIOR LIEN LOCAL OPTION GAS TAX REVENUE BONDS,
SERIES 2015

<u>Date of Original Issue</u>	<u>Dated Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>CUSIP</u>
_____, 2015	_____, 20__	_____%	_____, 20__	_____

Jacksonville Transportation Authority (the "Issuer"), a body politic and corporate and an agency of the State duly organized and existing under the laws of the State of Florida, hereby promises to pay, but solely from the sources and in the manner hereinafter provided, to CEDE & CO. or registered assigns or legal representative, on the maturity date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof at the designated corporate trust office of Regions Bank (the "Bond Registrar"), the principal sum of _____ DOLLARS (\$ _____).

The Issuer also promises to pay, but solely from said sources, interest on this Bond (calculated on the basis of a 360-day year consisting of twelve 30-day months) from the interest payment date next preceding the date on which it is authenticated, unless it is authenticated on an interest payment date, in which event it shall bear interest from such interest payment date, payable on February 1 and August 1 of each year, beginning August 1, 2015, at the rate per annum set forth above until the principal sum hereof is paid. The interest so payable and punctually paid or duly provided for on any interest payment date will be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date (as defined in the Master Trust Agreement hereafter mentioned) for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date (as defined in the Master Trust Agreement) for the payment of such defaulted interest to be fixed by the Trustee (hereinafter mentioned), notice whereof being given to the registered owners not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Series 2015 Bonds (hereinafter mentioned) may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Master Trust Agreement. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This Bond is one of a duly authorized series of revenue bonds of the Issuer designated "Senior Lien Local Option Gas Tax Revenue Bonds, Series 2015" (the "Series 2015 Bonds" or this "Bond"), issued under and pursuant to the Constitution and laws of the State of Florida, including, particularly, the Act (as defined in the Master Trust Agreement), a resolution of the Issuer adopted on January 6, 2015, authorizing the issuance of the Series 2015 Bonds, a Master Trust Agreement, dated as of January 1, 2015 (the "Master Trust Agreement"), between the Issuer and Regions Bank, as trustee (in such capacity, the "Trustee") and a Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of January 1, 2015 (the "Supplemental Agreement (LOGT)"), between the Issuer and the Trustee. The Series 2015 Bonds are being issued for the purpose of providing funds, together with any other available funds, to (a) pay certain Costs of the Initial Project (as such terms are defined in the Master Trust Agreement), (b) provide funds to pay capitalized interest on the Series 2015 Bonds until December 1, 2016, (c) fund the Series 2015 Bonds Reserve Account (as defined in the Supplemental Agreement (LOGT)) with respect to the Series 2015 Bonds in the amount equal to the Series 2015 Bonds Reserve Account Requirement (as defined in the Supplemental Agreement (LOGT)), and (d) pay the costs incurred in connection with the issuance of the Series 2015 Bonds.

The Series 2015 Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Supplemental Agreement (LOGT). One bond certificate with respect to each date on which the Series 2015 Bonds are stated to mature, in the aggregate principal amount of the Series 2015 Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York ("DTC"), is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2015 Bonds in Authorized Denominations (as defined in the Supplemental Agreement (LOGT)), with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal, interest and any redemption premium payments to Beneficial Owners (as defined in the Supplemental Agreement (LOGT)) of the Series 2015 Bonds by participants of DTC will be the responsibility of such participants and other nominees of such Beneficial Owners. The Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. While Cede & Co. is the registered owner of this Bond, notwithstanding the provisions hereinabove contained, payments of principal or of redemption premium, if any, and interest on this Bond shall be made in accordance with the existing arrangements between the Issuer and DTC.

The Series 2015 Bonds are special obligations of the Issuer secured by a pledge, charge and lien upon Pledged Revenues (LOGT) (as defined in the Supplemental Agreement (LOGT)). The Issuer is not obligated to pay the principal of or the interest on the Series 2015 Bonds except as provided in the Supplemental Agreement (LOGT) from Pledged Revenues (LOGT) or certain other monies made available therefor under the Supplemental Agreement (LOGT), and neither the faith and credit nor the taxing power of the State of Florida or any political subdivision thereof or the Issuer is pledged to the payment of the principal of and the interest on the Series 2015 Bonds. The Master Trust Agreement and Supplemental Agreement (LOGT) provides for the issuance or incurrence from time to time under the conditions, limitations and restrictions therein set forth of Additional Bonds and Senior Lien Parity Debt (as defined in the Master Trust

Agreement) secured pari passu as to the pledge of Pledged Revenues (LOGT) with the Series 2015 Bonds.

Reference is made to the Master Trust Agreement and the Supplemental Agreement (LOGT) for a more complete statement of the provisions thereof and of the rights of the Issuer, the Trustee and the registered owners of the Series 2015 Bonds. Copies of the Master Trust Agreement and the Supplemental Agreement (LOGT) will be available for inspection by any registered owner of the Series 2015 Bonds at all reasonable times at the designated corporate trust office of the Trustee. By the purchase and acceptance of this Bond, the registered owner hereof signifies assent to all of the provisions of the Master Trust Agreement and the Supplemental Agreement (LOGT).

The Master Trust Agreement provides for the creation of a special fund designated "Senior Lien Debt Service Fund" (the "Senior Lien Debt Service Fund"). Pursuant to the Supplemental Agreement (LOGT), special subaccounts have been created within the various accounts of the Senior Lien Debt Service Fund with respect to the Series 2015 Bonds (the "Subaccounts"), which Subaccounts are pledged and charged with the payment of the principal of and the interest on the Series 2015 Bonds. The Supplemental Agreement (LOGT) provides for the deposit of Pledged Revenues (LOGT) to the credit of the Subaccounts to the extent and in the manner provided in the Master Trust Agreement and the Supplemental Agreement (LOGT). The Series 2015 Bonds are also secured by the Series 2015 Bonds Reserve Account (as defined in the Supplemental Agreement (LOGT)).

At the designated corporate trust office of the Bond Registrar, in the manner and subject to the conditions provided in the Master Trust Agreement and the Supplemental Agreement (LOGT), Series 2015 Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate.

The Bond Registrar shall keep at its designated corporate trust office books for the registration of transfer of the Series 2015 Bonds. The transfer of this Bond may be registered only upon such books and as otherwise provided in the Master Trust Agreement and the Supplemental Agreement (LOGT) upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of Authorized Denominations, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

The Series 2015 Bonds are subject to redemption prior to their respective maturities, at the option of the Issuer, in whole or in part on any date on or after August 1, 2025, from any moneys that may be available for such purpose, at 100% of principal amount of the Series 2015 Bonds to be redeemed, plus accrued interest to the redemption date, all in the manner provided in the Supplemental Agreement (LOGT).

At least thirty (30) days but not more than sixty (60) days prior to the redemption date of any Series 2015 Bonds to be redeemed, whether such redemption is in whole or in part, the Bond

Registrar shall cause a notice of any such redemption to be mailed, first class, postage prepaid, to all registered owners of Series 2015 Bonds to be redeemed in whole or in part, provided that failure to mail any such notice to any registered owner or any defect in such notice shall not affect the validity of the proceedings for such redemption as to the Series 2015 Bonds of any other registered owner to whom such notice is properly given.

On the date designated for redemption, notice having been given as aforesaid, the Series 2015 Bonds or portions thereof so called for redemption shall become due and payable at the redemption price provided for the redemption such Bonds or such portions thereof on such date plus accrued interest to such date.

If less than all of the Series 2015 are to be called for redemption, the Series 2015 Bonds are to be called for redemption, the Series 2015 Bonds to be so redeemed shall be called for redemption in the manner that the Issuer shall determine as set forth in an Officer's Certificate (as defined in the Master Trust Agreement) filed with the Trustee. If less than all the Series 2015 Bonds of any one maturity are called for redemption, the Bond Registrar shall select the Series 2015 Bonds to be redeemed by lot, each \$5,000 portion of principal being counted as one Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2015 Bonds is Cede & Co., such selection shall be made by DTC.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Trustee or Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Series 2015 Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Series 2015 Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest on such Series 2015 Bonds are not received by the Trustee or Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

The registered owner of this Bond shall have no right to enforce the provisions of the Master Trust Agreement or the Supplemental Agreement (LOGT) or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Trust Agreement or Supplemental Agreement (LOGT), or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Master Trust Agreement or Supplemental Agreement (LOGT).

Modifications or alterations of the Supplemental Agreement (LOGT) or in any supplemental Trust Agreement thereto may be made only to the extent and in the circumstances permitted by the Supplemental Agreement (LOGT).

This Bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Master Trust Agreement and the Supplemental Agreement (LOGT), at all times shall be, and shall be understood to be, an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of Florida. This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in connection with the issuance of this Bond and the execution and delivery of the Master Trust Agreement and the Supplemental Agreement (LOGT) have happened, exist and have been performed as so required.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Master Trust Agreement or the Supplemental Agreement (LOGT) until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, Jacksonville Transportation Authority has issued this Bond and has caused the same to be executed by the manual signature of its Chairman and countersigned and attested by the manual signature of its Secretary, and its official seal to be affixed or reproduced hereon, all as of the Date of Original Issue first indicated above.

**JACKSONVILLE TRANSPORTATION
AUTHORITY**

(SEAL)

Scott L. McCaleb, Chairman

Kevin J. Holzendorf
Secretary of the Issuer Board

CERTIFICATE OF AUTHENTICATION

This Bond is a Bond of the Series designated therein and issued under the provisions of the within mentioned Master Trust Agreement and Supplemental Agreement (LOGT).

REGIONS BANK, as Bond Registrar

By: _____
Authorized Signatory

Date of authentication: January 29, 2015

CERTIFICATION OF VALIDATION

This Bond is one of a Series of Bonds which were validated and confirmed by Judgment of the Circuit Court for the Fourth Judicial Circuit in and for Duval County, Florida, rendered on November 24, 2014.

**JACKSONVILLE TRANSPORTATION
AUTHORITY**

Scott L. McCaleb, Chairman

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

- TEN COM -- as tenants in common
- TEN ENT -- as tenants by the entireties
- JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT -- _____
(Cust)

Custodian for _____
(Minor)

under Uniform Transfers to Minors Act of _____
(State)

Additional abbreviations may also be used though not in list above.

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by the authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned _____ (the "Transferor") hereby sells, assigns and transfers unto _____ (the "Transferee")

(PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE)

(Please print or typewrite name and address of Transferee)

the within bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ as attorney to register the transfer of the within bond on the books kept for registration and registration or transfer thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

APPENDIX C-1

FORM OF SECOND SUPPLEMENT

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**SECOND SUPPLEMENT TO SUPPLEMENTAL TRUST AGREEMENT
(Local Option Gas Tax Revenues)**

*Supplementing that certain Supplemental Trust Agreement
(Local Option Gas Tax Revenues), dated as of January 1, 2015*

Dated as of October 1, 2024

By and Between

JACKSONVILLE TRANSPORTATION AUTHORITY
as Issuer

and

REGIONS BANK
as Trustee

Authorizing and Securing

Jacksonville Transportation Authority
Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2024

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**SECOND SUPPLEMENT TO SUPPLEMENTAL TRUST AGREEMENT
(Local Option Gas Tax Revenues)**

This **SECOND SUPPLEMENT TO SUPPLEMENTAL TRUST AGREEMENT** (Local Option Gas Tax Revenues), dated as of October 1, 2024 (this “Second Supplement”), between **JACKSONVILLE TRANSPORTATION AUTHORITY**, a body politic and corporate and an agency of the State of Florida (the “Issuer”), and **REGIONS BANK**, a state banking corporation duly organized and existing under the laws of the State of Alabama and having a designated corporate trust office in Jacksonville, Florida, which is authorized under such laws to exercise trust powers (the “Trustee”),

WITNESSETH:

WHEREAS, the Issuer and the Trustee have previously entered into the Master Trust Agreement, dated as of January 1, 2015 (the “Master Trust Agreement”), providing for the issuance or incurrence thereunder of Senior Lien Bonds, Senior Lien Parity Debt, Subordinate Lien Bonds and Subordinate Lien Parity Debt (as such terms are defined in the Master Trust Agreement), all in accordance with the terms of the Master Trust Agreement, in order to provide funds to finance or refinance, together with other available funds, the cost of acquisition, construction, installation and equipping of the Initial Project and Additional Projects (each, as defined in the Master Trust Agreement), funding related reserves and paying other costs related thereto; and

WHEREAS, the Issuer and the Trustee have previously entered into that certain Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of January 1, 2015 (the “2015 Trust Agreement”), pursuant to which the Issuer’s Senior Lien Local Option Gas Tax Revenue Bonds, Series 2015 Bonds (the “Series 2015 Bonds”) were issued to, among other things, finance a portion of the Costs of the Initial Project; and

WHEREAS, the Issuer and the Trustee have previously entered into that certain First Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of October 1, 2020 (the “2020 Trust Agreement”), pursuant to which the Issuer’s Senior Lien Local Option Gas Tax Revenue Bonds, Series 2020 Bonds (the “Series 2020 Bonds”) were issued to, among other things, finance a portion of certain additional Costs of the Initial Project; and

WHEREAS, capitalized terms used herein but not defined shall have the respective meanings set forth in the Master Trust Agreement and the 2015 Trust Agreement; and

WHEREAS, the Issuer has adopted a resolution authorizing the issuance of its Jacksonville Transportation Authority Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2024 (as more particularly described in Section 1.01 hereof, the “Series 2024 Bonds”) as a Series of Additional Bonds and Senior Lien Bonds under the Master Trust Agreement to provide funds, together with other available funds of the Issuer, to: (a) refund and defease or purchase, including purchase in connection with a tender offer or bond exchange, of all or a portion of the Series 2015 Bonds, and (b) paying certain costs of issuance in connection with the issuance of such the Series 2024 Bonds and the tender, purchase and retirement or exchange of the Series 2015 Bonds; and

WHEREAS, the Issuer has determined to enter into this Second Supplement in order to provide for the issuance of the Series 2024 Bonds as Additional Bonds and Senior Lien Bonds under the Master Trust Agreement and set forth the details of the Series 2024 Bonds; and

WHEREAS, in connection with the authorization and approval of this Second Supplement, the Issuer has also authorized and approved a Third Supplement to Supplemental Trust Agreement (Local Option Gas Tax Revenues) and has further authorized the issuance on a forward delivery basis, its Jacksonville Transportation Authority Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2025 as a Series of Additional Bonds and Senior Lien Bonds under the Master Trust Agreement for the purpose of, among other things, currently refunding any Series 2015 Bonds which are not Purchased 2015 Bonds (as defined herein); and

WHEREAS, the Issuer and the City (as defined in the Master Trust Agreement) have previously entered into the Interlocal Agreement (as defined in the Master Trust Agreement), pursuant to which the Pledged Revenues (LOGT) (defined herein) are remitted to the Issuer in furtherance of the 2015 Trust Agreement and this Second Supplement, including without limitation, the payment of the principal of, interest on, and premium, if any, on the Series 2015 Bonds and the Series 2024 Bonds; and

WHEREAS, this Second Supplement supplements the 2015 Trust Agreement and shall constitute a “Series Agreement” for the purposes of the Master Trust Agreement; and

NOW, THEREFORE, THIS SECOND SUPPLEMENT WITNESSETH that in consideration of the premises, of the acceptance by the Trustee of the trusts created pursuant to the 2015 Trust Agreement, as supplemented hereby, and of the issuance of the Series 2024 Bonds as provided herein, and also for and in consideration of the sum of One Dollar in hand paid by the Trustee at or before the execution and delivery of this Second Supplement, and for other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2024 Bonds are to be issued under this Second Supplement, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners thereof, and to secure the payment of all Bonds at any time issued and Outstanding under this Second Supplement and to further secure payment of the Series 2024 Bonds as Senior Lien Bonds, secured on a pari passu basis with the Series 2015 Bonds and the Series 2020 Bonds by the Pledged Revenues (LOGT), and to secure the performance and observance of all the covenants, agreements and conditions, express or implied, therein and herein contained, the Issuer has executed and delivered this Second Supplement, and by this Second Supplement has, subject to the terms hereof, given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set over, and pledged, and does hereby give, grant, bargain, alien, remise, release, convey, transfer, assign, confirm, set over, and pledge unto the Trustee, and its successor or successors in trust, the Trust Estate (LOGT) established for the Series 2015 Bonds issued pursuant to the 2015 Trust Agreement for the equal benefit of the Series 2024 Bonds issued pursuant to this Second Supplement, except as may otherwise be provided for in the Master Trust Agreement and in the 2015 Trust Agreement as supplemented by this Second Supplement;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successor or successors in trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts set forth in the 2015 Trust Agreement, as supplemented by this Second Supplement, for the benefit, security and protection of all and singular the present and future Owners of the Bonds issued or to be issued under and secured by the 2015 Trust Agreement, as supplemented by this Second Supplement, and the Owners of any Bonds or the Holders of any Parity Debt secured by the Trust Estate (LOGT), without preference, priority or distinction as to lien or otherwise, except as may otherwise be provided for in the Master Trust Agreement and in the 2015 Trust Agreement, as supplemented by this Second Supplement;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or provide for the payment, pursuant to the provisions of this Second Supplement, of the principal of all Series 2024 Bonds and Parity Debt, and the interest and any redemption premium due or to become due thereon, at the times and in the manner mentioned therein and in this Second Supplement, according to the true intent and meaning hereof and thereof, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions thereof and hereof and perform all of its other obligations thereunder and hereunder, then, upon such performance and payments, this Second Supplement and the rights hereby granted shall cease, determine and become void, as provided herein; otherwise this Second Supplement shall be and remain in full force and effect.

THIS SECOND SUPPLEMENT FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder and any Parity Debt secured hereunder are to be issued, authenticated, delivered and dealt with, and all said property hereby given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set over and pledged is to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of such Bonds and the Holders of such Parity Debt secured under this Second Supplement, as follows:

ARTICLE I DEFINITIONS

SECTION 1.01 MEANING OF WORDS AND TERMS. Unless otherwise required by the context, words and terms used herein which are defined in the Master Trust Agreement and the 2015 Trust Agreement shall have the meanings assigned to them therein, and the following words and terms shall have the following meanings:

“Authorized Denominations” means, with respect to the Series 2024 Bonds, \$5,000 and any integral multiple in excess thereof.

“Bond Year” means the period commencing on October 1 of any year and ending on September 30 of the following year; provided, that the first Bond Year shall begin on the date of issuance of the Series 2024 Bonds.

“Interest Payment Date” means, with respect to the Series 2024 Bonds, each February 1 and August 1, commencing [February 1, 2025].

“Offer of Tender” means the Invitation to Tender Bonds, dated as of [September 23, 2024], with respect to the Issuer’s offer of tender and purchase the Series 2015 Bonds.

“Purchased 2015 Bonds” the Series 2015 Bonds validly tendered (and not validly withdrawn) and accepted for purchase by the Issuer pursuant to the Offer of Tender.

“Series 2024 Bonds” means the Jacksonville Transportation Authority Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2024, issued pursuant to the Master Trust Agreement and the 2015 Trust Agreement, as supplemented by this Second Supplement. The Series 2024 Bonds are “Senior Lien Bonds” and “Current Interest Bonds,” as such terms are defined in the Master Trust Agreement.

“Series 2024 Bonds Cost of Issuance Account” means the account created and so designated by Section 4.01 hereof.

“Series 2024 Subaccount of the Interest Account” means the subaccount created and so designated by Section 4.01 hereof.

“Series 2024 Subaccount of the Principal Account” means the subaccount created and so designated by Section 4.01 hereof.

“Series 2024 Subaccount of the Rebate Account (LOGT)” means the subaccount created and so designated by Section 4.01 hereof.

“Series 2024 Subaccount of the Redemption Account” means the subaccount created and so designated by Section 4.01 hereof.

“Series 2024 Subaccount of the Sinking Fund Account” means the subaccount created and so designated by Section 4.01 hereof.

“Series 2024 Tender/Purchase Fund” means the fund created and so designated by Section 4.01 hereof.

“Trust Estate (LOGT)” shall have the meaning set forth in the 2015 Trust Agreement and shall additionally include the amounts deposited into the Subaccounts and Accounts established under Section 4.01(a) and (c) hereof.

SECTION 1.02 RULES OF CONSTRUCTION. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as

the singular number. References herein to particular articles or sections are references to articles or sections of this Second Supplement unless some other reference is indicated.

ARTICLE II
AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND
REGISTRATION OF THE SERIES 2024 BONDS

SECTION 2.01 AUTHORIZATION AND ISSUANCE OF THE SERIES 2024 BONDS. For the purpose of providing funds, together with any other available funds of the Issuer, to: (a) refund and defease or purchase, including purchase of the Purchased 2015 Bonds, and (b) paying certain costs of issuance in connection with the issuance of such the Series 2024 Bonds and the tender, purchase and retirement or exchange of the Purchased 2015 Bonds, there shall be issued, under and pursuant to the Constitution and the laws of the State, including the Act, the Master Trust Agreement and the 2015 Trust Agreement, as supplemented by this Second Supplement, a Series of fixed rate, Current Interest Bonds of the Issuer designated “Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2024 “ in the aggregate principal amount of \$_____.

Regions Bank, with a designated office located in Jacksonville, Florida, is hereby appointed Trustee, Depository and Bond Registrar for the Series 2024 Bonds under this Second Supplement.

SECTION 2.02 FORM OF SERIES 2024 BONDS. The definitive Series 2024 Bonds are issuable in fully registered form in Authorized Denominations, shall be lettered “R-” and shall be numbered from 1 consecutively upward. The definitive Series 2024 Bonds shall be substantially in the form set forth in Exhibit A attached hereto, with such appropriate variations, omissions and insertions as are permitted or required by the Master Trust Agreement and the 2015 Trust Agreement, as supplemented by this Second Supplement.

SECTION 2.03 DETAILS OF SERIES 2024 BONDS. (a) The Series 2024 Bonds shall be dated the date of delivery thereof, shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months) until payment of such interest to the maturity thereof, or upon earlier redemption, being payable semiannually on each February 1 and August 1, beginning [February 1, 2025] and shall be stated to mature on August 1 (subject to the right of prior redemption), as follows:

<u>Year of</u> <u>Maturity (August 1,)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
---	-----------------------------------	--------------------------------

(b) The Series 2024 Bonds shall be issued by means of a book-entry system with no physical distribution of bond certificates to be made except as hereinafter provided. One bond certificate with respect to each date on which the Series 2024 Bonds are stated to mature, in the aggregate principal amount of the Series 2024 Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), will be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2024 Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of and any redemption premium on each Series 2024 Bond and interest with respect thereto shall be payable to Cede & Co. or any other person appearing on the registration books of the Issuer as the registered Owner of such Series 2024 Bond or its registered assigns or legal representatives. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to Beneficial Owners of the Series 2024 Bonds by participants of DTC will be the responsibility of such participants and other nominees of such Beneficial Owners. The Issuer, the Bond Registrar and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as Securities Depository for the Series 2024 Bonds or (b) the Issuer determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2024 Bonds would adversely affect the interests of the Beneficial Owners of the Series 2024 Bonds, the Issuer will discontinue the book-entry system with DTC. If the Issuer identifies another qualified Securities Depository to replace DTC, the Issuer will make arrangements with DTC and such other Securities Depository to effect such replacement and deliver replacement bonds registered in the name of such other Securities Depository or its Securities Depository Nominee in exchange for the outstanding Series 2024 Bonds, and the references to DTC or Cede & Co. in this Second Supplement shall thereupon be deemed to mean such other Securities Depository or its Securities Depository Nominee. If the Issuer fails to identify another qualified Securities Depository to replace DTC, the Issuer will deliver replacement bonds in the form of fully registered certificates in the denomination of \$5,000 or any whole multiple thereof in exchange for the outstanding Series 2024 Bonds as required by DTC.

SECTION 2.04 TERMS AND CONDITIONS FOR ISSUANCE OF THE SERIES 2024 BONDS. The Series 2024 Bonds shall be executed substantially in the form set forth in Exhibit A attached hereto and in the manner set forth in the 2015 Trust Agreement, as supplemented by this Second Supplement, and shall be deposited with the Bond Registrar for

authentication and delivery to the purchasers thereof, but only upon the deposit with the Trustee of the purchase price of the Series 2024 Bonds.

Simultaneously with the Closing and the deposit of the proceeds of the Series 2024 Bonds with the Trustee, the Trustee shall apply the proceeds in the amount of \$_____ (representing \$_____, the aggregate principal amount of the Series 2024 Bonds, [plus original issue premium on the Series 2024 Bonds of \$_____] [less original issue discount on the Series 2024 Bonds of \$_____] and less an underwriters' discount of \$_____), as directed by the Issuer in an Officer's Certificate or Closing Memorandum delivered to the Trustee simultaneously with the issuance of the Series 2024 Bonds.

**ARTICLE III
REDEMPTION OF SERIES 2024 BONDS**

SECTION 3.01 REDEMPTION OF SERIES 2024 BONDS.

(a) The Series 2024 Bonds shall not be subject to prior redemption except as provided in this Article III, and as provided in Article III of the Master Trust Agreement.

(b) The Series 2024 Bonds are subject to redemption prior to their respective maturities, at the option of the Issuer, from any moneys that may be available for such purpose, either in whole or in part on any date on or after [August 1, 2034], at 100% of the principal amount of Series 2024 Bonds to be redeemed, plus accrued interest to the redemption date.

SECTION 3.02 SELECTION OF SERIES 2024 BONDS FOR REDEMPTION.

The provisions of Section 3.02 of the 2015 Trust Agreement shall apply to this Second Supplement; provided, however, that, where applicable, references to the Series 2015 Bonds in Section 3.02 of the 2015 Trust Agreement shall, as applicable, also refer to the Series 2024 Bonds.

SECTION 3.03 REDEMPTION NOTICE.

The provisions of Section 3.03 of the 2015 Trust Agreement shall apply to this Second Supplement; provided, however, that, where applicable, references to the Series 2015 Bonds in Section 3.03 of the 2015 Trust Agreement shall, as applicable, also refer to the Series 2024 Bonds.

**ARTICLE IV
FUNDS, ACCOUNTS, SUBACCOUNTS, REVENUES AND FUNDS**

SECTION 4.01 ESTABLISHMENT OF FUNDS, ACCOUNTS AND SUBACCOUNTS WITH RESPECT TO THE SERIES 2024 BONDS. In addition to the applicable Funds and Accounts established under the Master Trust Agreement and the 2015 Trust Agreement and applicable to the Series 2024 Bonds, the following Accounts and Subaccounts are hereby established in connection with this Second Supplement and the Series 2024 Bonds:

- (a) the Series 2024 Tender/Purchase Fund;
- (b) [reserved]
- (c) within the Senior Lien Debt Service Fund:
 - (i) the Series 2024 Subaccount of the Interest Account;
 - (ii) the Series 2024 Subaccount of the Principal Account; and
 - (iii) the Series 2024 Subaccount of the Redemption Account;
- (d) the Series 2024 Subaccount of the Rebate Account (LOGT); and
- (e) the Series 2024 Bonds Cost of Issuance Account.

The Accounts and Subaccounts referenced above shall be established with and held by the Trustee pursuant to the Master Trust Agreement and the 2015 Trust Agreement, as supplemented by this Second Supplement.

SECTION 4.02 APPLICATION OF PLEDGED REVENUES (LOGT); SERIES 2024 BONDS PROJECT ACCOUNT. (a) The provisions of Section 4.02(a) of the 2015 Trust Agreement with respect to the receipt and transfer of all Pledged Revenues (LOGT) shall continue to apply during any period that Series 2024 Bonds issued under this Second Supplement remain Outstanding. In addition to the deposits required by the 2015 Trust Agreement, the Trustee shall also deposit or cause to be deposited, from Pledged Revenues (LOGT) held in the Local Option Gas Tax Account of the Supplemental Revenue Fund, to the various Subaccounts and the Account specified in Section 4.01(c) above, and to Persons entitled thereto as specified in Section 5.03 of the Master Trust Agreement, in the amounts, the order of priority and at such times as provided by Section 5.03 of the Master Trust Agreement.

(b) Simultaneously with the Closing for the Series 2024 Bonds, the Issuer has caused to be deposited to the Series 2024 Tender/Purchase Fund, proceeds of the Series 2024 Bonds in the amount of \$_____, and to the Series 2024 Bonds Cost of Issuance Account, proceeds of the Series 2024 Bonds in the amount of \$_____. Amounts on deposit in the Series 2024 Tender/Purchase Fund shall be disbursed solely for the purpose of paying the tender or purchase price of the Purchased 2015 Bonds in accordance with the Offer of Tender as described in Section 4.03 below. Amounts on deposit in Series 2024 Bonds Cost of Issuance Account will be disbursed in accordance with Section 4.07 hereof. Excess amounts remaining on deposit in the Series 2024 Bonds Cost of Issuance Account shall be transferred to the Series 2024 Subaccount of the Interest Account and applied in accordance with Section 5.04 of the Master Trust Agreement.

SECTION 4.03 APPLICATION OF MONEY IN THE SERIES 2024 TENDER/PURCHASE FUND. Upon the issuance of the Series 2024 Bonds, amounts deposited into the Series 2024 Tender/Purchase Fund shall be applied by the Trustee, in its capacity as Paying Agent for the Series 2015 Bonds, for the purpose of paying the tender or purchase price of the Purchased 2015 Bonds for which the holders of such Purchased 2015 Bonds have accepted the tender/purchase offer described and set forth in the Offer of Tender.

SECTION 4.04 APPLICATION OF MONEY IN THE SERIES 2024 SUBACCOUNT OF THE REDEMPTION ACCOUNT. The Trustee shall apply money in the Series 2024 Subaccount of the Redemption Account to the purchase or redemption of Series 2024 Bonds as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the Trustee shall endeavor to purchase and cancel Series 2024 Bonds or portions thereof, regardless of whether such Bonds or portions thereof are then subject to redemption, at the direction of an Authorized Officer; provided, that the purchase price of each Series 2024 Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such Series 2024 Bond under the provisions of the Series 2024 Subaccount of the Redemption Account. The Trustee shall pay the interest accrued on such Bonds or portions thereof to the date of settlement from the Series 2024 Subaccount of the Interest Account and the purchase price from the Series 2024 Subaccount of the Redemption Account, but no such purchase shall be made by the Trustee from money in the

Series 2024 Subaccount of the Redemption Account within the period of forty-five (45) days immediately preceding any date on which such Series 2024 Bonds or portions thereof are to be redeemed.

(b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call for redemption on a date permitted by this Second Supplement such amount of Series 2024 Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Series 2024 Subaccount of the Redemption Account as nearly as may be practicable; provided, however, that not less than an Authorized Denomination shall be called for redemption at any one time. The Trustee shall pay the accrued interest on the Series 2024 Bonds or portions thereof to be redeemed to the date of redemption from the Series 2024 Subaccount of the Interest Account and the Redemption Price of such Bonds or portions thereof from the Series 2024 Subaccount of the Redemption Account. The Trustee shall withdraw from the Series 2024 Subaccount of the Redemption Account and set aside the respective amounts required to pay the Redemption Price of the Series 2024 Bonds or portions thereof so called for redemption.

(c) Money in the Series 2024 Subaccount of the Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Series 2024 Bonds then Outstanding in accordance with the latest Officer's Certificate filed with the Trustee designating the Series 2024 Bonds to be redeemed. In the event no such certificate is filed (i) the Trustee shall apply such money to the purchase of Series 2024 Bonds bearing the highest rate of interest, and (ii) if Series 2024 Bonds of more than one maturity bear the same interest rate, the Trustee shall redeem such Series 2024 Bonds in the inverse order of maturities.

Upon the retirement of any Series 2024 Bonds by purchase or redemption, pursuant to the provisions of this Section, the Trustee upon request shall file with the Issuer a statement identifying such Series 2024 Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Bonds and the amount paid as interest thereon. The expenses incurred by the Trustee in connection with the purchase or redemption of any such Series 2024 Bonds shall be paid by the Issuer from the Local Option Gas Tax Account of the Supplemental Revenue Fund or from any other available moneys.

SECTION 4.05 PAYMENT OF PRINCIPAL, INTEREST AND PREMIUM AND PLEDGE OF PLEDGED REVENUES (LOGT). The Issuer covenants that it will promptly pay the principal of, and the interest on every Series 2024 Bond issued under the provisions of the 2015 Trust Agreement, as supplemented by this Second Supplement, at the places, on the dates and in the manner provided herein and in said Series 2024 Bonds, and any premium required for the retirement of said Series 2024 Bonds by purchase or redemption, according to the true intent and meaning thereof. The Issuer further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in the 2015 Trust Agreement, as supplemented by this Second Supplement and in the Master Trust Agreement, or in any Series 2024 Bond executed, authenticated and delivered hereunder or in any proceedings of the Issuer pertaining thereto. The Issuer represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Series 2024 Bonds authorized hereby and to pledge the Pledged Revenues (LOGT) in the manner and to the extent herein, in the Interlocal Agreement and in the Master Trust Agreement set forth; that all action on its part for the issuance of the Series 2024 Bonds has been duly and effectively taken; and that

such Series 2024 Bonds in the hands of the Owners thereof are and will be valid and binding special obligations of the Issuer payable according to their terms.

SECTION 4.06 APPLICATION OF MONEY IN THE SERIES 2024 SUBACCOUNT OF THE REBATE ACCOUNT (LOGT). Amounts on deposit in the Series 2024 Subaccount of the Rebate Account (LOGT) established hereunder shall be applied as described in Section 5.08 of the 2015 Trust Agreement. Amounts deposited into the Rebate Account (LOGT) and the subaccounts therein (including the Series 2024 Subaccount) shall not constitute part of the Trust Estate (LOGT).

SECTION 4.07 APPLICATION OF MONEY IN THE SERIES 2024 BONDS COST OF ISSUANCE ACCOUNT. Amounts on deposit in the Series 2024 Bonds Cost of Issuance Account shall be applied by the Trustee to pay certain costs of issuance related to the Series 2024 Bonds in accordance with the written direction of the Issuer.

ARTICLE V COVENANTS

The provisions of Article V of the 2015 Trust Agreement shall apply to this Second Supplement; provided, however, that, where applicable, references to the Series 2015 Bonds in Article V of the 2015 Trust Agreement shall, as applicable, also refer to the Series 2024 Bonds and references to the 2015 Trust Agreement shall also refer to this Second Supplement.

ARTICLE VI SUPPLEMENTAL TRUST AGREEMENTS

The provisions of Article VI of the 2015 Trust Agreement shall apply to this Second Supplement; provided, however, that, where applicable, references to the Series 2015 Bonds in Article VI of the 2015 Trust Agreement shall, as applicable, also refer to the Series 2024 Bonds and references to the 2015 Trust Agreement shall also refer to this Second Supplement.

ARTICLE VII MISCELLANEOUS PROVISIONS

The provisions of Article VII of the 2015 Trust Agreement shall apply to this Second Supplement; provided, however, that, where applicable, references to the Series 2015 Bonds in Article VII of the 2015 Trust Agreement shall, as applicable, also refer to the Series 2024 Bonds and references to the 2015 Trust Agreement shall also refer to this Second Supplement. Except as otherwise modified or amended by this Second Supplement, the remaining terms and provisions of the 2015 Trust Agreement shall remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Second Supplement to be executed in their respective names by their respective duly authorized representatives all as of the date first written above.

**JACKSONVILLE TRANSPORTATION
AUTHORITY**

Debbie Buckland
Chair

ATTEST:

Aundra Wallace
Secretary of the Issuer Board

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Second Supplement to be executed in their respective names by their respective duly authorized representatives all as of the date first written above.

REGIONS BANK, as Trustee

Craig Kaye
Vice President

EXHIBIT A

FORM OF SERIES 2024 BONDS

R-[_____]

\$[_____]

**UNITED STATES OF AMERICA
STATE OF FLORIDA**

**JACKSONVILLE TRANSPORTATION AUTHORITY
SENIOR LIEN LOCAL OPTION GAS TAX REFUNDING REVENUE BONDS,
SERIES 2024**

<u>Date of Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>CUSIP</u>
October __, 2024	[_____]%	[_____, 20__]	[_____]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ **AND**
00/100 DOLLARS

Jacksonville Transportation Authority (the “Issuer”), a body politic and corporate and an agency of the State duly organized and existing under the laws of the State of Florida, hereby promises to pay, but solely from the sources and in the manner hereinafter provided, to CEDE & CO. or registered assigns or legal representative, on the maturity date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof at the designated corporate trust office of Regions Bank (the “Bond Registrar”), the Principal Amount set forth above.

The Issuer also promises to pay, but solely from said sources, interest on this Bond (calculated on the basis of a 360-day year consisting of twelve 30-day months) from the interest payment date next preceding the date on which it is authenticated, unless it is authenticated on an interest payment date, in which event it shall bear interest from such interest payment date, payable on February 1 and August 1 of each year, beginning [February 1, 2025], at the rate per annum set forth above until the principal sum hereof is paid. The interest so payable and punctually paid or duly provided for on any interest payment date will be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date (as defined in the Master Trust Agreement hereafter mentioned) for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date (as defined in the Master Trust Agreement) for the payment of such defaulted interest to be fixed by the Trustee (hereinafter mentioned), notice whereof being given to the registered owners not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Series 2024 Bonds (hereinafter

mentioned) may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Master Trust Agreement. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This Bond is one of a duly authorized series of revenue bonds of the Issuer designated “Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2024” (the “Series 2024 Bonds” or this “Bond”), issued under and pursuant to the Constitution and laws of the State of Florida, including, particularly, the Act (as defined in the Master Trust Agreement), a resolution of the Issuer adopted on September 19, 2024, authorizing the issuance of the Series 2024 Bonds, a Master Trust Agreement, dated as of January 1, 2015 (the “Master Trust Agreement”), between the Issuer and Regions Bank, as trustee (in such capacity, the “Trustee”) and a Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of January 1, 2015 (the “2015 Trust Agreement”), between the Issuer and the Trustee, as supplemented by that certain Second Supplement to Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of October 1, 2024 (the “Second Supplement” and together with the 2015 Trust Agreement, collectively, the “Supplemental Agreement (LOGT)”). The Series 2024 Bonds are being issued for the purpose of providing funds, together with any other available funds, to (a) refund and defease or purchase, including purchase in connection with a tender offer or bond exchange, of all or a portion of the Series 2015 Bonds, and (b) paying certain costs of issuance in connection with the issuance of such the Series 2024 Bonds and the tender, purchase and retirement or exchange of the Purchased 2015 Bonds. Capitalized terms used herein but not defined shall have the respective meanings set forth in the Master Trust Agreement and the Supplemental Agreement (LOGT).

The Series 2024 Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Supplemental Agreement (LOGT). One bond certificate with respect to each date on which the Series 2024 Bonds are stated to mature, in the aggregate principal amount of the Series 2024 Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of The Depository Trust Company (“DTC”), is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2024 Bonds in Authorized Denominations (as defined in the Supplemental Agreement LOGT)), with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal, interest and any redemption premium payments to Beneficial Owners (as defined in the Supplemental Agreement (LOGT)) of the Series 2024 Bonds by participants of DTC will be the responsibility of such participants and other nominees of such Beneficial Owners. The Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. While Cede & Co. is the registered owner of this Bond, notwithstanding the provisions hereinabove contained, payments of principal of or redemption premium, if any, and interest on this Bond shall be made in accordance with the existing arrangements between the Issuer and DTC.

The Series 2024 Bonds are special obligations of the Issuer secured by a pledge, charge and lien upon Pledged Revenues (LOGT) (as defined in the Supplemental Agreement (LOGT)). The Issuer is not obligated to pay the principal of or the interest on the Series 2024 Bonds except

as provided in the Supplemental Agreement (LOGT) from Pledged Revenues (LOGT) or certain other monies made available therefor under the Supplemental Agreement (LOGT), and neither the faith and credit nor the taxing power of the State of Florida or any political subdivision thereof or the Issuer is pledged to the payment of the principal of and the interest on the Series 2024 Bonds. The Master Trust Agreement and Supplemental Agreement (LOGT) provides for the issuance or incurrence from time to time under the conditions, limitations and restrictions therein set forth of Additional Bonds and Senior Lien Parity Debt (as defined in the Master Trust Agreement) secured pari passu as to the pledge of Pledged Revenues (LOGT) with the Series 2024 Bonds. The Series 2024 Bonds are being issued as Additional Bonds which are secured pari passu as to the pledge of Pledged Revenues (LOGT) with the Outstanding Series 2015 Bonds and with the Outstanding Series 2020 Bonds.

Reference is made to the Master Trust Agreement and the Supplemental Agreement (LOGT) for a more complete statement of the provisions thereof and of the rights of the Issuer, the Trustee and the registered owners of the Series 2024 Bonds. Copies of the Master Trust Agreement and the Supplemental Agreement (LOGT) will be available for inspection by any registered owner of the Series 2024 Bonds at all reasonable times at the designated corporate trust office of the Trustee. By the purchase and acceptance of this Bond, the registered owner hereof signifies assent to all of the provisions of the Master Trust Agreement and the Supplemental Agreement (LOGT).

The Master Trust Agreement provides for the creation of a special fund designated “Senior Lien Debt Service Fund” (the “Senior Lien Debt Service Fund”). Pursuant to the Supplemental Agreement (LOGT), special subaccounts have been created within the various accounts of the Senior Lien Debt Service Fund with respect to the Series 2024 Bonds (the “Subaccounts”), which Subaccounts are pledged and charged with the payment of the principal of and the interest on the Series 2024 Bonds. The Supplemental Agreement (LOGT) provides for the deposit of Pledged Revenues (LOGT) to the credit of the Subaccounts to the extent and in the manner provided in the Master Trust Agreement and the Supplemental Agreement (LOGT). The Series 2024 Bonds are also secured by the Series 2024 Bonds Reserve Account (as defined in the Second Supplement).

At the designated corporate trust office of the Bond Registrar, in the manner and subject to the conditions provided in the Master Trust Agreement and the Supplemental Agreement (LOGT), Series 2024 Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate.

The Bond Registrar shall keep at its designated corporate trust office books for the registration of transfer of the Series 2024 Bonds. The transfer of this Bond may be registered only upon such books and as otherwise provided in the Master Trust Agreement and the Supplemental Agreement (LOGT) upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of Authorized Denominations, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

The Series 2024 Bonds are subject to redemption prior to their respective maturities, at the option of the Issuer, in whole or in part on any date on or after August 1, 2034, from any moneys

that may be available for such purpose, at 100% of principal amount of the Series 2024 Bonds to be redeemed, plus accrued interest to the redemption date, all in the manner provided in the Supplemental Agreement (LOGT).

At least thirty (30) days but not more than sixty (60) days prior to the redemption date of any Series 2024 Bonds to be redeemed, whether such redemption is in whole or in part, the Bond Registrar shall cause a notice of any such redemption to be mailed, first class, postage prepaid, to all registered owners of Series 2024 Bonds to be redeemed in whole or in part; provided, that failure to mail any such notice to any registered owner or any defect in such notice shall not affect the validity of the proceedings for such redemption as to the Series 2024 Bonds of any other registered owner to whom such notice is properly given.

On the date designated for redemption, notice having been given as aforesaid, the Series 2024 Bonds or portions thereof so called for redemption shall become due and payable at the redemption price provided for the redemption such Bonds or such portions thereof on such date plus accrued interest to such date.

If less than all of the Series 2024 are to be called for redemption, the Series 2024 Bonds are to be called for redemption, the Series 2024 Bonds to be so redeemed shall be called for redemption in the manner that the Issuer shall determine as set forth in an Officer's Certificate (as defined in the Master Trust Agreement) filed with the Trustee. If less than all the Series 2024 Bonds of any one maturity are called for redemption, the Bond Registrar shall select the Series 2024 Bonds to be redeemed by lot, each \$5,000 portion of principal being counted as one Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2024 Bonds is Cede & Co., such selection shall be made by DTC.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Trustee or Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Series 2024 Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Series 2024 Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest on such Series 2024 Bonds are not received by the Trustee or Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

The registered owner of this Bond shall have no right to enforce the provisions of the Master Trust Agreement or the Supplemental Agreement (LOGT) or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Trust Agreement or Supplemental Agreement (LOGT), or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Master Trust Agreement or Supplemental Agreement (LOGT).

Modifications or alterations of the Supplemental Agreement (LOGT) or in any supplemental Trust Agreement thereto may be made only to the extent and in the circumstances permitted by the Supplemental Agreement (LOGT).

This Bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Master Trust Agreement and the Supplemental Agreement (LOGT), at all times shall be, and shall be understood to be, an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of Florida. This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in connection with the issuance of this Bond and the execution and delivery of the Master Trust Agreement and the Supplemental Agreement (LOGT) have happened, exist and have been performed as so required.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Master Trust Agreement or the Supplemental Agreement (LOGT) until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

[Signature Page Follows]

IN WITNESS WHEREOF, Jacksonville Transportation Authority has issued this Bond and has caused the same to be executed by the manual signature of its Chairman and countersigned and attested by the manual signature of its Secretary, and its official seal to be affixed or reproduced hereon, all as of the Date of Original Issue first indicated above.

**JACKSONVILLE TRANSPORTATION
AUTHORITY**

(SEAL)

Debbie Buckland
Chair

ATTEST:

Aundra Wallace
Secretary of the Issuer Board

CERTIFICATE OF AUTHENTICATION

This Bond is a Bond of the Series designated therein and issued under the provisions of the within mentioned Master Trust Agreement and Supplemental Agreement (LOGT).

REGIONS BANK, as Bond Registrar

By: _____
Authorized Signatory

Date of authentication: October __, 2024

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT -- _____
(Cust)

Custodian for _____
(Minor)

under Uniform Transfers to Minors Act of _____
(State)

Additional abbreviations may also be used though not in list above.

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by the authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned _____ (the “Transferor”) hereby sells, assigns and transfers unto _____ (the “Transferee”)

(PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE)

(Please print or typewrite name and address of Transferee)

the within bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ as attorney to register the transfer of the within bond on the books kept for registration and registration or transfer thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

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APPENDIX C-2

FORM OF THIRD SUPPLEMENT

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**THIRD SUPPLEMENT TO SUPPLEMENTAL TRUST AGREEMENT
(Local Option Gas Tax Revenues)**

*Supplementing that certain Supplemental Trust Agreement
(Local Option Gas Tax Revenues), dated as of January 1, 2015*

Dated as of [May 1], 2025

By and Between

JACKSONVILLE TRANSPORTATION AUTHORITY
as Issuer

and

REGIONS BANK
as Trustee

Authorizing and Securing

Jacksonville Transportation Authority
Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2025

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**THIRD SUPPLEMENT TO SUPPLEMENTAL TRUST AGREEMENT
(Local Option Gas Tax Revenues)**

This **THIRD SUPPLEMENT TO SUPPLEMENTAL TRUST AGREEMENT** (Local Option Gas Tax Revenues), dated as of [May 1], 2025 (this “Third Supplement”), between **JACKSONVILLE TRANSPORTATION AUTHORITY**, a body politic and corporate and an agency of the State of Florida (the “Issuer”), and **REGIONS BANK**, a state banking corporation duly organized and existing under the laws of the State of Alabama and having a designated corporate trust office in Jacksonville, Florida, which is authorized under such laws to exercise trust powers (the “Trustee”),

WITNESSETH:

WHEREAS, the Issuer and the Trustee have previously entered into the Master Trust Agreement, dated as of January 1, 2015 (the “Master Trust Agreement”), providing for the issuance or incurrence thereunder of Senior Lien Bonds, Senior Lien Parity Debt, Subordinate Lien Bonds and Subordinate Lien Parity Debt (as such terms are defined in the Master Trust Agreement), all in accordance with the terms of the Master Trust Agreement, in order to provide funds to finance or refinance, together with other available funds, the cost of acquisition, construction, installation and equipping of the Initial Project and Additional Projects (each, as defined in the Master Trust Agreement), funding related reserves and paying other costs related thereto; and

WHEREAS, the Issuer and the Trustee have previously entered into that certain Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of January 1, 2015 (the “2015 Trust Agreement”), pursuant to which the Issuer’s Senior Lien Local Option Gas Tax Revenue Bonds, Series 2015 Bonds (the “Series 2015 Bonds”) were issued to, among other things, finance a portion of the Costs of the Initial Project; and

WHEREAS, the Issuer and the Trustee have previously entered into that certain First Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of October 1, 2020 (the “2020 Trust Agreement”), pursuant to which the Issuer’s Senior Lien Local Option Gas Tax Revenue Bonds, Series 2020 Bonds (the “Series 2020 Bonds”) were issued to, among other things, finance a portion of certain additional Costs of the Initial Project; and

WHEREAS, the Issuer and the Trustee have previously entered into that certain Second Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of October 1, 2024 (the “2024 Trust Agreement”), pursuant to which the Issuer’s Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2024 (the “Series 2024 Bonds”) were issued to, among other things, pay the tender or purchase price of certain maturities of the Series 2015 Bonds (the “Purchased 2015 Bonds”); and

WHEREAS, capitalized terms used herein but not defined shall have the respective meanings set forth in the Master Trust Agreement and the 2015 Trust Agreement; and

WHEREAS, the Issuer has adopted a resolution authorizing the issuance on a forward delivery basis of its Jacksonville Transportation Authority Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2025 (as more particularly defined in Section 1.01 hereof, the

“Series 2025 Bonds”) as a Series of Additional Bonds and Senior Lien Bonds under the Master Trust Agreement to provide funds, together with other available funds of the Issuer, to: (a) refund and defease all or a portion of the Series 2015 Bonds that were not Purchased 2015 Bonds, and (b) paying certain costs of issuance in connection with the issuance of such the Series 2025 Bonds; and

WHEREAS, the Issuer has determined to enter into this Third Supplement in order to provide for the issuance of the Series 2025 Bonds as Additional Bonds and Senior Lien Bonds under the Master Trust Agreement and set forth the details of the Series 2025 Bonds; and

WHEREAS, the Issuer and the City (as defined in the Master Trust Agreement) have previously entered into the Interlocal Agreement (as defined in the Master Trust Agreement), pursuant to which the Pledged Revenues (LOGT) (defined herein) are remitted to the Issuer in furtherance of the 2015 Trust Agreement, the Second Supplement and this Third Supplement, including without limitation, the payment of the principal of, interest on, and premium, if any, on the Series 2015 Bonds, the Series 2024 Bonds and the Series 2025 Bonds; and

WHEREAS, this Third Supplement supplements the 2015 Trust Agreement and shall constitute a “Series Agreement” for the purposes of the Master Trust Agreement; and

NOW, THEREFORE, THIS THIRD SUPPLEMENT WITNESSETH that in consideration of the premises, of the acceptance by the Trustee of the trusts created pursuant to the 2015 Trust Agreement, as supplemented hereby, and of the issuance of the Series 2025 Bonds as provided herein, and also for and in consideration of the sum of One Dollar in hand paid by the Trustee at or before the execution and delivery of this Third Supplement, and for other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2025 Bonds are to be issued under this Third Supplement, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners thereof, and to secure the payment of all Bonds at any time issued and Outstanding under this Third Supplement and to further secure payment of the Series 2025 Bonds as Senior Lien Bonds, secured on a pari passu basis with the Series 2015 Bonds, the Series 2020 Bonds and the Series 2024 Bonds by the Pledged Revenues (LOGT), and to secure the performance and observance of all the covenants, agreements and conditions, express or implied, therein and herein contained, the Issuer has executed and delivered this Third Supplement, and by this Third Supplement has, subject to the terms hereof, given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set over, and pledged, and does hereby give, grant, bargain, alien, remise, release, convey, transfer, assign, confirm, set over, and pledge unto the Trustee, and its successor or successors in trust, the Trust Estate (LOGT) established for the Series 2015 Bonds issued pursuant to the 2015 Trust Agreement for the equal benefit of the Series 2025 Bonds issued pursuant to this Third Supplement, except as may otherwise be provided for in the Master Trust Agreement and in the 2015 Trust Agreement as supplemented by this Third Supplement;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successor or successors in trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts set forth in the 2015 Trust Agreement, as supplemented by this Third Supplement, for the benefit, security and protection of all and singular the present and future Owners of the Bonds issued or to be issued under and secured by the 2015 Trust Agreement, as supplemented by this Third Supplement, and the Owners of any Bonds or the Holders of any Parity Debt secured by the Trust Estate (LOGT), without preference, priority or distinction as to lien or otherwise, except as may otherwise be provided for in the Master Trust Agreement and in the 2015 Trust Agreement, as supplemented by this Third Supplement;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or provide for the payment, pursuant to the provisions of this Third Supplement, of the principal of all Series 2025 Bonds and Parity Debt, and the interest and any redemption premium due or to become due thereon, at the times and in the manner mentioned therein and in this Third Supplement, according to the true intent and meaning hereof and thereof, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions thereof and hereof and perform all of its other obligations thereunder and hereunder, then, upon such performance and payments, this Third Supplement and the rights hereby granted shall cease, determine and become void, as provided herein; otherwise this Third Supplement shall be and remain in full force and effect.

THIS THIRD SUPPLEMENT FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder and any Parity Debt secured hereunder are to be issued, authenticated, delivered and dealt with, and all said property hereby given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set over and pledged is to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of such Bonds and the Holders of such Parity Debt secured under this Third Supplement, as follows:

ARTICLE I DEFINITIONS

SECTION 1.01 MEANING OF WORDS AND TERMS. Unless otherwise required by the context, words and terms used herein which are defined in the Master Trust Agreement and the 2015 Trust Agreement shall have the meanings assigned to them therein, and the following words and terms shall have the following meanings:

“Authorized Denominations” means, with respect to the Series 2025 Bonds, \$5,000 and any integral multiple in excess thereof.

“Bond Year” means the period commencing on October 1 of any year and ending on September 30 of the following year; provided, that the first Bond Year shall begin on the date of issuance of the Series 2025 Bonds.

“Escrow Deposit Agreement” means that certain Escrow Deposit Agreement, to be dated as of the issuance date of the Series 2025 Bonds, by and between the Issuer and the Trustee, in its capacity as Escrow Agent, the form of which is attached hereto as **Exhibit B**.

“Interest Payment Date” means, with respect to the Series 2025 Bonds, each February 1 and August 1, commencing [August 1], 2025.

“Series 2025 Bonds” means the Jacksonville Transportation Authority Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2025, issued pursuant to the Master Trust Agreement and the 2015 Trust Agreement, as supplemented by this Third Supplement. The Series 2025 Bonds are “Senior Lien Bonds” and “Current Interest Bonds,” as such terms are defined in the Master Trust Agreement.

“Series 2025 Bonds Cost of Issuance Account” means the account created and so designated by Section 4.01 hereof.

“Series 2025 Subaccount of the Interest Account” means the subaccount created and so designated by Section 4.01 hereof.

“Series 2025 Subaccount of the Principal Account” means the subaccount created and so designated by Section 4.01 hereof.

“Series 2025 Subaccount of the Rebate Account (LOGT)” means the subaccount created and so designated by Section 4.01 hereof.

“Series 2025 Subaccount of the Redemption Account” means the subaccount created and so designated by Section 4.01 hereof.

“Series 2025 Subaccount of the Sinking Fund Account” means the subaccount created and so designated by Section 4.01 hereof.

“Trust Estate (LOGT)” shall have the meaning set forth in the 2015 Trust Agreement and shall additionally include the amounts deposited into the Subaccounts and Accounts established under Section 4.01(a) and (c) hereof.

SECTION 1.02 RULES OF CONSTRUCTION. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number. References herein to particular articles or sections are references to articles or sections of this Third Supplement unless some other reference is indicated.

ARTICLE II
AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND
REGISTRATION OF THE SERIES 2025 BONDS

SECTION 2.01 AUTHORIZATION AND ISSUANCE OF THE SERIES 2025 BONDS. For the purpose of providing funds, together with any other available funds of the Issuer, to: (a) refund and defease all or a portion of certain maturities of the Series 2015 Bonds, and (b)

paying certain costs of issuance in connection with the issuance of such the Series 2025 Bonds and the redemption of the Series 2015 Bonds, there shall be issued on a forward delivery basis, under and pursuant to the Constitution and the laws of the State, including the Act, the Master Trust Agreement and the 2015 Trust Agreement, as supplemented by this Third Supplement, a Series of fixed rate, Current Interest Bonds of the Issuer designated “Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2025 “ in the aggregate principal amount of \$_____.

Regions Bank, with a designated office located in Jacksonville, Florida, is hereby appointed Trustee, Depository and Bond Registrar for the Series 2025 Bonds under this Third Supplement.

SECTION 2.02 FORM OF SERIES 2025 BONDS. The definitive Series 2025 Bonds are issuable in fully registered form in Authorized Denominations, shall be lettered “R-” and shall be numbered from 1 consecutively upward. The definitive Series 2025 Bonds shall be substantially in the form set forth in Exhibit A attached hereto, with such appropriate variations, omissions and insertions as are permitted or required by the Master Trust Agreement and the 2015 Trust Agreement, as supplemented by this Third Supplement.

SECTION 2.03 DETAILS OF SERIES 2025 BONDS. (a) The Series 2025 Bonds shall be dated the date of delivery thereof, shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months) until payment of such interest to the maturity thereof, or upon earlier redemption, being payable semiannually on each February 1 and August 1, beginning August 1, 2025 and shall be stated to mature on August 1 (subject to the right of prior redemption), as follows:

<u>Year of Maturity (August 1.)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(b) The Series 2025 Bonds shall be issued by means of a book-entry system with no physical distribution of bond certificates to be made except as hereinafter provided. One bond certificate with respect to each date on which the Series 2025 Bonds are stated to mature, in the aggregate principal amount of the Series 2025 Bonds stated to mature on such date and registered

in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), will be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2025 Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of and any redemption premium on each Series 2025 Bond and interest with respect thereto shall be payable to Cede & Co. or any other person appearing on the registration books of the Issuer as the registered Owner of such Series 2025 Bond or its registered assigns or legal representatives. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to Beneficial Owners of the Series 2025 Bonds by participants of DTC will be the responsibility of such participants and other nominees of such Beneficial Owners. The Issuer, the Bond Registrar and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as Securities Depository for the Series 2025 Bonds or (b) the Issuer determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2025 Bonds would adversely affect the interests of the Beneficial Owners of the Series 2025 Bonds, the Issuer will discontinue the book-entry system with DTC. If the Issuer identifies another qualified Securities Depository to replace DTC, the Issuer will make arrangements with DTC and such other Securities Depository to effect such replacement and deliver replacement bonds registered in the name of such other Securities Depository or its Securities Depository Nominee in exchange for the outstanding Series 2025 Bonds, and the references to DTC or Cede & Co. in this Third Supplement shall thereupon be deemed to mean such other Securities Depository or its Securities Depository Nominee. If the Issuer fails to identify another qualified Securities Depository to replace DTC, the Issuer will deliver replacement bonds in the form of fully registered certificates in the denomination of \$5,000 or any whole multiple thereof in exchange for the outstanding Series 2025 Bonds as required by DTC.

SECTION 2.04 TERMS AND CONDITIONS FOR ISSUANCE OF THE SERIES 2025 BONDS. The Series 2025 Bonds shall be executed substantially in the form set forth in Exhibit A attached hereto and in the manner set forth in the 2015 Trust Agreement, as supplemented by this Third Supplement, and shall be deposited with the Bond Registrar for authentication and delivery to the purchasers thereof, but only upon the deposit with the Trustee of the purchase price of the Series 2025 Bonds.

Simultaneously with the Closing and the deposit of the proceeds of the Series 2025 Bonds with the Trustee, the Trustee shall apply the proceeds in the amount of \$_____ (representing \$_____, the aggregate principal amount of the Series 2025 Bonds, [plus original issue premium on the Series 2025 Bonds of \$_____] [less original issue discount on the Series 2025 Bonds of \$_____] and less an underwriters' discount of \$_____), as directed by the Issuer in an Officer's Certificate or Closing Memorandum delivered to the Trustee simultaneously with the issuance of the Series 2025 Bonds.

**ARTICLE III
REDEMPTION OF SERIES 2025 BONDS**

SECTION 3.01 REDEMPTION OF SERIES 2025 BONDS.

(a) The Series 2025 Bonds shall not be subject to prior redemption except as provided in this Article III, and as provided in Article III of the Master Trust Agreement.

(b) The Series 2025 Bonds are subject to redemption prior to their respective maturities, at the option of the Issuer, from any moneys that may be available for such purpose, either in whole or in part on any date on or after [August 1, 2035], at 100% of the principal amount of Series 2025 Bonds to be redeemed, plus accrued interest to the redemption date.

SECTION 3.02 SELECTION OF SERIES 2025 BONDS FOR REDEMPTION.

The provisions of Section 3.02 of the 2015 Trust Agreement shall apply to this Third Supplement; provided, however, that, where applicable, references to the Series 2015 Bonds in Section 3.02 of the 2015 Trust Agreement shall, as applicable, also refer to the Series 2025 Bonds.

SECTION 3.03 REDEMPTION NOTICE. The provisions of Section 3.03 of the 2015 Trust Agreement shall apply to this Third Supplement; provided, however, that, where applicable, references to the Series 2015 Bonds in Section 3.03 of the 2015 Trust Agreement shall, as applicable, also refer to the Series 2025 Bonds.

**ARTICLE IV
FUNDS, ACCOUNTS, SUBACCOUNTS, REVENUES AND FUNDS**

SECTION 4.01 ESTABLISHMENT OF FUNDS, ACCOUNTS AND SUBACCOUNTS WITH RESPECT TO THE SERIES 2025 BONDS. In addition to the applicable Funds and Accounts established under the Master Trust Agreement and the 2015 Trust Agreement and applicable to the Series 2025 Bonds, the following Accounts and Subaccounts are hereby established in connection with this Third Supplement and the Series 2025 Bonds:

- (a) [reserved]
- (b) [reserved]
- (c) within the Senior Lien Debt Service Fund:
 - (i) the Series 2025 Subaccount of the Interest Account;
 - (ii) the Series 2025 Subaccount of the Principal Account; and
 - (iii) the Series 2025 Subaccount of the Redemption Account;
- (d) the Series 2025 Subaccount of the Rebate Account (LOGT); and
- (e) the Series 2025 Bonds Cost of Issuance Account.

The Accounts and Subaccounts referenced above shall be established with and held by the Trustee pursuant to the Master Trust Agreement and the 2015 Trust Agreement, as supplemented by this Third Supplement.

SECTION 4.02 APPLICATION OF PLEDGED REVENUES (LOGT); SERIES 2025 BONDS PROJECT ACCOUNT. (a) The provisions of Section 4.02(a) of the 2015 Trust Agreement with respect to the receipt and transfer of all Pledged Revenues (LOGT) shall continue to apply during any period that Series 2025 Bonds issued under this Third Supplement remain Outstanding. In addition to the deposits required by the 2015 Trust Agreement, the Trustee shall also deposit or cause to be deposited, from Pledged Revenues (LOGT) held in the Local Option Gas Tax Account of the Supplemental Revenue Fund, to the various Subaccounts and the Account specified in Section 4.01(c) above, and to Persons entitled thereto as specified in Section 5.03 of the Master Trust Agreement, in the amounts, the order of priority and at such times as provided by Section 5.03 of the Master Trust Agreement.

(b) Simultaneously with the Closing for the Series 2025 Bonds, the Issuer has caused to be deposited proceeds of the Series 2025 Bonds in the amount of \$_____ with the Trustee, in its capacity as Escrow Agent under the Escrow Deposit Agreement, and to the Series 2025 Bonds Cost of Issuance Account, proceeds of the Series 2025 Bonds in the amount of \$_____. Amounts deposited with the Trustee in its capacity as Escrow Agent under the Escrow Deposit Agreement shall be applied in accordance with the terms of the Escrow Deposit Agreement. Amounts on deposit in Series 2025 Bonds Cost of Issuance Account will be disbursed in accordance with Section 4.07 hereof. Excess amounts remaining on deposit in the Series 2025 Bonds Cost of Issuance Account shall be transferred to the Series 2025 Subaccount of the Interest Account and applied in accordance with Section 5.04 of the Master Trust Agreement.

SECTION 4.03 [RESERVED].

SECTION 4.04 APPLICATION OF MONEY IN THE SERIES 2025 SUBACCOUNT OF THE REDEMPTION ACCOUNT. The Trustee shall apply money in the Series 2025 Subaccount of the Redemption Account to the purchase or redemption of Series 2025 Bonds as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the Trustee shall endeavor to purchase and cancel Series 2025 Bonds or portions thereof, regardless of whether such Bonds or portions thereof are then subject to redemption, at the direction of an Authorized Officer; provided, that the purchase price of each Series 2025 Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such Series 2025 Bond under the provisions of the Series 2025 Subaccount of the Redemption Account. The Trustee shall pay the interest accrued on such Bonds or portions thereof to the date of settlement from the Series 2025 Subaccount of the Interest Account and the purchase price from the Series 2025 Subaccount of the Redemption Account, but no such purchase shall be made by the Trustee from money in the Series 2025 Subaccount of the Redemption Account within the period of forty-five (45) days immediately preceding any date on which such Series 2025 Bonds or portions thereof are to be redeemed.

(b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call for redemption on a date permitted by this Third Supplement such amount of Series 2025 Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Series 2025 Subaccount of the Redemption Account as nearly as may be practicable; provided, however, that not less than an Authorized Denomination shall be called for redemption at any one time. The Trustee shall pay the accrued interest on the Series 2025 Bonds or portions thereof to be redeemed to the date of redemption from the Series 2025 Subaccount of the Interest Account and the Redemption Price of such Bonds or portions thereof from the Series 2025 Subaccount of the Redemption Account. The Trustee shall withdraw from the Series 2025 Subaccount of the Redemption Account and set aside the respective amounts required to pay the Redemption Price of the Series 2025 Bonds or portions thereof so called for redemption.

(c) Money in the Series 2025 Subaccount of the Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Series 2025 Bonds then Outstanding in accordance with the latest Officer's Certificate filed with the Trustee designating the Series 2025 Bonds to be redeemed. In the event no such certificate is filed (i) the Trustee shall apply such money to the purchase of Series 2025 Bonds bearing the highest rate of interest, and (ii) if Series 2025 Bonds of more than one maturity bear the same interest rate, the Trustee shall redeem such Series 2025 Bonds in the inverse order of maturities.

Upon the retirement of any Series 2025 Bonds by purchase or redemption, pursuant to the provisions of this Section, the Trustee upon request shall file with the Issuer a statement identifying such Series 2025 Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Bonds and the amount paid as interest thereon. The expenses incurred by the Trustee in connection with the purchase or redemption of any such Series 2025 Bonds shall be paid by the Issuer from the Local Option Gas Tax Account of the Supplemental Revenue Fund or from any other available moneys.

SECTION 4.05 PAYMENT OF PRINCIPAL, INTEREST AND PREMIUM AND PLEDGE OF PLEDGED REVENUES (LOGT). The Issuer covenants that it will promptly pay the principal of, and the interest on every Series 2025 Bond issued under the provisions of the 2015 Trust Agreement, as supplemented by this Third Supplement, at the places, on the dates and in the manner provided herein and in said Series 2025 Bonds, and any premium required for the retirement of said Series 2025 Bonds by purchase or redemption, according to the true intent and meaning thereof. The Issuer further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in the 2015 Trust Agreement, as supplemented by this Third Supplement and in the Master Trust Agreement, or in any Series 2025 Bond executed, authenticated and delivered hereunder or in any proceedings of the Issuer pertaining thereto. The Issuer represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Series 2025 Bonds authorized hereby and to pledge the Pledged Revenues (LOGT) in the manner and to the extent herein, in the Interlocal Agreement and in the Master Trust Agreement set forth; that all action on its part for the issuance of the Series 2025 Bonds has been duly and effectively taken; and that such Series 2025 Bonds in the hands of the Owners thereof are and will be valid and binding special obligations of the Issuer payable according to their terms.

SECTION 4.06 APPLICATION OF MONEY IN THE SERIES 2025 SUBACCOUNT OF THE REBATE ACCOUNT (LOGT). Amounts on deposit in the Series 2025 Subaccount of the Rebate Account (LOGT) established hereunder shall be applied as described in Section 5.08 of the 2015 Trust Agreement. Amounts deposited into the Rebate Account (LOGT) and the subaccounts therein (including the Series 2025 Subaccount) shall not constitute part of the Trust Estate (LOGT).

SECTION 4.07 APPLICATION OF MONEY IN THE SERIES 2025 BONDS COST OF ISSUANCE ACCOUNT. Amounts on deposit in the Series 2025 Bonds Cost of Issuance Account shall be applied by the Trustee to pay certain costs of issuance related to the Series 2025 Bonds and the refunding of the Series 2015 Bonds described herein in accordance with the written direction of the Issuer.

**ARTICLE V
COVENANTS**

The provisions of Article V of the 2015 Trust Agreement shall apply to this Third Supplement; provided, however, that, where applicable, references to the Series 2015 Bonds in Article V of the 2015 Trust Agreement shall, as applicable, also refer to the Series 2025 Bonds and references to the 2015 Trust Agreement shall also refer to this Third Supplement.

**ARTICLE VI
SUPPLEMENTAL TRUST AGREEMENTS**

The provisions of Article VI of the 2015 Trust Agreement shall apply to this Third Supplement; provided, however, that, where applicable, references to the Series 2015 Bonds in Article VI of the 2015 Trust Agreement shall, as applicable, also refer to the Series 2025 Bonds and references to the 2015 Trust Agreement shall also refer to this Third Supplement.

**ARTICLE VII
MISCELLANEOUS PROVISIONS**

The provisions of Article VII of the 2015 Trust Agreement shall apply to this Third Supplement; provided, however, that, where applicable, references to the Series 2015 Bonds in Article VII of the 2015 Trust Agreement shall, as applicable, also refer to the Series 2025 Bonds and references to the 2015 Trust Agreement shall also refer to this Third Supplement. Except as otherwise modified or amended by this Third Supplement, the remaining terms and provisions of the 2015 Trust Agreement shall remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Third Supplement to be executed in their respective names by their respective duly authorized representatives all as of the date first written above.

**JACKSONVILLE TRANSPORTATION
AUTHORITY**

Debbie Buckland
Chair

ATTEST:

Aundra Wallace
Secretary of the Issuer Board

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Third Supplement to be executed in their respective names by their respective duly authorized representatives all as of the date first written above.

REGIONS BANK, as Trustee

Craig Kaye
Vice President

EXHIBIT A

FORM OF SERIES 2025 BONDS

R-[_____]

\$[_____]

**UNITED STATES OF AMERICA
STATE OF FLORIDA**

**JACKSONVILLE TRANSPORTATION AUTHORITY
SENIOR LIEN LOCAL OPTION GAS TAX REFUNDING REVENUE BONDS,
SERIES 2025**

<u>Date of Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>CUSIP</u>
October __, 2024	[_____]%	[_____, 20__]	[_____]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ **AND**
00/100 DOLLARS

Jacksonville Transportation Authority (the “Issuer”), a body politic and corporate and an agency of the State duly organized and existing under the laws of the State of Florida, hereby promises to pay, but solely from the sources and in the manner hereinafter provided, to CEDE & CO. or registered assigns or legal representative, on the maturity date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof at the designated corporate trust office of Regions Bank (the “Bond Registrar”), the Principal Amount set forth above.

The Issuer also promises to pay, but solely from said sources, interest on this Bond (calculated on the basis of a 360-day year consisting of twelve 30-day months) from the interest payment date next preceding the date on which it is authenticated, unless it is authenticated on an interest payment date, in which event it shall bear interest from such interest payment date, payable on February 1 and August 1 of each year, beginning February 1, 2025, at the rate per annum set forth above until the principal sum hereof is paid. The interest so payable and punctually paid or duly provided for on any interest payment date will be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date (as defined in the Master Trust Agreement hereafter mentioned) for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date (as defined in the Master Trust Agreement) for the payment of such defaulted interest to be fixed by the Trustee (hereinafter mentioned), notice whereof being given to the registered owners not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Series 2025 Bonds (hereinafter

mentioned) may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Master Trust Agreement. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This Bond is one of a duly authorized series of revenue bonds of the Issuer designated “Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2025” (the “Series 2025 Bonds” or this “Bond”), issued under and pursuant to the Constitution and laws of the State of Florida, including, particularly, the Act (as defined in the Master Trust Agreement), a resolution of the Issuer adopted on September 19, 2024, authorizing the issuance of the Series 2025 Bonds, a Master Trust Agreement, dated as of January 1, 2015 (the “Master Trust Agreement”), between the Issuer and Regions Bank, as trustee (in such capacity, the “Trustee”) and a Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of January 1, 2015 (the “2015 Trust Agreement”), between the Issuer and the Trustee, as supplemented by that certain Third Supplement to Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of October 1, 2024 (the “Third Supplement” and together with the 2015 Trust Agreement, collectively, the “Supplemental Agreement (LOGT)”). The Series 2025 Bonds are being issued for the purpose of providing funds, together with any other available funds, to (a) refund and defease those certain Series 2015 Bonds which do not constitute Purchased 2015 Bonds, and (b) paying certain costs of issuance in connection with the issuance of such the Series 2025 Bonds and the refunding and defeasance of certain Series 2015 Bonds. Capitalized terms used herein but not defined shall have the respective meanings set forth in the Master Trust Agreement and the Supplemental Agreement (LOGT).

The Series 2025 Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Supplemental Agreement (LOGT). One bond certificate with respect to each date on which the Series 2025 Bonds are stated to mature, in the aggregate principal amount of the Series 2025 Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of The Depository Trust Company (“DTC”), is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2025 Bonds in Authorized Denominations (as defined in the Supplemental Agreement LOGT)), with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal, interest and any redemption premium payments to Beneficial Owners (as defined in the Supplemental Agreement (LOGT)) of the Series 2025 Bonds by participants of DTC will be the responsibility of such participants and other nominees of such Beneficial Owners. The Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. While Cede & Co. is the registered owner of this Bond, notwithstanding the provisions hereinabove contained, payments of principal of or redemption premium, if any, and interest on this Bond shall be made in accordance with the existing arrangements between the Issuer and DTC.

The Series 2025 Bonds are special obligations of the Issuer secured by a pledge, charge and lien upon Pledged Revenues (LOGT) (as defined in the Supplemental Agreement (LOGT)). The Issuer is not obligated to pay the principal of or the interest on the Series 2025 Bonds except as provided in the Supplemental Agreement (LOGT) from Pledged Revenues (LOGT) or certain

other monies made available therefor under the Supplemental Agreement (LOGT), and neither the faith and credit nor the taxing power of the State of Florida or any political subdivision thereof or the Issuer is pledged to the payment of the principal of and the interest on the Series 2025 Bonds. The Master Trust Agreement and Supplemental Agreement (LOGT) provides for the issuance or incurrence from time to time under the conditions, limitations and restrictions therein set forth of Additional Bonds and Senior Lien Parity Debt (as defined in the Master Trust Agreement) secured pari passu as to the pledge of Pledged Revenues (LOGT) with the Series 2025 Bonds. The Series 2025 Bonds are being issued as Additional Bonds which are secured pari passu as to the pledge of Pledged Revenues (LOGT) with the Outstanding Series 2015 Bonds and with the Outstanding Series 2020 Bonds.

Reference is made to the Master Trust Agreement and the Supplemental Agreement (LOGT) for a more complete statement of the provisions thereof and of the rights of the Issuer, the Trustee and the registered owners of the Series 2025 Bonds. Copies of the Master Trust Agreement and the Supplemental Agreement (LOGT) will be available for inspection by any registered owner of the Series 2025 Bonds at all reasonable times at the designated corporate trust office of the Trustee. By the purchase and acceptance of this Bond, the registered owner hereof signifies assent to all of the provisions of the Master Trust Agreement and the Supplemental Agreement (LOGT).

The Master Trust Agreement provides for the creation of a special fund designated “Senior Lien Debt Service Fund” (the “Senior Lien Debt Service Fund”). Pursuant to the Supplemental Agreement (LOGT), special subaccounts have been created within the various accounts of the Senior Lien Debt Service Fund with respect to the Series 2025 Bonds (the “Subaccounts”), which Subaccounts are pledged and charged with the payment of the principal of and the interest on the Series 2025 Bonds. The Supplemental Agreement (LOGT) provides for the deposit of Pledged Revenues (LOGT) to the credit of the Subaccounts to the extent and in the manner provided in the Master Trust Agreement and the Supplemental Agreement (LOGT). The Series 2025 Bonds are also secured by the Series 2025 Bonds Reserve Account (as defined in the Third Supplement).

At the designated corporate trust office of the Bond Registrar, in the manner and subject to the conditions provided in the Master Trust Agreement and the Supplemental Agreement (LOGT), Series 2025 Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate.

The Bond Registrar shall keep at its designated corporate trust office books for the registration of transfer of the Series 2025 Bonds. The transfer of this Bond may be registered only upon such books and as otherwise provided in the Master Trust Agreement and the Supplemental Agreement (LOGT) upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of Authorized Denominations, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

The Series 2025 Bonds are subject to redemption prior to their respective maturities, at the option of the Issuer, in whole or in part on any date on or after August 1, 2034, from any moneys that may be available for such purpose, at 100% of principal amount of the Series 2025 Bonds to

be redeemed, plus accrued interest to the redemption date, all in the manner provided in the Supplemental Agreement (LOGT).

At least thirty (30) days but not more than sixty (60) days prior to the redemption date of any Series 2025 Bonds to be redeemed, whether such redemption is in whole or in part, the Bond Registrar shall cause a notice of any such redemption to be mailed, first class, postage prepaid, to all registered owners of Series 2025 Bonds to be redeemed in whole or in part; provided, that failure to mail any such notice to any registered owner or any defect in such notice shall not affect the validity of the proceedings for such redemption as to the Series 2025 Bonds of any other registered owner to whom such notice is properly given.

On the date designated for redemption, notice having been given as aforesaid, the Series 2025 Bonds or portions thereof so called for redemption shall become due and payable at the redemption price provided for the redemption such Bonds or such portions thereof on such date plus accrued interest to such date.

If less than all of the Series 2025 are to be called for redemption, the Series 2025 Bonds are to be called for redemption, the Series 2025 Bonds to be so redeemed shall be called for redemption in the manner that the Issuer shall determine as set forth in an Officer's Certificate (as defined in the Master Trust Agreement) filed with the Trustee. If less than all the Series 2025 Bonds of any one maturity are called for redemption, the Bond Registrar shall select the Series 2025 Bonds to be redeemed by lot, each \$5,000 portion of principal being counted as one Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2025 Bonds is Cede & Co., such selection shall be made by DTC.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Trustee or Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Series 2025 Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Series 2025 Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest on such Series 2025 Bonds are not received by the Trustee or Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

The registered owner of this Bond shall have no right to enforce the provisions of the Master Trust Agreement or the Supplemental Agreement (LOGT) or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Trust Agreement or Supplemental Agreement (LOGT), or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Master Trust Agreement or Supplemental Agreement (LOGT).

Modifications or alterations of the Supplemental Agreement (LOGT) or in any supplemental Trust Agreement thereto may be made only to the extent and in the circumstances permitted by the Supplemental Agreement (LOGT).

This Bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Master Trust Agreement and the Supplemental Agreement (LOGT), at all times shall be, and shall be understood to be, an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of Florida. This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in connection with the issuance of this Bond and the execution and delivery of the Master Trust Agreement and the Supplemental Agreement (LOGT) have happened, exist and have been performed as so required.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Master Trust Agreement or the Supplemental Agreement (LOGT) until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

[Signature Page Follows]

IN WITNESS WHEREOF, Jacksonville Transportation Authority has issued this Bond and has caused the same to be executed by the manual signature of its Chairman and countersigned and attested by the manual signature of its Secretary, and its official seal to be affixed or reproduced hereon, all as of the Date of Original Issue first indicated above.

**JACKSONVILLE TRANSPORTATION
AUTHORITY**

(SEAL)

Debbie Buckland
Chair

ATTEST:

Aundra Wallace
Secretary of the Issuer Board

CERTIFICATE OF AUTHENTICATION

This Bond is a Bond of the Series designated therein and issued under the provisions of the within mentioned Master Trust Agreement and Supplemental Agreement (LOGT).

REGIONS BANK, as Bond Registrar

By: _____
Authorized Signatory

Date of authentication: October __, 2024

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT -- _____
(Cust)

Custodian for _____
(Minor)

under Uniform Transfers to Minors Act of _____
(State)

Additional abbreviations may also be used though not in list above.

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by the authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned _____ (the “Transferor”) hereby sells, assigns and transfers unto _____ (the “Transferee”)

(PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE)

(Please print or typewrite name and address of Transferee)

the within bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ as attorney to register the transfer of the within bond on the books kept for registration and registration or transfer thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

EXHIBIT B
FORM OF ESCROW DEPOSIT AGREEMENT

See Attached

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT (this “Agreement”), dated as of May __, 2025, is entered into by and between the **JACKSONVILLE TRANSPORTATION AUTHORITY** (the “Authority”) and **REGIONS BANK**, a state banking corporation duly organized and existing under the laws of the State of Alabama and having a designated corporate trust office in Jacksonville, Florida (the “Escrow Agent”).

WITNESSETH:

WHEREAS, the Authority and the Escrow Agent, in its capacity as Trustee, have previously entered into the Master Trust Agreement, dated as of January 1, 2015 (the “Master Trust Agreement”) and have further previously entered into that certain Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of January 1, 2015 (the “2015 Trust Agreement,” and together with the Master Trust Agreement, the “Bond Trust Agreement”), pursuant to which the Issuer’s Senior Lien Local Option Gas Tax Revenue Bonds, Series 2015 Bonds (the “Series 2015 Bonds”); and

WHEREAS, the Authority has adopted a resolution authorizing the issuance on a forward delivery basis of its Jacksonville Transportation Authority Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2025 (the “Series 2025 Bonds”) as a Series of Additional Bonds under the Master Trust Agreement to provide funds, together with other available funds of the Issuer, to: (a) refund and defease certain maturities of the Series 2015 Bonds set forth in the attached **Schedule “A”** (the “Defeased Bonds”) and (b) paying certain costs of issuance in connection with the issuance of such the Series 2025 Bonds and the redemption of the Series 2015 Bonds; and

WHEREAS, the Authority has determined to defease the Defeased Bonds and the Master Trust Agreement provides that the Defeased Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the Master Trust Agreement upon compliance by the Authority with the provisions of Section 12.01 of the Master Trust Agreement, which provisions of the Master Trust Agreement the Authority hereby represents have not been amended or supplemented; and

WHEREAS, the Authority has determined to use legally available moneys which will be invested in Defeasance Obligations (as defined in the Master Trust Agreement) or otherwise held as uninvested cash deposited into the Escrow Deposit Fund (defined below), together with legally available moneys, if any, in order to provide for the discharge and satisfaction of the pledge, lien and other obligations of the Authority under the Bond Trust Agreement in regard to such Defeased Bonds; and

WHEREAS, the deposit of a portion of the legally available moneys into the Escrow Deposit Fund to be held by the Escrow Agent and the discharge and satisfaction of the pledge, lien and other obligations of the Authority under the Bond Trust Agreement in regard to the Defeased Bonds shall occur as a simultaneous transaction; and

WHEREAS, this Agreement is intended to effectuate such simultaneous transaction;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

Recitals. The recitals stated above are true and correct and incorporated herein.

Acknowledgement of Resolution. Receipt of a true and correct copy of the above-mentioned Bond Trust Agreement is hereby acknowledged by the Escrow Agent. The applicable and necessary provisions of the Bond Trust Agreement, and in particular Section 12.01 of the Master Trust Agreement, are incorporated herein by reference. Reference herein to or citation herein of any provisions of the Bond Trust Agreement shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein. Capitalized terms used in this Agreement that are not defined shall have the respective meanings set forth in the Bond Trust Agreement.

Establishment of Escrow Deposit Fund; Escrow Proceeds. There is hereby created and established with the Escrow Agent a special, segregated and irrevocable Escrow Deposit Fund designated as the “Jacksonville Transportation Authority Series 2015 Escrow Deposit Fund” (the “Escrow Deposit Fund”). The Escrow Deposit Fund shall be held in the custody of the Escrow Agent as a trust fund for the benefit of the Holders of the Defeased Bonds separate and apart from other funds of the Authority and the Escrow Agent. The Escrow Agent hereby accepts its appointment as Escrow Agent, has established the Escrow Deposit Fund in accordance with this Agreement, and acknowledges the receipt or transfer of and deposit to the credit of the Escrow Deposit Fund, which deposit the Authority hereby approves, of [the sum of \$_____ in immediately available funds (the “Escrow Funds”). The Escrow Funds consist of \$_____ transferred by the Authority to the Escrow Agent and \$_____ transferred by the Escrow Agent, in its capacity as Trustee for the Series 2016 Bonds, from the Interest Account for the Series 2015 Bonds], all in accordance with the closing memorandum executed by the Authority on the date hereof.

Sufficiency of Escrow Proceeds and Other Moneys. the Authority, based on the Verification Report of _____ (the “Verification Agent”), represents that the principal amounts maturing on the Defeasance Obligations together with the interest to be earned thereon in accordance with their terms (without consideration of any reinvestment of such maturing principal and interest), are sufficient together with the uninvested cash in the Escrow Deposit Fund, if any, available to the Escrow Agent to pay the scheduled amounts of principal and accrued interest due and to become due on the Defeased Bonds between the effective date of this Agreement and the optional redemption thereof, as described in **Schedule “B”** attached hereto. No redemption premium is owed in connection with the redemption of the Defeased Bonds. If the Escrow Funds shall be insufficient to make such redemption payments, the Authority shall timely deposit in the Escrow Deposit Fund, solely from legally available funds of the Authority, such additional amounts as may be required to pay the Defeased Bonds as described in **Schedule “B”** hereto. Notice of any insufficiency shall be given by the Escrow Agent to the Authority as promptly as possible, but not less than five (5) days prior to a scheduled and required payment date, but the Escrow Agent shall in no manner be responsible for the Authority's failure to make such deposits.

Irrevocable Escrow. The deposit of the Escrow Funds and Defeasance Obligations, if any, in the Escrow Deposit Fund shall constitute an irrevocable deposit of Escrow Funds and Defeasance Obligations, if any, in trust with the Escrow Agent solely for the payment of the principal of, plus accrued interest on the Defeased Bonds at such times and amounts as set forth in **Schedule “B”** hereto, and subject to the provisions of Section 8 hereof, the principal of and interest earnings, if any, on such Defeasance Obligations shall be used solely for such purposes.

Redemption of Defeased Bonds. the Authority hereby directs, and the Escrow Agent hereby agrees, that it will undertake the timely transfer of money to Regions Bank, the Trustee and Paying Agent for the Defeased Bonds or any successors or assigns thereto (the “Defeased Bonds Paying Agent”) in accordance with **Schedule “B”** attached hereto, in order to effectuate this Agreement and to redeem the Defeased Bonds in the amounts and at the times provided in said **Schedule “B.”** The liability of the Escrow Agent to make such transfer for the payment of the principal of, plus accrued interest on the Defeased Bonds pursuant to this Agreement shall be limited to the application of the Escrow Funds and Defeasance Obligations, if any, available for such purposes in the Escrow Deposit Fund.

Investments. Money deposited in the Escrow Deposit Fund shall be invested in State and Local Government Securities and other Defeasance Obligations (as defined in the Bond Trust Agreement) (the “Defeasance Obligations”) as described in the attached **Schedule “C”**. In addition, the Escrow Agent may subsequently sell and purchase, on behalf of and for the account of the Authority, Defeasance Obligations upon written direction of the Authority (which direction may be in the form of a resolution of the Authority or written instructions from an Authorized Officer of the Authority, as such term is defined in the Bond Trust Agreement) and where, prior to any such reinvestment or substitution, the Escrow Agent, has received from the Authority the following:

(1) a written opinion by a Verification Agent of recognized standing, appointed by the Authority, to the effect that after such investment, reinvestment or substitution the principal amount of the Defeasance Obligations, together with the interest thereon together with any cash, will be sufficient to pay the Defeased Bonds as described in **Schedule “B”** hereto; and

(2) a written opinion of nationally recognized bond counsel to the effect that (i) such investment will not cause the Defeased Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, its statutory predecessor, as applicable, and the regulations promulgated thereunder or otherwise cause the interest on the Defeased Bonds or the Refunding Bonds to be subject to federal income tax, and (ii) such investment does not violate any resolution of the Authority relating to the Defeased Bonds.

In the event the above-referenced verification concludes that there are surplus moneys in the Escrow Deposit Fund, such surplus moneys shall be immediately released to the Authority. The Escrow Deposit Fund shall continue in effect until the date upon which the Escrow Agent makes the final payment to the Defeased Bonds Paying Agent in an amount sufficient to pay the Defeased Bonds as described in **Schedule “B”** hereto, whereupon the Escrow Agent shall sell or redeem any Defeasance Obligations remaining in the Escrow Deposit Fund, and shall remit to the

Authority the proceeds thereof, together with all other money, if any, then remaining in the Escrow Deposit Fund.

Redemption Notice. the Authority hereby informs the Escrow Agent that it has elected to call the Defeased Bonds for early redemption on the dates and at the prices described on **Schedule “B”**, plus accrued interest to the redemption date and this Escrow Agreement is being entered into subject to the Authority's right to optionally redeem the Defeased Bonds. the Authority hereby directs the Escrow Agent, in its capacity as the Defeased Bonds Paying Agent, to notify the Defeased Bonds Holders of such redemption and provide notice of such redemption of the Defeased Bonds as provided in the Bond Trust Agreement. The form of the Redemption Notice shall be in the respective forms attached hereto as **Schedule “D”**.

Defeasance of Defeased Bonds. Concurrently with the deposit of the Escrow Funds set forth in Section 3 hereof, the Defeased Bonds shall cease to be entitled to any lien, benefit or security under the Bond Trust Agreement, and all covenants, agreements and obligations of the Authority to the holders of the Defeased Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Lien on Escrow Funds and Escrow Securities. The Escrow Deposit Fund hereby created shall be irrevocable and the holders of the Defeased Bonds shall have an express lien on all Escrow Funds and Defeasance Obligations, if any, deposited in the Escrow Deposit Fund pursuant to the terms hereof and the interest earnings thereon, if any, until paid out, used and applied in accordance with this Agreement. Neither the Authority nor the Escrow Agent shall cause or permit any other lien or interest to be imposed upon the Escrow Deposit Fund.

Amendments. This Agreement is made for the benefit of the Authority and the holders from time to time of the Defeased Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders and the written consent of the Escrow Agent, provided, however, that the Authority and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

to cure any ambiguity or formal defect or omission in this Agreement;

to grant, or confer upon, the Escrow Agent for the benefit of the holders of the Defeased Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and

to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section 11, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Defeased Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section 11. Notice of and copies of any revocation, alteration or amendment to this Agreement shall be provided to the rating agencies rating the Refunding Bonds.

Compensation of Escrow Agent; Liability. In consideration of the services rendered by the Escrow Agent under this Agreement, the Authority is simultaneously paying to the Escrow Agent \$[*]; provided, that such fee shall not include any actual and reasonable expenses associated with the performance by the Escrow Agent at the request of the Authority of any extraordinary services hereunder, which are payable by the Authority upon presentation of an invoice therefor from the Escrow Agent. The Escrow Agent shall have no lien whatsoever upon any of the Escrow Funds or Defeasance Obligations, if any, in the Escrow Deposit Fund for the payment of such proper fees and expenses. the Authority further agrees to indemnify and save the Escrow Agent harmless, to the extent allowed by law, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or willful misconduct. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action; provided however, that the Escrow Agent shall be responsible for such loss or damage caused by its gross negligence.

Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Authority. The Escrow Agent may conclusively rely, as to the correctness of statements, conclusions and opinions therein, upon any certificate, report, opinion or other document furnished to the Escrow Agent pursuant to any provision of this Agreement; the Escrow Agent shall be protected and shall not be liable for acting or proceeding, in good faith, upon such reliance, except for Escrow Agent's gross negligence; and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Escrow Agent may execute any of its powers and perform its duties hereunder directly or through agents or attorneys and may, consult with counsel, accountants and other skilled persons to be selected and retained by it. The Escrow Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons, except for Escrow Agent's gross negligence. In no event shall the Escrow Agent be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond the Escrow Agent's control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations or the like which restrict or prohibit the providing of the services contemplated by this Escrow Agreement, inability to obtain material, equipment, or communications or computer facilities, or the failure of equipment or interruption of communications or computer facilities, and other causes beyond the Escrow Agent's control whether or not of the same class or kind as specifically named above.

Resignation or Removal of Escrow Agent. The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations hereby created by giving not less than thirty (30) days' written notice to the Authority and mailing notice thereof, specifying the date when such resignation will take effect to the holders of all Defeased Bonds then outstanding, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of a majority in aggregate principal amount of the Defeased Bonds then outstanding or by the Authority as hereinafter provided and such successor Escrow

Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and to the Authority and signed by the holders of a majority in aggregate principal amount of the Defeased Bonds then outstanding.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of a majority in aggregate principal amount of the Defeased Bonds then outstanding by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the Authority shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in aggregate principal amount of the Defeased Bonds then outstanding in the manner above provided, and any such temporary Escrow Agent so appointed by the Authority shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the Authority pursuant to the foregoing provisions of this Section 13 within thirty (30) days after written notice of resignation of the Escrow Agent has been given to the Authority, the holder of any of the Defeased Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers organized under the banking laws of the United States or any state, and shall have at the time of appointment capital and surplus of not less than \$50,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Authority an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, and trusts, of its predecessor; but such predecessor shall nevertheless, on the written request of such successor Escrow Agent or the Authority execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Escrow Agent shall be paid in full. Should any transfer, assignment or instrument in writing from the Authority be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, properties, rights, powers and trusts hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

Any corporation into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or transfers all or substantially all of its corporate trust business to, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Agent or any successor to it shall be a party shall be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

In the event the Escrow Agent resigns or is removed pursuant to the provisions hereof, the total fee paid to the Escrow Agent as provided in Section 12 hereof shall be prorated on a straight line basis from the date hereof until the final payment is scheduled to be made for the Defeased Bonds, and the unearned portion of such fee shall be rebated and returned to the Authority.

Termination. This Agreement, except for Section 12 hereof, shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made. Upon such termination, all moneys remaining in the Escrow Deposit Fund shall be released to the Authority.

Governing Law. This Agreement shall be governed by the applicable laws of the State of Florida.

Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

Insurer/Third-Party Beneficiary. The Insurer shall be a third-party beneficiary hereof.

Notices. Any notice, authorization, request or demand required or permitted to be given in accordance with the terms of this Agreement shall be in writing and sent by registered or certified mail addressed to:

Jacksonville Transportation Authority
100 LaVilla Center Drive
Jacksonville, Florida 32204
Attention: Raj Srinath, Chief Financial Officer

Regions Bank, as Escrow Agent
10245 Centurion Parkway, 2nd Floor
Jacksonville, Florida 32256
Attention: Craig Kaye

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers and appointed officials and their seals to be hereunder affixed and attested as of the date first above written.

**JACKSONVILLE
TRANSPORTATION AUTHORITY**

By: _____
Raj Srinath
Chief Financial Officer

[Signature Page | Escrow Deposit Agreement]

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers and appointed officials and their seals to be hereunder affixed and attested as of the date first above written.

REGIONS BANK

By: _____
Craig Kaye, Vice President/
Relationship Consultant

[Signature Page | Escrow Deposit Agreement]

SCHEDULE A

**Description of Defeased Bonds
Jacksonville Transportation Authority**

SCHEDULE B

**Redemption Schedule
Jacksonville Transportation Authority
Defeased Bonds**

SCHEDULE C

**Description of Defeasance Obligations
Jacksonville Transportation Authority
Defeased Bonds**

SCHEDULE D

**Form of Notice of Redemption
Jacksonville Transportation Authority
Refunding Revenue Bonds, Series 2015**

[See Attached]

APPENDIX D

COPY OF THE 2014 INTERLOCAL AGREEMENT

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**INTERLOCAL AGREEMENT BETWEEN
CITY OF JACKSONVILLE AND JACKSONVILLE
TRANSPORTATION AUTHORITY FOR LOCAL OPTION GAS TAX
SALES TAX AND CONSTITUTIONAL GAS TAX ALLOCATIONS 2016-2036**

THIS INTERLOCAL AGREEMENT (the "Agreement") is made as of this 29 day of July, 2014, between the City of Jacksonville, Florida, a consolidated city and county governmental unit and political subdivision of the State of Florida (the "City") and the Jacksonville Transportation Authority, a body corporate and politic, and an agency of the State of Florida (the "JTA"), pursuant to the provisions of Chapter 163, *Florida Statutes* ("Chapter 163").

WHEREAS, pursuant to Florida Statute Section 336.025, the Jacksonville City Council enacted Resolution 83-499-179, which stated the City's intent to levy a local option gas tax for a five year period and authorized the execution of an interlocal agreement specifying a distribution formula for dividing tax proceeds levied for a multiyear local option gas tax; and

WHEREAS, in 1985, the Florida Legislature amended Section 336.025 to add a new paragraph (d), which allowed governments, which like Jacksonville, were already levying a local option gas tax to do so for up to 30 years; and

WHEREAS, in Ordinance 85-793-824, the City chose to levy a six cent local option gas tax (upon every gallon of motor fuel and diesel fuel sold in the General Services District and taxed under provisions of Chapter 206, *Florida Statutes*) for the ten year period September 1, 1986 through August 31, 1996; and

WHEREAS, in 1987, the Florida legislature removed any mention in regard to a particular date by which counties had to have been levying a local option gas tax, and allowed counties to simply extend the gas tax in multiyear increments; and

WHEREAS, the City by Ordinance 1991-819-411, extended the multiyear gas tax in 1991 to cover a 30 year period from August 31, 1996 to August 31, 2016, thereby establishing a combined

collection period totaling 30 years; and

WHEREAS, Ordinance 2000-671-E, as amended by Resolution 2003-512-A and Ordinance 2005-898-E, approved an interlocal agreement between the City and JTA which appropriated the proceeds of the local option gas tax to JTA subject to certain limitations and restrictions; and

WHEREAS, the City by Ordinance 2013-820-E has reissued the six-cent local option gas tax from September 1, 2016 through August 31, 2036; and

WHEREAS, the City has agreed to appropriate to the JTA 5 cents for every 6 cents collected of the local option gas tax, while retaining 1 cent of the local option gas tax for City use; and

WHEREAS, pursuant to Section 206.47, *Florida Statutes*, the City also receives a state tax of 2 cents per gallon on motor fuels from the constitutional fuel tax imposed under Section 9(c), Article XII, Florida Constitution, and Section 206.41(1) (a), *Florida Statutes*; and

WHEREAS, the interlocal agreement also took a portion of the ½ cent transportation discretionary sales surtax permitted pursuant to the authority contained in Section 212.055(1)(d)2, *Florida Statutes*, and approved by local referendum, for construction of roadway projects associated with the Better Jacksonville Plan, and formulated a distribution of the constitutional gas tax between the City and JTA to provide for debt service payments for existing bonds and for mass transit subsidies and additional funding for JTA programs; and

WHEREAS, the City and JTA entered into that certain Interlocal Agreement (Bonds) dated as of May 25, 2001 and recorded in Official Records Book 10006 at page 1576 of the Public Records of Duval County, Florida (the “Bond Interlocal Agreement”) creating a security interest in and lien upon the proceeds of the constitutional gas tax and the half cent transportation sales tax in order to secure payments required to be made under Ordinance 2000-672-E, as amended and restated by Ordinance 2001-432-E, (the “Bond Ordinance”).

WHEREAS, the City and JTA would like to enter into a new interlocal agreement to modify and restate the terms for distribution of the local option gas tax, ½ cent transportation discretionary sales tax, and constitutional gas tax, which would supersede the parties obligations under prior interlocal agreements and amendments thereto; provided however, that nothing herein shall be deemed to supersede the provisions of the Bond Interlocal Agreement; and

WHEREAS, the City and JTA desire to memorialize the terms of this arrangement in an agreement;

NOW THEREFORE, the parties agree as follows:

SECTION 1. RECITALS

The parties agree that all the foregoing recitals are true and correct and are hereby incorporated by reference herein.

SECTION 2. INTERLOCAL COOPERATION; CREATION OF JOINT COMMITTEES.

(a) Pursuant to Chapter 163, Florida Statutes, the applicable duly adopted City Ordinance (the “Ordinance”), and the applicable duly adopted JTA Resolution (the “Resolution”), the City and JTA do hereby enter into this Agreement as an “interlocal agreement” under such Chapter, for the purposes of jointly exercising as expressly set forth herein, the separate powers of each to the maximum extent allowable by law in the development, scheduling, financing, planning, permitting, design, construction, and implementation of the JTA Project List attached hereto as Exhibit 1, dated May 14, 2014.

(b) To the extent expressly provided below in this Agreement, the City and JTA each designates and appoints the other party as its agent and as the entity authorized thereby to carry out the joint exercise of powers specified in this Agreement, as provided in Chapter 163. Such

designation and appointment includes all such incidental powers reasonably necessary to carry out the terms and intent hereof in respect of the JTA Project List responsibilities so assigned. In addition, the City and JTA hereby create the following committees with such limitations on powers, and such membership, as are stated herein. Each of such committees shall exercise only such authority as expressly granted herein. The committees are to be comprised of the following members, or their designees: (i) Financial Management Committee: the JTA's Executive Director, the JEA's Managing Director and the City's Chief Administrative Officer, with the City's Council Auditor being an *ex officio* member; and (ii) the Work Program Administration Committee: the JTA's Executive Director, the City's Director of Public Works and JEA's Managing Director with the JTA's general engineering consultant being an *ex officio* member. The Public Works Department's general engineering consultant, if engaged by the City, may also service as an *ex officio* member. The Work Program Administration Committee shall oversee the JTA Project List.

(c) The Work Program Administration Committee and the Financial Management Committee shall prepare and present to the City Council and the Board of JTA a report of the progress made to date on the completion of the JTA Project List, including a summary of the financing undertaken to date, funds expended and planning, design, right-of-way acquisition, and construction completed. In addition, the Committees shall report on the degree of cooperation of the parties hereto, and on areas of concern for the timely and proper completion of the JTA Project List. Such reports shall be given on an annual basis, within 90 days of the end of each Fiscal Year occurring after the effective date of this Agreement.

SECTION 3. DEFINITIONS.

As used herein, the following terms are defined below:

(i) Bond Amounts means all payments required to be made under the Bond Ordinance with

respect to the City Bonds.

(ii) City Bonds shall have the definition assigned to “Bonds” in the Bond Ordinance.

(iii) Fiscal Year means each successive period of twelve months, beginning with October 1, 2016.

(iv) JTA Project List means each of the roadway development, construction and/or maintenance projects or other transportation projects listed on the JTA Project List, as attached as Exhibit 1 and incorporated herein by reference, and shall not be modified or amended without approval of City Council.

SECTION 4. ALLOCATION OF THE LOCAL OPTION GAS TAX.

(a) Pursuant to the authority contained in Section 336.025(1)(a), *Florida Statutes* (as amended from time to time, the “Local Option Gas Tax Act”), the City has levied a local option gas tax of 6 cents on every gallon sold of motor and diesel fuel in the City (such tax, or the collections thereof as applicable by the context of use herein, the “Local Option Gas Tax”). The Local Option Gas Tax is to be collected by vendors and remitted to the Florida Department of Revenue (“DOR”), which in turn remits the Local Option Gas Tax to the City as provided in the Local Option Gas Tax Act. Beginning on September 1, 2016 and continuing through August 31, 2036, the City hereby agrees to appropriate to the JTA 5 cents for every 6 cents collected of the Local Option Gas Tax, while retaining 1 cent of the Local Option Gas Tax for City use. The Local Option Gas Tax revenues shall be remitted by the City to the Fiscal Agent, as defined herein, for further allocation as provided in Section 7 of this Agreement. The Local Option Gas Tax shall have a term of twenty (20) years. The Local Option Gas Tax is scheduled to expire, in accordance with the terms of the Local Option Gas Tax Act, on August 31, 2036.

(b) The 5 cents remitted to JTA by the City from the Local Option Gas Tax shall be

dedicated, in part, to the development, construction, operation and/or maintenance of certain roadway projects managed by JTA as illustrated in the JTA Project List attached hereto as Exhibit 1, dated May 14, 2014, which shall not be revised or amended without the approval of City Council. The projects listed on the JTA Project List shall be constructed in the order as prioritized in the list attached as Exhibit 1. While project scopes may be modified without approval of City Council, estimated construction costs have been provided for each prioritized project on Exhibit 1. City Council approval shall be required for project budgets that fluctuate in the aggregate from the original cost allocation, as shown in Exhibit 1, by $\pm 20\%$ or more. Formal project cost estimates (to include all components of the project) shall be performed at 60%, 90% and 100% design completion points. Should an estimate fluctuate in the aggregate from the original budget allocation in the JTA Project List by $\pm 20\%$ or more, the JTA shall be required to obtain City Council approval for the change in budget costs prior to proceeding with that particular project or projects.

(c) A portion of the funding for the JTA Project List may be funded by JTA, at its discretion and sole cost and expense, through the issuance of one or more new bonds; provided however, that the maximum final maturity of any such bond issuance(s) shall not exceed the term of this Agreement. Commencing September 1, 2016, JTA may pledge any portion of the 5 cent Local Option Gas Tax for repayment of debt service on such JTA issued bonds for the purpose of funding projects on the JTA Project List. These additional bonds may be issued by JTA solely to pay for the proper costs of the projects included within the JTA Project List. The 5 cent Local Option Gas Tax may be used by JTA for any legal purpose; provided however, JTA must give priority to repayment of debt service before using the proceeds of the 5 cent Local Option Gas Tax for any other legal purpose.

SECTION 5.

ALLOCATION OF TRANSPORTATION SALES TAX.

(a) Pursuant to the authority contained in Section 212.055(1)(d)2, *Florida Statutes* (as amended from time to time, the "Sales Tax Act"), the City, by referendum (codified in Chapter 774, *Ordinance Code* of the City of Jacksonville, the "Discretionary Sales Tax for Transportation Ordinance"), has levied a local option sales tax for transportation purposes (such tax, or the collections thereof as applicable by the context of use herein, the "Transportation Sales Tax"), the collections of which are required to be used for the development, construction, operation or maintenance of roads or bridges in the county, for the operation and maintenance of a bus system, or to pay debt service on bonds issued for construction of such roads or bridges or refinancing such bonds. The Sales Tax has been pledged to secure the Bond Amounts.

(b) Upon receipt of the Sales Tax by the City and after the payment of the Bond Amounts, the Sales Tax revenues shall be promptly remitted to the Fiscal Agent for further allocation as provided in Section 7 of this Agreement. The City and the JTA agree that the Sales Tax allocation shall be first utilized to pay the Bond Amounts. For any given period, if there remain residual monies collected from the Sales Tax after the payment of the Bond Amounts, those funds shall be used by JTA to defray in whole or in part the mass transit subsidy amount provided by the City for that particular period. Under this Agreement, the allocation of Sales Tax to payment of the Bond Amounts shall continue in full force and effect until all of the City Bonds have been duly paid in full or defeased in accordance with their terms. Once no City Bonds are no longer outstanding, the remaining Sales Tax collections over the term of this Agreement shall be allocated by the City to JTA for payment toward the mass transit subsidy amount.

(c) All of the Sales Tax remitted to either the City or the JTA hereunder shall be used by each thereof solely for the purposes established by applicable law for such types of revenues; provided however, that any use of such funds permitted to the City shall also be permitted to JTA

for use under this Agreement, and any use of such funds permitted to the JTA shall also be permitted to the City for use under this Agreement, to the maximum extent provided by law under Chapter 163, *Florida Statutes*.

SECTION 6. ALLOCATION OF CONSTITUTIONAL GAS TAX.

Pursuant to Section 206.47, *Florida Statutes*, the City receives revenues from the constitutional fuel tax imposed under Section 9(c), Article XII, Florida Constitution, and Section 206.41(1) (a), *Florida Statutes*, and allocated to Duval County under such provisions of State law (the "Constitutional Gas Tax"). Upon receipt of the Constitutional Gas Tax by the City and after the application of such revenues to pay the Bond Amounts, the Constitutional Gas Tax revenues shall be promptly remitted to the Fiscal Agent for further allocation as provided in Section 7 of this Agreement. Beginning on September 1, 2016, after the application of such revenues to pay the Bond Amounts, the City shall retain 50% of the surplus fuel tax funds from the Constitutional Gas Tax and provide to JTA the remaining 50% of the surplus fuel tax funds from the Constitutional Gas Tax. The 50% City CGT and the 50% JTA CGT are also referred to collectively herein as the "Constitutional Gas Tax." The City and the JTA agree that this Agreement shall be construed and administered in such manner as to ensure full compliance with all legal requirements under Florida law for the use of moneys derived from the Constitutional Gas Tax.

(b) Along with the Sales Tax, the Constitutional Gas Tax has been pledged to secure the Bond Amounts (together, the "City Bond Pledged Revenues"). The City and JTA further agree that the order of application of the City Bond Pledged Revenues for the payment of the Bond Amounts in any period shall be first, the Transportation Sales Tax, and second, the Constitutional Gas Tax. The Constitutional Gas Tax will only be utilized for Bond Amounts if the Sales Tax for that period is not sufficient to fulfill the Bond Amounts for that period. The Constitutional Gas Tax remaining

after the payment of the Bond Amounts, if any, shall be made available for allocation as described hereafter.

SECTION 7. APPOINTMENT OF FISCAL AGENT/ FISCAL AGENT AGREEMENT.

(a) The City and JTA hereby agree, on or before the effective date of this Agreement, to appoint a third-party fiscal agent (together with its successors and assigns, the "Fiscal Agent") to receive and accept all collections of i) Local Option Gas Tax, ii) Transportation Sales Tax, and iii) Constitutional Gas Tax pledged under this Agreement, and to remit to JTA and City such portions of such collections as provided herein and as agreed to by the parties in the Fiscal Agent Agreement.

(b) The Fiscal Agent shall maintain separate accounts for each the Local Option Gas Tax, Transportation Sales Tax and Constitutional Gas Tax transactions. The Fiscal Agent shall disburse said revenues only upon receipt of joint written direction from each the City and JTA. The City and JTA shall provide the Fiscal Agent with such written direction no less frequently than on a monthly basis. The joint written direction shall detail separate payment instructions for each account, respectively.

(c) The Fiscal Agent shall keep books and records of account(s) regarding the collections of the Local Option Gas Tax, Sales Tax, and Constitutional Gas Tax and the amounts distributed in accordance with this Agreement.

(d) The Fiscal Agent may be removed by either the City or JTA upon 30 days written notice as provided in the Fiscal Agent Agreement. No such removal may be effective until the City and JTA have agreed on the selection of a successor Fiscal Agent, and such successor has contracted to assume such duties and responsibilities. In the event that the Fiscal Agent resigns, which resignation must be in writing delivered to each the City and JTA at least 30 days prior to the effective date

thereof, the City and JTA shall jointly appoint a new Fiscal Agent. Any such successor shall be a financial institution with general trust powers and with reported capital and surplus of not less than \$100,000,000.

SECTION 8. CITY BONDS REAFFIRMED.

(a) The City and JTA, through the Bond Interlocal Agreement, authorized the issuance of up to \$750,000,000 of new money bonds (of which no more than \$550,000,000 in net proceed of new money bonds were issued) and additional notes and bonds in anticipation of the issuance thereof or for the refunding thereof, which have been referred to herein as the City Bonds. The purpose of the City Bonds was to provide funds on a timely basis to pay for the costs of planning, permitting, design, construction management and implementation of each of projects under the work program approved pursuant to Ordinance 2000-572-E (known as the "Better Jacksonville Plan") and for the funding of reserve, capitalized interest and other funds for the protection or payment of holders of the City Bonds from time to time. The issuance of the City Bonds is explicitly reaffirmed herein with the same parameters as prior, i.e.: (i) in no event shall the maturity of any series of City Bonds exceed 31 years; and (ii) the series of City Bonds shall be issued and held with such terms and priorities as the City shall determine, subject to the limitations contained herein. Credit enhancers, interest rate hedging counterparties, and other financial product providers so designated by the City or JTA as secured parties in connection with the issuance of the City Bonds shall have a collateral security interest in pledged revenues from the City Bonds, on a parity or junior basis to the holders of the City Bonds as the City shall determine (such designated parties being the "Other Secured Parties").

(b) Notwithstanding anything to the contrary herein, no provision of this Agreement shall amend the Bond Interlocal Agreement (including specifically Article II thereof) or be deemed to impair the obligations of the City to the holders of the City Bonds or have a material adverse effect

on the interest of the holders of the City Bonds.

SECTION 9. THE ST. JOHNS RIVER FERRY.

The Parties agree that the ultimate intent of JTA is to fully fund and operate the Ferry for the duration of this Interlocal Agreement, and as an interim measure agree to operate as herein stated.

(a) On October 1, 2014, the JTA shall pay into the Mayport Ferry Subfund the sum of \$200,000 to offset Ferry expenses incurred by the City.

(b) Before October 1, 2015 the JTA and the St. Johns River Ferry Commission will negotiate in good faith for the purposes of entering into an agreement for the transition and operational responsibility of the Ferry by JTA.

(c) If the JTA and St. Johns River Ferry Commission fail to enter into an agreement on or before October 1, 2015 then on that date and each October 1st thereafter, for the Term of this agreement, the JTA will make an annual payment of \$400,000, increased annually beginning on October 1, 2016 by the Consumer Price Index (CPI), to the Mayport Ferry Subfund to offset Ferry expenses incurred by the City. This sum of \$400,000 shall be increased each fiscal year commencing with the fiscal year beginning October 1, 2016, by the percentage increase in the Consumer Price Index, All Urban Wage Earners, All Regions (or, if such index is no longer provided, by the nearest equivalent, index of changes in retail prices in the United States) over the immediately prior twelve months as of the date of the most recent value for such index on each adjustment date, but in no event shall such percentage increase be less than 0%.

(d) At any time with 120 days' notice the St. Johns River Ferry Commission may transfer the operation of the Ferry to JTA.

(e) JTA will immediately actively assist in seeking grants and participate in lobbying efforts for the same or any existing grants which have been submitted.

SECTION 10. REPORTING.

(a) Not later than March 1st of each year of this Agreement, the Fiscal Agent shall prepare and present to the City Council and the Board of JTA, a report summarizing the appropriations made to the City and the JTA under this Agreement made during the prior year. The report shall be forwarded to the Council Auditor's Office and Treasury Office at the time of presentment to the City Council.

(b) JTA shall provide a report of the progress made to date on the completion of the JTA Project List, including a summary of the financing undertaken to date, funds extended and planning, design, right-of-way acquisition, and construction, completed in a format agreed to by the Council Auditor's Office. Such report shall be given along with JTA's budget submission on or before June 1st of each year after the effective date of this Agreement.

SECTION 11. OBLIGATION LIMITED TO AMOUNT RECEIVED.

Any obligation for the appropriations by the City to JTA herein is limited to the amount of the Local Option Gas Tax collected by vendors and remitted to DOR that is actually received by the City, the actual revenues generated by the Sales Tax, in accordance with the Sales Tax Act, and the Constitutional Gas Tax collections made in accordance with state law.

SECTION 12. ENTIRE AGREEMENT.

This Agreement, together with exhibits and documents made part hereof by reference, contains the entire agreement of the parties and no representations or promises have been made except those that are specifically set out in the Agreement. All prior and contemporaneous conversations, negotiations, possible and alleged agreements and representations, covenants, and warranties with respect to the subject matter of the Agreement, and any part hereof, are waived,

merged herein and superseded hereby. Specifically, this Agreement supersedes all prior agreements between the City and JTA concerning the Local Option Gas Tax, the Sales Tax and the Constitutional Gas Tax, including that certain Interlocal Agreement between the City and JTA approved by City Council and adopted by Ordinance 2000-671-E, as amended by Resolution 2003-512-A and Ordinance 2005-898-E.

SECTION 13. GOVERNING LAW

This agreement shall be governed in all respect by the laws of the State of Florida.

SECTION 14. VENUE AND JURISDICTION

Venue for any and all actions arising out of or in any way related to the interpretation, validity, performance or breach of the Agreement shall lie exclusively in a state court of appropriate jurisdiction in Duval County, Florida.

SECTION 15. VOLUNTARY EXECUTION OF AGREEMENT.

Each party warrants and represents to the other: (i) that it understands all of the rights and obligations set forth in the Agreement and the Agreement accurately reflects the desires of said party; (ii) each provision of the Agreement has been negotiated fairly at arm's length; (iii) it fully understands the advantages and disadvantages of the Agreement and executes the Agreement freely and voluntarily of its own accord and not as a result of any duress, coercion, or undue influence; (iv) it had the opportunity to have independent legal counsel of its own choosing in the negotiation and execution of the Agreement.

SECTION 16. EXECUTION OF DOCUMENTS.

The parties agree that they shall promptly execute and deliver to the other all documents necessary to accomplish the intent and purpose of the Agreement and shall do all other acts to effectuate the Agreement.

SECTION 17. SUFFICIENCY OF CONSIDERATION.

By their signature below, the parties hereby acknowledge the receipt, adequacy and sufficiency of consideration provided in the Agreement and forever waive the right to object to or otherwise challenge the same.

SECTION 18. WAIVER.

The failure of either party to insist on the strict performance or compliance with any term or provision of the Agreement on one or more occasions shall not constitute a waiver or relinquishment thereof and all such terms and provisions shall remain in full force and effect unless waived or relinquished in writing.

SECTION 19. INTERPRETATION.

No term or provision of the Agreement shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

SECTION 20. CAPTIONS.

Paragraph title or captions contained herein are inserted as a matter of convenience and reference and in no way define, limit, extend or describe the scope of the Agreement, or any provision hereof.

SECTION 21. SEVERANCE.

If any section, paragraph, clause or provision of the Agreement is adjudged by a court, agency or authority of competent jurisdiction to be invalid, illegal or otherwise unenforceable, all remaining parts of the Agreement shall remain full force and effect and the parties shall be bound thereby so long as principle purposes of the Agreement remain enforceable.

SECTION 22. MODIFICATION OF AGREEMENT.

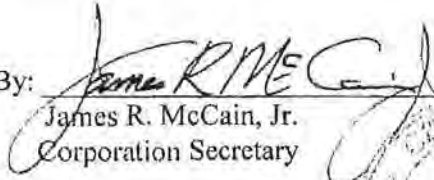
A modification or waiver of any of the provisions of the Agreement shall be effective only if

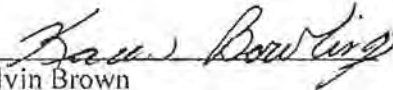
made in writing and executed with the same formality as the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused their undersigned duly authorized representatives to execute and deliver this Agreement as of the date written beside the signatures thereof, respectively.

ATTEST:

CITY OF JACKSONVILLE, FLORIDA

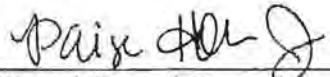
By: 
James R. McCain, Jr.
Corporation Secretary

By: 
Alvin Brown
Its: Mayor


APPROVED AS TO FORM FOR
THE CITY OF JACKSONVILLE



Karen Bowling
Chief Administrative Officer
For: Mayor Alvin Brown
Under Authority of:
Executive Order No. 2013-04

By: 
Office of General Counsel

JACKSONVILLE TRANSPORTATION
AUTHORITY

By: 
Its: Chairman

APPROVED AS TO FORM FOR
JACKSONVILLE TRANSPORTATION AUTHORITY:

By: 
Office of General Counsel

Project List - 5/14/14

LOGT Projects	Scope	Est. Cost to Complete
1 Old St. Augustine/Greenland Intersection	1 lane urban with closed drainage collection system, bike lanes and sidewalks	\$ 600,000
2 Kernan Blvd (Atlantic to McCormick)	Reconstruct 4 lane to 6 lane divided urban with roadside ditches, bike lanes, and sidewalks	\$ 16,700,000
3 Southside/Atlantic Intersection (Design Only)	Construct intersection improvements at the Southside/Atlantic Intersection	\$ 2,000,000
4 Parramore Road Extension (Parramore to Youngerman Circle)	Construct a new, 2 lane sections with curb & gutter, sidewalks, and bike lanes on both sides	\$ 5,000,000
5 Girvin Road (Atlantic to Wonderwood)	Reconstruct to 5 lanes south of Amelisse & 3 lanes north of Ashley Melisse with bike lanes, sidewalks, and curb & gutter on both sides	\$ 13,100,000
6 County-Wide Corridor Mobility Improvements	Mobility and transit accessibility enhancements within 1/4 mile of transit corridors	\$ 15,000,000
A. Arlington Expressway (Regency to Matthews Bridge)	Improvements may include (but not limited to): *bus shelters *sidewalks *lighting *bicycle enhancements *landscaping *safety projects *intelligent transportation systems Corridor enhancements identified through community engagement.	
B. Beach Blvd. (I-95 to Southside Blvd.)		
C. Blanding Blvd. (Clay/Duval County Line to US-17) and Park St. (US-17 to I-95)		
D. Dunn Avenue (I-295 to I-95)		
E. Edgewood Ave. (Cassat Ave. to N. Main St.)		
F. Lem Turner Blvd. (Downtown to I-295)		
G. Main Street (State to Clark Road)		
H. Moncrief/Myrtle/8th Street (Main to Myrtle)		
I. New Kings Road / US 1 (I-95 to MLK)		
J. Normandy/Cassat/Lenox (Normandy - I295 to Cassat); Cassat (Edgewood to Blanding) and Lenox - (Normandy to Cassat)		
K. Phillips Highway (I-95 to Southside Blvd.)		
L. University Blvd. (University - St. Augustine to Ft. Caroline) and Merrill Road - (University to Townsend)		
M. Mandarin Rd. & Plummer Cove Rd.		
7 Blanding Blvd. Intersection Improvements (Design Only)	At-grade intersection improvements at Collins Road, 103rd Street, and Cedar Hills Boulevard	\$ 1,700,000
8 Soutel Transit Hub	Complete Phase II of Soutel transit hub, including park n ride transfer facility and connector road to Sibbald	\$ 2,800,000
9 Alta Drive (I-295 (South of Faye Road) north to Burkitt Lane)	Reconstruct to 5 lane / 3 lane section with bike lanes, sidewalks, rail crossing improvements, and closed	\$ 8,850,000
10 Tinseltown Intersections (SS Blvd./Touchton/Hogan/Gate) (Design Only)	General intersection improvements at Touchton Blvd., Hogan Rd. and Gate Parkway	\$ 2,900,000
11 Collins Road (Shindler to Westport)	Reconstruct 2 lane to 4 lane divided urban roadway with closed drainage system, bike lanes and sidewalks	\$ 5,300,000
12 Collins Road (Blanding to Pine Verde)	Reconstruct 2 lane to 4 lane section with medians, bike lanes, sidewalks, and curb & gutter on both sides.	\$ 13,600,000
13 San Pablo Road (Beach to Atlantic)	3 lane urban section with closed drainage collection system, bike lanes and sidewalks	\$ 10,900,000
14 McDuff & 5th Street Phase III	Widen from 2 to 3 lane urban with closed drainage system, bike lanes and sidewalks	\$ 2,100,000
Subtotal		\$ 100,550,000
15 County-Wide Transit Hubs	Improvements to Regency Hub; New Beaches Express Park and Ride Lot	\$ 4,000,000
16 Hartley Road (Old St. Augustine to San Jose)	3 lane urban with closed drainage collection system, bike lanes, and sidewalks	\$ 8,400,000
17 Collins Road (Westport to Rampart)	Reconstruct 2 lane to 4 lane divided urban roadway with closed drainage system, bike lanes and sidewalks	\$ 6,000,000
18 Clark Road	Extension of Clark Road to Broward Road	\$ 900,000
19 Collins Road (Shindler to Old Middleburg)	Reconstruct 2 lane to 4 lane divided urban roadway with closed drainage system, bike lanes and sidewalks	\$ 4,100,000
20 Kernan Blvd/UNF (JTB to Glen Kernan)	6 lane divided urban roadway with roadside ditches, bike lanes and sidewalks	\$ 4,500,000
21 Eastport Road (Zoo Pkwy to I-295)	Intersection improvements, realignment and widening	\$ 12,800,000
Total - All Projects		\$ 141,250,000

APPENDIX E

**AUDITED BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION AS OF AND FOR THE
YEAR ENDED SEPTEMBER 30, 2023**

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JACKSONVILLE TRANSPORTATION AUTHORITY

BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

As of and for the Year Ended September 30, 2023

And Report of Independent Auditor

JACKSONVILLE TRANSPORTATION AUTHORITY
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Report of Independent Auditor

To the Board Members
Jacksonville Transportation Authority
Jacksonville, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Jacksonville Transportation Authority (the "Authority"), a discrete component unit of the City of Jacksonville, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Authority as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Rules of the Auditor General, is presented for additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
March 26, 2024

JACKSONVILLE TRANSPORTATION AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED SEPTEMBER 30, 2023

This discussion and analysis is designed to provide insight into the Jacksonville Transportation Authority's (the "JTA" or the "Authority") annual financial report by discussing significant financial issues and changes in financial position based on currently known facts in order to better explain material changes in the Authority's financial position and performance during the fiscal year ended September 30, 2023 as compared to September 30, 2022.

The information contained herein is designed to assist the reader in assessing the Authority's financial position. We encourage readers to consider the information contained in this discussion in conjunction with all the other sections of the Authority's financial statements.

Financial Highlights

The financial highlights section will serve as background in understanding the more detailed explanations that follow:

- The Authority's total net position of combined governmental and business type activities on the Statement of Net Position was \$364 million, which consisted of net investment in capital assets of \$323.8 million, and a restricted net position of \$50.5 million.
- The Authority's spending in federal and state expenditures in FY23 supports the Authority's mission to improve Northeast Florida's economy, environment, and quality of life by providing safe, reliable, efficient, and sustainable multimodal transportation services and facilities. The spending was primarily attributable to the following initiatives:
 - Support of the Authority's Fixed Route services including:
 - The continuation of the Fleet replacement plan with new bus purchases
 - Construction of a New Bus Wash Facility
 - Bus Paint Booth Replacement
 - Installation of LOGT Passenger Shelters.
 - Continual landside and marine infrastructure improvements for the St. Johns River Ferry including vessel haul out.
 - IT infrastructure Improvements
- Total capital assets, net of accumulated depreciation, increased from \$503.8 million in 2022 to \$530 million in 2023, an increase of 5.2%. The increase in 2023 was primarily due to an increase in construction in progress for the Authority's previously mentioned major project initiatives and new GASB 96 subscription reporting requirements.

Overview of the Financial Statements

This discussion is to introduce the Authority's basic financial statements. The basic financial statements are comprised of three components: government-wide statements, fund financial statements, and notes to the financial statements.

The government-wide financial statements are the first two statements that focus on the Authority as a whole and provide both long-term and short-term information about the Authority's overall financial condition. These statements provide readers with a broad view of the Authority's finances, similar to a private sector business.

The fund financial statements are the remaining statements. They are similar to traditional governmental financial statements. These statements report on individual parts of the Authority's operations and include more detail than the government-wide statements.

JACKSONVILLE TRANSPORTATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

Government-wide Financial Statements

The government-wide statements report on the Authority as a whole using accounting rules very similar to those used by private companies. There are two government-wide statements. The first is the statement of net position, which combines and reports all the Authority's assets and deferred outflows of resources and liabilities and deferred inflows of resources. The second is the statement of activities. It combines and reports all the Authority's revenues and expenses regardless of when cash is paid or received. These two financial statements demonstrate how the Authority's net position has changed. Net position is the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources and is one way of assessing the Authority's current financial condition. Increases or decreases in net position are good indicators of whether the Authority's financial health is improving or deteriorating over time. Other non-financial factors, such as changes in local economic conditions, regulations, and government legislation, are important in evaluating the Authority's overall financial condition. The government-wide financial statements are grouped into two categories:

Governmental activities: Include Road construction and general engineering administration.

Business-type activities: The Authority's Bus, Automated Skyway Express (the "ASE"), Community Transportation Coordinator (the "CTC"), and Ferry (the "Ferry") operations are classified here. In these activities, the Authority charges customers fees to cover a portion of the cost of providing these goods and services.

Fund Financial Statements

The Authority's fund statements report in greater detail than the government-wide statements on the Authority's most significant funds. A fund is a group of related accounts used to exercise control over specific resources set apart for specific activities. The Authority, like other state and local governments, uses funds to ensure and demonstrate compliance with financial requirements imposed by law, bond covenants, and local administrative and legislative actions. The Authority maintains several individual governmental funds. The General Fund, Special Revenue Fund, Capital Projects Fund and the Debt Service Fund are presented separately in the governmental fund balance sheet and in the statement of revenues, expenditures, and changes in fund balances. In addition, the Authority maintains several individual proprietary funds. The Bus, Skyway (the "ASE"), Connexion (the "CTC"), and Ferry (the "Ferry") are presented separately in the proprietary fund statement of net position and in the statement of revenues, expenses, and changes in fund net position.

All of the Authority's funds are classified in one of the following categories.

Governmental funds tell how basic governmental services were paid for in the short-term as well as what remains for near future spending. These funds account for essentially the same services as those reported as governmental activities in the government-wide statements.

Because the governmental fund view does not include the additional long-term focus of the government-wide statements, we provide additional information following the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances that explains the differences between the two views.

Proprietary funds report on business type operations such as Bus, ASE, CTC, and Ferry, where the fees typically cover a portion of the costs of operations. These statements offer both long and short-term financial information. The Authority's enterprise funds, one type of proprietary fund, are a more detailed reporting of the amounts classified as business-type activities in the government-wide statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Authority's fiduciary fund is the pension trust fund for the Jacksonville Transit Management, Inc. Salaried Employees, which is not reflected in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs. The accounting used for the fiduciary fund is much like that used for proprietary funds.

JACKSONVILLE TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

Notes to the Financial Statements

The notes provide additional information and explanation that is necessary for a full understanding of both the government-wide and fund statements.

Government-wide Financial Analysis

The statement of net position and the statement of activities, in condensed format, are provided to report net position, and the changes in net position to measure financial health. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, population growth, regulation, and new government legislation.

To begin our analysis, a summary of the Authority's statement of net position is presented in Table A-1.

Table A-1
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$108,040,221	\$134,678,280	\$ 62,482,372	\$ 42,058,632	\$170,522,593	\$176,736,912
Noncurrent assets	51,672,241	59,425,095	4,999,764	13,305,206	56,672,005	72,730,301
Capital assets	214,885,527	197,092,625	315,122,550	306,735,551	530,008,077	503,828,176
Total Assets	374,597,989	391,196,000	382,604,686	362,099,389	757,202,675	753,295,389
Deferred outflows - deferred amounts for pensions	7,115,419	7,695,901	13,967,464	5,268,554	21,082,883	12,964,455
Deferred outflows of resources - OPEB	573	10,549	-	-	573	10,549
Total Deferred Outflows	7,115,992	7,706,450	13,967,464	5,268,554	21,083,456	12,975,004
Current liabilities	20,726,800	19,387,076	23,574,668	18,634,603	44,301,468	38,021,679
Long-term liabilities	355,050,459	341,358,677	4,760,167	5,084,754	359,810,626	346,443,431
Total Liabilities	375,777,259	360,745,753	28,334,835	23,719,357	404,112,094	384,465,110
Deferred inflows of resources - pensions	1,846,613	2,226,253	5,098,861	-	6,945,474	2,226,253
Deferred amounts for OPEB	41,173	53,989	-	6,798,491	41,173	6,852,480
Deferred amounts for leases	2,277,722	2,400,410	-	-	2,277,722	2,400,410
Deferred inflows of resources - hedging activities	-	-	883,395	1,872,924	883,395	1,872,924
Total Deferred Inflows	4,165,508	4,680,652	5,982,256	8,671,415	10,147,764	13,352,067
Net Position:						
Net investment in capital assets	9,272,889	9,273,014	314,495,031	302,102,343	323,767,920	311,375,357
Restricted	45,528,246	22,555,513	4,999,764	-	50,528,010	22,555,513
Unrestricted	(53,029,921)	1,647,518	42,760,264	32,874,828	(10,269,657)	34,522,346
Total Net Position	\$ 1,771,214	\$ 33,476,045	\$362,255,059	\$334,977,171	\$364,026,273	\$368,453,216

JACKSONVILLE TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

Statement of Net Position 2023 vs. 2022

The Authority's governmental activities show a decrease of \$16.6 million or (4.2%) in total assets from 2022. This was mainly due to a decrease in current assets of \$26.6 million and a decrease in noncurrent assets of \$7.8 million offset by an increase in capital assets of \$17.8 million. Included in governmental capital assets are custodial projects which represent the sum total of planning, design, and construction of assets that are built for others. In FY 2022, the change in assets is attributable to an increase in project activity for those aforementioned items, in addition to Cybersecurity and Cloud Storage Software licenses.

Total liabilities for governmental activities increased by \$15.0 million or 4.2%. The increase is mainly due to an increase in net pension liability of \$4.9 million and \$16.8 million in custodial projects offset by a decrease in revenue bonds payable of (\$6.8) million.

Total assets for the Authority's business type activities increased by \$20.5 million or 5.7% compared to 2022. This is mainly due increases in the due from other governments of \$3.3 million and due from City of Jacksonville of \$17.9 million, respectively, offset by a decrease in net pension assets of (\$8.3) million.

Total liabilities for business type activities increased by \$4.6 million or 19.5% compared to 2022, primarily due to increases of \$2.6 million in accounts payable, \$0.9 million in current accrued expenses and \$0.7 million in net pension liability. Deferred outflows related to the Authority's pension and other post-employment benefits increased by \$8.7 million. Deferred inflows related to the Authority's pension and other post-employment benefits decreased by (\$1.7) million. These changes are mainly attributable to liability experiences of the pension and actual pension investment results being different from expected.

A condensed summary of the Authority's revenues and expenses follows in Table A-2. While the Statement of Net Position shows the change in financial position, the Statement of Activities provides answers as to the nature and source of these changes.

JACKSONVILLE TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

Table A-2
Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue:						
Program Revenue:						
Charges for services	\$ -	\$ -	\$ 15,454,106	\$ 15,917,503	\$ 15,454,106	\$ 15,917,503
Operating grants and contributions	-	-	11,004,037	24,708,256	11,004,037	24,708,256
Capital grants and contributions	23,304,887	18,591,801	17,000,394	26,581,158	40,305,281	45,172,959
General Revenue:						
Sales taxes	4,010,120	2,282,848	-	-	4,010,120	2,282,848
Intergovernmental	-	-	121,616,573	106,154,041	121,616,573	106,154,041
Investment earnings (loss)	4,614,909	(1,157,167)	121,579	119,237	4,736,488	(1,037,930)
Local assistance	-	253,366	-	-	-	253,366
Proceeds on sale of surplus property	-	195,928	239,720	-	239,720	195,928
Other revenues (expenses)	320,657	-	-	-	320,657	-
Gain (loss) - on acquisition or disposal of capital assets	-	10,336,989	-	27,826	-	10,364,815
Total Revenue	32,250,573	30,503,765	165,436,409	173,508,021	197,686,982	204,011,786
Expenses:						
General government	6,138,143	3,235,359	-	-	6,138,143	3,235,359
Transportation and infrastructure projects	16,157,870	23,296,164	-	-	16,157,870	23,296,164
Interest on long-term debt	5,567,030	6,227,665	-	-	5,567,030	6,227,665
Bus system	-	-	131,629,707	114,869,780	131,629,707	114,869,780
Automated skyway express	-	-	11,928,160	10,430,798	11,928,160	10,430,798
Community transportation	-	-	24,482,454	20,882,468	24,482,454	20,882,468
Ferry	-	-	6,210,561	3,949,723	6,210,561	3,949,723
Total Expenses	27,863,043	32,759,188	174,250,882	150,132,769	202,113,925	182,891,957
Change in Net Position Before Transfers	4,387,530	(2,255,423)	(8,814,473)	23,375,252	(4,426,943)	21,119,829
Transfers	(36,092,361)	(8,728,491)	36,092,361	8,728,491	-	-
Change in net position	(31,704,831)	(10,983,914)	27,277,888	32,103,743	(4,426,943)	21,119,829
Net position, beginning	33,476,045	44,459,959	334,977,171	302,873,428	368,453,216	347,333,387
Net position, ending	\$ 1,771,214	\$ 33,476,045	\$ 362,255,059	\$ 334,977,171	\$ 364,026,273	\$ 368,453,216

Statement of Activities 2023 vs. 2022

For the governmental activities, revenues increased by \$1.7 million or 5.7% from the prior year. The increase is mainly due to increases of \$4.7 million in capital grants and contributions, \$1.7 million in sales taxes and \$5.7 million in investment earnings, respectively, offset by a decrease of (\$10.3) million in gain on disposal of capital assets.

Expenses for governmental activities decreased by (\$4.9) million or 14.9% compared to the previous year from \$32.8 million in 2022 to \$27.9 million in 2022. The decrease in 2023 expenses was primarily due to less spending on Transportation and Infrastructure projects and lower interest on long-term debt.

Total revenues for business-type activities decreased by (\$8) million or 4.7%. The decrease is mainly due to decreases in operating grant contributions of (\$13.7) million, capital grants and contributions of (\$9.6) million, respectively, offset by intergovernmental of \$15.4 million and hedging activities of \$1.6 million.

Expenses for business-type activities increased by \$24.1 million or 16.1%. The increase in expenses is attributable to increases in operating expenses for the Authority's Bus operations system of \$16.8 million, Automated Skyway express of \$1.5 million, Community Transportation of \$3.6 million and Ferry of \$2.3 million, respectively.

JACKSONVILLE TRANSPORTATION AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

Financial Analysis of the Authority’s Funds

General Fund Budgetary Highlights

Of the Jacksonville Transportation Authority’s Government Funds, the General Fund is the primary fund. Investment earnings final budget was budgeted at \$351 thousand. Total sales tax revenue for the general fund was budgeted at \$3.5 million. Governmental funds revenue was favorable by \$3.1 million at the end of FY23, primarily due to interest income of approximately \$3.8 million.

General Government Expenditures for the general fund were budgeted at \$4 million; the actual expenditures were \$3.5 million. The General Fund expenditures were favorable by \$496 thousand compared to the final budget. This is primarily due to favorable expense in Services and Operating at the end of FY23.

Capital Assets and Debt Administration

Capital Assets

At the end of Fiscal Year 2023, the Authority showed \$529 million in total for the governmental and business-type activities in Land, Buildings, Vehicles, Equipment and construction in progress as shown in Table A-3. Government activities increase by \$16.8 million primarily due to increases in custodial asset construction in process, stemming primarily from our transportation infrastructure design of streets for all users and not just cars, which allows mobility for bikes and pedestrians; in addition to new GASB 96 subscription reporting requirements. Business type activities increased by \$8.4 million due to increases of \$5.6 million in vehicle acquisitions resulting from FY2023 orders coupled with delivery of procurements placed in FY2021 and FY2022 previously delayed due to COVID supply chain issues.

Table A-3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 9,271,649	\$ 9,271,649	\$ 25,321,871	\$ 25,321,871	\$ 34,593,520	\$ 34,593,520
Land improvements	-	-	19,841,836	18,167,976	19,841,836	18,167,976
Building and improvements	1,240	1,364	42,942,948	45,380,155	42,944,188	45,381,519
Vehicles	-	-	67,462,651	61,835,130	67,462,651	61,835,130
Furniture and office equipment	-	-	230,621	191,895	230,621	191,895
Other equipment	-	-	14,490,353	10,913,898	14,490,353	10,913,898
Construction in progress	-	-	144,832,270	144,924,626	144,832,270	144,924,626
Construction in progress - custodial projects	204,662,558	187,819,612	-	-	204,662,558	187,819,612
Subscription-based information technology arrangements	950,080	-	-	-	950,080	-
Total	\$214,885,527	\$197,092,625	\$315,122,550	\$306,735,551	\$530,008,077	\$503,828,176

JACKSONVILLE TRANSPORTATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

Debt Administration

In January 2015, the Authority issued \$97,485,000 in local option gas tax revenue bonds, Series 2015. The bonds are used to: (i) finance expenditures relating to the cost of transportation projects identified in the Authority's mobility program, and (ii) fund a debt service reserve. The Series 2015 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2023, was \$73,325,000. Interest rates range from 3% to 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy. The approximate amount of the pledge is equal to the remaining principal and interest of \$101,477,000. During 2023, \$15,664,679 of local option gas tax revenue was recognized and \$7,813,500 was paid for debt service and fees.

In July 2019, the Authority entered into a note agreement with Regions Bank for \$2,600,000 at an interest rate of 2.18%. The loan was used to finance the expenditures relating to costs for designing, engineering, financing, acquiring, equipping, and constructing upgrades to the Acosta Bridge lighting system. The Authority paid off the Acosta Bridge loan in July 2023, using the collateral held at Regions Bank. The excess collateral of \$1,243,118 was returned to the Authority on July 10, 2023.

In October 2020, the Authority issued \$35,360,000 par value local option gas tax revenue bonds, Series 2020. The total purchase price of \$44,724,353 includes the Original Issue Premium of \$9,491,880 less an Underwriters Discount of \$127,527. The bonds are used to: (i) finance expenditures relating to the cost of transportation projects identified in the Authority's mobility program, and (ii) fund a debt service reserve. The Series 2020 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2023, was \$32,000,000. The interest rate is 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy. The approximate amount of the pledge is equal to the remaining principal and interest of \$44,285,250. During 2023, \$3,408,750 was paid for debt service and fees.

During fiscal year 2023, the Authority adopted GASB 96, *Subscription-based Information Technology Arrangements*. As of fiscal year end, the Authority had a \$691,520 liability related to this new standard.

Next Year's Budget

The Jacksonville Transportation Authority's FY24 operating and capital budgets are balanced and support the goals and objectives of the JTA's new 5-year strategic plan, MOVE2027 (Mobility Optimization for Vision and Excellence).

The FY24 operating budget was increased by 6% overall versus the FY23 budget. This is primarily a result of an increase in sales tax revenues, as a new state law to charge sales taxes on all internet transactions that took effect in July 2021 has fully materialized. Inflation levels are also expected to have a positive impact. The capital budget of \$69 million reflects an increase from the prior year of \$35.5 million primarily due to anticipated increase in formula funding grants based on the following: forecasting, additional discretionary grants awarded and additional local reserves in capital.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest therein. Questions concerning any of the information provided in this report or requests for additional information may be addressed to, Finance Department, Jacksonville Transportation Authority, 100 LaVilla Center Drive, Jacksonville, FL 32204.

JACKSONVILLE TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 65,459,814	\$ 14,761,500	\$ 80,221,314
Investments	38,802,268	-	38,802,268
Due from other governments	1,278,034	22,656,000	23,934,034
Accounts receivable, net	33,373	2,416,322	2,449,695
Due from City of Jacksonville	-	17,874,626	17,874,626
Lease receivable	2,466,732	-	2,466,732
Right-to-use subscription-based information technology arrangements, net	950,080	-	950,080
Inventory	-	3,433,808	3,433,808
Prepaid items	-	1,340,116	1,340,116
Noncurrent Assets:			
Restricted cash and cash equivalents	21,298,001	-	21,298,001
Restricted investments	30,374,240	-	30,374,240
Net pension asset	-	4,999,764	4,999,764
Capital assets (net of accumulated depreciation)	213,935,447	315,122,550	529,057,997
Total Assets	374,597,989	382,604,686	757,202,675
DEFERRED OUTFLOW OF RESOURCES			
Pensions	7,115,419	13,967,464	21,082,883
Other postemployment benefits	573	-	573
Total Deferred Outflows	7,115,992	13,967,464	21,083,456
LIABILITIES			
Current Liabilities:			
Accounts payable	4,699,117	16,118,295	20,817,412
Accrued expenses	7,175,404	3,127,723	10,303,127
Claims payable	-	2,466,109	2,466,109
Subscription-based information technology arrangements	241,260	-	241,260
Accrued compensated absences	420,480	1,862,541	2,283,021
Accrued interest	877,709	-	877,709
Revenue bonds payable	7,312,830	-	7,312,830
Noncurrent Liabilities:			
Claims payable	-	4,054,914	4,054,914
Subscription-based information technology arrangements	450,260	-	450,260
Accrued compensated absences	346,268	-	346,268
Net pension liability	26,232,994	705,253	26,938,247
Revenue bonds payable	123,252,486	-	123,252,486
Other postemployment benefits	105,893	-	105,893
Custodial projects - due to other governments	204,662,558	-	204,662,558
Total Liabilities	375,777,259	28,334,835	404,112,094
DEFERRED INFLOW OF RESOURCES			
Pensions	1,846,613	5,098,861	6,945,474
Other postemployment benefits	41,173	-	41,173
Hedging activities	-	883,395	883,395
Lease related	2,277,722	-	2,277,722
Total Deferred Inflows	4,165,508	5,982,256	10,147,764
NET POSITION			
Net investment in capital assets	9,272,889	314,495,031	323,767,920
Restricted	45,528,246	4,999,764	50,528,010
Unrestricted	(53,029,921)	42,760,264	(10,269,657)
Total Net Position	\$ 1,771,214	\$ 362,255,059	\$ 364,026,273

The accompanying notes to the financial statements are an integral part of these statements.

JACKSONVILLE TRANSPORTATION AUTHORITY
GOVERNMENTAL FUNDS –
BALANCE SHEET

SEPTEMBER 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 65,459,814	\$ -	\$ -	\$ -	\$ 65,459,814
Investments	38,802,268	-	-	-	38,802,268
Due from other governments	544,038	83,475	-	650,521	1,278,034
Accounts receivable, net	12,923	-	20,450	-	33,373
Lease receivable	2,466,732	-	-	-	2,466,732
Restricted Assets:					
Cash and cash equivalents	-	18,615,280	2,682,721	-	21,298,001
Investments	-	1,845,483	13,746,061	14,782,696	30,374,240
Total Assets	\$ 107,285,775	\$ 20,544,238	\$ 16,449,232	\$ 15,433,217	\$ 159,712,462
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 985,095	\$ 3,000	\$ 369,373	3,341,649	\$ 4,699,117
Accrued expenses	3,990,985	338,407	2,846,012	-	7,175,404
Total Liabilities	4,976,080	341,407	3,215,385	3,341,649	11,874,521
Deferred Inflows of Resources:					
Lease related	2,277,722	-	-	-	2,277,722
Total Deferred Inflows of Resources	2,277,722	-	-	-	2,277,722
Fund Balances:					
Spendable:					
Restricted	-	20,202,831	13,233,847	12,091,568	45,528,246
Assigned	76,985,000	-	-	-	76,985,000
Unassigned	23,046,973	-	-	-	23,046,973
Total Fund Balances	100,031,973	20,202,831	13,233,847	12,091,568	145,560,219
Total Resources and Fund Balances	\$ 107,285,775	\$ 20,544,238	\$ 16,449,232	\$ 15,433,217	\$ 159,712,462

The accompanying notes to the financial statements are an integral part of these statements.

JACKSONVILLE TRANSPORTATION AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS – BALANCE SHEET
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

Fund balances - total governmental funds	\$ 145,560,219
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets, net	9,272,889
Capital assets, custodial in nature	204,662,558
Right-to-use subscription-based information technology arrangements used in governmental activities are not financial resources and, therefore, are not reported in the funds.	(258,560)
Net liabilities for other postemployment benefits resulting from underfunding are not due and payable in the current period and, therefore, are not reported in the funds.	(105,893)
Net pension liability pertaining to FRS and HIS that is not due and payable in the current period and, therefore, is not reported in the funds.	(26,232,994)
Deferred outflows (inflows) of resources that are reported in the statement of net position but not in the funds:	
Deferred outflows - pensions and OPEB	7,115,992
Deferred inflows - pensions and OPEB	(1,887,786)
Long-term obligations related to custodial construction projects are not due and payable in the current period and, therefore, are not reported in the funds.	(204,662,558)
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds:	
Revenue bonds payable	(105,325,000)
Bond premium	(24,723,196)
Accrued interest	(877,709)
Accrued compensated absences	(766,748)
Net position of governmental activities	<u><u>\$ 1,771,214</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

JACKSONVILLE TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenue:					
Intergovernmental:					
Sales taxes	\$ 3,000,000	\$ 1,010,120	\$ -	\$ -	\$ 4,010,120
Federal and state grants	-	172	101,964	-	102,136
City of Jacksonville	-	12,015,410	-	11,187,341	23,202,751
Miscellaneous	320,657	-	-	-	320,657
Investment earnings	3,814,628	131,874.00	668,407	-	4,614,909
Total Revenue	7,135,285	13,157,576	770,371	11,187,341	32,250,573
Expenditures:					
Current:					
General government	3,460,626	-	-	-	3,460,626
Transportation and infrastructure	-	3,000	16,566,927	-	16,569,927
Debt Service:					
Principal payment	-	-	-	7,216,100	7,216,100
Interest and other	-	-	-	5,567,030	5,567,030
Total Expenditures	3,460,626	3,000	16,566,927	12,783,130	32,813,683
(Deficiency) excess of revenue (under) over expenditures	3,674,659	13,154,576	(15,796,556)	(1,595,789)	(563,110)
Other Financing Sources (Uses):					
Subscription-based information technology arrangements liability	1,362,137	-	-	-	1,362,137
Transfers in	-	-	-	1,589,382	1,589,382
Transfers out	(20,273,952)	(785,005)	(16,622,786)	-	(37,681,743)
Total Other Financing Sources (Uses)	(18,911,815)	(785,005)	(16,622,786)	1,589,382	(34,730,224)
Net Change in Fund Balances	(15,237,156)	12,369,571	(32,419,342)	(6,407)	(35,293,334)
Fund balances, beginning of year	115,269,129	7,833,260	45,653,189	12,097,975	180,853,553
Fund balances, end of year	\$ 100,031,973	\$ 20,202,831	\$ 13,233,847	\$ 12,091,568	\$ 145,560,219

The accompanying notes to the financial statements are an integral part of these statements.

JACKSONVILLE TRANSPORTATION AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balances, total governmental funds	\$ (35,293,334)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures.	
However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense:	
Current year depreciation expense	(125)
Changes in the net pension liability and other postemployment benefits ("OPEB") are not reported in the governmental funds because it does not require the use of current financial resources. These balances are reported in the government wide financial statements with the associated deferred inflows and outflows:	
Pension - expense	(3,528,529)
OPEB - expense	(13,459)
Some expenses reported in the statement of activities did not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Debt service principal payment	7,216,100
Compensated absences	(85,484)
Change in net position of governmental activities	<u><u>\$ (31,704,831)</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

JACKSONVILLE TRANSPORTATION AUTHORITY
PROPRIETARY FUNDS –
STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	Bus	ASE	CTC	Ferry	Totals
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 14,761,500	\$ -	\$ -	\$ -	\$ 14,761,500
Accounts receivable, net	2,256,044	93,058	94,565	(27,345)	2,416,322
Due from other governments	19,422,146	137,826	1,742,824	1,353,204	22,656,000
Due from City of Jacksonville	17,874,626	-	-	-	17,874,626
Due from other funds	-	-	4,587,055	-	4,587,055
Inventories	2,095,020	1,328,519	10,269	-	3,433,808
Prepaid expenses	821,818	442,250	11,921	64,127	1,340,116
Total Current Assets	57,231,154	2,001,653	6,446,634	1,389,986	67,069,427
Noncurrent Assets:					
Net pension asset	4,999,764	-	-	-	4,999,764
Capital assets, net of accumulated depreciation	221,915,621	64,539,527	2,750,464	25,916,938	315,122,550
Total Noncurrent Assets	226,915,385	64,539,527	2,750,464	25,916,938	320,122,314
Total Assets	284,146,539	66,541,180	9,197,098	27,306,924	387,191,741
DEFERRED OUTFLOW OF RESOURCES					
Deferred amounts for pension	13,967,464	-	-	-	13,967,464
Total Deferred Outflows	13,967,464	-	-	-	13,967,464
LIABILITIES					
Current Liabilities:					
Accounts payable	11,227,188	1,227,953	3,629,432	33,722	16,118,295
Accrued expenses	1,976,182	98,475	117,613	935,453	3,127,723
Due to other funds	3,442,903	145,825	926,636	71,691	4,587,055
Claims payable	2,466,109	-	-	-	2,466,109
Accrued compensated absences	343,993	30,528	19,308	-	393,829
Total Current Liabilities	19,456,375	1,502,781	4,692,989	1,040,866	26,693,011
Noncurrent Liabilities:					
Net pension obligation	705,253	-	-	-	705,253
Claims payable	4,020,879	34,035	-	-	4,054,914
Accrued compensated absences	1,282,858	113,849	72,005	-	1,468,712
Total Noncurrent Liabilities	6,008,990	147,884	72,005	-	6,228,879
Total Liabilities	25,465,365	1,650,665	4,764,994	1,040,866	32,921,890
DEFERRED INFLOW OF RESOURCES					
Deferred amounts for pension	5,098,861	-	-	-	5,098,861
Deferred amounts for hedging activities	883,395	-	-	-	883,395
Total Deferred Inflows	5,982,256	-	-	-	5,982,256
NET POSITION					
Net investment in capital assets	221,473,626	64,487,044	2,640,629	25,893,732	314,495,031
Unrestricted	45,192,756	403,471	1,791,475	372,326	47,760,028
Total Net Position	\$ 266,666,382	\$ 64,890,515	\$ 4,432,104	\$ 26,266,058	\$ 362,255,059

The accompanying notes to the financial statements are an integral part of these statements.

JACKSONVILLE TRANSPORTATION AUTHORITY
PROPRIETARY FUNDS –
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

YEAR ENDED SEPTEMBER 30, 2023

	<u>Bus</u>	<u>ASE</u>	<u>CTC</u>	<u>Ferry</u>	<u>Totals</u>
Operating Revenue:					
Passenger	\$ 6,766,490	\$ -	\$ 626,678	\$ 1,012,623	\$ 8,405,791
Agency	25,023	-	6,470,094	-	6,495,117
Auxiliary transportation	358,276	-	-	-	358,276
Non-transportation	193,437	-	1,485	-	194,922
Total Operating Revenue	<u>7,343,226</u>	<u>-</u>	<u>7,098,257</u>	<u>1,012,623</u>	<u>15,454,106</u>
Operating Expenses:					
Labor	41,941,902	3,093,950	3,167,470	290,888	48,494,210
Fringe benefits	23,231,015	1,593,180	1,587,448	148,488	26,560,131
Materials and supplies	8,638,326	1,338,909	2,053,404	342,951	12,373,590
Services	35,040,536	1,192,022	16,218,026	2,864,228	55,314,812
Casualty and insurance	2,645,642	609,387	19,550	148,096	3,422,675
Taxes and licenses	37,914	-	2,242	5,000	45,156
Other	4,896,247	534,811	709,450	421,874	6,562,382
Depreciation expense	15,198,125	3,565,901	724,864	1,989,036	21,477,926
Total Operating Expenses	<u>131,629,707</u>	<u>11,928,160</u>	<u>24,482,454</u>	<u>6,210,561</u>	<u>174,250,882</u>
Operating Loss	<u>(124,286,481)</u>	<u>(11,928,160)</u>	<u>(17,384,197)</u>	<u>(5,197,938)</u>	<u>(158,796,776)</u>
Nonoperating Revenue (Expenses):					
Public Funding:					
United States government	2,486,755	-	415,251	6,359	2,908,365
State of Florida	8,095,672	-	-	-	8,095,672
City of Jacksonville	120,067,359	-	1,549,214	-	121,616,573
Investment earnings	120,491	1,088	-	-	121,579
Gain on disposal of capital assets	-	-	239,720	-	239,720
Total Nonoperating Revenue	<u>130,770,277</u>	<u>1,088</u>	<u>2,204,185</u>	<u>6,359</u>	<u>132,981,909</u>
Increase (Loss) Before Capital Contributions and Transfers	6,483,796	(11,927,072)	(15,180,012)	(5,191,579)	(25,814,867)
Capital contributions	13,073,634	1,198,616	1,181,526	1,546,618	17,000,394
Transfers in	1,912,123	10,224,923	17,648,649	6,306,666	36,092,361
Change in Net Position	<u>21,469,553</u>	<u>(503,533)</u>	<u>3,650,163</u>	<u>2,661,705</u>	<u>27,277,888</u>
Net position, beginning of year	<u>245,196,829</u>	<u>65,394,048</u>	<u>781,941</u>	<u>23,604,353</u>	<u>334,977,171</u>
Net position, end of year	<u>\$ 266,666,382</u>	<u>\$ 64,890,515</u>	<u>\$ 4,432,104</u>	<u>\$ 26,266,058</u>	<u>\$ 362,255,059</u>

The accompanying notes to the financial statements are an integral part of these statements.

JACKSONVILLE TRANSPORTATION AUTHORITY
PROPRIETARY FUNDS –
STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2023

	<u>Bus</u>	<u>ASE</u>	<u>CTC</u>	<u>Ferry</u>	<u>Totals</u>
Cash flows from operating activities:					
Receipts from customers	\$ 7,723,760	\$ -	\$ 7,122,143	\$ 1,291,373	\$ 16,137,276
Payments to suppliers	(38,235,780)	(1,995,298)	(21,124,389)	(2,998,457)	(64,353,924)
Payments to employees	(75,476,007)	(4,657,053)	(4,729,898)	(439,376)	(85,302,334)
Other payments	1,903,635	(1,269,699)	(739,523)	(590,379)	(695,966)
Net cash flows from operating activities	<u>(104,084,392)</u>	<u>(7,922,050)</u>	<u>(19,471,667)</u>	<u>(2,736,839)</u>	<u>(134,214,948)</u>
Cash flows from noncapital financing activities:					
Intergovernmental revenue	100,419,202	13,939	1,354,229	(1,298,883)	100,488,487
Operating grants received	10,582,427	-	415,251	6,359	11,004,037
Transfers from other funds	1,912,123	10,224,923	17,648,649	6,306,666	36,092,361
Transfers to other funds	-	-	-	-	-
Net cash flows from noncapital financing activities	<u>112,913,752</u>	<u>10,238,862</u>	<u>19,418,129</u>	<u>5,014,142</u>	<u>147,584,885</u>
Cash flows from capital and related financing activities:					
Capital contributions	13,073,634	1,198,616	1,181,526	1,546,618	17,000,394
Acquisition and construction of capital assets	(19,331,567)	(3,533,337)	(1,367,895)	(3,823,921)	(28,056,720)
Proceeds on disposal of capital assets	-	-	239,720	-	239,720
Net cash flows from capital and related financing activities	<u>(9,055,667)</u>	<u>(2,334,721)</u>	<u>53,351</u>	<u>(2,277,303)</u>	<u>(13,614,340)</u>
Cash flows from investing activities:					
Interest on investments	120,491	1,088	-	-	121,579
Net change in cash and cash equivalents	(105,816)	(16,821)	(187)	-	(122,824)
Cash and cash equivalents, beginning of year	14,867,316	16,821	187	-	14,884,324
Cash and cash equivalents, end of year	<u>\$ 14,761,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,761,500</u>

The accompanying notes to the financial statements are an integral part of these statements.

JACKSONVILLE TRANSPORTATION AUTHORITY
PROPRIETARY FUNDS –
STATEMENT OF CASH FLOWS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

	<u>Bus</u>	<u>ASE</u>	<u>CTC</u>	<u>Ferry</u>	<u>Totals</u>
Reconciliation of operating loss to net cash used in operating activities:					
Operating loss	\$ (124,286,481)	\$ (11,928,160)	\$ (17,384,197)	\$ (5,197,938)	\$ (158,796,776)
Adjustments to reconcile operating loss to net cash used in operating activities:					
Depreciation	15,198,125	3,565,901	724,864	1,989,036	21,477,926
(Increase) decrease in assets and deferred outflows:					
Accounts receivable	380,534	(5)	23,886	278,750	683,165
Inventories	(200,411)	82,220	(10,269)	-	(128,460)
Prepaid expenses	124,527	(75,982)	(8,281)	(15,409)	24,855
Net pension asset	8,305,442	-	-	-	8,305,442
Deferred outflows for pension	(8,698,910)	-	-	-	(8,698,910)
Increase (decrease) in liabilities and deferred inflows:					
Accounts payable	1,575,382	293,892	745,639	(13,711)	2,601,202
Accrued expenses	623,246	13,701	72,090	150,742	859,779
Due to other funds	3,444,865	145,825	926,636	71,691	4,589,017
Claims payable	348,216	(49,519)	-	-	298,697
Accrued compensated absences	95,450	30,077	25,020	-	150,547
Deferred inflows for pension	(1,699,630)	-	-	-	(1,699,630)
Net cash flows from operating activities	<u>\$ (104,084,392)</u>	<u>\$ (7,922,050)</u>	<u>\$ (19,471,667)</u>	<u>\$ (2,736,839)</u>	<u>\$ (134,214,948)</u>

The accompanying notes to the financial statements are an integral part of these statements.

JACKSONVILLE TRANSPORTATION AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION –
PENSION TRUST FUND

SEPTEMBER 30, 2023

	<u>JTM Salaried Employees</u>
Assets	
Cash and cash equivalents	\$ 199,597
Mutual fund investments	<u>1,359,107</u>
Total Assets	<u><u>\$ 1,558,704</u></u>
 Net position	
Restricted for pensions	<u><u>\$ 1,558,704</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

JACKSONVILLE TRANSPORTATION AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
PENSION TRUST FUND

YEAR ENDED SEPTEMBER 30, 2023

	JTM Salaried Employees
Additions:	
Employer contribution	\$ 191,046
Employee contribution	14,191
Total Contributions	205,237
Investment income	(207,168)
Total Contributions and Net Investment Income	(1,931)
Deductions:	
Benefit payments	101,827
Administrative expenses	42,394
Other	751,987
Total Deductions	896,208
Net change in plan net position	(898,139)
Net position restricted for pensions, beginning of year	2,456,843
Net position restricted for pensions, end of year	<u>\$ 1,558,704</u>

The accompanying notes to the financial statements are an integral part of these statements.

JACKSONVILLE TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 1—Reporting entity

Established by the Florida Legislature in 1955, the Jacksonville Transportation Authority (the “JTA” or the “Authority”) is a public body and corporate agency of the State of Florida under Chapter 349, Florida Statutes. The Authority is empowered to acquire, construct, operate, and lease a mass transit system; it may plan, coordinate, and recommend methods and facilities for the parking of vehicles and the movement of pedestrians and vehicular traffic; and it may issue evidences of indebtedness and secure payment thereof by pledge of its revenues.

It is also empowered to construct, improve, operate, and lease the Jacksonville Expressway System and improvements thereto, to fix and collect rates, rentals and other charges for the services and facilities of such system; and to secure bonds by a pledge of such revenues and all or part of Duval County gasoline tax and sales tax funds pursuant to a lease-purchase agreement between the Authority and the State of Florida Department of Transportation (the “FDOT”). The FDOT maintains responsibility for the operation of the Expressway System with the exception of certain contract maintenance functions.

The Authority is fiscally dependent on the City of Jacksonville (the “City”) under Section 14 of the City Charter through approval of its budget and there is a financial benefit/burden relationship between the two entities. Accordingly, the Authority has been determined to be a component unit of the City under Governmental Accounting Standards Board’s (“GASB”) applicable guidance. The Authority’s governing body has seven members. Three members are appointed by the Governor and confirmed by the Senate; three members are appointed by the City’s Mayor and confirmed by the City Council; and the seventh member is the District Two Secretary of the Florida Department of Transportation.

As required by generally accepted accounting principles (“U.S. GAAP”), these financial statements present the Authority and its component units, entities for which the Authority is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Authority’s operation and so data from these units are combined with data of the primary government.

Blended Component Unit – Jacksonville Transit Management, Inc. (the “JTM”) is a not-for-profit corporate entity responsible for the management of payroll and related benefits for drivers, mechanics, and certain other employees who support the enterprise activities of the Authority. The Authority owns all of the stock of JTM, members of JTM’s Board of Directors are appointed by the Authority, services are exclusively provided to JTA, and management of the Authority has operational responsibility for the component unit. The activities of JTM are blended with the primary government, the Authority, and are included in the Authority’s enterprise funds.

Note 2—Summary of significant accounting policies

The basic financial statements include both government-wide and fund level statements. The government-wide statements report on all of the non-fiduciary activities of the Authority. Both the government-wide and fund level statements classify primary activities of the Authority as either governmental activities, which are primarily supported by taxes and intergovernmental revenues, or business-type activities, which are partially supported by user fees and charges.

The government-wide statement of net position reports all assets and liabilities of the Authority, including both long-term assets and long-term debt and other obligations. Net position, the difference between assets, liabilities, and deferred inflows/outflows of resources, are subdivided into three categories: net investment in capital assets, restricted net position, and unrestricted net position. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation.

JACKSONVILLE TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 2—Summary of significant accounting policies

The statement of activities reports the degree to which direct expenses of Authority functions are offset by program revenues. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Direct expenses are those that are clearly identifiable with a specific function or program. The net cost of these programs is funded from general revenues such as taxes, unrestricted intergovernmental revenue, and investment earnings.

The fund level statements report on governmental, proprietary, and fiduciary activities, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund level financial statements. Since the fund level statements for governmental activities are presented using a different measurement focus and basis of accounting than the government-wide statements' governmental column (as discussed subsequently in this note under *Basis of Accounting* in this summary of significant accounting policies), a reconciliation is presented on the page following each fund level statement which briefly explains the adjustments necessary to convert the fund level statements into the government-wide governmental column presentations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this is the Bus Fund's payments to the Community Transportation Coordinator (the "CTC") Fund in the amount of \$4,587,055 for services provided to the transportation disadvantaged. Elimination of these charges would distort the direct costs and program revenues reported for these funds.

The Authority's policy is to use restricted resources first, then unrestricted resources, when both are available for use to fund an activity.

Fund Structure – The Authority's accounts are maintained in accordance with the principles of fund accounting to enable compliance with limitations and restrictions placed on the use of resources available to it. Under fund accounting, individual funds are established for the purpose of carrying on activities or attaining objectives in accordance with specific regulations, restrictions, or limitations. Each individual fund is a self-balancing set of accounts recording assets, liabilities, revenues and expenditures/expenses, and fund equity. For financial statement presentation, funds with similar characteristics are grouped into generic classifications as required by U.S. GAAP. A brief description of the Major Funds follows:

Governmental Funds – These funds report transactions related to resources received and used for those services traditionally provided by governmental agencies. The following are major governmental funds used by the Authority:

General Fund – The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund – The Special Revenue Fund receives money from other governmental agencies, primarily the State of Florida (the "State") and the City of Jacksonville, to fund major capital improvement projects for those respective governments. Upon completion, ownership of the assets constructed (the accumulated costs of such assets) is transferred to the State or City.

Capital Projects Fund – The Capital Projects Fund accounts for and reports resources to be used for the construction of various transportation projects that are not accounted for in the proprietary funds.

JACKSONVILLE TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 2—Summary of significant accounting policies (continued)

Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted to expenditure for principal and interest.

Proprietary Funds – These funds are used to account for the financing of services to the public on a continuing basis with funding provided by federal and State grants, local sales and fuel taxes, and costs recovered partially through user charges. Major proprietary funds include:

Bus – The Bus Fund is used to account for the operation of the Authority’s bus services. Operating revenue is provided through federal and State grants, local sales and fuel taxes, and passenger fares.

ASE – The Automated Skyway Express (“ASE”) Fund is used to account for the Authority’s local train service. Under the Ultimate Urban Circulator project currently in progress, there are plans for the Skyway structure to be repurposed to accommodate autonomous vehicles. Operating revenue is generally provided through passenger fares which have been temporarily suspended to study the effect on ridership and the cost to operate the system. This suspension was in effect for all of fiscal year 2023. Presently the Authority has not made a determination as to whether the user fees will be reinstated or if the suspension will become permanent.

CTC – The Community Transportation Coordinator (“CTC”) Fund is used to account for paratransit service – Connexion; which provides transportation for disabled and for disadvantaged riders. Operating revenue is provided through governmental grants and other sources.

Ferry – The Ferry Fund is used to account for the St. Johns River Ferry which is the Authority’s car and passenger ferry service. The Ferry connects Mayport Village and Fort George Island in Northeast Florida.

Proprietary funds distinguish operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the funds’ principal ongoing operation.

The principal operating revenues for the Authority’s proprietary funds are charges to customers for sales and services. Since the rate structure of these funds is not sufficient to generate revenues to fully fund operating expenses or to fund acquisition, replacement, and future expansion of property and equipment, the Authority is compelled to seek contributions-in-aid from local, State, and federal sources, which are reported as nonoperating revenues. Operating expenses include direct expenses of providing the goods or services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

The Pension Trust Fund accounts for the activities related to the JTM salaried employees pension plan. See Note 13 for further plan details.

The following is a summary of the significant accounting policies applicable to the Authority:

Basis of Accounting – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Intergovernmental revenues, grants, and similar items are recognized as revenue when all eligibility requirements imposed by the provider are met. Taxes such as sales and gas taxes are recognized based on the date of the underlying sales transactions.

JACKSONVILLE TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 2—Summary of significant accounting policies (continued)

Governmental fund financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable is the amount of the transaction that can be determined, available, and collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, the Authority considers a 90 day availability period for revenue recognition.

Major revenues that are determined to be susceptible to accrual include taxes, intergovernmental revenue when eligibility requirements are met, charges for services, and investment return. Taxes such as sales and gas taxes are recognized based on the date of the underlying sales transactions and if received within the Authority's period of availability for governmental funds.

Expenditures of governmental funds are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Expenditures related to pensions and other postemployment benefits ("OPEB") are recognized when the Authority has made a decision to fund those obligations with current available resources.

Cash and Cash Equivalents – For purposes of the statement of cash flows, cash and cash equivalents includes bank demand accounts, money market funds, and investments with an original maturity of three months or less when purchased.

Investments – Investments with a maturity date greater than one year from the purchase date are reported at fair value as determined by quoted market prices, and investments with a maturity date less than one year from the purchase date are reported at amortized cost, which approximates fair value.

The hierarchy of inputs to valuation techniques used to measure fair value with three levels.

- *Level 1* – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- *Level 2* – Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- *Level 3* – Inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security.

Accounts Receivable and Due from Other Governments – Customer accounts receivable consist of amounts owed from private individuals, organizations, or agencies of the government for services. The allowance method is used to account for bad debt expense. All accounts receivable balances are shown net of the allowance for uncollectibles. The allowance is based on management's estimates using historical experience and current economic conditions. The allowance for doubtful accounts was \$1,092,917 at September 30, 2023. In addition, the Authority has recorded a lease receivable and due from other governments of \$2,466,732 and \$23,934,034, respectively, which is considered fully collectible.

JACKSONVILLE TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 2—Summary of significant accounting policies (continued)

Inventory and Prepaid Items – Inventory consists of materials and supplies and is reported using the average cost method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and proprietary fund statements of net position. In the governmental funds' statement of revenues, expenditures, and changes in fund balances, prepaid items are included in expenditures for the current period when purchased.

Custodial Assets/Custodial Liabilities – Custodial assets generally consist of cash, cash equivalents, investments, certain amounts due from the City, and costs of infrastructure assets currently under construction for the benefit of the State and the City. After completion, the City or State, as appropriate, is responsible for maintaining the assets. Therefore, the Authority transfers such assets upon completion of the related construction project.

These assets are reported as custodial projects on the government-wide statement of net position because title of such assets does not transfer until the project is completed and accepted by the State or the City, as appropriate.

As these assets are being held in an agency-like capacity by the Authority, the receipts associated with the funding of these projects are reported as custodial projects and represent amounts due to other governments (liabilities) on the government-wide statement of net position, reflecting the Authority's obligation to the State or City.

Capital Assets – Capital assets are stated at historical cost and are defined as assets with an initial individual cost of more than \$1,000 and an estimated useful life exceeding one year. Subscription-based information technology arrangements of \$5,000 or more are subject to capitalization if all other criteria is met.

The cost of improvements and replacements, which extend the useful lives of assets, are capitalized. Repairs and maintenance costs, which do not improve or extend the useful life of the respective assets, are charged to expense. Depreciation commences when the assets are placed in service. Property and equipment are depreciated by the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Land improvements	5 to 10
Buildings and improvements	5 to 40
Vehicles	4 to 25
Furniture and office equipment	3 to 12
Subscription-based information technology arrangements	3 to 5
Other equipment	3 to 15

As of September 30, 2023, there were no infrastructure assets owned by the Authority other than the custodial projects being constructed for other parties mentioned in Note 7.

Compensated Absences – Employees accrue personal leave or compensated absences by prescribed formula based on length of service. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements as accrued liabilities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The value of accumulated benefits earned by employees that may be used in subsequent years or paid upon termination or retirement, is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends.

JACKSONVILLE TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 2—Summary of significant accounting policies (continued)

Claims Liability – Provision for injury and damage losses are charged to operations based on the estimated ultimate cost of settling incurred claims and incurred but not reported claims using past experience adjusted for current trends.

Restricted Assets – Certain assets of the Authority’s governmental and proprietary funds are classified as restricted assets on the financial statements because their use is limited to the construction of capital assets or custodial projects through bond or loan covenants and other legal restrictions.

Deferred Outflows/Inflows of Resources – Deferred outflows of resources represent a consumption of net assets that applies to a future period and, as such, will not be recognized as an outflow of resources (expense) until that time. These items are reported as a category below the assets on the statement of net position.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and, as such, will not be recognized as an inflow of resources (revenue) until that time. These items are reported as a category below the liabilities on the statement of net position.

The Authority reports deferred outflows and deferred inflows of resources that result from the activity in its defined benefit pension plans and other postemployment benefits. These activities include differences between expected and actual experience, and changes in actuarial assumptions, or other inputs. In addition, the Authority records deferred inflows for resources related to hedging activities and leases.

Hedging Activities – The Authority engages in agreements for the pre-purchase of gasoline, diesel fuel, and compressed natural gas in order to secure a hedge against price fluctuations. This current position is reflected as a deferred inflow in the amount of \$883,395 as of September 30, 2023; see Note 10.

Pensions and Other Postemployment Benefits (“OPEB”) – For purposes of measuring the net pension/OPEB liability, net pension asset, deferred outflows and inflows of resources related to pension/OPEB, and pension/OPEB expenses, information about the fiduciary net position of the pension/OPEB plans, and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value; see Notes 13 and 14.

Net Position and Fund Balances – In the government-wide financial statements and in the proprietary fund statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that is attributable to the acquisition, construction, or improvement of these assets, if any, reduce this category.

Restricted Net Position – This category represents the net position of the Authority, which is restricted by creditors, granters or laws, and regulations or legally enforceable enabling legislation which a party external to the Authority (such as citizens, public interest groups, or the judiciary) can compel the Authority to honor.

Unrestricted Net Position – This category represents the net position of the Authority, which is not restricted for any project or other purpose.

Governmental funds report fund balance either as nonspendable or spendable. Nonspendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form or (b) legally or contractually required to be maintained intact. The spendable balances are classified as restricted, committed, assigned, or unassigned, based on the extent to which there are external or internal constraints on the spending of these fund balances, are as follows:

JACKSONVILLE TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 2—Summary of significant accounting policies (continued)

Restricted Fund Balance – This category represents the fund balance of the Authority, which is restricted by creditors, granters or laws, and regulations or legally enforceable enabling legislation which a party external to the Authority (such as citizens, public interest groups, or the judiciary) can compel the Authority to honor.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Board of Directors through passage of a resolution. Committed amounts cannot be used for any other purpose unless the Authority removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Authority’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by: (a) the Board of Directors or (b) the Chief Executive Officer.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund. Unassigned fund balance also includes any residual deficit fund balance of other governmental funds.

The Authority’s policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions, such as the provisions for uninsured losses and pension costs, that affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Change in Accounting Principle – GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (“GASB 96”), effective for the Authority as of October 1, 2022. This pronouncement provides guidance and addresses how costs associated with subscription-based information technology arrangements are accounted for and disclosed. In accordance with this standard, a subscriber is required to recognize a liability and an intangible right-to-use asset.

Note 3—Deposits and investments

Deposits – As of September 30, 2023 the Authority’s cash and cash equivalents balance was \$101,519,315, of which \$21,298,001 is presented as noncurrent. In addition, the pension trust fund reported \$199,597 for cash and cash equivalents for the bank and account balances.

Cash and Investment Sweeps – Bank of America (“BOA”) performs a nightly sweep of amounts out of the operational JTA accounts into JTA’s sweep account located in the governmental fund. When funds are required in the operational accounts, amounts are swept back in from the governmental sweep account (i.e. when outstanding checks are processed for payment). BOA also performs an overnight investment sweep of three non-operational investment accounts. The funds are moved out overnight, invested in U.S. Treasuries, and returned the next morning with interest earned, less an associated service fee of 1%.

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. The Authority’s policy to address custodial credit risk requires the Authority to maintain all deposits in qualified public depositories as defined in Chapter 280.02, Florida Statutes. Deposits whose value exceeds the limits of federal depository insurance are entirely insured or collateralized pursuant to Florida Statutes, Chapter 280, (the “Act”). Under this Act, the financial institutions which are qualified as public depositories, place with the State Board of Administration securities which have a market value equal to 50% of the average daily balance for each month of all public deposits in excess of applicable deposit insurance.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 3—Deposits and investments (continued)

The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

Restricted Cash and Cash Equivalents – As of September 30, 2023, restricted cash and cash equivalents consists of:

Fair share transfer projects	\$ 18,615,280
Bond reserves	2,682,721
	<u>\$ 21,298,001</u>

Investments – The Authority’s Board approved its written investment policy on August 26, 2018. The policy complies with Florida Statute 218. The investment policy authorizes the following investments: Money market mutual funds, Florida Local Government Surplus Funds Trust Funds, United States Government Securities, United States Government Agencies, interest-bearing time deposits or savings accounts, repurchase agreements, commercial paper of a high rating A-1 P-1 as provided by one of the nationally recognized rating agencies, Standard & Poor’s Corporation (“S & P”) or Moody’s, fixed income mutual funds, and intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperative Act. The policy also provides limits on individual issuers and rating requirement standards.

Outside portfolio managers must review the portfolios they manage to ensure compliance with the Authority’s diversification guidelines on an ongoing basis.

Investments are recorded at fair value (quoted market price or the best available estimate thereof), with the exception of the investments held by the Florida Treasury Investment Pool. The investments held by the Florida Treasury Investment Pool are recorded at amortized cost, which is consistent with the treatment of “2a-7 like” pool securities. Market values vary on the individual security and pricing source.

As of September 30, 2023, the Authority has reported restricted and unrestricted investments related to government-wide of \$132,531,708, with \$67,245,106 related to cash equivalents for money markets and \$1,359,107 related to the same for the pension fund. The following is a schedule of investments by type:

<u>Investment Type</u>	<u>Government- Wide</u>	<u>Pension Trust Fund</u>
U.S. Treasury bills/notes	\$ 25,025,457	\$ -
Mortgage-backed securities	5,774,581	-
Commercial paper	11,077,838	-
Asset-backed securities	9,470,730	-
Local government investment pool	13,937,996	-
Cash and equivalents	-	199,597
Money market funds	67,245,106	1,359,107
Total investments	<u>\$ 132,531,708</u>	<u>\$ 1,558,704</u>

Interest Rate Risk and Price Level – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of an investment’s fair value is to change in market interest rates. The Authority’s investment policy limits the investing of current operating funds to investments with maturities of not more than 12 months. Investment maturities for bond reserves, construction funds, and other non-operating funds are limited to 5.5 years with the weighted average maturity not to exceed 3 years. This policy limits investment maturities as a means of managing the Authority’s exposure to fair value losses arising from increasing interest rates.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 3—Deposits and investments (continued)

The following table presents the investments as of September 30, 2023. The Authority had the following debt-type investments and maturities measured at fair value. Investments are recorded at fair value quoted market price or the best available estimate thereof. The pricing for investments is shared between levels in the fair value hierarchy.

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury bills/notes	\$ 25,225,054	\$ -	\$ -	\$ 25,225,054
Mortgage-backed securities	5,774,581	-	-	5,774,581
Commercial paper	11,077,838	-	-	11,077,838
Asset-backed securities	9,470,730	-	-	9,470,730
Local government investment pool	-	13,937,996	-	13,937,996
Money market funds	68,604,213	-	-	68,604,213
Total investments	\$ 120,152,416	\$ 13,937,996	\$ -	\$ 134,090,412

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As a means of limiting its exposure to credit risk, the Authority’s policy is to strictly limit its investments in permitted investment vehicles authorized by the policy, which are generally recognized as elements of a conservative investment portfolio that carries minimal credit risk exposure. U.S. government securities are backed by the full faith and credit of the U.S. government; therefore, a credit rating is not assigned.

The Authority’s investments are rated as follows:

Investment Type	S&P's Credit Rating	Fair Value
U.S. Treasury bills/notes	AA+	\$ 25,025,457
Mortgage-backed securities	AA/Aa3	5,774,581
Commercial paper	A-1+	11,077,838
Asset backed securities	AAA	9,470,730
Local government investment pool	AAAm	13,937,996
Money market funds	AAAm	68,604,213
		\$ 133,890,815

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority’s investment policy requires securities to be held by a third party custodian and be properly designated as an asset of the Authority and held in the Authority’s name. As of September 30, 2023, the Authority’s investments were held with a third party custodian as required by the Authority’s investment policy.

The investment policy authorizes the following maximum permissible concentrations based on book values: United States government securities (100%); United States government agencies (80%); supranational securities (25%); federal agency mortgage-backed securities (20%); asset-backed securities (25%); interest-bearing time deposits or savings accounts (25%); repurchase agreements (25%); commercial paper (35%) of a high rating A-1 P-1 as provided by one of the nationally recognized rating agencies, S & P or Moody’s; corporate notes (50%); municipal debt (20%); money market mutual funds (75%); fixed income mutual funds (75%); and intergovernmental investment pools (50%) that are authorized pursuant to the Florida Interlocal Cooperative Act.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 3—Deposits and investments (continued)

The policy further allows that 100% of the portfolio can be comprised of any of the following instruments: money market funds, Florida local government surplus funds trust funds, United States government securities and federal instrumentalities.

Investments that represent more than 5% of the Authority’s investments are listed below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
Money market funds	\$ 67,245,106	50.22%
U.S. Treasury	25,025,457	18.69%
Local government investment pool	13,937,996	10.41%
Commercial paper	11,077,838	8.27%
Asset backed securities	9,470,730	7.07%
	<u>\$ 126,757,127</u>	<u>94.67%</u>

Restricted Investments – As of September 30, 2023, restricted investments consist of:

Capital projects	\$ 15,591,544
Debt service	14,782,696
	<u>\$ 30,374,240</u>

Note 4—Lease receivable

The Authority leases various commercial spaces that are located on Authority-owned property, as well as land owned by the Authority. These leases are generally for a term of 5 to 40 years.

The Authority recognized \$272,733 of lease principal revenue and \$77,357 of interest revenue related to leases for the year ended September 30, 2023. The principal includes \$100,000 for the due diligence and approval period of the Montana Ground lease that will begin after receiving certificate of occupancy.

The principal and interest requirements to maturity for the lease receivables at September 30, 2023 are as follows:

<u>Years Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 43,536	\$ 72,389	\$ 115,925
2025	53,275	70,070	123,345
2026	44,201	68,339	112,540
2027	47,549	66,959	114,508
2028	48,577	65,666	114,243
2029-2033	159,969	312,945	472,914
2034-2038	227,088	284,034	511,122
2039-2043	310,097	243,881	553,978
2044-2048	412,128	189,955	602,083
2049-2053	537,325	118,794	656,119
2054-2058	423,745	37,025	460,770
2059-2061	159,242	2,888	162,130
	<u>\$ 2,466,732</u>	<u>\$ 1,532,945</u>	<u>\$ 3,999,677</u>

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 5—Subscription-based information technology arrangements

On October 5, 2022, the Authority entered into a 3-year subscription-based information technology arrangement with CDW Government for Citrix N-Factor for MFA. The contract will expire on October 4, 2025. For the year end September 30, 2023, the total payments made were approximately \$59,851, with two additional annual payments due in the amount of \$32,260.

On June 3, 2022, the Authority entered into a 5-year subscription-based information technology arrangement with Moovit for the MyJTA App. The contract will expire on June 2, 2027. For the year end September 30, 2023, the total payments made were \$209,000, with three additional annual payments due in the amount of \$209,000.

The future minimum payments for these contracts are as follows:

<u>Years Ending September 30,</u>	<u>Principal</u>
2024	\$ 241,260
2025	241,260
2026	209,000
	<u>\$ 691,520</u>

Note 6—Capital assets

The following is a schedule of changes in capital assets of the governmental activities for the year ended September 30, 2023:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Depreciated:				
Land	\$ 9,271,649	\$ -	\$ -	\$ 9,271,649
Custodial projects	187,819,611	16,842,947	-	204,662,558
Total capital assets, not being depreciated	<u>197,091,260</u>	<u>16,842,947</u>	<u>-</u>	<u>213,934,207</u>
Capital assets, being depreciated:				
Buildings and improvements	291,247	-	-	291,247
Vehicles	93,960	-	-	93,960
Furniture and office equipment	28,538	-	-	28,538
Total capital assets, being depreciated	<u>413,745</u>	<u>-</u>	<u>-</u>	<u>413,745</u>
Less accumulated depreciation for:				
Buildings and improvements	289,883	125	-	290,008
Vehicles	93,960	-	-	93,960
Furniture and office equipment	28,537	-	-	28,537
Total accumulated depreciation	<u>412,380</u>	<u>125</u>	<u>-</u>	<u>412,505</u>
Total capital assets, being depreciated,	<u>1,365</u>	<u>(125)</u>	<u>-</u>	<u>1,240</u>
Governmental activities capital assets, net	<u>\$ 197,092,625</u>	<u>\$ 16,842,822</u>	<u>\$ -</u>	<u>\$ 213,935,447</u>

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 6—Capital assets (continued)

Depreciation expense was \$125 for the year ended September 30, 2023 related to the buildings and improvements for the governmental funds.

The following is a schedule of changes in capital assets of the enterprise funds for the year ended September 30, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 25,321,871	\$ -	\$ -	\$ 25,321,871
Construction in progress	144,924,626	16,482,704	16,575,060	144,832,270
Total capital assets, not being depreciated	<u>170,246,497</u>	<u>16,482,704</u>	<u>16,575,060</u>	<u>170,154,141</u>
Capital assets, being depreciated:				
Land improvements	41,942,103	3,633,758	122,896	45,452,965
Buildings and improvements	138,502,066	1,023,977	-	139,526,043
Vehicles	159,001,065	17,324,569	2,047,271	174,278,363
Furniture and office equipment	2,889,799	95,693	8,629	2,976,863
Other equipment	105,656,434	7,879,284	49,998	113,485,720
Total capital assets, being depreciated	<u>447,991,467</u>	<u>29,957,281</u>	<u>2,228,794</u>	<u>475,719,954</u>
Less accumulated depreciation for:				
Land improvements	23,774,127	1,959,898	122,896	25,611,129
Buildings and improvements	93,121,911	3,461,184	-	96,583,095
Vehicles	97,165,935	11,697,048	2,047,271	106,815,712
Furniture and office equipment	2,697,904	56,967	8,629	2,746,242
Other equipment	94,742,536	4,302,829	49,998	98,995,367
Total accumulated depreciation	<u>311,502,413</u>	<u>21,477,926</u>	<u>2,228,794</u>	<u>330,751,545</u>
Total capital assets, being depreciated,	<u>136,489,054</u>	<u>8,479,355</u>	<u>-</u>	<u>144,968,409</u>
Business-type activities capital assets, net	<u>\$ 306,735,551</u>	<u>\$ 24,962,059</u>	<u>\$ 16,575,060</u>	<u>\$ 315,122,550</u>

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 7—Custodial projects

Custodial projects are reported in the governmental activities on the statement of net position. The following is a schedule of changes in custodial construction projects until completion, acceptance, and transfer of title. The balances for the year ended September 30, 2023 are as follows:

	Beginning Balance	Current Year Project Costs/ Increase	Current Year Projects/ Decreases	Ending Balance
Grant capital plan	\$ 53,111,950	\$ 249,415	\$ -	\$ 53,361,365
JTA mobility works	134,707,661	18,093,876	1,500,344	151,301,193
	<u>\$ 187,819,611</u>	<u>\$ 18,343,291</u>	<u>\$ 1,500,344</u>	<u>\$ 204,662,558</u>

Note 8—Interfund balances and transfers

During the normal course of operations, numerous transactions occur between funds. The following is a schedule of interfund balances at September 30, 2023:

	Receivable Fund			
	Bus	CTC	General	Total
Payable Fund:				
Bus	\$ -	\$ 3,442,903	\$ -	\$ 3,442,903
ASE	145,825	-	-	145,825
CTC	926,636	-	-	926,636
Ferry	71,691	-	-	71,691
	<u>\$ 1,144,152</u>	<u>\$ 3,442,903</u>	<u>\$ -</u>	<u>\$ 4,587,055</u>

Transfers of net resources from a fund receiving revenue to a fund in which the resources are to be expended are recorded as operating transfers.

	Transfer to					Total
	Debt Service Fund	Bus Fund	CTC Fund	Ferry Fund	ASE Fund	
Transfer from:						
General Fund	\$ -	\$ 1,912,123	\$ 1,830,240	\$ 6,306,666	\$ 10,224,923	\$ 20,273,952
Capital Projects Fund	804,377	-	15,818,409	-	-	16,622,786
Special Revenue Fund	785,005	-	-	-	-	785,005
	<u>\$ 1,589,382</u>	<u>\$ 1,912,123</u>	<u>\$ 17,648,649</u>	<u>\$ 6,306,666</u>	<u>\$ 10,224,923</u>	<u>\$ 37,681,743</u>

Interfund transfers were made from the General Fund to support the operating activities of CTC, Ferry, and ASE Funds. Transfers were also made from the Capital Projects Fund to the Debt Service Fund to provide for debt service activities and CTC Fund for capital activities.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 9—Long term liabilities

Long term debt and other liability activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds (Series 2015)	\$ 77,270,000	\$ -	\$ 3,945,000	\$ 73,325,000	\$ 4,140,000
Unamortized original issue premium (Series 2015)	17,063,119	-	959,779	16,103,340	1,062,117
Accrued interest (Series 2015)	643,917	611,042	643,917	611,042	611,042
Revenue bonds (Series 2020)	33,720,000	-	1,720,000	32,000,000	1,805,000
Unamortized original issue premium (Series 2020)	9,356,826	-	219,850	9,136,976	305,713
Accrued interest (Series 2020)	281,000	266,667	281,000	266,667	266,667
Note payable	1,551,100	-	1,551,100	-	-
Accrued interest - notes payable	11,271	-	11,271	-	-
Total long-term debt subtotal	139,897,233	877,709	9,331,917	131,443,025	8,190,539
Accrued compensated absences	681,264	634,993	549,509	766,748	420,480
Net pension liability	21,378,881	4,854,113	-	26,232,994	-
OPEB liability	119,352	17,277	30,736	105,893	-
Custodial projects - due to other governments	187,819,611	16,842,947	-	204,662,558	-
Governmental activities long-term liabilities	<u>\$ 349,896,341</u>	<u>\$ 23,227,039</u>	<u>\$ 9,912,162</u>	<u>\$ 363,211,218</u>	<u>\$ 8,611,019</u>
Business-type activities:					
Accrued compensated absences	\$ 1,711,994	\$ 1,780,059	\$ 1,629,512	\$ 1,862,541	\$ 393,829
Claims payable	6,222,326	1,867,585	1,568,888	6,521,023	2,466,109
Net pension liability (asset)	(13,305,206)	9,010,696	-	(4,294,510)	-
Business activities long-term liabilities	<u>\$ (5,370,886)</u>	<u>\$ 12,658,340</u>	<u>\$ 3,198,400</u>	<u>\$ 4,089,054</u>	<u>\$ 2,859,938</u>

The Authority's net position pension balance for its business activities is shown as a negative balance to indicate an overall net pension asset. This negative balance includes a salaried pension liability of \$705,253 and a drivers pension asset of \$4,999,764.

Local Option Gas Tax Revenue Bonds – Series 2015 – In January 2015, the Authority issued \$97,485,000 in local option gas tax revenue bonds, Series 2015. The bonds are used to: (i) finance expenditures relating to the cost of transportation projects identified in the Authority's mobility program, and (ii) fund a debt service reserve. The Series 2015 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2023 was \$73,325,000. Interest rates range from 3% to 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy. The approximate amount of the pledge is equal to the remaining principal and interest of \$101,477,000. During 2023, \$15,664,679 of local option gas tax revenue was recognized and \$7,813,500 was paid for debt service and fees.

The Authority recognized two months of accrued interest in the amount of \$611,042 for an interest payment due on February 1, 2024. The next principal payment in the amount of \$4,140,000 is due on August 1, 2024. The current portion of the revenue bonds payable, including the current amortization of the bond premium due within one year, is \$5,202,117, as presented in the statement of net position for governmental activities.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 9—Long term liabilities (continued)

Debt Maturities

Series 2015

Years Ending September 30,

	Principal	Interest	Total
2024	\$ 4,140,000	\$ 3,666,250	\$ 7,806,250
2025	4,345,000	3,459,250	7,804,250
2026	4,565,000	3,242,000	7,807,000
2027	4,790,000	3,013,750	7,803,750
2028	5,030,000	2,774,250	7,804,250
2029-2033	29,195,000	9,836,000	39,031,000
2034-2036	21,260,000	2,160,500	23,420,500
	<u>\$ 73,325,000</u>	<u>\$ 28,152,000</u>	<u>\$ 101,477,000</u>

Regions Notes Payable – In July 2019, the Authority issued a new general obligation debt in the form of a loan recognized in the governmental funds. The loan was used to finance the expenditures relating to costs for designing, engineering, financing, acquiring, equipping, and constructing upgrades to the Acosta Bridge lighting system. The Series 2019 issue had a final maturity of 2026. However, the Authority elected to pay off this note payable in full during June 2023, which included \$1,551,100 in principal and \$11,271 in accrued interest.

Local Option Gas Tax Revenue Bonds – Series 2020 – In October 2020, the Authority issued \$35,360,000 par value local option gas tax revenue bonds, Series 2020. The total purchase price of \$44,724,353 includes the original issue premium of \$9,491,880 less an underwriters discount of \$127,527. The bonds are used to: (i) finance expenditures relating to the cost of transportation projects identified in the Authority’s mobility program, and (ii) fund a debt service reserve. The Series 2020 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2023 was \$32,000,000. The interest rate is 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy. The approximate amount of the pledge is equal to the remaining principal and interest of \$44,285,250. During 2023, \$3,408,750 was paid for debt service and fees.

The Authority recognized two months of accrued interest in the amount of \$266,667 for an interest payment due on February 1, 2024. The next principal payment in the amount of \$1,805,000 is due on August 1, 2024. The current portion of the revenue bonds payable, including the current amortization of the bond premium due within one year is \$2,110,713, as presented in the statement of net position for governmental activities.

Debt Maturities

Series 2020

Years Ending September 30,

	Principal	Interest	Total
2024	\$ 1,805,000	\$ 1,600,000	\$ 3,405,000
2025	1,900,000	1,509,750	3,409,750
2026	1,990,000	1,414,750	3,404,750
2027	2,095,000	1,315,250	3,410,250
2028	2,195,000	1,210,500	3,405,500
2029-2033	12,740,000	4,292,250	17,032,250
2034-2037	9,275,000	942,750	10,217,750
	<u>\$ 32,000,000</u>	<u>\$ 12,285,250</u>	<u>\$ 44,285,250</u>

JACKSONVILLE TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 10—Hedging activities

JTA enters into hedges for gasoline, diesel, and natural gas in order to mitigate the risk of rising costs for its bus operations. The petroleum futures contracts are individually sold evenly through time so as to correspond with JTA's consumption and pricing of petroleum fuels from its supplier, where fuel is priced on a daily basis. The diesel and gasoline futures contracts are based on New York Harbor pricing and are determined by the New York Mercantile Exchange. The natural gas futures contracts are exited on the last day of trading for each month. The last day of trading is near the end of the month prior to the hedged month. JTA's natural gas for the hedged month is priced from its supplier as the futures contracts for that month are sold. The natural gas pricing index used for the futures contracts is the Henry Hub.

If the price at which the futures contracts are sold is higher than the price at which they were bought, a realized gain is generated. If the price at which the future contracts are sold is lower than the price at which they were bought, a realized loss is generated. These gains or losses are netted with the cost of fuel on the financial statements. The net gain from hedging activities of \$1,589,548 is presented as a reduction of fuel expense within the services expense caption of the bus fund for the year ending September 30, 2023.

For petroleum, JTA is exposed to basis risk since the hedging index is not identical to the price paid to their supplier. For natural gas, the supplier's price is based on Henry Hub pricing and there is little to no basis risk. JTA is also exposed to timing risk in so far as the futures contracts are not sold at precisely the same time and in the same volumes as the fuel is purchased from the supplier. Since there are hundreds of sales of futures contracts and hundreds of purchases of petroleum fuels from the supplier on an annual basis, this timing risk averages out over the course of a year and does not present JTA with any significant risk.

For hedging to be effective under GASB 53 rules, certain criteria must be met. Using the statistical method of determining effectiveness, the monthly fuel price experienced by JTA (observed as monthly JTA cost divided by monthly JTA volume on a monthly basis) is compared with the arithmetic mean of the daily settlement prices for the nearest gasoline futures month for the corresponding month. This comparison includes an examination of their correlation, regression analysis slope, and F-statistic. GASB requires that the relationship must have an R-squared (the square of correlation) of greater than 80%, a regression slope of between -.80 and -1.25, and F-statistic of less than 5%. When these criteria are met, the hedge is effective. Generally, this means when JTA's fuel cost increases, the value of the hedge increases at the same time and in the same amount so as to offset increases in fuel cost.

The fair value of the futures contracts is determined based on the futures contract settlement prices from the New York Mercantile Exchange. The unrealized gain/loss on the futures contracts is presented as a portion of investment assets and as a deferred inflow on the balance sheet/statement of net position. As of September 30, 2023, the notional amount of the hedge contracts was 966,000 gallons of diesel fuel, 546,000 gallons of gasoline, and 75,000 MMBTU of natural gas; the unrealized deferred inflow was \$883,395 for gasoline, diesel fuel, and natural gas in aggregate.

Note 11—Risk management

The Authority is exposed to various risks of loss related to injury and damage claims arising from operations. The Authority is self-insured for general liability and automobile liability and purchases stop loss insurance which caps the Authority's liability at \$300,000 per claim. Stop loss insurance is limited to \$2 million for product liability (automobile) and \$1 million for personal injury. The Authority purchases commercial insurance for group health insurance, workers' compensation, and destruction of property.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 11—Risk management (continued)

Claim liabilities include an amount for known claims and claims that have been incurred but not reported for which a loss is probable. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. The liability is reported in the Enterprise Funds. During fiscal year 2023, individual injury and damage claims in excess of \$200,000 and \$300,000 per occurrence were subject to the Florida Sovereign Immunity Law.

Changes in the estimated liability for the self-insurance program consisted of the following:

Fiscal Years Ended September 30,	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Paid	Ending Balance
2022	\$ 6,101,202	\$ 1,391,030	\$ 1,269,906	\$ 6,222,326
2023	6,222,326	1,867,585	1,568,888	6,521,023

Note 12—Interlocal government with and advances to the City of Jacksonville

In fiscal year 2000, the Authority entered into an Interlocal Agreement (“ILA”) with the City for the purpose of constructing the roadway and infrastructure projects of the Better Jacksonville Plan (the “Plan” or “BJP”), as defined in the ILA. Pursuant to this agreement, the Authority pledged its sales tax, and the City pledged its Constitutional Gas Tax to the payment of bonds issued by the City to implement the Program (the “Bonds”). The Bonds are an obligation of the City and there is no guarantee by the Authority nor are any of the other Authority’s revenues or assets pledged for such bonds except the sales tax. The ILA commenced on October 1, 2000, and continues in effect until all of the Bonds have been duly paid in full or defeased in accordance with their terms (see Note 9). The terms of the ILA also require that the City make available its Local Option Gas Tax to the Authority for the Authority’s operation of its mass transit division. Any excess funds calculated pursuant to the terms of the ILA (as amended) will be allocated entirely to the Authority. The Authority may use these funds for any lawful purpose within its operating mission.

During the fiscal year 2022, the City issued debt on JTA’s behalf for the purpose of funding certain transportation projects, pursuant to the Interlocal Agreement between the City and JTA, dated October 1, 2000. The City’s Debt (Taxable Transportation Revenue Bonds) was issued as legally non-recourse to JTA and therefore, the City’s Debt is not a part of JTA’s debt portfolio. The interlocal agreement stated that JTA pledged its sales tax to the payment of the bonds issued by the City. As a result, an amount equal to the debt service is withheld from the Sales Tax Receipts and the balance is sent to JTA each month from the City.

In fiscal year 2023, JTA facilitated the City’s defeasance of a portion of the City’s Taxable Transportation Revenue Bonds by advancing \$10,874,697 for an October 2022 defeasance and \$6,999,929 for an August 2023 defeasance. The total of these advances, \$17,874,626, which will be paid back to JTA as the City experiences debt service savings from the defeasances, is presented as amounts due from the City at September 30, 2023.

Note 13—Employee benefits

Pension Plan of the Primary Government – The administrative employees of the Authority participate in the Florida Retirement System (the “FRS”) defined benefit pension plan, a cost-sharing, multiple-employer public employee retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the Authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 13—Employee benefits (continued)

Benefits are determined by category and length of service and the applicable contribution rates are as follows:

Benefit	Vesting	July 1, 2019 Employer Contribution Rate	July 1, 2020 Employer Contribution Rate	July 1, 2021 Employer Contribution Rate	July 1, 2022 Employer Contribution Rate	July 1, 2023 Employer Contribution Rate
1.6% times years of service times average compensation (8 highest years) if age 65 or 33 years of services at any age.	Choice Pension - after 6 years of creditable service if actively employed on July 1, 2001 or 8 years if initially enrolled on or after July 1, 2011 Investment - after 1 year of creditable service.	8.47%	10.00%	10.82%	11.91%	13.57%
2.0% times years of service times average compensation (8 highest years) if age 65 or 33 years of services at any age.	Choice Pension - after 6 years of creditable service if actively employed on July 1, 2001 or 8 years if initially enrolled on or after July 1, 2011 Investment - after 1 year of creditable service.	25.41%	27.29%	29.01%	31.57%	34.52%
Accumulated FRS benefits earn 1.3% effective annual interest compounded monthly for a period up to 60 months after becoming vested, having reached normal retirement date, and remaining employed.	Subject to normal system vesting provision for membership category.	14.60%	16.98%	18.34%	18.60%	21.13%

All of the above employer contribution rates include 1.66% for a postretirement health insurance subsidy as part of the Health Insurance Subsidy (HIS) Plan. The regular and senior management rates also include .06% for an administrative and educational fee.

Participating employer contributions are based upon actuarially determined state-wide rates established by the State of Florida, that expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. Employee contribution rates are 3% for regular employees and senior management. There is no employee contribution for employees enrolled in DROP.

Contributions to the FRS were \$2,923,808 for the year ended September 30, 2023, which was equal to the required contributions for each year.

The Division issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by contacting the Florida Department of Management Services, Division of Retirement, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560.

Governmental Accounting Standards Board Statement No. 68

As a participating employer, the Authority applies GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing, multiple employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and associated employee pension expenses, deferred outflows of resources and deferred inflows of resources.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 13—Employee benefits (continued)

The Florida Retirement System Pension Plan (Pension Plan)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At September 30, 2023, the Authority reported a net pension liability of \$16,998,269 for its proportionate share of the plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Authority's proportionate share of the net pension liability was based on the Authority's 2022-23 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the Authority's proportionate share was .0427% of the net pension liability which was .00929% decrease from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the Authority recognized the FRS plan pension expense of \$1,797,730. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 1,595,991	\$ -
Change of assumptions	1,108,088	-
Net difference between projected and actual earnings on FRS pension plan investments	709,894	-
Employer-specific amount due to changes in employer proportion	1,584,978	622,624
Authority FRS contributions subsequent to the measurement date	635,079	-
	<u>\$ 5,634,030</u>	<u>\$ 622,624</u>

The deferred outflows of resources related to pensions, totaling \$635,079, resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending September 30,</u>	<u>Deferred Outflow/ Inflow, Net</u>
2024	\$ 1,098,822
2025	1,070,804
2026	865,272
2027	643,685
2028	697,744

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 13—Employee benefits (continued)

Actuarial Assumptions. The total pension liability as of measurement date June 30, 2023 was determined using the following actuarial assumptions which were based on certain results of the most recent actuarial experience study completed in 2019, for the period July 1, 2013 through June 30, 2018:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%

Mortality assumptions were based on the PUB-2010 base table, projected generationally with Scale MP-2018. Details are provided in the funding actuarial report.

The long-term expected rate of return assumption of 6.70% used in GASB discount rate calculations consists of two building block components: 1) a long-term average annual inflation assumption of 2.4% as most recently adopted in October 2022 by the FRS Actuarial Assumption Conference; 2) an inferred real (in excess of inflation) return of 4.2%, which is consistent with the 4.38% real return from the capital market outlook model developed by Aon for 2022. The table below contains a summary of return assumptions for various asset classes based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying real return assumptions from Milliman’s model combined with the FRS Actuarial Assumption Conference’s 2.4% inflation assumption. The Milliman assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash equivalents	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate (property)	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
	<u>100%</u>			

Discount Rate. The discount rate used to measure the total pension liability was 6.70%. The FRS Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Authority’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate: The following presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	<u>1% Decrease 5.70%</u>	<u>Current Rate 6.70%</u>	<u>1% Increase 7.70%</u>
Net pension liability - FRS	\$ 29,036,505	\$ 16,998,269	\$ 6,926,845

JACKSONVILLE TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 13—Employee benefits (continued)

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

The Retiree Health Insurance Subsidy Program ("HIS")

Plan Description. The HIS Pension Plan ("HIS Plan") is a cost-sharing, multiple employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS program. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the Authority's fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the State-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for specified employees. For the fiscal year ended September 30, 2023, the contribution rate was 1.66% of payroll pursuant to Section 112.363, Florida Statutes. The Authority contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislation may reduce or cancel HIS payments.

The Authority's contributions to the HIS Plan were \$395,732 for the fiscal year ended September 30, 2023, which was equal to the required contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At September 30, 2023, the Authority reported a net pension liability of \$9,234,725 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined based on the actuarial valuation as of July 1, 2023. The Authority's proportionate share of the net pension liability was based on the Authority's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the Authority's proportionate share was .05814%, which was an increase of .00289% from its proportionate share measured as of June 30, 2022.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 13—Employee benefits (continued)

For the Authority's fiscal year ended September 30, 2023, the Authority recognized the HIS Plan pension expense of \$3,257,425. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

<u>Description</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 135,190	\$ 21,675
Change of assumptions	242,778	800,020
Net difference between projected and actual earnings on FRS pension plan investments	4,769	-
Employer-specific amount due to changes in employer proportion Authority FRS contributions subsequent to the measurement date	966,383	402,294
	<u>132,269</u>	<u>-</u>
	<u>\$ 1,481,389</u>	<u>\$ 1,223,989</u>

The deferred outflows of resources related to pensions, totaling \$132,269 for 2023, resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending September 30,</u>	<u>Deferred Outflow/ (Inflow), Net</u>
2024	\$ 123,254
2025	100,293
2026	66,667
2027	(49,378)
2028	(57,534)
Thereafter	(58,171)

Actuarial Assumptions. The total pension liability as of July 1, 2023 was determined using the following actuarial assumptions which were based on certain results of the most recent experience study of the FRS Pension Plan completed in 2019 for the period July 1, 2013 through June 30, 2018:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.65%

Mortality assumptions were based on the PUB-2010 base table, projected generationally with Scale MP-2018. Details are provided in funding actuarial valuation report.

Discount Rate: The municipal bond rate used to measure the total pension liability relating to the HIS Plan was 3.65% for 2023. In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. In October 2023, the FRS Actuarial Assumption Conference formally re-adopted the Bond Buyer General Obligation 20-Bond Municipal Bond Index as the applicable municipal bond index.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 13—Employee benefits (continued)

Sensitivity of the Authority’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate:
 The following presents the Authority’s proportionate share of the net pension liability, for the HIS Plan, calculated using the discount rate of 3.65%, as well as what the Authority’s proportionate share of the net pension liability would be if it was calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate:

	1% Decrease 2.65%	Current Rate 3.65%	1% Increase 4.65%
Net pension liability - HIS	\$ 10,535,380	\$ 9,234,725	\$ 8,156,569

Pension Plan Fiduciary Net Position: Detailed information about the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Pension plans of Jax Transit Management Corp. (“JTM”)

JTM (a component unit) makes contributions to a multi-employer defined benefit pension plan for the JTM employees (mechanics) represented by the International Association of Machinists union. JTM also maintains two single-employer, defined benefit pension plans, which cover general (salaried) employees and bus operators for the Authority’s proprietary activities.

International Association of Machinists (IAM) Pension Plan

Mechanics and other technicians whose job classification is within the bargaining unit represented by the International Association of Machinists (“IAM”) union participate in the IAM defined benefit pension plan, a cost-sharing, multiple-employer retirement plan administered by the union to provide retirement and survivor benefits to participating employees. As of September 30, 2023, 138 of the Authority’s employees were covered under this plan. The plan documents for the IAM National Pension Fund establish the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions. The plan does not issue a publicly available financial report.

This plan is used to provide defined benefit pensions both to employees of State and local governmental employers and to employees of employers that are not State and local governmental employers and has no predominant State or local government employer. Accordingly, the plan is subject to the provisions of GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, for accounting and financial statement disclosures.

Benefits are determined by category and length of service as follows:

Membership Category	Retirement Benefit	Vesting	January 1 ,	January 1 ,	January 1 ,	January 1 ,	January 1 ,
			2023	2022	2021	2020	2019
			Employer Contribution Rate	Employer Contribution Rate	Employer Contribution Rate	Employer Contribution Rate	Employer Contribution Rate
Standard	Benefit calculated based upon the participants age of retirement, the participants amount of credited service, the contribution rates paid by contributing employer on the participants behalf, and the form of payment chosen by the participant at retirement.	After 5 years of vesting service or five years of future service credit	\$3.90 per hour	\$3.90 per hour	\$3.90 per hour	\$3.90 per hour	\$3.90 per hour

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 13—Employee benefits (continued)

Participating employer contributions are based upon the collective bargaining agreement for mechanics and utility employees expiring November 2, 2023, that, expressed as an hourly rate, are adequate to accumulate sufficient assets to pay benefits when due. No employee contributions are required.

The payments made to the IAM plan in the fiscal years ended September 30, 2023, 2022, 2021, 2020, and 2019 were \$1,240,467, \$1,239,845, \$1,170,722, \$1,143,954, and \$1,148,965, respectively, which were equal to the required contributions for each year.

Defined benefit pension plans sponsored by Jax Transit Management Corp.

Salaried Plan Description: The Authority contributes to the Jax Transit Management Corp. (“JTM”) Retirement Plan for salaried employees, a single-employer, defined benefit plan which covers all salaried employees on JTM’s payroll whose job classifications are not represented by unions. The salaried employees plan was established by JTM on January 1, 1963. A committee comprised of three employees of the Authority administer the salaried employees plan.

Drivers Plan Description: The Authority also contributes to the Amalgamated Jax Transit Management Corp. Pension Plan for Drivers, a single-employer, defined benefit plan which covers all full and part-time bus operators on JTM’s payroll whose job classification is within the bargaining unit represented by the Amalgamated Transit Union Local 1197. The driver’s Plan was established on May 1, 1964 by JTM. The plan is administered by a six-member Board of Control. The Authority has no fiduciary responsibility for the plan assets of the drivers plan; thus the net position of this plan is not reported as a pension trust fund. The plan issues an available financial report which may be obtained by writing or calling the plan administrator, Reliance Trust at 1000 Abernathy Road NE, Suite 400, Atlanta GA 30328-5634 or (800) 749-0752.

As of December 31, 2022, employee membership data related to both of these plans was as follows:

	Salaried Employees	Drivers Plan
Active employees:		
Nonvested	-	74
Partially vested	-	38
Fully vested	7	223
Retirees and beneficiaries currently receiving benefits	5	275
Terminated plan members entitled to but not yet receiving benefits	12	193
	<u>24</u>	<u>803</u>

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 13—Employee benefits (continued)

The following is a summary of funding policies, contribution methods and benefit provisions:

Funding Policies: The following table provides information concerning funding policies:

	Salaried Employees	Drivers Plan
Determination of contribution requirements	Actuarially determined	The Minimum Required Contribution is determined by ERISA funding requirements in any one year to pay off the plan's unfunded liability which is funded by the Jax Transit Management Corp on yearly basis
Employer	Paid quarterly	\$4.82 per hour
Funding of administrative costs	Paid by JTM	Paid by plan assets
Period required to vest	6 Year Graduated Vesting Schedule After 2 Years of Service - 20% After 3 Years of Service - 40% After 4 Years of Service - 60% After 5 Years of Service - 80% After 6 Years of Service - 100%	Employees Hired prior to 2/1/2017 - Less than 5 years 0% -5 years or more 100% Employees Hired on or after 2/1/2017 - Less than 3 years 0% -3 years 20% -4 years 40% -5 years 60% -6 years 80% -7 years 100%
Postretirement benefit increases	Not applicable	Not applicable
Eligibility for distribution	Normal retirement: The first day of the calendar month coincident with or next following the attainment of age 65 or the 5th year of plan participation, if later. Early retirement: attainment of age 55 and completed 5 years of plan participation as well as 5 years of service	The Vested portion of a Participant's Accrued Benefit who was employed by the Employer on or after June 9, 2022 shall be a percentage of the Participant's Accrued Benefit determined on the basis of the Participant's number of Years of Service according to the following schedule: -Less than 5 years 0% -5 years 100%
Benefit provisions	The yearly amount of pension a participant will receive is equal to 1.5% of the average monthly compensation per year of service, limited to 60 year(s). Employees hired after January 1, 2006 will not receive past service credit.	\$65 per month, for each plan year of service limited to 30 years for participants who perform at least one hour of service after December 31, 2021.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 13—Employee benefits (continued)

	Salaried employees	Drivers Plan
Valuation date	December 31, 2022	December 31, 2022
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level % of payroll	Level dollar
Amortization period	5 years	5 years
Actuarial asset valuation method	Market value	Market value
Actuarial assumptions:		
Assumed rate of return on investments	6% compounded annually	7% compounded annually
Projected salary increases	Assumed 3% per year	None
Mortality rates	The static unisex mortality table designated to compute "Minimum Present Values" under section 417-(e)(3) of Internal Revenue code for distributions in 2021	Pre-Retirement: PRI-2012 Employee (sex-distinct) with generational projection using MP 2021 scale; Post-Retirement: PRI-2012 Non-Disabled Annuitant (sex-distinct) with generational projection using MP 2021 scale
Postretirement benefit increases (maximum)	None	None
Inflation	2.0%	2.5%

The salaried plan's funding policy provides for annual employer contributions based on funding requirements from Sections 412 and 430 of the Internal Revenue Code ("IRC"). Specifically, an actuarial valuation is done under Employee Retirement Income Security Act of 1974 ("ERISA") to measure the unfunded liability (or surplus) at the end of the plan year and the Minimum Required Contribution ("MRC") is determined. This MRC is the minimum amount the sponsor needs to contribute during the plan year that is sufficient to accumulate sufficient assets to pay benefits when due. Significant actuarial assumptions used to compute contribution requirements are based on the requirements of the IRC and it changes every year. Employees contribute 3% to the salaried plan as well.

The Driver plan's funding policy provides for annual employer contributions based on funding requirements from Sections 412 and 430 of the IRC. Specifically, an actuarial valuation is done under ERISA to measure the unfunded liability (or surplus) at the beginning of the plan year and the MRC is determined. This MRC is the minimum amount that the sponsor needs to contribute during the plan year that is sufficient to accumulate sufficient assets to pay benefits when due. Significant actuarial assumptions used to compute contribution requirements are based on the requirements of the IRC and it changes every year.

Investments – Drivers Plan

A committee comprised of three Authority employees administers the Jax Transit Management, Corp. Salaried Employee Plan. The committee has the authority to establish and amend investment policy including decisions regarding asset allocation. It is the policy of the committee to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the committee's adopted asset allocation policy as of September 30, 2023:

Asset Class	Target Allocation
Fixed Income	35%
Equities	65%
Total	100%

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 13—Employee benefits (continued)

The expected return on investments is determined from a building block approach that includes components for inflation, real risk-free return, and risk premium. It is calculated by summing the weighted average of the total return for each asset class.

Net Pension Liability – Salaried Employee Plan

The components of the net pension liability (asset) of the Authority’s Jax Transit Management, Corp. (Salaried Employee) plan at September 30, 2023, based on the December 31, 2022 valuation results, were as follows:

	<u>Increase (Decrease)</u>		<u>Net Pension Liability (Asset) (a) - (b)</u>
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	
Balance at December 31, 2021	\$ 1,883,258	\$ 2,456,843	\$ (573,585)
Changes for the year:			
Service cost	49,948	-	49,948
Interest	109,941	-	109,941
Difference between expected and actual experience	322,638	-	322,638
Transfers to ATU Plan	-	(751,987)	751,987
Employer contributions	-	191,046	(191,046)
Employee contributions	-	14,191	(14,191)
Net investment income	-	(207,168)	207,168
Benefit payments	(101,827)	(101,827)	-
Administrative expense	-	(42,394)	42,394
Net changes	<u>380,700</u>	<u>(898,139)</u>	<u>1,278,839</u>
Balance at December 31, 2022	<u>\$ 2,263,958</u>	<u>\$ 1,558,704</u>	<u>\$ 705,254</u>

Discount Rate – Salaried Employee Plan

The discount used to measure the Jax Transit Management Corp. (Salaried Employee) plan total pension liability was 6% as of December 31, 2022. The pension plan’s fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years. The discount rate used to calculate the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate – Salaried Employee Plan

The following table illustrates the sensitivity of the Jax Transit Management, Corp. (Salaried Employee) plan net pension liability (asset) as of December 31, 2022 to changes in the discount rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	<u>5%</u>	<u>6%</u>	<u>7%</u>
Net pension liability - salaried	\$ 1,020,064	\$ 705,254	\$ 440,123

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 13—Employee benefits (continued)

Pension expense and deferred outflows (inflows) of resources related to Jax Transit Management, Corp. (Salaried Employee) plan Pensions are as follows:

Description	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience (gains) losses	\$ 246,771	\$ -
Change of assumption	3,164	16,619
Net difference between projected and actual earnings on pension plan investments	315,133	17,390
Authority contributions subsequent to the measurement date	176,483	-
	<u>\$ 741,551</u>	<u>\$ 34,009</u>

The deferred outflows of resources related to pensions, totaling \$176,483 for 2023, resulting from Authority contributions to the Jax Transit Management, Corp. (Salaried Employee) plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending September 30,	Deferred Outflow/ Inflow, Net
2023	\$ 258,114
2024	123,391
2025	82,787
2026	66,767

Drivers Plan

The Jax Transit Management Corp. Drivers plan's funding policy provides for periodic employer contributions at contractually negotiated rates that, expressed as an hourly rate, are sufficient to accumulate sufficient assets to pay benefits when due. Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the pension benefit obligation described above.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 13—Employee benefits (continued)

Investments – Drivers Plan

The Jax Transit Management Corp. Drivers plan is administered by a six-member Board of Control. The Board has the authority to establish and amend investment policy including decisions regarding asset allocation. It is the policy of the board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the board’s adopted asset allocation policy as of September 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equities	43%
International	7%
Fixed income	30%
Hedged strategies	15%
Real estate	5%
	<u>100%</u>

The long-term expected rate of return on plan investments is developed for each major asset class by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equities	8.1%
International equities	8.7%
Fixed income	4.2%
Hedged strategies	6.1%
Real estate	8.0%

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 13—Employee benefits (continued)

Net Pension (Asset) – Jax Transit Management Corp. Drivers Plan

The components of the net pension (asset) of the Authority's Jax Transit Management, Corp. (Drivers) plan at September 30, 2023, based on the December 31, 2022 valuation results, were as follows:

	(Increase) Decrease		Net Pension (Asset) (a) - (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
Balance at December 31, 2021	\$ 49,059,918	\$ 61,791,539	\$ (12,731,621)
Changes for the year:			
Service cost	999,458	-	999,458
Interest	3,331,906	-	3,331,906
Differences between expected actual experience	473,385	-	473,385
Assumption changes	-	-	-
Employer contributions	-	3,868,641	(3,868,641)
Employee contributions	-	169,798	(169,798)
Net investment income	-	(6,463,574)	6,463,574
Changes in benefit terms	-	-	-
Benefit payments	(2,922,517)	(2,922,517)	-
Administrative expense	-	(501,973)	501,973
Net changes	1,882,232	(5,849,625)	7,731,857
Balance at December 31, 2022	<u>\$ 50,942,150</u>	<u>\$ 55,941,914</u>	<u>\$ (4,999,764)</u>

Discount Rate – Jax Transit Management Corp. Drivers Plan

The discount rate used to measure the total pension liability was 7% as of December 31, 2022. The pension plan's fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years. The discount rate used to calculate the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments.

Sensitivity of the Net Pension (Asset) to Changes in the Discount Rate – Jax Transit Management Corp. Drivers Plan

The following table illustrates the sensitivity of the Jax Transit Management Corp. Drivers plan net pension liability as of December 31, 2022, to changes in the discount rate:

	1% Decrease 6%	Current rate 7%	1% Increase 8%
Net pension liability (asset) - Drivers	\$ 17,757	\$ (4,999,764)	\$ (9,326,429)

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 13—Employee benefits (continued)

Pension Expense and Deferred Outflows (Inflows) of Resources Related to Pensions – Jax Transit Management Corp. Drivers Plan

<u>Description</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Change of assumptions	\$ 54,414	\$ 998,246
Net difference between projected and actual earnings on drivers pension plan investments	8,648,376	3,908,202
Experience (gains) losses	1,439,144	158,404
Authority contributions subsequent to the measurement date	3,083,979	-
	<u>\$ 13,225,913</u>	<u>\$ 5,064,852</u>

The deferred outflows of resources related to Jax Transit Management Corp. Drivers pension plan, totaling \$3,083,979 for 2023, resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability or an increase to the net pension asset in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending September 30,</u>	<u>Deferred Outflow/ (Inflow), Net</u>
2024	\$ 268,535
2025	1,101,781
2026	1,503,604
2027	2,203,162

Note 14—Other postemployment benefits

Pursuant to Section 112.0801, Florida Statutes, the Authority is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. This results in an implicit subsidy to retirees.

Plan Description – The Authority’s other postemployment benefits (“OPEB”) plan is a single-employer, defined benefit healthcare (medical only) plan which offers health insurance for retired employees. The published insurance rates are based primarily on the healthcare usage of active employees. Retirees pay 100% of the published rates. Since retirees use healthcare at a rate much higher than active employees, using these blended rates creates a subsidy for the retiree group. Employees who terminate their employment prior to retirement eligibility are not eligible to participate in the plan. Dependents, including surviving spouses, are permitted access to the plan.

Funding Policy – The board is authorized to establish benefit levels, subject to the minimum requirements set forth by Florida Statutes, and to approve the actuarial assumptions used in the determination of contribution levels. The board establishes the contribution requirements of plan members and the Authority. These contributions are neither mandated nor guaranteed. The retiree pays the full cost of the premium each month for themselves, spouses, and other dependents who are also eligible for coverage. The Authority does not subsidize any member premiums. The Authority has not set up a trust to prefund benefits. Benefits are funded on a pay-as-you-go basis.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 14—Other postemployment benefits (continued)

Benefits for employees of JTM subject to union negotiations do not currently include any health benefits after retirement and are not considered by this Plan.

Employees covered by benefit term:

Current retirees:	
Under age 65	-
Over age 65	2
Total current retirees	<u>2</u>
Active employees fully eligible for benefits	209
Active employees not yet fully eligible for benefits	-
Total active employees	<u>209</u>
Total number of participants	<u><u>211</u></u>

The total OPEB liability of \$105,893 as of September 30, 2023 is based on September 30, 2022 valuation data.

Actuarial assumptions, methods, and valuation

The actuarial valuation is conditioned on the assumption of an ongoing plan and is not meant to present the actuarial position of the plan in the case of plan termination. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status), and changes in plan provisions or applicable law.

Future medical care cost increase rates and are unpredictable and could be volatile. They will depend upon the economy, future health care delivery systems, and emerging technologies. The trend rate selected is based on an economic model developed by a healthcare economist for the Society of Actuaries. Future medical trend increases could vary significantly from the model. Model inputs will be updated periodically based on the best estimate of the economy at that time. Small changes in the model inputs can result in actuarial losses or gains of 5% to 15% of liabilities.

If necessary, liabilities are rolled forward from actuarial valuation date to measurement through use of a roll forward method. Liabilities are adjusted for passage of time by adding normal cost minus benefit payments all adjusted with interest.

Actual coverage status is used; females assumed three years younger than male spouse.

All employees not participating in coverage currently are assumed to not elect to participate in the future.

35% of employees with coverage are assumed to elect to continue coverage upon retirement.

35% of those currently enrolled with spouse/family coverage will continue the same coverage upon retirement.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 14—Other postemployment benefits (continued)

Additional actuarial assumptions used:

Cost Method:	Entry Age Normal Cost Method
Asset Valuation Method:	Market value of assets
Actuarial Valuation Date:	September 30, 2022
Measurement Date:	September 30, 2021
Discount Rate as of September 30, 2021:	2.19%

Medical Trend Assumptions

These assumptions were developed using the SOA long-term medical trend model. The following baseline assumptions were used as input variables into the model:

Rate of inflation	2.5%
Rate of growth in real income/GDP per capita	1.4%
Extra trend due to technology and other factors	1.0%
Expected health share of GDP in 2031	19.0%
Health share of GDP resistance point	20.0%
Year for limiting cost growth to GDP growth	2075

Decrement Assumptions

Below is a summary of decrements used in this valuation:

<u>Mortality Decrements</u>	<u>Description</u>
(1) Healthy active	Regular, male and female: Pub-2010 General Employees Headcount-Weighted Mortality Projected with Fully Generational MP-2021 Mortality Improvement Scale
(2) Healthy inactive	Generational MP-2021 Mortality Improvement Scale regular, male and female: Pub-2010 General Retirees Headcount-Weighted Mortality Projected with Fully Generational MP-2021 Mortality Improvement Scale
(3) Disabled	Pub-2010 General Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP-2021 Mortality Improvement Scale
(4) Survivors and beneficiaries	Pub-2010 General Retirees Headcount-Weighted Mortality Projected with Fully Generational MP-2021 Mortality Improvement Scale

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 14—Other postemployment benefits (continued)

Salary Scale

The salary scale depends upon sex, service, and FRS type (these are the general employee rates). This includes a 2.4% inflation rate:

Service	Male	Female
0	7.8%	7.8%
1	5.8%	5.8%
2	5.4%	5.4%
3	5.1%	5.1%
4	4.7%	4.7%
5	4.6%	4.6%
6	4.6%	4.6%
7	4.5%	4.5%
8	4.4%	4.4%
9	4.4%	4.4%
10	4.4%	4.4%
11	4.3%	4.3%
12	4.2%	4.2%
13	4.2%	4.2%
14	4.2%	4.2%
15	4.2%	4.2%
16	4.2%	4.2%
17	4.2%	4.2%
18	4.1%	4.1%
19	4.1%	4.1%
20	4.1%	4.1%
21	4.0%	4.0%
22	4.0%	4.0%
23	3.9%	3.9%
24	3.9%	3.9%
25	3.8%	3.8%
26	3.7%	3.7%
27	3.6%	3.6%
28	3.5%	3.5%
29	3.4%	3.4%
30 and more	3.4%	3.4%

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 14—Other postemployment benefits (continued)

Claims Assumption

The plan is fully insured. To determine the assumed cost and the retiree contributions, the current premium rates were weighted by the current enrollment.

Gross claims are equal to the age adjusted assumed cost. The resulting average pre age 65 claims were age adjusted.

The following chart shows the total costs including both medical and prescription drug as well as the assumed costs. Family costs are assumed to be 2.00 times the cost of single coverage.

Per Capita Rates

Total Costs	Single
1. Explicit costs	
a. Pre-Medicare	\$ 9,257
2. Total medical and drug costs	
a. Under 50	7,435
b. Age 50-54	9,212
c. Age 55-59	11,243
d. Age 60-64	13,808

Change in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance as of September 30, 2021 for FYE 2022	\$ 119,352	\$ -	\$ 119,352
Changes for the year:			
Service cost	14,757	-	14,757
Interest	2,520	-	2,520
Trust contribution - Employer	-	8,587	(8,587)
Changes in assumptions	(22,149)	-	(22,149)
Benefit payments (net of retiree contributions)	(8,587)	(8,587)	-
Net changes	<u>(13,459)</u>	<u>-</u>	<u>(13,459)</u>
Balance as of September 30, 2022 for FYE 2023	<u>\$ 105,893</u>	<u>\$ -</u>	<u>\$ 105,893</u>

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 14—Other postemployment benefits (continued)

OPEB Expense

Service cost	\$	14,757
Interest		2,520
Differences between expected and actual experience		
From past years recognized in current year		(15,538)
Changes in assumptions:		
In current fiscal year recognized in current year		(7,383)
From past years recognized in current year		(2,068)
		<u>(9,451)</u>
Total OPEB expense	\$	<u>(7,712)</u>

Sensitivity Analysis

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

The following table presents the Authority's total and net OPEB liability. It is also presented with the total and net OPEB liability if it is calculated using a discount rate that is one percentage point lower or one percentage point higher:

<u>Discount Rate</u>	<u>1% Decrease</u> <u>3.40%</u>	<u>Discount Rate</u> <u>4.40%</u>	<u>1% Increase</u> <u>5.40%</u>
Total and net OPEB liability	\$ 108,647	\$ 105,893	\$ 102,766

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

The following table presents the Authority's total and net OPEB liability. It is also presented with the total and net OPEB liability if it is calculated using a *health care cost trend rate* that is one percentage point lower or one percentage point higher.

<u>Ultimate Trend</u>	<u>1% Decrease</u> <u>2.94%</u>	<u>Medical Trend</u> <u>3.94%</u>	<u>1% Increase</u> <u>4.94%</u>
Total and net OPEB liability	\$ 96,795	\$ 105,893	\$ 116,316

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 14—Other postemployment benefits (continued)

Deferred Inflows/Outflows of Resources Related to OPEB

For the fiscal year ended September 30, 2023, the Authority recognized an OPEB benefit of (\$7,712). At September 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 24,942
Changes of assumptions	573	16,231
Net difference between projected and actual earnings on OPEB plan investments	-	-
	<u>\$ 573</u>	<u>\$ 41,173</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized as follows:

Fiscal Years Ending September 30.

2024	\$ (33,217)
2025	(7,383)

Note 15—Fund balance

A schedule of Authority governmental fund balances is provided below:

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Fund
Spendable:					
Restricted for government funded construction projects	\$ -	\$ 20,202,831	\$ -	\$ -	\$ 20,202,831
Restricted for capital projects	-	-	13,233,847	-	13,233,847
Restricted for debt service	-	-	-	12,091,568	12,091,568
Assigned to:					
Construction projects	24,827,000	-	-	-	24,827,000
General fund reserves	4,298,000	-	-	-	4,298,000
General fund legal reserves	6,000,000	-	-	-	6,000,000
Right-of-way acquisitions	3,000,000	-	-	-	3,000,000
Transit operations reserve	37,039,000	-	-	-	37,039,000
Transit operations CIP initiatives	1,821,000	-	-	-	1,821,000
Unassigned	23,046,973	-	-	-	23,046,973
Total fund balance	<u>\$ 100,031,973</u>	<u>\$ 20,202,831</u>	<u>\$ 13,233,847</u>	<u>\$ 12,091,568</u>	<u>\$ 145,560,219</u>

Note 16—Pollution remediation

The Authority has a pollution remediation event for the required regulatory assessments and monitoring for a site. Based on the uncertainty of the amount of the remediation and any offsetting insurance or City reimbursement, the associated costs have not been accrued for and reflected in the accompanying financial statements.

JACKSONVILLE TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Note 17—Commitments and contingencies

Grant Funding – Federal and State grant awards are audited in accordance with the requirements of the Uniform Guidance and the Florida Single Audit Act. These grant awards are subject to audit by the respective grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable Federal and State regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a Federal or State audit may become a liability of the Authority. It is management’s opinion that no material liabilities will result from any such grantor audits.

Purchase Commitments – On November 25, 2014, the Authority originally entered into a Phase 2 Lease and Concession Contract with Clean Energy d/b/a Clean Energy CA Corp for the lease of certain real property for the development, operations and maintenance of a compressed natural gas (CNG) Fueling Station. The agreement includes minimum purchase commitments of natural gas over a specified period of time. The agreement had been subsequently amended on April 30, 2015 and September 30, 2016, respectively. As of September 30, 2023, and assuming natural gas futures prices, the average monthly natural gas fuel cost for the minimum required annual purchase volume of 843,750 DGEs is \$91,483 per month. This is \$1,097,795 annually and \$7,684,566 for the seven remaining years of the contract from fiscal year 2024 through fiscal year 2030.

On March 18, 2019, the Authority entered into a five-year agreement with a third-party vendor for U²C Technology Integration Consulting Services. This agreement is intended to advance the Authority’s goal of Transformative Mobility Solutions by conceptualizing, implementing, and developing the autonomous vehicle technology system known as the Ultimate Urban Circulator (U²C). The U²C will be an integrated autonomous vehicle system in downtown Jacksonville, serving as an autonomous circulator and people mover. Consulting services will include developing the U²C framework as it pertains to Data, Communications, Cybersecurity and Vehicle Location Systems. Total compensation under this agreement is \$10,000,000 and continues to be active through March 17, 2024.

On January 27, 2022, the Authority entered into a Progressive Project Delivery Agreement (PPDA) with Balfour Beatty Construction, LLC. for the first phase, known as the Bay Street Innovation Corridor Project of the U²C multi-phased program initially valued at \$51,100,000; subsequently amended September 14, 2023, to an increased total budget of \$66,600,000. This project is undertaken along the Bay Street corridor, a major thoroughfare cutting east-west through the downtown Jacksonville area, and includes an integrated, progressive AV procurement and project design, build, operation, and maintenance (AV-DBOM) model. The project has completed phase two, delivering a 90% project design valued at \$16,605,728, with \$49,994,272 still committed.

On behalf of the State of Florida with guidance from the Florida Department of Transportation, the Authority entered into agreements with third party vendors for the manufacture of heavy-duty buses on May 24, 2019 with Gillig LLC, on December 18, 2019 with NOVA Bus, a division of Prevost Car (US) Inc., and on February 3, 2020 with New Flyer of America, Inc., respectively, for a period of performance of a Two (2) Year Base with Three (3) One Year Options for a total term of Five (5) years. These agreements operate as a contractual vehicle available to all transit agencies in the State of Florida for their sourcing of the buses. These are requirements contracts with an indefinite delivery and indefinite quantity element that has negotiated a fixed price for the base bus and related optional features. The Authority is currently collaborating with the State of Florida and the Florida Department of Transportation to initiate a new solicitation in this regard for award in 2024. The Authority purchased from the Gillig LLC contract in 2022, ordering 6 buses for delivery in 2023 valued at \$3,965,600, and in 2023 ordered 30 buses valued at \$22,680,708 for delivery in 2024 and 2025.

Litigation – The Authority is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operation. In the opinion of management, any adjustments that would result from the settlement of lawsuits and other claims would not be significant.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues:				
City of Jacksonville - net 1/2 cent surtax	\$ 3,478,106	\$ 3,478,106	\$ 3,000,000	\$ (478,106)
Investment earnings	318,432	350,615	3,814,628	3,464,013
Other miscellaneous	159,674	159,674	320,657	160,983
Total Revenues	<u>3,956,212</u>	<u>3,988,395</u>	<u>7,135,285</u>	<u>3,146,890</u>
Expenditures:				
General government	3,956,212	3,956,212	3,460,626	495,586
Total Expenditures	<u>3,956,212</u>	<u>3,956,212</u>	<u>3,460,626</u>	<u>(495,586)</u>
Excess of Revenues Over Expenditures	-	-	3,674,659	3,674,659
Other Financing Uses (Sources):				
Subscription-based information technology arrangements liabilities issued	-	-	1,362,137	1,362,137
Transfer out	-	-	(20,273,952)	(20,273,952)
Net change in fund balance	-	-	(16,599,293)	(16,599,293)
Fund balances, beginning of year	<u>115,269,129</u>	<u>115,269,129</u>	<u>115,269,129</u>	<u>-</u>
Fund balances, end of year	<u>\$ 115,269,129</u>	<u>\$ 115,269,129</u>	<u>\$ 100,031,973</u>	<u>\$ (15,237,156)</u>

See Note to Budgetary Comparison Schedule

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTE TO BUDGETARY COMPARISON SCHEDULE (UNAUDITED)

SEPTEMBER 30, 2023

Note 1—Budget and budgetary accounting

The Authority prepares an annual budget for its General Fund. The Custodial project Special Revenue Fund adopts project-length budgets rather than annual budgets. Accordingly, a budget and actual schedule is not presented for this fund. The Authority is authorized to transfer appropriated funds, from one of the purposes for which funds are appropriated, to another, if, in the discretion of the Authority, such transfer is necessary to carry out all of the purposes for which funds are appropriated, subject to applicable law. Thus, the legal level of budgetary control is at the fund level. All budgets are adopted in accordance with accounting principles generally accepted in the United States. Encumbrances outstanding at year-end for unfilled obligations are canceled and re-appropriated in the succeeding year's budget. Such amounts, if material, are disclosed in the notes to the financial statements under "Commitments and contingencies." In addition, the Authority is not legally required to establish a budget for proprietary funds.

See accompanying note to required supplementary information

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF CHANGES IN THE TOTAL LIABILITY AND RELATED RATIOS –
OTHER POSTEMPLOYMENT BENEFITS PLAN (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

<u>As of September 30 Fiscal Year</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:						
Service cost	\$ 14,757	\$ 20,773	\$ 19,362	\$ 12,828	\$ 12,750	\$ 12,737
Interest cost	2,520	4,488	5,011	5,672	5,434	5,157
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(74,826)	-	37,613	-	-
Changes of assumptions	(22,149)	(4,395)	2,289	(4,703)	(1,662)	(2,057)
Benefit payments	(8,587)	(25,432)	(20,278)	(16,645)	(28,396)	(25,471)
Net Changes in Total OPEB Liability	(13,459)	(79,392)	6,384	34,765	(11,874)	(9,634)
Total OPEB liability - beginning of year	119,352	198,744	192,360	157,595	169,469	179,103
Total OPEB Liability - End of Year	\$ 105,893	\$ 119,352	\$ 198,744	\$ 192,360	\$ 157,595	\$ 169,469
Plan Fiduciary Net Position:						
Contributions - employer net investment income	\$ 25,432	\$ 25,432	\$ 20,278	\$ 16,645	\$ 28,396	\$ 25,471
Benefit payments (net of retiree contributions)	(25,432)	(25,432)	(20,278)	(16,645)	(28,396)	(25,471)
Net change in fiduciary net position	-	-	-	-	-	-
Fiduciary net position - beginning of year	-	-	-	-	-	-
Fiduciary Net Position - End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability	105,893	119,352	198,744	192,360	157,595	169,469
Fiduciary Net Position as a % of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll ¹						
Net OPEB Liability as a % Payroll ¹						
Expected average remaining service years of all participants	3	3	4	4	4	4
Notes to Schedule: Benefit Changes	None	None	None	None	None	None
Changes of assumptions The discount rate was changed as follows:						
<u>Discount Rate</u>						
9/30/2018	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
9/30/2019	3.83%	3.83%	3.83%	3.83%	3.83%	
9/30/2020	2.75%	2.75%	2.75%	2.75%		
9/30/2021	2.41%	2.41%	2.41%			
9/30/2022	2.19%	2.19%				
9/30/2023	4.40%					

¹Because this OPEB plan does not depend on salary, there is no salary information.

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4. This is a 10-year schedule; however, the information in the schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

See accompanying note to required supplementary information

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTE TO SCHEDULE OF CHANGES IN THE TOTAL LIABILITY –
OTHER POSTEMPLOYMENT BENEFITS (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

	Other Postemployment Medical Benefits					
	2023	2022	2021	2020	2019	2018
Valuation Date: Measurement Date:	October 1, 2022	October 1, 2021	October 1, 2020	October 1, 2019	October 1, 2018	October 1, 2017
Actuarial cost method Amortization method Remaining amortization period	October 1, 2022 Entry age normal level dollar 10 years	October 1, 2021 Entry age normal level dollar 10 years	October 1, 2020 Entry age normal level dollar 10 years	October 1, 2019 Entry age normal level dollar 10 years	October 1, 2018 Entry age normal level dollar 10 years	October 1, 2017 Entry age normal level dollar 10 years
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value
Medical Trend Assumptions:						
Rate of inflation	2.50%	2.50%	2.50%	2.50%	2.20%	2.20%
Rate of Growth in Real income/GDP per capita	1.40%	1.40%	1.50%	1.50%	1.60%	1.60%
Extra Trend Due To Technology And Other Factors	1.00%	1.00%	1.10%	1.10%	1.30%	1.30%
Health Share of GDP Resistance Point	20%	20%	25%	25%	25%	25%
Year for Limiting Cost Growth to GDP Growth	2075	2075	2075	2075	2075	2075

Roll Forward Method

If necessary, liabilities are rolled forward from actuarial valuation date to measurement through use of a roll forward method.

Actual coverage status is used; females assumed 3 years younger than male spouse. All employees not participating in coverage currently are assumed to not elect to participate in the future. 35% of employees with coverage are assumed to elect to continue coverage upon retirement. 35% of those currently enrolled with spouse/family coverage will continue the same coverage upon retirement

Coverage Status and Age of Spouse

Interest Assumptions	Not Funded	Not Funded	Not Funded	Not Funded	Not Funded	Not Funded
Discount Rate	4.40%	2.19%	2.41%	2.75%	3.83%	3.50%

This schedule is presented to illustrate the requirements of GASB 75.
 Data for fiscal years prior to September 30, 2017, is not available.

Notes to Schedule:

This schedule is presented to illustrate the requirements of GASB 75. Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF CHANGES IN NET PENSION – LIABILITIES AND RELATED RATIOS –
DRIVERS AND SALARIED PENSION PLAN (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

** Plan Year Ended December 31:	Salaried Employees Pension Plan 2023		Salaried Employees Pension Plan 2022		Salaried Employees Pension Plan 2021		Salaried Employees Pension Plan 2020		Salaried Employees Pension Plan 2019		Salaried Employees Pension Plan 2018		Salaried Employees Pension Plan 2017		Salaried Employees Pension Plan 2016	
Total Pension Liability:																
Service cost	\$ 49,948	\$ 999,458	\$ 57,808	\$ 960,974	\$ 57,659	\$ 985,411	\$ 58,728	\$ 1,125,198	\$ 61,710	\$ 1,002,220	\$ 96,408	\$ 1,517,160	\$ 110,356	\$ 790,363	\$ 790,363	\$ 790,363
Interest	109,941	3,331,906	100,933	3,220,334	88,163	3,046,936	81,309	2,956,089	88,184	2,772,157	81,184	2,752,364	102,990	2,400,761	2,400,761	2,400,761
Changes of benefit terms	-	-	-	-	-	-	-	-	-	688,965	-	-	-	-	-	-
Participant contributions	-	-	-	884,133	-	-	-	-	-	-	6,716	-	25,190	-	-	-
Transfers to ATU Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	322,638	473,385	106,121	1,182,545	283,566	1,188,884	94,575	(607,775)	(250,252)	300,306	145,185	1,398,801	(203,992)	384,557	384,557	384,557
Changes of assumptions	-	-	(46,311)	(1,799,687)	(8,180)	(122,883)	77,601	181,699	-	-	-	-	-	819,121	819,121	819,121
Benefit payments, including refunds of member contributions	(101,827)	(2,922,517)	(35,024)	(2,786,304)	(381,706)	(2,456,163)	(14,236)	(2,258,644)	(14,236)	(2,013,451)	(218,587)	(1,906,454)	(619,874)	(2,068,840)	(2,068,840)	(2,068,840)
Other	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-	-	-
Net Change in Total Pension Liability	380,700	1,882,232	183,527	1,661,995	39,492	2,642,185	297,977	1,396,567	(114,594)	2,750,197	110,905	3,759,871	(585,330)	2,325,962	2,325,962	2,325,962
Total pension liability-beginning (a)	1,883,258	49,059,918	1,699,731	47,397,923	1,660,239	44,755,738	1,362,262	43,359,171	1,476,856	40,608,974	1,365,951	36,849,103	1,951,281	34,523,141	34,523,141	34,523,141
Total Pension Liability-Ending (a)	\$ 2,263,958	\$ 50,942,150	\$ 1,883,258	\$ 49,059,918	\$ 1,699,731	\$ 47,397,923	\$ 1,660,239	\$ 44,755,738	\$ 1,362,262	\$ 43,359,171	\$ 1,476,856	\$ 40,608,974	\$ 1,365,951	\$ 36,849,103	\$ 36,849,103	\$ 36,849,103
Plan fiduciary net position																
Contributions-Authority	\$ 191,046	\$ 3,868,641	\$ 1,090,000	\$ 2,870,223	\$ 80,000	\$ 2,122,120	\$ 178,029	\$ 2,587,332	\$ 357,000	\$ 2,512,210	\$ 397,716	\$ 2,447,847	\$ 229,190	\$ 2,180,892	\$ 2,180,892	\$ 2,180,892
Contributions-Employees	14,191	169,798	18,055	105,460	8,800	98,184	18,045	89,602	44,110	20,769	-	-	-	-	-	-
Net investment income	(207,168)	(6,463,574)	35,108	7,450,753	107,011	5,449,816	135,844	7,532,533	(43,243)	(1,820,327)	86,821	5,846,761	38,217	2,743,015	2,743,015	2,743,015
Benefit payments, including refunds of member contributions	(101,827)	(2,922,517)	(35,024)	(2,786,304)	(381,706)	(2,456,163)	(14,236)	(2,258,644)	(14,236)	(2,013,451)	(218,587)	(1,906,454)	(619,874)	(2,068,840)	(2,068,840)	(2,068,840)
Administrative expenses	(42,394)	(501,973)	(69,461)	(451,582)	(39,390)	(371,237)	(21,818)	(859,498)	(28,013)	(810,152)	(20,966)	(497,299)	(31,647)	(377,674)	(377,674)	(377,674)
Investment expenses	-	-	-	-	-	-	-	-	-	-	(3,803)	-	(3,533)	-	-	-
Other	(751,987)	-	-	-	-	-	-	-	-	-	4,153	(42,261)	-	-	-	-
Net change in Plan Fiduciary Net Position	(898,139)	(5,849,625)	1,038,678	7,188,550	(225,285)	4,842,720	295,864	7,091,325	315,618	(2,110,951)	245,334	5,848,594	(387,647)	2,477,393	2,477,393	2,477,393
Plan fiduciary net position-beginning	2,456,843	61,791,539	1,418,165	54,602,989	1,643,450	49,760,269	1,347,586	42,668,944	1,031,968	44,779,895	786,634	38,931,301	1,174,281	36,453,908	36,453,908	36,453,908
Plan Fiduciary Net Position-Ending (b)	1,558,704	55,941,914	2,456,843	61,791,539	1,418,165	54,602,989	1,643,450	49,760,269	1,347,586	42,668,944	1,031,968	44,779,895	786,634	38,931,301	38,931,301	38,931,301
Net Pension Liability (Asset) - Ending (a) - (b)	\$ 705,254	\$ (4,999,764)	\$ (573,585)	\$ (12,731,621)	\$ 281,566	\$ (7,205,066)	\$ 16,789	\$ (5,004,531)	\$ 14,676	\$ 690,227	\$ 444,888	\$ (4,170,921)	\$ 579,317	\$ (2,082,198)	\$ (2,082,198)	\$ (2,082,198)
Plan fiduciary net position as a percentage of the total pension liability	69%	110%	130%	126%	83%	115%	99%	111%	99%	98%	70%	110%	58%	106%	106%	106%
Covered payroll	528,919	15,048,876	603,674	19,387,559	626,060	19,928,007	937,244	20,469,072***	867,280	19,558,507***	865,309	N/A*	782,112	N/A*	N/A*	N/A*
Net pension liability as a percentage of covered payroll	133%	-33%	-95%	-66%	45%	-36%	2%	-24.45%***	2%	3.53%***	51%	N/A*	74%	N/A*	N/A*	N/A*

*As the contribution formula is not pay related, earnings information has not been collected.
 **The amounts presented for each year were determined as of December 31 of the prior year.
 ***Covered payroll information included to newly hired employee contributions eligible in July 2018

Notes to Schedule:

This schedule is presented to illustrate the requirements of GASB 68. Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF CONTRIBUTIONS –
DRIVERS AND SALARIED PENSION PLAN (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

Salaried Employees Pension Plan										
** Plan Year Ended December 31:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 185,059	\$ 160,000	\$ 98,065	\$ 91,406	\$ 159,514	\$ 165,015	\$ 175,635	\$ 167,906	\$ 380,399	\$ 391,415
Contribution made in relation to the actuarially determined contribution	191,046	97,504	80,000	178,028	401,110	397,716	229,190	414,692	291,591	293,733
Contribution Deficiency (Excess)	\$ (5,987)	\$ 62,496	\$ 18,065	\$ (86,622)	\$ (241,596)	\$ (232,701)	\$ (53,555)	\$ (246,786)	\$ 88,808	\$ 97,682
Covered payroll	528,919**	603,674**	576,904**	568,666	764,894	865,309	782,112	751,943	962,567	1,135,662
Contributions as a percentage of covered payroll	36.12%	16.15%	13.86%	19.00%	52.43%	45.96%	29.30%	55.15%	30.29%	25.90%
Drivers Pension Plan										
** Plan Year Ended December 31:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,539,645	\$ 2,870,223	\$ 2,319,560	\$ 2,636,042	\$ 2,532,979	\$ 2,447,847	\$ 2,180,892	\$ 2,429,423	\$ 2,289,802	\$ 210,659
Contribution made in relation to actuarially determined contribution	2,539,645	2,870,223	2,319,560	2,676,934	2,532,979	2,447,847	2,180,892	2,429,423	2,332,063	2,111,750
Contribution (Excess)	\$ -	\$ -	\$ -	\$ (40,892)	\$ -	\$ -	\$ -	\$ -	\$ (42,261)	\$ (1,901,091)
Covered payroll	15,048,876**	19,387,559**	21,421,999**	21,257,336**	20,221,919	N/A*	N/A*	N/A*	N/A*	N/A*
Contributions as a percentage of covered payroll	16.88%	14.80%	12.53%	12.59%	12.53%	N/A*	N/A*	N/A*	N/A*	N/A*

*As the contribution formula is not pay related, earnings information has not been collected.

**The amounts presented for each year were determined as of December 31 of the prior year.

***Covered payroll information included to newly hired employee contributions eligible in July 2018

Notes to Schedule:

This schedule is presented to illustrate the requirements of GASB 68.

See Report of Independent Auditor

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO SCHEDULE OF CONTRIBUTIONS –
DRIVERS AND SALARIED PENSION PLAN (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

	Salaried Employees Pension Plan 2023	Drivers Pension Plan 2023	Salaried Employees Pension Plan 2022	Drivers Pension Plan 2022	Salaried Employees Pension Plan 2021	Drivers Pension Plan 2021	Salaried Employees Pension Plan 2020	Drivers Pension Plan 2020	Salaried Employees Pension Plan 2019
Notes to Schedule:									
Valuation Date:	December 31, 2022	December 31, 2022	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2020	December 31, 2019	December 31, 2019	December 31, 2018
Measurement Date:	December 31, 2022	December 31, 2022	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2020	December 31, 2019	December 31, 2019	December 31, 2018
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll
Remaining amortization period	7 years*	7 years*	7 years*	7 years*	7 years*	7 years*	7 years*	7 years*	7 years*
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value
Actuarial Assumptions:									
Investment rate of return	6% compounded annually	7% compounded annually	6% compounded annually	7% compounded annually	6% compounded annually	7% compounded annually	6% compounded annually	7% compounded annually	6% compounded annually
Assumed annual salary increases	Assumed 3% per year	None	Assumed 3% per year	None	Assumed 3% per year	Assumed 2.5% per year	Assumed 3% per year	Assumed 2.5% per year	Assumed 3% per year
Inflation	2.0%	2.5%	2.0%	2.5%	2.0%	2.5%	2.0%	2.5%	2.0%
Cost of living adjustments	None	None	None	None	None	None	None	None	None
Mortality rates	Pre-Retirement: RP-2014 Employee total dataset (sex-distinct) with generational projection using MP 2020 scale; Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale; Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014 Employee total dataset (sex-distinct) with generational projection using MP 2020 scale; Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale; Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014 Employee total dataset (sex-distinct) with generational projection using MP 2020 scale; Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale; Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014 Employee total dataset (sex-distinct) with generational projection using MP 2019 scale; Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2019 scale	Pre-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale; Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale; Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale
	Drivers Pension Plan 2019	Salaried Employees Pension Plan 2018	Drivers Pension Plan 2018	Salaried Employees Pension Plan 2017	Drivers Pension Plan 2017	Salaried Employees Pension Plan 2016	Drivers Pension Plan 2016	Salaried Employees Pension Plan 2015	Drivers Pension Plan 2015
Valuation Date:	December 31, 2018	December 31, 2017	December 31, 2017	December 31, 2016	December 31, 2016	December 31, 2015	December 31, 2015	December 31, 2014	December 31, 2014
Measurement Date:	December 31, 2018	December 31, 2017	December 31, 2017	December 31, 2016	December 31, 2016	December 31, 2015	December 31, 2015	December 31, 2014	December 31, 2014
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
Remaining amortization period	7 years *	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value
Actuarial Assumptions:									
Investment rate of return	7% compounded annually	6% compounded annually	7% compounded annually	6% per annum	7% per annum	6% per annum	7% per annum	4% per annum	7% per annum
Assumed annual salary increases	Assumed 2.5% per year	Assumed 3% per year	Assumed 2.5% per year	Assumed 4% per year	Assumed 2.5% per year	Assumed 4% per year	Assumed 2.5% per year	Assumed 4% per year	Assumed 2.5% per year
Inflation	2.5%	2.0%	2.5%	2.0%	2.5%	4.0%	2.5%	4.0%	2.5%
Cost of living adjustments	None	None	None	None	None	None	None	None	None
Mortality rates	SOA RP-2014 Blue Collar Mortality with Scale MP 2017	IRC 430(h) combined table for 2015	SOA RP-2014 Blue Collar Mortality with Scale MP 2017	IRC 430(h) combined table for 2015	SOA RP-2014 Blue Collar Mortality with Scale MP - 2017	IRC 403(jh) combined table for 2015	SOA RP-20-14 Blue Collar Mortality with Scale SSA	IRC 430(h) combined table for 2015	SOA RP-2014 Blue Collar Mortality with Scale SSA

*As determined under Sections 412 and 430 of the Internal Revenue Code.

Notes to Schedule:

This schedule is presented to illustrate the requirement of GASB 68.

See Report of Independent Auditor

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF AUTHORITY'S CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEMS PENSION PLAN (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

* Plan Year Ended June 30:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required pension contribution	\$ 2,923,808	\$ 2,325,942	\$ 2,201,156	\$ 1,608,743	\$ 1,382,829	\$ 1,224,172	\$ 1,114,730	\$ 977,735	\$ 1,257,792	\$ 1,159,359
Pension contributions in relation to the										
contractually required pension contribution	\$ 2,923,808	2,325,942	2,201,156	1,608,743	1,382,829	1,224,172	1,114,730	977,735	1,257,792	1,159,359
Pension Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 23,043,317	\$ 20,848,521	\$ 22,481,329	\$ 18,480,670	\$ 17,883,444	\$ 16,021,950	\$ 15,469,007	\$ 13,857,348	\$ 13,375,131	\$ 11,555,666
Pension contributions as a percentage of covered payroll	12.69%	11.16%	9.79%	8.71%	7.73%	7.64%	7.21%	7.06%	9.40%	10.03%

*As determined under Section 412 and 430 of the Internal Revenue Code

Notes to Schedule

This schedule is presented to illustrate the requirements of GASB 68.

See Report of Independent Auditor

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JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF INVESTMENT RETURNS –
DRIVERS AND SALARIED PENSION PLAN (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

Salaried Employees Pension Plan										
* Plan Year Ended December 31:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return	5.47%	-6.15%	9.41%	4.91%	-6.71%	15.16%	4.90%	-2.95%	1.46%	14.18%
Net of investment expenses										
Drivers Pension Plan										
* Plan Year Ended December 31:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return	5.66%	-5.09%	10.11%	4.10%	-4.03%	14.02%	6.70%	-0.98%	4.13%	16.97%
Net of investment expenses										

* The amount presented for each fiscal year were determined as of December 31 of the prior year.

See Report of Independent Auditor

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

* Plan Year Ended June 30:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the FRS net pension liability	0.047%	0.042%	0.045%	0.037%	0.035%	0.035%	0.034%	0.034%	0.032%	0.030%
Authority's proportionate share of the FRS net pension liability	\$ 16,998,269	\$ 15,526,552	\$ 3,421,458	\$ 16,124,803	\$ 12,219,934	\$ 10,554,467	\$ 10,040,222	\$ 8,558,525	\$ 4,178,293	\$ 1,798,478
Authority's covered payroll	\$ 23,043,317	\$ 20,848,521	\$ 22,481,329	\$ 18,480,670	\$ 17,883,444	\$ 16,021,950	\$ 15,469,007	\$ 13,875,348	\$ 13,375,131	\$ 11,555,666
Authority's proportionate share of the FRS net pension liability as a percentage of its covered payroll	73.77%	74.47%	15.22%	87.25%	68.33%	65.88%	64.91%	61.68%	31.24%	15.56%
FRS Plan fiduciary net position as a percentage of the total pension liability	82.83%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	85.00%	92.00%	96.09%

* The amount presented for each year were determined as of June 30.

See Report of Independent Auditor

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION (HIS) PLAN (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

* Plan Year Ended June 30:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the HIS net pension liability	0.0581%	0.0550%	0.0603%	0.0522%	0.0478%	0.0457%	0.0458%	0.0458%	0.040%	0.038%
Authority's proportionate share of the HIS net pension liability	\$ 9,234,725	\$ 5,852,329	\$ 7,407,680	\$ 6,368,306	\$ 5,615,556	\$ 5,056,416	\$ 4,888,242	\$ 5,336,207	\$ 4,110,889	\$ 3,542,705
Authority's covered payroll	\$ 23,043,317	\$ 20,848,521	\$ 22,481,329	\$ 18,480,670	\$ 17,883,444	\$ 16,021,950	\$ 15,469,007	\$ 13,983,538	\$ 13,375,131	\$ 11,555,666
Authority's proportionate share of the HIS net pension liability as a percentage of its covered payroll	40.08%	28.07%	32.95%	34.46%	31.40%	31.56%	31.60%	38.16%	30.74%	30.66%
HIS Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

* The amount presented for each year were determined as of June 30.

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF AUTHORITY'S CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEMS PENSION PLAN (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

* Plan Year Ended June 30:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required pension contribution	\$ 2,923,808	\$ 2,325,942	\$ 2,201,156	\$ 1,608,743	\$ 1,382,829	\$ 1,224,172	\$ 1,114,730	\$ 977,735	\$ 1,257,792	\$ 1,159,359
Pension contributions in relation to the										
contractually required pension contribution	\$ 2,923,808	2,325,942	2,201,156	1,608,743	1,382,829	1,224,172	1,114,730	977,735	1,257,792	1,159,359
Pension Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 23,043,317	\$ 20,848,521	\$ 22,481,329	\$ 18,480,670	\$ 17,883,444	\$ 16,021,950	\$ 15,469,007	\$ 13,857,348	\$ 13,375,131	\$ 11,555,666
Pension contributions as a percentage of covered payroll	12.69%	11.16%	9.79%	8.71%	7.73%	7.64%	7.21%	7.06%	9.40%	10.03%

* The amount presented for each year were determined as of June 30.

Notes to Schedule:

Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

See Report of Independent Auditor

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF AUTHORITY'S CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PENSION PLAN (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2023

* Plan Year Ended June 30:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required pension contribution	\$ 395,732	\$ 346,085	\$ 373,174	\$ 320,763	\$ 284,140	\$ 264,140	\$ 246,472	\$ 230,032	\$ 208,514	\$ 192,196
HIS contributions in relation to the contractually required pension contribution	395,732	346,085	373,174	320,763	284,140	264,140	246,472	230,032	208,514	192,196
Pension contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 23,043,317	\$ 20,848,521	\$ 22,481,329	\$ 18,480,670	\$ 17,883,444	\$ 16,021,950	\$ 15,469,007	\$ 13,857,348	\$ 13,375,131	\$ 11,555,666
Pension contributions as a percentage of covered payroll	1.72%	1.66%	1.66%	1.74%	1.59%	1.65%	1.59%	1.66%	1.56%	1.66%

* The amount presented for each year were determined as of June 30.

Notes to Schedule:

Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

COMPLIANCE SECTION

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

YEAR ENDED SEPTEMBER 30, 2023

Federal/State Agency/Pass-Through Entity, Federal Program or Cluster Title/State Project	ALN/CSFA Number	Contract/Grant Number	Federal Expenditures	Paid to Subrecipients
United States of Department of Transportation:				
Direct Programs:				
Federal Transit Cluster:				
Federal Transit Capital Investment Grants	20.500	FL-03-0343	\$ 10,119	\$ -
	20.500	FL-03-0338	250	-
Total Capital Investment Grants			<u>10,369</u>	<u>-</u>
TOD Discretionary Grants				
	20.500	FL-2021-005	216,740	-
	20.500	FL-2021-035	202,747	-
Total TOD Discretionary Grants			<u>419,487</u>	<u>-</u>
New Start Program				
	20.500	FL-2017-119	11,309	-
	20.500	FL-2020-002	28,274	-
	20.500	FL-2022-014	22,984	-
	20.500	G1E81	14,136	-
Total New Starts Program Grants			<u>76,703</u>	<u>-</u>
Passenger Ferry Competitive Grants				
	20.507	FL-2021-020	199,779	-
Total Passenger Ferry Competitive Grants	20.507		<u>199,779</u>	<u>-</u>
Federal Transit Formula Grants				
	20.507	FL-2017-104	59,851	-
	20.507	FL-90-X742	12,176	-
	20.507	FL-90-X879	198,186	-
	20.507	FL-90-X683	14,789	-
	20.507	FL-90-X774	6,520	-
	20.507	FL-2020-007	4,274	-
	20.507	FL-2020.072	16,083	-
	20.507	FL-2018-097	6,359	-
Total Federal Transit Formula Grants			<u>318,238</u>	<u>-</u>
Urbanized Area Formula Grants (2013 and forward)				
	20.507	FL-2017-042	22,958	-
	20.507	FL-2017-104	60,426	-
	20.507	FL-2018-115	245,359	-
	20.507	FL-2019-018	45,008	-
	20.507	FL-2020-111	767,560	-
	20.507	FL-2020-007	181,742	-
	20.507	FL-2021-088	2,284,199	-
	20.507	FL-2022-XXX	5,471,324	-
	20.507	FL-2023-XXX	1,095,935	-
	20.507	FL-2023-072	116,771	-
Total Urbanized Area Formula Grants (2013 and forward)			<u>10,291,282</u>	<u>-</u>
Urbanized Area Formula Grants (CARES Act)	20.507	FL-2020-086	3,019,260	-
Total Urbanized Area Formula Grants (CARES Act)			<u>3,019,260</u>	<u>-</u>
Urbanized Area Formula Grants (ARP Plan)	20.507	FL-2022-029	990,000	-
Total Urbanized Area Formula Grants (ARP Plan)			<u>990,000</u>	<u>-</u>
State of Good Repairs Formula Grant				
	20.525	FL-2018-126	13,510	-
	20.525	FL-54-0001	7,045	-
	20.525	FL-2017-007	27,201	-
	20.525	FL-2019-078	143,260	-
	20.525	FL-2021-088	284,350	-
	20.525	FL-2018-099	121,965	-
Total State of Good Repairs Formula Grant			<u>597,331</u>	<u>-</u>
Bus and Bus Facility Discretionary Grants	20.526	FL-2021-016	613,562	-
			<u>1,512,333</u>	<u>-</u>
Total Bus and Bus Facilities Formula Grant			<u>2,125,895</u>	<u>-</u>
Total Federal Transit Cluster	20.500-CL		<u>18,048,344</u>	<u>-</u>

See accompanying notes and Report of Independent Auditor

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

Federal/State Agency/Pass-Through Entity, Federal Program or Cluster Title/State Project	ALN/CSFA Number	Contract/Grant Number	Federal Expenditures	Paid to Subrecipients
Federal Transit Programs Cluster:				
Enhanced Mobility-Seniors&Individuals w/disab.	20.513	G2660	169,792	-
	20.513	G2L04	245,459	-
Total Enhanced Mobility-Seniors&Individuals w/disab.			415,251	-
Total Federal Transit Programs Cluster	20.513-CL		415,251	-
Formula Grants for Rural Areas (CARES Act)	20.509	G1O55	75,887	-
Total Formula Grants for Rural Areas (CARES Act)			75,887	-
5324 - Emergency Relief	20.527	FL-2019-105	6,653	-
Total 5324 - Emergency Relief			6,653	-
National Infrastructure Investments				
79 - BUILD (OST)	20.933	FL-2020-055	1,122,398	-
Total 79 - BUILD (OST)			1,122,398	-
Total Direct Programs			19,668,533	-
Pass through:				
Indirect Programs				
Transit Services Programs Cluster				
Formula Grants for Rural Areas	20.509	G2C58	65,385	-
	20.509	G1A10	27,310	-
Total Formula Grants for Rural Areas			92,695	-
Total Indirect Programs			92,695	-
Total United States Department of Transportation			19,761,228	-
Total Federal Expenditures			\$ 19,761,228	\$ -
State of Florida Department of Transportation:				
Commission for the Transportation Disadvantaged (CTD)				
Trip and Equipment Grant Program	55.001	G1X58	\$ 1,085	\$ -
	55.001	CC CONTRACT #2021/2022-199	144,882	-
	55.001	G2998	376,429	-
	55.001	G2A03	548,902	-
	55.001	G2K39	283,421	-
Total Commission for the Transportation Disadvantaged (CTD)			1,354,719	-
Aviation Grant Program	55.004	G2686	483,878	-
Total Aviation Grant Program			483,878	-
Public Transit Block Grant Program	55.010	G2C77	208,678	-
	55.010	G2C77	5,265,479	-
Total Public Transit Block Grant Program			5,474,157	-
Public Transit Service Development Program				
	55.012	G1218	6,253	-
	55.012	G1H04	78,610	-
	55.012	G2A65	285,559	-
	55.012	G2A74	129,616	-
Total Public Transit Service Development Program			500,038	-

See accompanying notes and Report of Independent Auditor

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

Federal/State Agency/Pass-Through Entity, Federal Program or Cluster Title/State Project	ALN/CSFA Number	Contract/Grant Number	Federal Expenditures	Paid to Subrecipients
Transportation Systems Development Program	55.046	G2687	430,431	-
	55.046	G2687	229,731	-
	55.046	G2K31	43,785	-
Total Transportation Systems Development Program			<u>703,947</u>	<u>-</u>
Transportation Corridor Program	55.013	G1E23	23,213	-
	55.013	G2451	183,146	-
	55.013	G2450	243,775	-
	55.013	G2444	42,737	-
	55.013	G2445	171,137	-
	55.013	G2443	374,527	-
	55.013	G2H62	134,596	-
	55.013	G2H62	12,983	-
Total Transportation Corridor Program			<u>1,186,114</u>	<u>-</u>
New Starts Program				
	55.017	G0033	(1,191)	-
Total New Starts Program			<u>(1,191)</u>	<u>-</u>
Total State Expenditures			<u>\$ 9,701,662</u>	<u>\$ -</u>

See accompanying notes and Report of Independent Auditor

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

YEAR ENDED SEPTEMBER 30, 2023

Note 1—Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes the federal and state grant activity of the Jacksonville Transportation Authority (the "Authority"). The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance") and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the presentation of the basic financial statements. Because the schedule presents only a select portion of the operations of the Authority, it is not intended to and does not present the financial position, change in net position or cash flows of the Authority.

Note 2—Summary of significant accounting policies

Expenditures recognized in this schedule are reported on the accrual basis of accounting for the proprietary funds and on the modified accrual basis of accounting for the governmental funds. Such expenditures are reported following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The credit amount presented for the State New Starts Program CSFA# 55.017 is an offset to amounts over accrued in the prior year.

Note 3—Indirect cost rate

The Authority did not elect to use the 10% de minimis indirect cost rate.

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board Members
Jacksonville Transportation Authority
Jacksonville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of Jacksonville Transportation Authority (the "Authority"), a discrete component unit of the City of Jacksonville, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Authority's basic financial statements, and have issued our report thereon dated March 26, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
March 26, 2024

Report of Independent Auditor on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

To the Board Members
Jacksonville Transportation Authority
Jacksonville, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Jacksonville Transportation Authority's (the "Authority"), a discrete component unit of the City of Jacksonville, Florida, compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of Authority's major federal programs and state projects for the year ended September 30, 2023. The Authority's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and Chapter 10.550, Rules of the Auditor General ("Chapter 10.550"). Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550 are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of Authority's compliance with the compliance requirements referred to above.

Responsibility of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Authority's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
March 26, 2024

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2023

I. Summary of Auditor's Results

<i>Financial Statements</i> Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified?	None reported
Noncompliance material to financial statements noted?	No
<i>Federal Awards</i> Internal control over major programs:	
Material weakness identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	No
Identification of major programs:	
<i>Federal Transit Cluster</i> ALN Nos. 20.500, 20.507, 20.525, 20.526	
<i>National Infrastructure Investments</i> ALN No. 20.933	
The threshold for distinguishing types A and B programs was:	\$750,000
Did the auditee qualify as a low-risk auditee?	No
State Financial Assistance Internal control over major projects:	
Material weakness identified?	No
Significant deficiency identified?	None reported
Type of auditor's report issued on compliance for major projects:	Unmodified
Any audit findings disclosed that are required to be reported with Chapter 10.550, Rules of the Florida Auditor General?	No
Identification of major projects:	
<i>Trip and Equipment Grant CSFA No. 55.001</i>	
<i>Public Transit Block Grant CSFA No. 55.010</i>	
The threshold for distinguishing types A and B programs was:	\$750,000

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

II. Financial Statement Findings

None reported.

III. Findings and Questioned Costs – Major Federal Programs

None reported.

IV. Findings and Questioned Costs – Major State Projects

None reported.

V. Schedule of Prior Year Findings

See attached Summary Schedule of Prior Audit Findings.

JACKSONVILLE TRANSPORTATION AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2023

FINANCIAL STATEMENTS

Finding 2022-001: The Authority was not able to close its year-end books and records in a timely manner to meet financial statement filing deadlines. This inability was the result of extensive analysis and numerous closing entries necessary to adjust the Authority's general ledger to underlying support and to present the financial statements in a manner that reflected the substance of underlying transactions.

Status: Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report through improvements in financial recording of transactions. The finding is no longer considered a material weakness because of the extent of improvements made; however, corrective action is continuing and a management letter comment has been provided.

Independent Auditor’s Management Letter

To the Board Members
Jacksonville Transportation Authority
Jacksonville, Florida

Report of the Financial Statements

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Jacksonville Transportation Authority (the “Authority”), a discrete component unit of the City of Jacksonville, Florida as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated March 26, 2024.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Report of Independent Auditor on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, Schedule of Findings and Questioned Costs, and Independent Accountant’s Report on Compliance with Local Government Investment Policies regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in the schedule and those reports, which are dated March 26, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report, however, although to a much lesser extent, conditions identified in prior year finding 2022-001 on the schedule of findings and questioned costs continue to exist and are addressed in our comment on Appendix A.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific conditions met. In connection with our audit of the financial statements of the Authority, the results of our tests did not indicate the Authority met any of the specified conditions of a financial emergency contained in Section 215.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management’s responsibility to monitor the Authority’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6., Rules of the Auditor General, the Authority provided the following information (unaudited):

- a. The total number of Authority employees compensated in the last pay period of the Authority’s fiscal year as 780.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority’s fiscal year as 61.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$59,637,365.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$5,577,702.
- e. Each construction project with a total cost of at least \$65,000 approved by the Authority that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as listed below:

Project	Total Expenditure as of 9/30/2023
Ferry Phase V	0.00
Timucuan Preserve Access/St. Johns River Ferry	0.00
Upgrade Transformer - Armsdale PNR and Test N Learn Facility	0.00
Acosta Bridge Railing Project	0.00
Bus Stop Amenities & Shelter Work	0.00
Escalator Modernization	0.00
HVAC Replacements	0.00
Building 9 Generator	0.00
Elevator Upgrades	0.00

- f. There is a \$1,448,424 budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported, due to higher costs related to project management software, and construction and legal consulting services.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we noted an internal control deficiency described in the attached Appendix A as finding 2023-A.

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
March 26, 2024

JACKSONVILLE TRANSPORTATION AUTHORITY
APPENDIX A
MANAGEMENT LETTER COMMENTS

SEPTEMBER 30, 2023

Finding 2023-A

Financial Statement Closing Entries

Statement of Condition: Certain amounts were recorded backwards, double-posted, or misclassified on the trial balance.

Criteria: The trial balance should accurately reflect underlying support.

Cause of Condition: There was key personnel turnover that occurred during the fiscal year and during the financial statement audit period, which led to different personnel reviewing the trial balance.

Effect of Condition: Certain amounts on the financial statements would have been misstated or misclassified.

Recommendation: We recommend analysis of the trial balance, including a year over year analysis of accounts, in order to identify errors. Significant year over year account variances and account balances that are contrary to the natural debit or credit balance should be investigated further by personnel. Although certain amounts on the trial balance were erroneous, we note that there have been considerable strides to improve the financial reporting and close process at the JTA during the current fiscal year.

Views of Responsible Officials: Management agrees that due to understaffed departments and key personnel turnover that occurred during the fiscal year and during the financial statement audit period, resulted in different personnel contributing to and reviewing the trial balance. Now that the staffing situation has stabilized, management will conduct a thorough review and analysis of the trial balance to identify any potential errors and correct them as appropriate.

**Independent Accountant’s Report on Compliance
with Local Government Investment Policies**

To the Board Members
Jacksonville Transportation Authority
Jacksonville, Florida

We have examined the Jacksonville Transportation Authority’s (the “Authority”) compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2023. Management of the Authority is responsible for the Authority’s compliance with the specified requirements. Our responsibility is to express an opinion on the Authority’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Authority’s compliance with the specified requirements.

In our opinion, the Authority complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2023.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.

Cherry Bekaert LLP

Orlando, Florida
March 26, 2024

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APPENDIX F-1

**FORM OF CONTINUING DISCLOSURE AGREEMENT
RELATING TO THE SERIES 2024 BONDS**

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CONTINUING DISCLOSURE AGREEMENT

by and between

JACKSONVILLE TRANSPORTATION AUTHORITY

and

DIGITAL ASSURANCE CERTIFICATION, L.L.C.

relating to:

\$ _____

**JACKSONVILLE TRANSPORTATION AUTHORITY
SENIOR LIEN LOCAL OPTION GAS TAX REFUNDING REVENUE BONDS,
SERIES 2024**

Dated October ____, 2024

This **CONTINUING DISCLOSURE AGREEMENT** (this "Disclosure Agreement") dated October __, 2024, is executed and delivered by the **JACKSONVILLE TRANSPORTATION AUTHORITY**, a body politic and corporate and an agency of the State of Florida (the "Authority") and **DIGITAL ASSURANCE CERTIFICATION, L.L.C.**, a limited liability company duly organized and existing under the laws of the State of Florida ("DAC"), and any successor dissemination agent serving hereunder pursuant to Section 10 hereof (collectively, the "Dissemination Agent").

RECITALS:

A. In connection with the execution and delivery of this Disclosure Agreement, the Authority authorized the issuance and delivery of those certain \$ _____ in aggregate principal amount of its Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2024 (the "Series 2024 Bonds"), pursuant to, among other things, (a) Chapter 349, Florida Statutes, (b) an Interlocal Agreement between the Authority and the City of Jacksonville, Florida (the "City") dated as of July 29, 2014 (the "2014 Interlocal Agreement"), (c) a resolution of the Authority adopted on September 19, 2024, and (d) that certain Master Trust Agreement, dated as of January 1, 2015 (the "Master Trust Agreement"), as previously supplemented by that certain Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of January 1, 2015, as previously supplemented (the "2015 Supplemental Agreement"), particularly as supplemented by that certain Second Supplement to Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of October 1, 2024 (the "Second Supplement"), each between the Authority and Regions Bank, as trustee. The Master Trust Agreement, 2015 Supplemental Agreement, and the Second Supplement are collectively referred to herein as the "Trust Agreement."

B. The proceeds of the Series 2024 Bonds will be used by the Authority to provide funds, together with other available funds of the Authority, to: (a) purchase the Purchased Series 2015 Bonds in accordance with the Tender Offer and subject to the terms and conditions of the Invitation and (b) pay certain costs of issuance in connection with the issuance of the Series 2024 Bonds and the Tender Offer.

C. The Series 2024 Bonds are payable solely from and secured by a pledge of and lien on the Trust Estate (LOGT), which primarily consists of (a) five cents of every six cents collected of the Local Option Gas Tax levied by the City pursuant to Section 336.025(1)(a), Florida Statutes, and remitted to the Authority pursuant to Section 4 of the 2014 Interlocal Agreement, commencing on September 1, 2016, and continuing through August 31, 2036 and (b) moneys in the funds and accounts established under the Trust Agreement, subject to the application thereof as provided in the Trust Agreement.

D. The Authority has authorized the preparation and distribution of the Preliminary Official Statement dated September 23, 2024 with respect to, among other things, the Series 2024 Bonds (the "Preliminary Official Statement") and, on or before the date of the Preliminary Official Statement, the Authority deemed the Preliminary Official Statement final within the meaning of the Rule (as defined herein).

E. Upon the initial sale of the Series 2024 Bonds to the Participating Underwriter (as defined herein), the Authority authorized the preparation and distribution of the final Official

Statement dated October ____, 2024 with respect to, among other things, the Series 2024 Bonds (the "Official Statement").

F. As a condition precedent to the initial purchase of the Series 2024 Bonds by the Participating Underwriter in accordance with the terms of the Bond Purchase Agreement dated October ____, 2024, by and between the Participating Underwriter and the Authority, and in compliance with the Participating Underwriter's obligations under the Rule, the Authority has agreed to undertake for the benefit of the holders of the Series 2024 Bonds, to provide certain annual financial information and notice of the occurrence of certain events as set forth herein.

NOW THEREFORE, in consideration of the purchase of the Series 2024 Bonds by the Participating Underwriter and the mutual promises and agreements made herein, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the Authority and the Dissemination Agent do hereby certify and agree as follows:

Section 1. Incorporation of Recitals. The above recitals are true and correct and are incorporated into and made a part hereof.

Section 2. Definitions.

(a) For the purposes of this Disclosure Agreement, all capitalized terms used, but not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement and the Official Statement, as applicable.

(b) In addition to the terms defined elsewhere herein, the following terms shall have the following meanings for the purposes of this Disclosure Agreement:

"Actual Knowledge" as used herein, and for the purposes hereof, the Authority shall be deemed to have "actual knowledge" of the occurrence of any event only if and to the extent the Disclosure Representative has actual knowledge of or receives written notice of the occurrence of such event.

"Annual Filing" means any document comprising the Annual Financial Information that the Authority files or causes to be filed with the Repository, pursuant to and as described in Section 4 hereof.

"Annual Filing Date" means the date by which the Annual Filing is to be filed with the Repository, which as of the date hereof is each April 30th, commencing with April 30, 2025; provided, however, if April 30th falls on a day that is not a Business Day, the Annual Filing Date will be the first Business Day after April 30th. The Authority may adjust the Annual Filing Date upon a change of the Fiscal Year by providing written notice of such change and the new Annual Filing Date to the Repository; provided, that the period between the existing Annual Filing Date and the new Annual Filing Date shall not exceed one year.

"Annual Financial Information" means annual financial information as such term is used in paragraph (f)(9) of the Rule and specified in Section 4(d) hereof.

"Audited Financial Statements" means the financial statements of the Authority for the prior Fiscal Year, certified by an independent auditor and prepared in accordance with generally accepted accounting principles, as in effect from time to time, and audited by an independent certified public accountant in conformity with auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States.

"Beneficial Owner" means any beneficial owner of the Series 2024 Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained in Rule 13d-3 of the SEC, or, in the event such provisions do not adequately address the situation at hand (in the opinion of nationally recognized bond counsel), beneficial ownership is to be determined based upon ownership for federal income tax purposes.

"Business Day" means a day other than: (a) a Saturday or a Sunday, (b) a day on which banks are required or authorized to be closed, (c) a day on which the Authority is required or authorized to be closed, or (d) a day on which the New York Stock Exchange is closed.

"Disclosure Representative" means the Chief Financial Officer of the Authority or his or her designee, or such other person as the Authority shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent.

"EMMA" means the Electronic Municipal Market Access system, a service of the MSRB.

"Filing" means, as applicable, any Annual Filing, Notice Event Filing, Voluntary Filing or any other notice or report made public under this Disclosure Agreement.

"Fiscal Year" means the fiscal year of the Authority, which as of the date hereof is the twelve-month period beginning October 1 and ending on September 30 of the following year or any such other twelve-month period designated by the Authority, from time to time, to be its fiscal year.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

"Notice Event" means an event listed in Section 5(a) and Section 5(b) hereof.

"Notice Event Filing" means any notice of the occurrence of a Notice Event that the Authority files or causes to be filed with the Repository.

"Obligated Person" means the Authority and any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Series 2024 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). The Authority confirms that as of the date hereof it is an Obligated Person with respect to the Series 2024 Bonds.

"Participating Underwriter" means, collectively, the initial purchasers of the Series 2024 Bonds required to comply with the Rule in connection with the initial offering of the Series 2024 Bonds.

"Repository" means each entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule. As of the date hereof, the only Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure filings through the EMMA web portal at <http://emma.msrb.org>.

"Rule" means Rule 15c2-12 of the SEC promulgated pursuant to the Securities Exchange Act of 1934, in effect as of the date hereof.

"SEC" means the United States Securities and Exchange Commission.

"Third-Party Beneficiary" shall have the meaning specified in Section 3(b) hereof.

"Unaudited Financial Statements" means the financial statements of the Authority for the prior Fiscal Year which have not been certified by an independent auditor (if any).

"Voluntary Filing" means the information that the Authority files or causes to be filed with the Repository pursuant to Section 7 hereof.

Section 3. Scope of this Disclosure Agreement.

(a) The Authority has agreed to enter into this Disclosure Agreement and undertake the disclosure obligations hereunder, all at the request of the Participating Underwriter and as a condition precedent to the Participating Underwriter's initial purchase of the Series 2024 Bonds in order to assist the Participating Underwriter with compliance with the Rule. The disclosure obligations of the Authority under this Disclosure Agreement relate solely to the Series 2024 Bonds. Such disclosure obligations are not applicable to any other bonds or securities issued or to be issued by the Authority, nor to any other bonds or securities issued by or on behalf of the Authority.

(b) Neither this Disclosure Agreement, nor the performance by the Authority or the Dissemination Agent of their respective obligations hereunder, shall create any third-party beneficiary rights, shall be directly enforceable by any third-party, or shall constitute a basis for a claim by any person except as expressly provided herein and except as required by law, including, without limitation, the Rule; provided, however, the Participating Underwriter and each Beneficial Owner are hereby made third-party beneficiaries hereof (collectively, and each respectively, a "Third-Party Beneficiary") and shall have the right to enforce the obligations of the parties hereunder pursuant to Section 8 hereof.

(c) This Disclosure Agreement shall terminate upon: (i) the defeasance, redemption or payment in full of all Series 2024 Bonds, in accordance with the Trust Agreement, as amended, or (ii) the delivery of an opinion of counsel expert in federal securities laws retained by the Authority to the effect that continuing disclosure is no longer required under the Rule as to the Series 2024 Bonds.

Section 4. Annual Filings.

(a) The Authority shall provide, annually, an electronic copy of the Annual Filing to the Dissemination Agent on or before the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Filing, the Dissemination Agent shall provide the Annual Filing to the Repository, in an electronic format as prescribed by the MSRB. The Annual Filing may be submitted as a single document or as separate documents composing a package, and may cross-reference other information previously filed with the Repository or the SEC. The Authority will clearly identify each such document so incorporated by reference.

(b) If on the second (2nd) Business Day prior to the Annual Filing Date, the Dissemination Agent has not received a copy of the Annual Filing, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by email) to remind the Authority of its undertaking to provide the Annual Filing pursuant to Section 4(a) hereof. Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Filing no later than 6:00 p.m. on the Annual Filing Date, or (ii) instruct the Dissemination Agent in writing as to the status of the Annual Filing within the time required under this Disclosure Agreement, and state the date by which the Annual Filing for such year is expected to be provided. If the Dissemination Agent has not received either (i) the Annual Filing by 6:00 p.m. on the Annual Filing Date, or (ii) notice from the Authority that it intends to deliver the Annual Filing to the Dissemination Agent by 11:59 p.m. on the Annual Filing Date, the Authority hereby irrevocably directs the Dissemination Agent, and the Dissemination agrees, to immediately send a Notice Event Filing, in substantially the form attached hereto as EXHIBIT A, to the Repository the following Business Day.

(c) The Dissemination Agent shall:

(i) upon receipt, and no later than the Annual Filing Date, promptly file each Annual Filing with the Repository in an electronic format prescribed by the MSRB;

(ii) upon receipt, and no later than the Annual Filing Date, promptly file each Audited Financial Statement or Unaudited Financial Statement with the Repository in an electronic format prescribed by the MSRB;

(iv) provide the Authority evidence of the filings of each of the above when made, which shall be made by means of the DAC system, for so long as DAC is the Dissemination Agent under this Disclosure Agreement.

(d) Each Annual Filing shall contain:

(i) updates to the following financial information and/or operating data contained in the Official Statement for the most recently completed Fiscal Year, as applicable:

(A) the table entitled "Duval County, Florida Distribution Percentages of Local Option Gas Tax" under the caption "LOCAL OPTION GAS TAX – Collection and Distribution of Local Option Gas Tax"; and

(B) the table entitled "Duval County, Florida Volume of Taxable Gallons Sold" under the caption "LOCAL OPTION GAS TAX – Fuel Sales by Volume";

(C) the table entitled "Jacksonville Transportation Authority Pledged Revenues" under the caption "LOCAL OPTION GAS TAX – Pledged Revenues" for the applicable Fiscal Years ended September 30th and excluding any interim periods; and

(D) the table entitled "Jacksonville Transportation Authority Historical Debt Service Coverage" under the caption "LOCAL OPTION GAS TAX – Historical Debt Service Coverage."

(ii) If available at the time of such filing, the Audited Financial Statements for the prior Fiscal Year. If the Audited Financial Statements are not available by the Annual Filing Date, the Annual Filing shall contain Unaudited Financial Statements of the Authority prepared in accordance with generally accepted accounting principles, as in effect from time to time, and the Audited Financial Statements shall be filed in the same manner as the Annual Filing when they become available.

(e) The Authority reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Authority. To the extent that the any of the Annual Financial Information includes information that is no longer available and/or prepared by the Authority and/or its consultants, a statement to that effect will satisfy the undertaking.

Section 5. Reporting of Notice Events.

(a) The Authority or the Dissemination Agent shall file, or cause to be filed, a Notice Event Filing with the Repository, in the appropriate format required by the MSRB and in a timely manner not in excess of ten Business Days after the Authority has Actual Knowledge of the occurrence of any of the following Notice Events with respect to the Series 2024 Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2024 Bonds, or other material events affecting the tax status of the Series 2024 Bonds;

- (vii) Modifications to rights of holders of the Series 2024 Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Series 2024 Bonds, if material;
- (xi) Rating changes (excluding any changes to the outlook on such ratings);

(xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person (such an event is considered to occur when any of the following occur: there is an appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person;

(xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(xv) Incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect security holders, if material; or

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties.

(b) The Authority or the Dissemination Agent shall file, or cause to be filed, a Notice Event Filing with the Repository, in the appropriate format required by the MSRB and in a timely manner, after the occurrence of a failure of the Authority to provide the Annual Filing on or before the Annual Filing Date with respect to the Series 2024 Bonds.

(c) The Dissemination Agent shall upon receipt, and no later than the required filing date, promptly file each Notice Event Filing received under Section 5(a) and Section 5(b) hereof, with the Repository in an electronic format as prescribed by the MSRB.

Section 6. Responsibility for Content of Filings.

(a) The Authority shall be solely responsible for the content of each Filing (or any portion thereof) provided to the Dissemination Agent pursuant to this Disclosure Agreement.

(b) Any report, notice or other filing to be made public pursuant to this Disclosure Agreement may consist of a single document or separate documents composing a package and may incorporate by reference other clearly identified documents or specified portions thereof previously filed with the Repository or the SEC; provided that any final official statement incorporated by reference must be available from the Repository.

(c) Notwithstanding any provision herein to the contrary, nothing in this Disclosure Agreement shall be construed to require the Authority or the Dissemination Agent to interpret or provide an opinion concerning information made public pursuant to this Disclosure Agreement.

(d) Notwithstanding any provision herein to the contrary, the Authority shall not make public, or direct the Dissemination Agent to make public, information which is not permitted to be publicly disclosed under any applicable data confidentiality or privacy law or other legal requirement.

Section 7. Voluntary Filings.

(a) The Authority may voluntarily file, or caused to be filed, information with the Repository, from time to time.

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Filing, in addition to that required by this Disclosure Agreement. If the Authority chooses to include any information in any Filing in addition to that which is specifically required by this Disclosure Agreement, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Filing.

(c) Notwithstanding the foregoing provisions of this Section 7, the Authority is under no obligation to provide any Voluntary Filing.

Section 8. Defaults; Remedies.

(a) A party shall be in default of its obligations hereunder if it fails or refuses to carry out or perform its obligations hereunder for a period of five Business Days following notice of default given in writing to such party by any other party hereto or by any Third-Party Beneficiary hereof, unless such default is cured within such five Business Day notice period. An extension of such five Business Day cure period may be granted for good cause (in the reasonable judgment of the party granting the extension) by written notice from the party who gave the default notice.

(b) If a default occurs and continues beyond the cure period specified above, any non-defaulting party or any Third-Party Beneficiary may seek specific performance of the defaulting party's obligations hereunder as the sole and exclusive remedy available upon any such default; excepting, however, that the party seeking such specific performance may recover from the defaulting party any reasonable attorneys' fees and expenses incurred in the course of enforcing this Disclosure Agreement as a consequence of such default. Each of the parties hereby acknowledges that monetary damages will not be an adequate remedy at law for any default hereunder, and therefore agrees that the exclusive remedy of specific performance shall be available in proceedings to enforce this Disclosure Agreement.

(c) Notwithstanding any provision of this Disclosure Agreement or the Trust Agreement to the contrary, no default under this Disclosure Agreement shall constitute a default or event of default under the Trust Agreement.

Section 9. Amendment or Waiver.

(a) This Disclosure Agreement shall not be amended or modified except as provided in this Section 9. No modification, amendment, alteration or termination of all or any part of this Disclosure Agreement shall be construed to be, or operate as, altering or amending in any way the provisions of the Trust Agreement.

(b) Notwithstanding any other provision of this Disclosure Agreement, the Authority may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if: (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Obligated Person on the Series 2024 Bonds; (ii) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) such amendment or waiver does not materially impair the interests of the Beneficial Owners of the Series 2024 Bonds, as determined either by an unqualified opinion of counsel expert in federal securities laws retained by the Authority or by the approving vote of the Beneficial Owners of the Series 2024 Bonds pursuant to the Trust Agreement.

(c) If any provision of Section 4(e) hereof is amended or waived, the first Annual Filing containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

(d) If the provisions of this Disclosure Agreement specifying the accounting principles to be followed in preparing the Audited Financial Statements are amended or waived, the Annual Filing for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to the Beneficial Owners of the Series 2024 Bonds to enable them to evaluate the ability of the Authority to meet its obligations. To the extent reasonably feasible, the comparison

shall also be quantitative. The Authority will file a notice of the change in the accounting principles with the Repository on or before the effective date of any such amendment or waiver.

(e) Notwithstanding the foregoing, the Dissemination Agent shall not be obligated to agree to any amendment expanding its duties or obligations hereunder without its consent thereto.

(f) The Authority shall prepare or cause to be prepared a notice of any such amendment or waiver and shall file, or caused to be filed, notice in accordance with Section 7 hereof.

Section 10. Agency Relationship.

(a) The Dissemination Agent agrees to perform such duties, but only such duties, as are specifically set forth in this Disclosure Agreement, and no implied duties or obligations of any kind shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Dissemination Agent may conclusively rely, as to the truth, accuracy and completeness of the statements set forth therein, upon all notices, reports, certificates or other materials furnished to the Dissemination Agent pursuant to this Disclosure Agreement, and in the case of notices and reports required to be furnished to the Dissemination Agent pursuant to this Disclosure Agreement, the Dissemination Agent shall have no duty whatsoever to examine the same to determine whether they conform to the requirements of this Disclosure Agreement.

(b) The Dissemination Agent shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Dissemination Agent unless it shall be proven that the Dissemination Agent engaged in negligent conduct or willful misconduct in ascertaining the pertinent facts related thereto.

(c) The Dissemination Agent shall perform its rights and duties under this Disclosure Agreement using the same standard of care as a prudent person would exercise under the circumstances, and the Dissemination Agent shall not be liable for any action taken or failure to act in good faith under this Disclosure Agreement unless it shall be proven that the Dissemination Agent was negligent or engaged in willful misconduct.

(d) The Dissemination Agent may perform any of its duties hereunder by or through attorneys or agents selected by it with reasonable care, and shall be entitled to the advice of counsel concerning all matters arising hereunder, and may in all cases pay such reasonable compensation as it may deem proper to all such attorneys and agents. The Dissemination Agent shall be responsible for the acts or negligence of any such attorneys, agents or counsel.

(e) The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Authority, the holders of the Series 2024 Bonds or any other party.

(f) None of the provisions of this Disclosure Agreement or any notice or other document delivered in connection herewith shall require the Dissemination Agent to advance, expend or risk its own funds or otherwise incur financial liability in the performance of any of the Dissemination Agent's duties or rights under this Disclosure Agreement.

(g) Except as expressly provided herein, the Dissemination Agent shall not be required to monitor the compliance of the Authority with the provisions of this Disclosure Agreement or to

exercise any remedy, institute a suit or take any action of any kind without indemnification satisfactory to the Dissemination Agent.

(h) The Dissemination Agent may resign at any time by giving at least 90 days prior written notice thereof to the Authority. The Dissemination Agent may be removed for good cause at any time by written notice to the Dissemination Agent from the Authority, provided that such removal shall not become effective until a successor dissemination agent has been appointed by the Authority under this Disclosure Agreement.

(i) In the event the Dissemination Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Dissemination Agent for any reason, the Authority shall promptly appoint a successor. Notwithstanding any provision to the contrary in this Disclosure Agreement or elsewhere, the Authority may appoint itself to serve as Dissemination Agent hereunder.

(j) Any company or other legal entity into which the Dissemination Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Dissemination Agent may be a party or any company to whom the Dissemination Agent may sell or transfer all or substantially all of its agency business shall be the successor dissemination agent hereunder without the execution or filing of any paper or the performance of any further act and shall be authorized to perform all rights and duties imposed upon the Dissemination Agent by this Disclosure Agreement, anything herein to the contrary notwithstanding.

Section 11. Miscellaneous.

(a) Each of the parties hereto represents and warrants to each other party that it has (i) duly authorized the execution and delivery of this Disclosure Agreement by the officers of such party whose signatures appear on the execution pages hereto, (ii) that it has all requisite power and authority to execute, deliver and perform this Disclosure Agreement under applicable law and any resolutions, ordinances, or other actions of such party now in effect, (iii) that the execution and delivery of this Disclosure Agreement, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which such party or its property or assets is bound, and (iv) such party is not aware of any litigation or proceeding pending, or, to the best of such party's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Disclosure Agreement, or its due authorization, execution and delivery of this Disclosure Agreement, or otherwise contesting or questioning the issuance of the Series 2024 Bonds.

(b) This Disclosure Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida and applicable federal law.

(c) If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

(d) This Disclosure Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

Section 12. Identifying Information. All documents provided to the Repository pursuant to this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 13. Severability. In case any part of this Disclosure Agreement is held to be illegal or invalid, such illegality or invalidity shall not affect the remainder or any other section of this Disclosure Agreement. This Disclosure Agreement shall be construed or enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application of this Disclosure Agreement affect any legal and valid application.

[SIGNATURE PAGES TO FOLLOW]

**SIGNATURE PAGE TO
CONTINUING DISCLOSURE AGREEMENT
JACKSONVILLE TRANSPORTATION AUTHORITY
SENIOR LIEN LOCAL OPTION GAS TAX REFUNDING REVENUE BONDS, SERIES 2024**

IN WITNESS WHEREOF, the Authority and the Dissemination Agent have each caused this Disclosure Agreement to be executed, on the date first written above, by their respective duly authorized officers.

**JACKSONVILLE TRANSPORTATION
AUTHORITY**

By: _____
Debbie Buckland
Chair

**SIGNATURE PAGE TO
CONTINUING DISCLOSURE AGREEMENT
JACKSONVILLE TRANSPORTATION AUTHORITY
SENIOR LIEN LOCAL OPTION GAS TAX REFUNDING REVENUE BONDS, SERIES 2024**

IN WITNESS WHEREOF, the Authority and the Dissemination Agent have each caused this Disclosure Agreement to be executed, on the date first written above, by their respective duly authorized officers.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Dissemination Agent

By: _____
Name: _____
Title: _____

EXHIBIT A

**NOTICE TO REPOSITORY OF THE OCCURRENCE OF
[INSERT THE NOTICE EVENT]**

Relating to

\$ _____

**JACKSONVILLE TRANSPORTATION AUTHORITY
SENIOR LIEN LOCAL OPTION GAS TAX REFUNDING REVENUE BONDS,
SERIES 2024**

**Initially Issued on October ___, 2024
[**CUSIP NUMBERS**]**

Notice is hereby given by the Jacksonville Transportation Authority (the "Authority"), as an obligated person with respect to the above-referenced bonds, under the Securities and Exchange Commission's Rule 15c2-12, that **[**INSERT THE NOTICE EVENT**]** has occurred. **[**DESCRIBE NOTICE EVENT AND MATERIAL CIRCUMSTANCES RELATED THERETO**]**.

This Notice is based on the best information available to the Authority at the time of dissemination hereof and is not guaranteed by the Authority as to the accuracy or completeness of such information. The Authority will disseminate additional information concerning **[**NOTICE EVENT**]**, as and when such information becomes available to the Authority, to the extent that the dissemination of such information would be consistent with the requirements of Rule 15c2-12 and the Authority's obligation under that certain Continuing Disclosure Agreement dated October ___, 2024. **[**Any questions regarding this notice should be directed in writing only to the Authority. However, the Authority will not provide additional information or answer questions concerning [**NOTICE EVENT**] except in future written notices, if any, disseminated by the Authority in the same manner and to the same recipients as this Notice**]**.

DISCLAIMER: All information contained in this Notice has been obtained by the Authority from sources believed to be reliable as of the date hereof. Due to the possibility of human or mechanical error as well as other factors, however, such information is not guaranteed as to the accuracy, timeliness, or completeness. Under no circumstances shall the Authority have any liability to any person or entity for (a) any loss, damage, cost, liability or expense in whole or in part caused by, resulting from or relating to this Notice, including, without limitation, any error (negligent or otherwise) or other circumstances involved in procuring, collecting, compiling, interpreting, analyzing, editing, transcribing, transmitting, communicating or delivering any information contained in this Notice, or (b) any direct, indirect, special, consequential or incidental damages whatsoever related thereto.

Dated: _____

APPENDIX F-2

**FORM OF CONTINUING DISCLOSURE AGREEMENT
RELATING TO THE SERIES 2025 FORWARD DELIVERY BONDS**

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CONTINUING DISCLOSURE AGREEMENT

by and between

JACKSONVILLE TRANSPORTATION AUTHORITY

and

DIGITAL ASSURANCE CERTIFICATION, L.L.C.

relating to:

\$ _____

**JACKSONVILLE TRANSPORTATION AUTHORITY
SENIOR LIEN LOCAL OPTION GAS TAX REFUNDING REVENUE BONDS,
SERIES 2025**

Dated May ____, 2025

This **CONTINUING DISCLOSURE AGREEMENT** (this "Disclosure Agreement") dated May ___, 2025, is executed and delivered by the **JACKSONVILLE TRANSPORTATION AUTHORITY**, a body politic and corporate and an agency of the State of Florida (the "Authority") and **DIGITAL ASSURANCE CERTIFICATION, L.L.C.**, a limited liability company duly organized and existing under the laws of the State of Florida ("DAC"), and any successor dissemination agent serving hereunder pursuant to Section 10 hereof (collectively, the "Dissemination Agent").

RECITALS:

A. In connection with the execution and delivery of this Disclosure Agreement, the Authority authorized the issuance and delivery of those certain \$ _____ in aggregate principal amount of its Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2025 (the "Series 2025 Forward Delivery Bonds"), pursuant to, among other things, (a) Chapter 349, Florida Statutes, (b) an Interlocal Agreement between the Authority and the City of Jacksonville, Florida (the "City") dated as of July 29, 2014 (the "2014 Interlocal Agreement"), (c) a resolution of the Authority adopted on September 19, 2024, and (d) that certain Master Trust Agreement, dated as of January 1, 2015 (the "Master Trust Agreement"), as previously supplemented by that certain Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of January 1, 2015, as previously supplemented (the "2015 Supplemental Agreement"), particularly as supplemented by that certain Third Supplement to Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of May 1, 2025 (the "Third Supplement"), each between the Authority and Regions Bank, as trustee. The Master Trust Agreement, 2015 Supplemental Agreement, and Third Supplement are collectively referred to herein as the "Trust Agreement."

B. The proceeds of the Series 2025 Forward Delivery Bonds will be used by the Authority to provide funds, together with other available funds of the Authority, to: (a) refund and defease all of the Refunded Series 2015 Bonds and (b) pay certain costs of issuance in connection with the issuance of the Series 2025 Forward Delivery Bonds.

C. The Series 2025 Forward Delivery Bonds are payable solely from and secured by a pledge of and lien on the Trust Estate (LOGT), which primarily consists of (a) five cents of every six cents collected of the Local Option Gas Tax levied by the City pursuant to Section 336.025(1)(a), Florida Statutes, and remitted to the Authority pursuant to Section 4 of the 2014 Interlocal Agreement, commencing on September 1, 2016, and continuing through August 31, 2036 and (b) moneys in the funds and accounts established under the Trust Agreement, subject to the application thereof as provided in the Trust Agreement.

D. The Authority has authorized the preparation and distribution of the Preliminary Official Statement dated September 23, 2024 with respect to, among other things, the Series 2025 Forward Delivery Bonds (the "Preliminary Official Statement") and, on or before the date of the Preliminary Official Statement, the Authority deemed the Preliminary Official Statement final within the meaning of the Rule (as defined herein).

E. Upon the initial sale of the Series 2025 Forward Delivery Bonds to the Participating Underwriter (as defined herein), the Authority authorized the preparation and distribution of the

final Official Statement dated October __, 2024, as supplemented, with respect to, among other things, the Series 2025 Forward Delivery Bonds (the "Official Statement").

F. As a condition precedent to the initial purchase of the Series 2025 Forward Delivery Bonds by the Participating Underwriter in accordance with the terms of the Forward Delivery Bond Purchase Agreement dated October __, 2024, by and between the Participating Underwriter and the Authority, and in compliance with the Participating Underwriter's obligations under the Rule, the Authority has agreed to undertake for the benefit of the holders of the Series 2025 Forward Delivery Bonds, to provide certain annual financial information and notice of the occurrence of certain events as set forth herein.

NOW THEREFORE, in consideration of the purchase of the Series 2025 Forward Delivery Bonds by the Participating Underwriter and the mutual promises and agreements made herein, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the Authority and the Dissemination Agent do hereby certify and agree as follows:

Section 1. Incorporation of Recitals. The above recitals are true and correct and are incorporated into and made a part hereof.

Section 2. Definitions.

(a) For the purposes of this Disclosure Agreement, all capitalized terms used, but not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement and the Official Statement, as applicable.

(b) In addition to the terms defined elsewhere herein, the following terms shall have the following meanings for the purposes of this Disclosure Agreement:

"Actual Knowledge" as used herein, and for the purposes hereof, the Authority shall be deemed to have "actual knowledge" of the occurrence of any event only if and to the extent the Disclosure Representative has actual knowledge of or receives written notice of the occurrence of such event.

"Annual Filing" means any document comprising the Annual Financial Information that the Authority files or causes to be filed with the Repository, pursuant to and as described in Section 4 hereof.

"Annual Filing Date" means the date by which the Annual Filing is to be filed with the Repository, which as of the date hereof is each April 30th, commencing with April 30, 2025; provided, however, if April 30th falls on a day that is not a Business Day, the Annual Filing Date will be the first Business Day after April 30th. The Authority may adjust the Annual Filing Date upon a change of the Fiscal Year by providing written notice of such change and the new Annual Filing Date to the Repository; provided, that the period between the existing Annual Filing Date and the new Annual Filing Date shall not exceed one year.

"Annual Financial Information" means annual financial information as such term is used in paragraph (f)(9) of the Rule and specified in Section 4(d) hereof.

"Audited Financial Statements" means the financial statements of the Authority for the prior Fiscal Year, certified by an independent auditor and prepared in accordance with generally accepted accounting principles, as in effect from time to time, and audited by an independent certified public accountant in conformity with auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States.

"Beneficial Owner" means any beneficial owner of the Series 2025 Forward Delivery Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained in Rule 13d-3 of the SEC, or, in the event such provisions do not adequately address the situation at hand (in the opinion of nationally recognized bond counsel), beneficial ownership is to be determined based upon ownership for federal income tax purposes.

"Business Day" means a day other than: (a) a Saturday or a Sunday, (b) a day on which banks are required or authorized to be closed, (c) a day on which the Authority is required or authorized to be closed, or (d) a day on which the New York Stock Exchange is closed.

"Disclosure Representative" means the Chief Financial Officer of the Authority or his or her designee, or such other person as the Authority shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent.

"EMMA" means the Electronic Municipal Market Access system, a service of the MSRB.

"Filing" means, as applicable, any Annual Filing, Notice Event Filing, Voluntary Filing or any other notice or report made public under this Disclosure Agreement.

"Fiscal Year" means the fiscal year of the Authority, which as of the date hereof is the twelve-month period beginning October 1 and ending on September 30 of the following year or any such other twelve-month period designated by the Authority, from time to time, to be its fiscal year.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

"Notice Event" means an event listed in Section 5(a) and Section 5(b) hereof.

"Notice Event Filing" means any notice of the occurrence of a Notice Event that the Authority files or causes to be filed with the Repository.

"Obligated Person" means the Authority and any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Series 2025 Forward Delivery Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). The Authority confirms that as of the date hereof it is an Obligated Person with respect to the Series 2025 Forward Delivery Bonds.

"Participating Underwriter" means, collectively, the initial purchasers of the Series 2025 Forward Delivery Bonds required to comply with the Rule in connection with the initial offering of the Series 2025 Forward Delivery Bonds.

"Repository" means each entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule. As of the date hereof, the only Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure filings through the EMMA web portal at <http://emma.msrb.org>.

"Rule" means Rule 15c2-12 of the SEC promulgated pursuant to the Securities Exchange Act of 1934, in effect as of the date hereof.

"SEC" means the United States Securities and Exchange Commission.

"Third-Party Beneficiary" shall have the meaning specified in Section 3(b) hereof.

"Unaudited Financial Statements" means the financial statements of the Authority for the prior Fiscal Year which have not been certified by an independent auditor (if any).

"Voluntary Filing" means the information that the Authority files or causes to be filed with the Repository pursuant to Section 7 hereof.

Section 3. Scope of this Disclosure Agreement.

(a) The Authority has agreed to enter into this Disclosure Agreement and undertake the disclosure obligations hereunder, all at the request of the Participating Underwriter and as a condition precedent to the Participating Underwriter's initial purchase of the Series 2025 Forward Delivery Bonds in order to assist the Participating Underwriter with compliance with the Rule. The disclosure obligations of the Authority under this Disclosure Agreement relate solely to the Series 2025 Forward Delivery Bonds. Such disclosure obligations are not applicable to any other bonds or securities issued or to be issued by the Authority, nor to any other bonds or securities issued by or on behalf of the Authority.

(b) Neither this Disclosure Agreement, nor the performance by the Authority or the Dissemination Agent of their respective obligations hereunder, shall create any third-party beneficiary rights, shall be directly enforceable by any third-party, or shall constitute a basis for a claim by any person except as expressly provided herein and except as required by law, including, without limitation, the Rule; provided, however, the Participating Underwriter and each Beneficial Owner are hereby made third-party beneficiaries hereof (collectively, and each respectively, a "Third-Party Beneficiary") and shall have the right to enforce the obligations of the parties hereunder pursuant to Section 8 hereof.

(c) This Disclosure Agreement shall terminate upon: (i) the defeasance, redemption or payment in full of all Series 2025 Forward Delivery Bonds, in accordance with the Trust Agreement, as amended, or (ii) the delivery of an opinion of counsel expert in federal securities laws retained by the Authority to the effect that continuing disclosure is no longer required under the Rule as to the Series 2025 Forward Delivery Bonds.

Section 4. Annual Filings.

(a) The Authority shall provide, annually, an electronic copy of the Annual Filing to the Dissemination Agent on or before the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Filing, the Dissemination Agent shall provide the Annual Filing to the Repository, in an electronic format as prescribed by the MSRB. The Annual Filing may be submitted as a single document or as separate documents composing a package, and may cross-reference other information previously filed with the Repository or the SEC. The Authority will clearly identify each such document so incorporated by reference.

(b) If on the second (2nd) Business Day prior to the Annual Filing Date, the Dissemination Agent has not received a copy of the Annual Filing, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by email) to remind the Authority of its undertaking to provide the Annual Filing pursuant to Section 4(a) hereof. Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Filing no later than 6:00 p.m. on the Annual Filing Date, or (ii) instruct the Dissemination Agent in writing as to the status of the Annual Filing within the time required under this Disclosure Agreement, and state the date by which the Annual Filing for such year is expected to be provided. If the Dissemination Agent has not received either (i) the Annual Filing by 6:00 p.m. on the Annual Filing Date, or (ii) notice from the Authority that it intends to deliver the Annual Filing to the Dissemination Agent by 11:59 p.m. on the Annual Filing Date, the Authority hereby irrevocably directs the Dissemination Agent, and the Dissemination agrees, to immediately send a Notice Event Filing, in substantially the form attached hereto as EXHIBIT A, to the Repository the following Business Day.

(c) The Dissemination Agent shall:

(i) upon receipt, and no later than the Annual Filing Date, promptly file each Annual Filing with the Repository in an electronic format prescribed by the MSRB;

(ii) upon receipt, and no later than the Annual Filing Date, promptly file each Audited Financial Statement or Unaudited Financial Statement with the Repository in an electronic format prescribed by the MSRB;

(iv) provide the Authority evidence of the filings of each of the above when made, which shall be made by means of the DAC system, for so long as DAC is the Dissemination Agent under this Disclosure Agreement.

(d) Each Annual Filing shall contain:

(i) updates to the following financial information and/or operating data contained in the Official Statement for the most recently completed Fiscal Year, as applicable:

(A) the table entitled "Duval County, Florida Distribution Percentages of Local Option Gas Tax" under the caption "LOCAL OPTION GAS TAX – Collection and Distribution of Local Option Gas Tax"; and

(B) the table entitled "Duval County, Florida Volume of Taxable Gallons Sold" under the caption "LOCAL OPTION GAS TAX – Fuel Sales by Volume";

(C) the table entitled "Jacksonville Transportation Authority Pledged Revenues" under the caption "LOCAL OPTION GAS TAX – Pledged Revenues" for the applicable Fiscal Years ended September 30th and excluding any interim periods; and

(D) the table entitled "Jacksonville Transportation Authority Historical Debt Service Coverage" under the caption "LOCAL OPTION GAS TAX – Historical Debt Service Coverage."

(ii) If available at the time of such filing, the Audited Financial Statements for the prior Fiscal Year. If the Audited Financial Statements are not available by the Annual Filing Date, the Annual Filing shall contain Unaudited Financial Statements of the Authority prepared in accordance with generally accepted accounting principles, as in effect from time to time, and the Audited Financial Statements shall be filed in the same manner as the Annual Filing when they become available.

(e) The Authority reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Authority. To the extent that the any of the Annual Financial Information includes information that is no longer available and/or prepared by the Authority and/or its consultants, a statement to that effect will satisfy the undertaking.

Section 5. Reporting of Notice Events.

(a) The Authority or the Dissemination Agent shall file, or cause to be filed, a Notice Event Filing with the Repository, in the appropriate format required by the MSRB and in a timely manner not in excess of ten Business Days after the Authority has Actual Knowledge of the occurrence of any of the following Notice Events with respect to the Series 2025 Forward Delivery Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status

of the Series 2025 Forward Delivery Bonds, or other material events affecting the tax status of the Series 2025 Forward Delivery Bonds;

(vii) Modifications to rights of holders of the Series 2025 Forward Delivery Bonds, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Series 2025 Forward Delivery Bonds, if material;

(xi) Rating changes (excluding any changes to the outlook on such ratings);

(xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person (such an event is considered to occur when any of the following occur: there is an appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person;

(xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(xv) Incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect security holders, if material; or

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties.

(b) The Authority or the Dissemination Agent shall file, or cause to be filed, a Notice Event Filing with the Repository, in the appropriate format required by the MSRB and in a timely

manner, after the occurrence of a failure of the Authority to provide the Annual Filing on or before the Annual Filing Date with respect to the Series 2025 Forward Delivery Bonds.

(c) The Dissemination Agent shall upon receipt, and no later than the required filing date, promptly file each Notice Event Filing received under Section 5(a) and Section 5(b) hereof, with the Repository in an electronic format as prescribed by the MSRB.

Section 6. Responsibility for Content of Filings.

(a) The Authority shall be solely responsible for the content of each Filing (or any portion thereof) provided to the Dissemination Agent pursuant to this Disclosure Agreement.

(b) Any report, notice or other filing to be made public pursuant to this Disclosure Agreement may consist of a single document or separate documents composing a package and may incorporate by reference other clearly identified documents or specified portions thereof previously filed with the Repository or the SEC; provided that any final official statement incorporated by reference must be available from the Repository.

(c) Notwithstanding any provision herein to the contrary, nothing in this Disclosure Agreement shall be construed to require the Authority or the Dissemination Agent to interpret or provide an opinion concerning information made public pursuant to this Disclosure Agreement.

(d) Notwithstanding any provision herein to the contrary, the Authority shall not make public, or direct the Dissemination Agent to make public, information which is not permitted to be publicly disclosed under any applicable data confidentiality or privacy law or other legal requirement.

Section 7. Voluntary Filings.

(a) The Authority may voluntarily file, or caused to be filed, information with the Repository, from time to time.

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Filing, in addition to that required by this Disclosure Agreement. If the Authority chooses to include any information in any Filing in addition to that which is specifically required by this Disclosure Agreement, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Filing.

(c) Notwithstanding the foregoing provisions of this Section 7, the Authority is under no obligation to provide any Voluntary Filing.

Section 8. Defaults; Remedies.

(a) A party shall be in default of its obligations hereunder if it fails or refuses to carry out or perform its obligations hereunder for a period of five Business Days following notice of default given in writing to such party by any other party hereto or by any Third-Party Beneficiary

hereof, unless such default is cured within such five Business Day notice period. An extension of such five Business Day cure period may be granted for good cause (in the reasonable judgment of the party granting the extension) by written notice from the party who gave the default notice.

(b) If a default occurs and continues beyond the cure period specified above, any non-defaulting party or any Third-Party Beneficiary may seek specific performance of the defaulting party's obligations hereunder as the sole and exclusive remedy available upon any such default; excepting, however, that the party seeking such specific performance may recover from the defaulting party any reasonable attorneys' fees and expenses incurred in the course of enforcing this Disclosure Agreement as a consequence of such default. Each of the parties hereby acknowledges that monetary damages will not be an adequate remedy at law for any default hereunder, and therefore agrees that the exclusive remedy of specific performance shall be available in proceedings to enforce this Disclosure Agreement.

(c) Notwithstanding any provision of this Disclosure Agreement or the Trust Agreement to the contrary, no default under this Disclosure Agreement shall constitute a default or event of default under the Trust Agreement.

Section 9. Amendment or Waiver.

(a) This Disclosure Agreement shall not be amended or modified except as provided in this Section 9. No modification, amendment, alteration or termination of all or any part of this Disclosure Agreement shall be construed to be, or operate as, altering or amending in any way the provisions of the Trust Agreement.

(b) Notwithstanding any other provision of this Disclosure Agreement, the Authority may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if: (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Obligated Person on the Series 2025 Forward Delivery Bonds; (ii) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) such amendment or waiver does not materially impair the interests of the Beneficial Owners of the Series 2025 Forward Delivery Bonds, as determined either by an unqualified opinion of counsel expert in federal securities laws retained by the Authority or by the approving vote of the Beneficial Owners of the Series 2025 Forward Delivery Bonds pursuant to the Trust Agreement.

(c) If any provision of Section 4(e) hereof is amended or waived, the first Annual Filing containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

(d) If the provisions of this Disclosure Agreement specifying the accounting principles to be followed in preparing the Audited Financial Statements are amended or waived, the Annual Filing for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those

prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to the Beneficial Owners of the Series 2025 Forward Delivery Bonds to enable them to evaluate the ability of the Authority to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. The Authority will file a notice of the change in the accounting principles with the Repository on or before the effective date of any such amendment or waiver.

(e) Notwithstanding the foregoing, the Dissemination Agent shall not be obligated to agree to any amendment expanding its duties or obligations hereunder without its consent thereto.

(f) The Authority shall prepare or cause to be prepared a notice of any such amendment or waiver and shall file, or caused to be filed, notice in accordance with Section 7 hereof.

Section 10. Agency Relationship.

(a) The Dissemination Agent agrees to perform such duties, but only such duties, as are specifically set forth in this Disclosure Agreement, and no implied duties or obligations of any kind shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Dissemination Agent may conclusively rely, as to the truth, accuracy and completeness of the statements set forth therein, upon all notices, reports, certificates or other materials furnished to the Dissemination Agent pursuant to this Disclosure Agreement, and in the case of notices and reports required to be furnished to the Dissemination Agent pursuant to this Disclosure Agreement, the Dissemination Agent shall have no duty whatsoever to examine the same to determine whether they conform to the requirements of this Disclosure Agreement.

(b) The Dissemination Agent shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Dissemination Agent unless it shall be proven that the Dissemination Agent engaged in negligent conduct or willful misconduct in ascertaining the pertinent facts related thereto.

(c) The Dissemination Agent shall perform its rights and duties under this Disclosure Agreement using the same standard of care as a prudent person would exercise under the circumstances, and the Dissemination Agent shall not be liable for any action taken or failure to act in good faith under this Disclosure Agreement unless it shall be proven that the Dissemination Agent was negligent or engaged in willful misconduct.

(d) The Dissemination Agent may perform any of its duties hereunder by or through attorneys or agents selected by it with reasonable care, and shall be entitled to the advice of counsel concerning all matters arising hereunder, and may in all cases pay such reasonable compensation as it may deem proper to all such attorneys and agents. The Dissemination Agent shall be responsible for the acts or negligence of any such attorneys, agents or counsel.

(e) The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Authority, the holders of the Series 2025 Forward Delivery Bonds or any other party.

(f) None of the provisions of this Disclosure Agreement or any notice or other document delivered in connection herewith shall require the Dissemination Agent to advance, expend or risk its own funds or otherwise incur financial liability in the performance of any of the Dissemination Agent's duties or rights under this Disclosure Agreement.

(g) Except as expressly provided herein, the Dissemination Agent shall not be required to monitor the compliance of the Authority with the provisions of this Disclosure Agreement or to exercise any remedy, institute a suit or take any action of any kind without indemnification satisfactory to the Dissemination Agent.

(h) The Dissemination Agent may resign at any time by giving at least 90 days prior written notice thereof to the Authority. The Dissemination Agent may be removed for good cause at any time by written notice to the Dissemination Agent from the Authority, provided that such removal shall not become effective until a successor dissemination agent has been appointed by the Authority under this Disclosure Agreement.

(i) In the event the Dissemination Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Dissemination Agent for any reason, the Authority shall promptly appoint a successor. Notwithstanding any provision to the contrary in this Disclosure Agreement or elsewhere, the Authority may appoint itself to serve as Dissemination Agent hereunder.

(j) Any company or other legal entity into which the Dissemination Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Dissemination Agent may be a party or any company to whom the Dissemination Agent may sell or transfer all or substantially all of its agency business shall be the successor dissemination agent hereunder without the execution or filing of any paper or the performance of any further act and shall be authorized to perform all rights and duties imposed upon the Dissemination Agent by this Disclosure Agreement, anything herein to the contrary notwithstanding.

Section 11. Miscellaneous.

(a) Each of the parties hereto represents and warrants to each other party that it has (i) duly authorized the execution and delivery of this Disclosure Agreement by the officers of such party whose signatures appear on the execution pages hereto, (ii) that it has all requisite power and authority to execute, deliver and perform this Disclosure Agreement under applicable law and any resolutions, ordinances, or other actions of such party now in effect, (iii) that the execution and delivery of this Disclosure Agreement, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which such party or its property or assets is bound, and (iv) such party is not aware of any litigation or proceeding pending, or, to the best of such party's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Disclosure Agreement, or its due authorization, execution and delivery of this Disclosure Agreement, or otherwise contesting or questioning the issuance of the Series 2025 Forward Delivery Bonds.

(b) This Disclosure Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida and applicable federal law.

(c) If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

(d) This Disclosure Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

Section 12. Identifying Information. All documents provided to the Repository pursuant to this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 13. Severability. In case any part of this Disclosure Agreement is held to be illegal or invalid, such illegality or invalidity shall not affect the remainder or any other section of this Disclosure Agreement. This Disclosure Agreement shall be construed or enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application of this Disclosure Agreement affect any legal and valid application.

[SIGNATURE PAGES TO FOLLOW]

**SIGNATURE PAGE TO
CONTINUING DISCLOSURE AGREEMENT
JACKSONVILLE TRANSPORTATION AUTHORITY
SENIOR LIEN LOCAL OPTION GAS TAX REFUNDING REVENUE BONDS, SERIES 2025**

IN WITNESS WHEREOF, the Authority and the Dissemination Agent have each caused this Disclosure Agreement to be executed, on the date first written above, by their respective duly authorized officers.

**JACKSONVILLE TRANSPORTATION
AUTHORITY**

By: _____
Debbie Buckland
Chair

**SIGNATURE PAGE TO
CONTINUING DISCLOSURE AGREEMENT
JACKSONVILLE TRANSPORTATION AUTHORITY
SENIOR LIEN LOCAL OPTION GAS TAX REFUNDING REVENUE BONDS, SERIES 2025**

IN WITNESS WHEREOF, the Authority and the Dissemination Agent have each caused this Disclosure Agreement to be executed, on the date first written above, by their respective duly authorized officers.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Dissemination Agent

By: _____
Name: _____
Title: _____

EXHIBIT A

**NOTICE TO REPOSITORY OF THE OCCURRENCE OF
[INSERT THE NOTICE EVENT]**

Relating to

\$_____

**JACKSONVILLE TRANSPORTATION AUTHORITY
SENIOR LIEN LOCAL OPTION GAS TAX REFUNDING REVENUE BONDS,
SERIES 2025**

**Initially Issued on May __, 2025
[**CUSIP NUMBERS**]**

Notice is hereby given by the Jacksonville Transportation Authority (the "Authority"), as an obligated person with respect to the above-referenced bonds, under the Securities and Exchange Commission's Rule 15c2-12, that **[**INSERT THE NOTICE EVENT**]** has occurred. **[**DESCRIBE NOTICE EVENT AND MATERIAL CIRCUMSTANCES RELATED THERETO**]**.

This Notice is based on the best information available to the Authority at the time of dissemination hereof and is not guaranteed by the Authority as to the accuracy or completeness of such information. The Authority will disseminate additional information concerning **[**NOTICE EVENT**]**, as and when such information becomes available to the Authority, to the extent that the dissemination of such information would be consistent with the requirements of Rule 15c2-12 and the Authority's obligation under that certain Continuing Disclosure Agreement dated May __, 2025. **[**Any questions regarding this notice should be directed in writing only to the Authority. However, the Authority will not provide additional information or answer questions concerning [**NOTICE EVENT**] except in future written notices, if any, disseminated by the Authority in the same manner and to the same recipients as this Notice**]**.

DISCLAIMER: All information contained in this Notice has been obtained by the Authority from sources believed to be reliable as of the date hereof. Due to the possibility of human or mechanical error as well as other factors, however, such information is not guaranteed as to the accuracy, timeliness, or completeness. Under no circumstances shall the Authority have any liability to any person or entity for (a) any loss, damage, cost, liability or expense in whole or in part caused by, resulting from or relating to this Notice, including, without limitation, any error (negligent or otherwise) or other circumstances involved in procuring, collecting, compiling, interpreting, analyzing, editing, transcribing, transmitting, communicating or delivering any information contained in this Notice, or (b) any direct, indirect, special, consequential or incidental damages whatsoever related thereto.

Dated: _____

APPENDIX G-1

**FORM OF OPINION OF BOND COUNSEL
RELATING TO THE SERIES 2024 BONDS**

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October __, 2024

Jacksonville Transportation Authority
Jacksonville, Florida**Re: \$_____ Jacksonville Transportation Authority Senior Lien Local
Option Gas Tax Refunding Revenue Bonds, Series 2024**

Members of the Board:

We have served as Bond Counsel in connection with the issuance and sale by the Jacksonville Transportation Authority (the "Authority") of its \$_____ Jacksonville Transportation Authority Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2024 (the "Series 2024 Bonds").

All terms used herein in capitalized form and not otherwise defined herein shall have the same meaning as ascribed to them under the Master Trust Agreement, dated as of January 1, 2015 (the "Master Trust Agreement"), as previously supplemented by that certain Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of January 1, 2015 (the "2015 Supplemental Agreement"), as supplemented by that certain Second Supplement to Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of October 1, 2024 (the "Second Supplement," together with the Master Trust Agreement and the 2015 Supplemental Agreement, the "Trust Agreement"), each between the Authority and Regions Bank, as trustee (the "Trustee"), or as otherwise defined or described in the Series 2024/2025 Revenue Bond Resolution adopted by the governing board of the Authority on September 19, 2024 (the "Bond Resolution").

The description of the Series 2024 Bonds in this opinion and other statements concerning the terms and conditions of the issuance of the Series 2024 Bonds do not purport to set forth all of the terms and conditions of the Series 2024 Bonds or any other document relating to the issuance thereof, but are intended only to identify the Series 2024 Bonds and to describe briefly certain features thereof.

The Series 2024 Bonds are dated the date of their issuance and delivery, have been issued in fully registered form and bear interest from their date of delivery. The Series 2024 Bonds shall finally mature on August 1, 20__.

The Series 2024 Bonds are being issued by the Authority to provide funds, together with other available funds, to (a) purchase, in connection with a tender offer relating to the Series 2015 Bonds (the "Tender Offer"), the portion of the Series 2015 Bonds tendered for purchase pursuant

to the Tender Offer and (b) pay certain costs of issuance in connection with the issuance of the Series 2024 Bonds and the Tender Offer.

The Series 2024 Bonds and the obligations evidenced thereby do not constitute a general debt, liability or obligation of the Authority, or a debt, liability or obligation of the State of Florida or any political subdivision or agency thereof, or a pledge of the faith and credit of the Authority, or the State of Florida or of any political subdivision thereof (other than the Authority), but shall be payable solely out of the Trust Estate (LOGT), which consists primarily of local option gas tax revenues received by the Authority pursuant to the Interlocal Agreement between the City of Jacksonville and the Authority for Local Option Gas Tax, Sales Tax and Constitutional Gas Tax Allocations 2016-2036, dated July 29, 2014 (as amended and supplemented, the “Interlocal Agreement”). Neither the taxing power of the State of Florida nor of any political subdivision or agency thereof is pledged to pay the principal of, or the interest on the Series 2024 Bonds. The Authority has no taxing power.

In rendering the opinions set forth below, we have examined certified copies of the Bond Resolution, the Interlocal Agreement and the Trust Agreement and are relying on the covenants and agreements of the Authority therein, including, without limitation, the covenant of the Authority to comply with the applicable requirements contained in Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable regulations thereunder, to the extent necessary to preserve the exclusion of interest on the Series 2024 Bonds from gross income for federal income tax purposes.

We have also examined certified copies of the proceedings of the Authority, and other proofs submitted to us relative to the issuance and sale by the Authority of the Series 2024 Bonds. In addition to the foregoing, we have examined and relied upon such other agreements and documents, including certificates and representations of public officials, and officers and representatives of various other parties participating in this transaction, as we have deemed relevant and necessary in connection with the opinions set forth below. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in such agreements, certificates, documents, representations and opinions submitted to us and have relied solely on the facts, estimates and circumstances described and set forth therein.

In our examination of the foregoing, we have assumed the genuineness of the signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies. The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal tax laws of the United States of America.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Bond Resolution has been duly adopted and the Trust Agreement and the Interlocal Agreement have been duly authorized and executed by the Authority and each constitutes the valid and binding obligation of the Authority enforceable in accordance with its terms.

2. The Series 2024 Bonds are valid and legally binding special obligations of the Authority, payable solely from the Trust Estate (LOGT) in accordance with the terms and conditions of the Trust Agreement and the Interlocal Agreement.

3. The Bond Purchase Agreement, dated October __, 2024 (the “Bond Purchase Agreement”), between the Authority and Jefferies LLC., on its own behalf and as representative of the underwriters for the Series 2024 Bonds (collectively, the “Underwriters”), related to the Series 2024 Bonds has been duly authorized, executed and delivered by the Authority and constitutes the legal, valid and binding agreement of the Authority, enforceable against the Authority in accordance with its terms.

4. No approval or other action is required to be obtained by the Authority from any governmental authority or agency in connection with the issuance and sale of the Series 2024 Bonds or the execution by the Authority of the Bond Purchase Agreement, the Bond Resolution, the Continuing Disclosure Agreement or the final Official Statement with respect to the Series 2024 Bonds, which has not already been obtained or taken, except that the offer and sale of the Series 2024 Bonds in certain jurisdictions may be subject to compliance with the provisions of the securities or blue sky laws of such jurisdictions (as to which no opinion is given).

5. As of the date hereof, under existing statutes, regulations, rulings and court decisions, interest on the Series 2024 Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax, which is imposed on taxpayers other than corporations.

The opinions expressed in the preceding paragraph are conditioned upon compliance by the Authority with its covenants relating to certain arbitrage rebate and other tax requirements contained in the Code to the extent necessary to preserve the exclusion of interest on the Series 2024 Bonds from gross income for federal income tax purposes. Failure of the Authority to comply with such requirements could cause the Authority interest on the Series 2024 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2024 Bonds.

Other provisions of the Code may give rise to adverse federal income tax consequences to particular Bondholders. The scope of this opinion is limited to matters addressed above and no opinion is to be inferred or implied thereby.

Our opinions expressed herein are predicated upon existing laws and interpretations thereof. We assume no affirmative obligation with respect to any change of circumstances or law that may adversely affect the exclusion from gross income of interest on the Series 2024 Bonds for federal income tax purposes after the date hereof.

All opinions as to legal obligations of the Authority set forth above are subject to and limited by: (a) bankruptcy, insolvency, reorganization, moratorium or similar laws, in each case relating to or affecting the enforcement of creditors' rights, (b) applicable laws or equitable principles that may affect remedies or injunctive or other equitable relief, and (c) other applicable

laws that may affect remedies, but do not, in our opinion, materially impair the practical realization of the benefits or the security of the parties entitled thereto.

This opinion shall not be deemed or treated as an offering circular, prospectus or official statement, and is not intended in any way to be a disclosure document used in connection with the sale or delivery of the Series 2024 Bonds.

We have not been engaged or undertaken to review, confirm or verify and, therefore, express no opinion as to the accuracy, completeness, fairness or sufficiency of any of the statements in the Official Statement relating to the Series 2024 Bonds, including the appendices thereto or other offering material relating to the Series 2024 Bonds (except to the extent stated in the Official Statement). In addition, we have not been engaged to and, therefore, express no opinion as to the compliance by the Authority or the Underwriters with any federal or state statutes, regulation or ruling with respect to the sale or distribution of the Series 2024 Bonds.

NELSON MULLINS RILEY & SCARBOROUGH LLP

APPENDIX G-2

**FORM OF OPINION OF BOND COUNSEL
RELATING TO THE SERIES 2025 FORWARD DELIVERY BONDS**

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_____, 2025

Jacksonville Transportation Authority
Jacksonville, Florida**Re: \$_____ Jacksonville Transportation Authority Senior Lien Local
Option Gas Tax Refunding Revenue Bonds, Series 2025**

Members of the Board:

We have served as Bond Counsel in connection with the issuance and sale by the Jacksonville Transportation Authority (the “Authority”) of its \$_____ Jacksonville Transportation Authority Senior Lien Local Option Gas Tax Refunding Revenue Bonds, Series 2025 (the “Series 2025 Bonds”).

All terms used herein in capitalized form and not otherwise defined herein shall have the same meaning as ascribed to them under the Master Trust Agreement, dated as of January 1, 2015 (the “Master Trust Agreement”), as previously supplemented by that certain Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of January 1, 2015 (the “2015 Supplemental Agreement”), as supplemented by that certain Third Supplement to Supplemental Trust Agreement (Local Option Gas Tax Revenues), dated as of _____ 1, 2025 (the “Third Supplement,” together with the Master Trust Agreement and the 2015 Supplemental Agreement, the “Trust Agreement”), each between the Authority and Regions Bank, as trustee (the “Trustee”), or as otherwise defined or described in the Series 2024/2025 Revenue Bond Resolution adopted by the governing board of the Authority on September 19, 2024 (the “Bond Resolution”).

The description of the Series 2025 Bonds in this opinion and other statements concerning the terms and conditions of the issuance of the Series 2025 Bonds do not purport to set forth all of the terms and conditions of the Series 2025 Bonds or any other document relating to the issuance thereof, but are intended only to identify the Series 2025 Bonds and to describe briefly certain features thereof.

The Series 2025 Bonds are dated the date of their issuance and delivery, have been issued in fully registered form and bear interest from their date of delivery. The Series 2025 Bonds shall finally mature on August 1, 20__..

The Series 2025 Bonds are being issued by the Authority to provide funds, together with other available funds, to (a)refund and defease all of the Series 2015 Bonds that are not

purchased pursuant to the Tender Offer or defeased to maturity and (b) pay certain costs of issuance in connection with the issuance of the Series 2025 Bonds.

The Series 2025 Bonds and the obligations evidenced thereby do not constitute a general debt, liability or obligation of the Authority, or a debt, liability or obligation of the State of Florida or any political subdivision or agency thereof, or a pledge of the faith and credit of the Authority, or the State of Florida or of any political subdivision thereof (other than the Authority), but shall be payable solely out of the Trust Estate (LOGT), which consists primarily of local option gas tax revenues received by the Authority pursuant to the Interlocal Agreement between the City of Jacksonville and the Authority for Local Option Gas Tax, Sales Tax and Constitutional Gas Tax Allocations 2016-2036, dated July 29, 2014 (as amended and supplemented, the “Interlocal Agreement”). Neither the taxing power of the State of Florida nor of any political subdivision or agency thereof is pledged to pay the principal of, or the interest on the Series 2025 Bonds. The Authority has no taxing power.

In rendering the opinions set forth below, we have examined certified copies of the Bond Resolution, the Interlocal Agreement and the Trust Agreement and are relying on the covenants and agreements of the Authority therein, including, without limitation, the covenant of the Authority to comply with the applicable requirements contained in Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable regulations thereunder, to the extent necessary to preserve the exclusion of interest on the Series 2025 Bonds from gross income for federal income tax purposes.

We have also examined certified copies of the proceedings of the Authority, and other proofs submitted to us relative to the issuance and sale by the Authority of the Series 2025 Bonds. In addition to the foregoing, we have examined and relied upon such other agreements and documents, including certificates and representations of public officials, and officers and representatives of various other parties participating in this transaction, as we have deemed relevant and necessary in connection with the opinions set forth below. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in such agreements, certificates, documents, representations and opinions submitted to us and have relied solely on the facts, estimates and circumstances described and set forth therein.

In our examination of the foregoing, we have assumed the genuineness of the signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies. The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal tax laws of the United States of America.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Bond Resolution has been duly adopted and the Trust Agreement and the Interlocal Agreement have been duly authorized and executed by the Authority and each constitutes the valid and binding obligation of the Authority enforceable in accordance with its terms.

2. The Series 2025 Bonds are valid and legally binding special obligations of the Authority, payable solely from the Trust Estate (LOGT) in accordance with the terms and conditions of the Trust Agreement and the Interlocal Agreement.

3. The Bond Purchase Agreement, dated _____, 2025 (the “Bond Purchase Agreement”), between the Authority and Jefferies LLC., on its own behalf and as representative of the underwriters for the Series 2025 Bonds (collectively, the “Underwriters”), related to the Series 2025 Bonds has been duly authorized, executed and delivered by the Authority and constitutes the legal, valid and binding agreement of the Authority, enforceable against the Authority in accordance with its terms.

4. No approval or other action is required to be obtained by the Authority from any governmental authority or agency in connection with the issuance and sale of the Series 2025 Bonds or the execution by the Authority of the Bond Purchase Agreement, the Bond Resolution, the Continuing Disclosure Agreement or the final Official Statement with respect to the Series 2025 Bonds, which has not already been obtained or taken, except that the offer and sale of the Series 2025 Bonds in certain jurisdictions may be subject to compliance with the provisions of the securities or blue sky laws of such jurisdictions (as to which no opinion is given).

5. As of the date hereof, under existing statutes, regulations, rulings and court decisions, interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax, which is imposed on taxpayers other than corporations.

The opinions expressed in the preceding paragraph are conditioned upon compliance by the Authority with its covenants relating to certain arbitrage rebate and other tax requirements contained in the Code to the extent necessary to preserve the exclusion of interest on the Series 2025 Bonds from gross income for federal income tax purposes. Failure of the Authority to comply with such requirements could cause the Authority interest on the Series 2025 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2025 Bonds.

Other provisions of the Code may give rise to adverse federal income tax consequences to particular Bondholders. The scope of this opinion is limited to matters addressed above and no opinion is to be inferred or implied thereby.

Our opinions expressed herein are predicated upon existing laws and interpretations thereof. We assume no affirmative obligation with respect to any change of circumstances or law that may adversely affect the exclusion from gross income of interest on the Series 2025 Bonds for federal income tax purposes after the date hereof.

All opinions as to legal obligations of the Authority set forth above are subject to and limited by: (a) bankruptcy, insolvency, reorganization, moratorium or similar laws, in each case relating to or affecting the enforcement of creditors' rights, (b) applicable laws or equitable principles that may affect remedies or injunctive or other equitable relief, and (c) other applicable

laws that may affect remedies, but do not, in our opinion, materially impair the practical realization of the benefits or the security of the parties entitled thereto.

This opinion shall not be deemed or treated as an offering circular, prospectus or official statement, and is not intended in any way to be a disclosure document used in connection with the sale or delivery of the Series 2025 Bonds.

We have not been engaged or undertaken to review, confirm or verify and, therefore, express no opinion as to the accuracy, completeness, fairness or sufficiency of any of the statements in the Official Statement relating to the Series 2025 Bonds, including the appendices thereto or other offering material relating to the Series 2025 Bonds (except to the extent stated in the Official Statement). In addition, we have not been engaged to and, therefore, express no opinion as to the compliance by the Authority or the Underwriters with any federal or state statutes, regulation or ruling with respect to the sale or distribution of the Series 2025 Bonds.

NELSON MULLINS RILEY & SCARBOROUGH LLP

APPENDIX H

DTC AND THE BOOK-ENTRY ONLY SYSTEM

General

The following information concerning DTC and DTC's book-entry system has been obtained from DTC and neither the Authority nor the Underwriters make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Refunding Bonds. The Refunding Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Refunding Bond certificate will be issued for each maturity of the Refunding Bonds as set forth on the inside front cover page of this Official Statement, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants," and together with the Direct Participants, the "Participants"). The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Refunding Bonds on DTC's records, as appropriate. The ownership interest of each actual purchaser of each Refunding Bond ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Refunding Bonds are to be accomplished by entries made

on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Refunding Bonds, except in the event that use of the book-entry system for the Refunding Bonds is discontinued.

To facilitate subsequent transfers, all Refunding Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Refunding Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Refunding Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Refunding Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Refunding Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Refunding Bonds, such as redemptions, tenders, defaults, and proposed amendments to the documents relating to the Refunding Bonds. For example, Beneficial Owners of Refunding Bonds may wish to ascertain that the nominee holding the Refunding Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Refunding Bonds within a series or maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Refunding Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Refunding Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Refunding Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Bond Registrar on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Refunding Bonds, as applicable,

to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority and/or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as depository with respect to the Refunding Bonds at any time by giving reasonable notice to Authority or Bond Registrar. Under such circumstances, in the event that a successor depository is not obtained, Refunding Bonds certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Refunding Bonds certificates will be printed and delivered to DTC.

Disclaimer

Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to Beneficial Owners of the Refunding Bonds by participants of DTC will be the responsibility of such participants and other nominees of such Beneficial Owners. The Authority, the Bond Registrar and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

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JACKSONVILLE
TRANSPORTATION
AUTHORITY



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APPENDIX B

FORM OF PRICING NOTICE

PRICING NOTICE

**RELATING TO THE
INVITATION TO TENDER BONDS DATED SEPTEMBER 23, 2024
made by the
JACKSONVILLE TRANSPORTATION AUTHORITY
to the Bondowners described herein of
all or any portion of the maturities listed on page 2 hereof**

**Jacksonville Transportation Authority
Senior Lien Local Option Gas Tax Revenue Bonds
Series 2015**

(Base CUSIP: 469494)

The purpose of this Pricing Notice dated September 30, 2024 (the “Pricing Notice”) is to set forth the Offer Purchase Prices for the Target Bonds. All other terms used herein and not otherwise defined are used as defined in the Invitation (hereinafter defined).

Pursuant to the Invitation to Tender Bonds dated September 23, 2024 (as it may be amended or supplemented, the “**Invitation**”), the Jacksonville Transportation Authority (the “**Authority**”) invited Bondowners to tender Target Bonds for cash at the applicable Offer Purchase Prices set forth in this Pricing Notice plus Accrued Interest on the Target Bonds tendered for purchase to but not including the Settlement Date. See Section 2, “Information to Bondowners” in the Invitation.

As set forth in the Invitation, the Authority retains the right to extend the Tender Offer, or amend the terms of the Tender Offer (including a waiver of any term) in any material respect, provided, that the Authority shall provide notice thereof at such time and in such manner to allow reasonable time for dissemination to Bondowners and for Bondowners to respond. In such event, any offers submitted with respect to the affected Target Bonds prior to such change pursuant to the Invitation will remain in full force and effect and any Bondowner of such affected Target Bonds, as applicable, wishing to revoke their offer to tender such Target Bonds for purchase must affirmatively withdraw such offer prior to the Expiration Date, as extended. See Section 8, “Withdrawals of Offers Prior to Expiration Date; Irrevocability of Offers on Expiration Date” in the Invitation.

The Invitation, including the Refunding Bonds POS is available: (i) at the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website, currently located at <http://emma.msrb.org>, using the CUSIP numbers for the Target Bonds, and (ii) on the website of the Information Agent and Tender Agent at <https://www.globic.com/jta>.

Any questions are to be directed to the Information Agent and Tender Agent at (212) 227-9622.

TENDER OFFER –OFFER PURCHASE PRICES

Pursuant to the Invitation, the Offer Purchase Prices for the Target Bonds are listed below. [*The Authority has increased/reduced the Offer Purchase Prices for some of/all of the Target Bonds listed below compared to the Indicative Offer Purchase Prices listed on page (i) of the Invitation.*]

Jacksonville Transportation Authority Senior Lien Local Option Gas Tax Revenue Bonds Series 2015*

CUSIP ⁽¹⁾ (Base No. 469494)	Maturity Date (August 1)	Par Call Date	Interest Rate (%)	Outstanding Principal Amount	Offer Purchase Price ⁽²⁾
AK4	2026	8/1/2025	5.000	\$4,565,000	
AL2	2027	8/1/2025	5.000	4,790,000	
AM0	2028	8/1/2025	5.000	5,030,000	
AN8	2029	8/1/2025	5.000	5,285,000	
AP3	2030	8/1/2025	5.000	5,550,000	
AQ1	2031	8/1/2025	5.000	5,825,000	
AR9	2032	8/1/2025	5.000	6,115,000	
AS7	2033	8/1/2025	5.000	6,420,000	
AT5	2034	8/1/2025	5.000	6,745,000	
AU2	2035	8/1/2025	5.000	7,080,000	
AV0	2036	8/1/2025	5.000	7,435,000	

- 1 CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are being provided solely for the convenience of the owners of the Target Bonds and the Authority is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.
- 2 The Offer Purchase Prices shown herein exclude Accrued Interest. Accrued Interest on the Target Bonds tendered and accepted for purchase will be paid by the Authority to but not including the Settlement Date in addition to the applicable Purchase Price.
- * **It is expected that Unpurchased Bonds (as defined in the Invitation) will remain outstanding until the issuance of the 2025 Forward Delivery Bonds (as defined in the Invitation). Upon the issuance of the 2025 Forward Delivery Bonds, expected on or about May 7, 2025, any Unpurchased Bonds will be legally defeased to and subsequently redeemed on their first optional redemption date of August 1, 2025 at a price of 100% of the principal amount thereof plus accrued interest to the redemption date, as described in the Invitation and in the Refunding Bonds POS.**